

Unless otherwise stated, all abbreviations and defined names or expressions contained in this Abridged Prospectus ("AP") are defined in the Definitions section of this AP.

THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold/transferred all your ordinary shares in L&G, you should at once hand this AP together with the NPA and the RSF to the agent through whom you effected the sale/transfer for onward transmission to the purchaser/transferee. All enquiries concerning the Rights Issue of ICULS, which is the subject of this AP should be addressed to our ICULS Registrar, namely Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor.

These Documents are only despatched to our Entitled Shareholders, who have a registered address in Malaysia in the records of Bursa Depository or who have provided our ICULS Registrar with a registered address in Malaysia in writing not later than 5.00 p.m. on 29 August 2013. The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue of ICULS will not be made or offered or deemed to be made or offered for purchase or subscription, in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue of ICULS to which this AP relates is only available to persons receiving the Documents electronically or otherwise within Malaysia. No action has been or will be taken to ensure that the Rights Issue of ICULS and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of our Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia to consult their legal or other professional advisers as to whether the acceptance or renunciation of all or any part of the Rights ICULS to be issued under the Rights Issue of ICULS would result in the contravention of any laws of such countries or jurisdictions. Such shareholders should note the additional terms and restrictions as set out in Section 13 of this AP. Neither L&G, PIVB nor any other advisers to the Rights Issue of ICULS shall accept any responsibility or liability in the event that any acceptance or sale/transfer of the provisional allotment of the Rights ICULS made by our Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which our Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) are residents.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue of ICULS or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Our shareholders have approved, amongst others, the Rights Issue of ICULS at the Extraordinary General Meeting held on 31 July 2013. Bursa Securities has also granted its approval for, amongst others, the admission of the ICULS to the Official List of Main Market of Bursa Securities and the listing of and quotation for the ICULS and up to 598,304,530 new L&G Shares to be issued arising from the full conversion of the ICULS on the Main Market of Bursa Securities on 27 June 2013. However, this is not an indication that Bursa Securities recommends the Rights Issue of ICULS. Admission of the ICULS to the Official List of Main Market of Bursa Securities and the listing of and quotation for the ICULS and the new L&G Shares to be issued arising from the full conversion of the ICULS on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of ICULS.

The official listing of and quotation for the said securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the Central Depository System accounts of our Entitled Shareholders and/or their renouneece(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Directors have seen and approved all the documentation relating to the Rights Issue of ICULS. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

THERE ARE CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER. PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 9 OF THIS AP.

PIVB, being our Adviser for the Rights Issue of ICULS, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue of ICULS.



LAND & GENERAL BERHAD

(Company No. 5507-H)

(Incorporated in Malaysia under the Companies Ordinances, 1940-1946)

RENOUNCEABLE RIGHTS ISSUE OF RM77,779,589 NOMINAL VALUE OF FIVE (5)-YEAR, 1%, IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") AT 100% OF THE NOMINAL VALUE OF RM0.13 EACH ON THE BASIS OF RM0.13 NOMINAL VALUE OF THE ICULS FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF RM0.20 EACH IN L&G HELD AT 5.00 P.M. ON 29 AUGUST 2013

Adviser



PUBLIC INVESTMENT BANK BERHAD (20027-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)
(Wholly-Owned Subsidiary of Public Bank Berhad)

Trustee



Pacific Trustees (317001-A)
Berhad
The Trust Company

IMPORTANT RELEVANT DATES AND TIME

Entitlement date	:	Thursday, 29 August 2013 at 5.00 p.m.
Last date and time for:		
Sale of provisional allotment of rights	:	Thursday, 5 September 2013 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Tuesday, 10 September 2013 at 4.00 p.m.
Acceptance and payment	:	Friday, 13 September 2013 at 5.00 p.m. *
Excess application and payment	:	Friday, 13 September 2013 at 5.00 p.m. *

* or such later date and time as our Board of Directors may decide and announce not less than two (2) Market Days before the stipulated date and time.

This AP is dated 29 August 2013

BURSA SECURITIES HAS APPROVED, AMONGST OTHERS, THE ADMISSION OF THE ICULS TO THE OFFICIAL LIST OF MAIN MARKET OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR THE ICULS AND UP TO 598,304,530 NEW L&G SHARES TO BE ISSUED ARISING FROM THE FULL CONVERSION OF THE ICULS ON THE MAIN MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE OF ICULS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THESE DOCUMENTS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

THE INCLUSION OF THE VALUATION CERTIFICATE FOR THE ACQUISITION IN THIS AP SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE OFFICE BUILDING.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 (“CMSA”).

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following words and abbreviations shall apply throughout this AP and shall have the following meanings:

Acquisition	:	Acquisition of the Office Building by MDSB from MASB at the Purchase Consideration
Act	:	Companies Act, 1965
Adviser or PIVB	:	Public Investment Bank Berhad (20027-W)
Agreements	:	The MSA, the SPAs and the DMCs, collectively
Announcement	:	Announcement dated 9 April 2013 in relation to the Corporate Exercises
AP	:	This abridged prospectus dated 29 August 2013
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of L&G
Building	:	The building to be erected under the Project, comprising, amongst others, the Office Building, commercial area, hotel and car park area
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CDS	:	Central Depository System
CMSA	:	Capital Markets and Services Act, 2007
Code	:	Malaysian Code on Take-Overs and Mergers 2010
Corporate Exercises	:	The Rights Issue of ICULS and the Acquisition, collectively
Director(s)	:	Director(s) of L&G and pursuant to Paragraph 10.02 of the Listing Requirements, director(s) shall have the meaning given in Section 2(1) of the CMSA and include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon: <ul style="list-style-type: none"> (i) a director of the listed corporation, its subsidiary or holding company; or (ii) a chief executive of the listed corporation, its subsidiary or holding company
DMC(s)	:	Deed of mutual covenant(s) dated 9 April 2013 entered between MASB and MDSB for each Office Parcel in respect of the agreements for the mutual benefit of MASB and MDSB as well as the other owners of the Project
Documents	:	AP, NPA and RSF, collectively
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Shareholders of L&G whose names appear on the Record of Depositors on the Entitlement Date, who shall be entitled to participate in the Rights Issue of ICULS

DEFINITIONS (Cont'd)

Entitlement Date	:	5.00 p.m. on 29 August 2013, being the date and time on which our shareholders must be registered on the Record of Depositors in order to participate in the Rights Issue of ICULS
EPS	:	Earnings per share
FPE	:	Financial period ended
FYE	:	Financial year ended/ending
Guidelines on PDS	:	Guidelines on PDS issued by the SC
ICULS	:	Five (5)-year, 1%, irredeemable convertible unsecured loan stocks
Interested Directors	:	Mr Low Gay Teck, Ms Wing Kwan Winnie Chiu and Mr Hoong Cheong Thard, collectively
Irrevocable Undertaking	:	The written irrevocable undertaking dated 15 April 2013 provided by MPSB that it will subscribe for an aggregate amount of up to RM77,779,589 nominal value of the Rights ICULS pursuant to the Rights Issue of ICULS
L&G or our Company	:	Land & General Berhad (5507-H)
L&G Group or our Group	:	Our Company and our subsidiaries, collectively
L&G Share(s) or Share(s)	:	Ordinary share(s) of RM0.20 each in our Company
Land	:	The parcel of freehold land, measuring approximately 67,845 sq. ft., held under Geran 825, Lot No. 3, Presint 3, town and district of Putrajaya, state of Wilayah Persekutuan Putrajaya
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	The latest practicable date prior to the despatch of this AP, being 5 August 2013
Major Shareholder(s)	:	Any person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation or, 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation, as defined in Chapter 1 of the Listing Requirements
		For the purpose of this definition, “ interest in shares ” shall have the meaning given in Section 6A of the Act
Market Day(s)	:	Any day between Monday and Friday which is not a public holiday and on which Bursa Securities is open for trading in securities
Market Value	:	The market value of the Office Building of average RM575 per sq. ft. or equivalent to approximately RM76,300,000 (based on the NLA of 132,687 sq. ft.) appraised by the independent registered valuer, PA International appointed by L&G via its valuation report dated 4 March 2013
MASB	:	Mayland Avenue Sdn Bhd (796032-U), a wholly-owned subsidiary of MLP

DEFINITIONS (Cont'd)

Maturity Date	:	The last Market Day prior to the fifth (5th) anniversary of the date of issue of the ICULS
Maximum Scenario	:	The scenario that assumes: <ul style="list-style-type: none"> (a) the Rights ICULS are fully subscribed by our Entitled Shareholders and/or renouncee(s)/transferee(s); and (b) the RM77,779,589 nominal value of the ICULS issued pursuant to the Rights Issue of ICULS are all converted into 598,304,530 new L&G Shares by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for one (1) new L&G Share
MDSB	:	Maple Domain Sdn Bhd (876778-T), a wholly-owned subsidiary of L&G
Minimum Scenario	:	The scenario that assumes: <ul style="list-style-type: none"> (a) the Rights ICULS are fully subscribed by MPSB pursuant to the Irrevocable Undertaking; and (b) the RM77,779,589 nominal value of the ICULS issued pursuant to the Rights Issue of ICULS are all converted into 299,152,265 new L&G Shares by surrendering RM0.26 nominal value of ICULS for one (1) new L&G Share
MLP	:	Malaysia Land Properties Sdn Bhd (334713-X)
MPSB	:	Mayland Parkview Sdn Bhd (566816-V), a wholly-owned subsidiary of MLP
MSA	:	Master sale agreement dated 9 April 2013 entered between MDSB and MASB in respect of the Acquisition
NA	:	Net assets
NLA	:	Net lettable area
NPA	:	Notice of Provisional Allotment in relation to the Rights Issue of ICULS
Office Building	:	One (1) block of thirteen (13)-storey stratified office floors being constructed over the Land which forms part of the Project
Office Parcel(s)	:	The entire office floor situated at each level of the Office Building
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
PA International	:	PA International Property Consultants (KL) Sdn Bhd (748916-W)
PAC(s)	:	Person(s) acting in concert with MPSB in relation to the mandatory take-over offer obligation pursuant to the Code
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PDS	:	Private debt securities

DEFINITIONS (Cont'd)

Project	:	The commercial development project developed by MASB on the Land, comprising of: <ul style="list-style-type: none"> (i) one (1) tower block with the Office Building and a two (2)-storey commercial space; (ii) two (2) blocks of podium with a four (4)-storey commercial space and a seven (7)-storey hotel (215 rooms); and (iii) two (2)-storey car park in basement 1 and 2
Provisional Rights ICULS	:	Rights ICULS provisionally allotted to our Entitled Shareholders pursuant to the Rights Issue of ICULS
Purchase Consideration	:	Total cash consideration of RM72,485,000, being the purchase consideration for the Acquisition
Record of Depositors	:	A record of security holders established and maintained by Bursa Depository
Rights ICULS	:	The ICULS to be issued pursuant to the Rights Issue of ICULS
Rights Issue of ICULS	:	Renounceable rights issue of RM77,779,589 nominal value of ICULS at 100% of the nominal value of RM0.13 each on the basis of RM0.13 nominal value of the ICULS for every one (1) existing L&G Share held on the Entitlement Date
RM and sen	:	Ringgit Malaysia and sen, respectively
RSF	:	Rights Subscription Form in relation to the Rights Issue of ICULS
SC	:	Securities Commission Malaysia
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SPA(s)	:	Definitive sale and purchase agreement(s) dated 9 April 2013 entered between MDSB and MASB in respect of each Office Parcel pursuant to the Acquisition.
Sq. ft.	:	Square feet
Sq. m.	:	Square meter
Substantial Shareholder(s)	:	Any person who has an interest or interests in one or more voting shares in our Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than five per cent (5%) of the aggregate of the nominal amounts of all the voting shares in our Company, as defined in Section 69D of the Act
Trust Deed	:	The document constituting the ICULS executed between our Company and the Trustee who acts for the benefit of the holders of the ICULS to be issued pursuant to the Rights Issue of ICULS
Trustee or Pacific Trustees	:	Pacific Trustees Berhad (317001-A)
VWAMP	:	Volume weighted average market price

DEFINITIONS (Cont'd)

All references to “our Company” or “the Company” in this AP are made to L&G. References to “our Group” or “the L&G Group” or “the Group” are to our Company and our subsidiaries, collectively. References to “we”, “us”, “our” and “ourselves” are to our Company and save where the context otherwise requires, shall include our subsidiaries. All references to “you” in this AP are to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of a day in this AP shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancy in the tables between the amounts listed and the totals in this AP are due to rounding.

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CORPORATE DIRECTORY

**LAND & GENERAL BERHAD**

(Company No. 5507-H)

(Incorporated in Malaysia under the Companies Ordinances, 1940-1946)

BOARD OF DIRECTORS

Name	Address	Designation	Profession	Nationality
Dato' Hj Zainal Abidin Putih	No. 70, Jalan Bruas Damansara Heights 50490 Kuala Lumpur	Independent Non-Executive Chairman	Company Director	Malaysian
Low Gay Teck	3, Lorong Chelagi Damansara Heights 50490 Kuala Lumpur	Managing Director Non-Independent Executive Director	Company Director	Malaysian
Ferdaus Mahmood	68, Jalan BU 4/5 Bandar Utama 47800 Petaling Jaya Selangor	Executive Director Non-Independent Executive Director	Company Director	Malaysian
Dato' Ir Dr A Bakar Jaafar	2A, Jalan Menara Satu (U8/5A) Bukit Jelutong 40150 Shah Alam Selangor	Senior Independent Non-Executive Director	Company Director	Malaysian
Dato' Hj Ikhwan Salim Dato' Hj Sujak	No. 126, Jalan Athinahapan 1 Taman Tun Dr. Ismail 60000 Kuala Lumpur	Independent Non-Executive Director	Company Director	Malaysian
YM Tengku Maruan Tengku Ariff	84, Jalan Leong Yew Koh Taman Tun Dr Ismail 60000 Kuala Lumpur	Independent Non-Executive Director	Company Director	Malaysian
Wing Kwan Winnie Chiu	11-1-1, Menara Hartamas Condo Jalan Sri Hartamas 3 Sri Hartamas 50480 Kuala Lumpur	Non-Independent Non-Executive Director	Company Director	Permanent Resident of Malaysia
Hoong Cheong Thard	66, Lorong Kurau Satu Taman Chai Leng 13700 Perai Pulau Pinang	Non-Independent Non-Executive Director	Company Director	Malaysian

CORPORATE DIRECTORY (Cont'd)**AUDIT COMMITTEE**

Name	Designation	Directorship
Dato' Hj Ikhwan Salim Dato' Hj Sujak	Chairman	Independent Non-Executive Director
Dato' Ir Dr A Bakar Jaafar	Member	Senior Independent Non-Executive Director
Hoong Cheong Thard	Member	Non-Independent Non-Executive Director

COMPANY SECRETARIES

: Wong Wai Foong (MAICSA 7001358)
 Lim Poh Yen (MAICSA 7009745)
 Tricor Corporate Services Sdn Bhd
 Level 18, The Gardens North Tower
 Mid Valley City, Lingkaran Syed Putra
 59200 Kuala Lumpur
 Tel: 03-2264 8888
 Fax: 03-2282 2733 / 03-2264 8997

Lee Siw Yeng (MAICSA 7048942)
 8trium, Level 21 Menara 1
 Jalan Cempaka SD 12/5
 Bandar Sri Damansara
 52200 Kuala Lumpur
 Tel: 03-6279 8000 / 03-6275 7788
 Fax: 03-6277 7061

REGISTERED OFFICE

: 8trium, Level 21 Menara 1
 Jalan Cempaka SD 12/5
 Bandar Sri Damansara
 52200 Kuala Lumpur
 Tel: 03-6279 8000 / 03-6275 7788
 Fax: 03-6277 7061

HEAD OFFICE

: 8trium, Level 21 Menara 1
 Jalan Cempaka SD 12/5
 Bandar Sri Damansara
 52200 Kuala Lumpur
 Tel: 03-6279 8000 / 03-6275 7788
 Fax: 03-6277 7061
 E-mail: lgb@land-general.com
 Website: www.land-general.com

AUDITORS

: Ernst & Young (AF 0039)
 Chartered Accountants
 Level 23A Menara Milenium
 Jalan Damanlela
 Pusat Bandar Damansara
 50490 Kuala Lumpur
 Tel: 03-7495 8000
 Fax: 03-2095 5332

CORPORATE DIRECTORY (Cont'd)

- REPORTING ACCOUNTANTS : Siew Boon Yeong & Associates (*AF 0660*)
Chartered Accountants
9-C, Jalan Medan Tuanku
Medan Tuanku
50300 Kuala Lumpur
Tel: 03-2693 8837
Fax: 03-2693 8836
- DUE DILIGENCE SOLICITORS : Jeff Leong, Poon & Wong
B-11-8, Level 11
Megan Avenue II
Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2166 3225
Fax: 03-2166 3227
- PRINCIPAL BANKERS : Public Bank Berhad (*6463-H*)
Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2176 6000
Fax: 03-2163 9917
- OCBC Bank (Malaysia) Berhad (*295400-W*)
Menara OCBC
18, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2034 5034
Fax: 03-2698 4363
- CIMB Bank Berhad (*13491-P*)
10th Floor, Bangunan CIMB
Jalan Semantan Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 8888
Fax: 03-2084 9888
- ICULS REGISTRAR AND PAYING AGENT : Symphony Share Registrars Sdn Bhd (*378993-D*)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Helpdesk Tel: 03-7849 0777
Fax: 03-7841 8151/8152
- ADVISER : Public Investment Bank Berhad (*20027-W*)
25th Floor, Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2166 9382
Fax: 03-2166 9386

CORPORATE DIRECTORY (Cont'd)

- INDEPENDENT REGISTERED VALUER : PA International Property Consultants (KL) Sdn Bhd (748916-W)
29A & 31A, Jalan 52/1
Petaling Jaya New Town
46200 Petaling Jaya
Selangor
Tel: 03-7958 5933
Fax: 03-7957 5933
- TRUSTEE : Pacific Trustees Berhad (317001-A)
Unit A-9-8, 9th Floor
Megan Avenue 1
No. 189, Jalan Tun Razak
Off Persiaran Hampshire
50400 Kuala Lumpur
Tel: 03-2166 8830
Fax: 03-2166 3830
- STOCK EXCHANGE LISTED AND LISTING SOUGHT : Main Market of Bursa Securities

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LAND & GENERAL BERHAD

(Company No. 5507-H)

(Incorporated in Malaysia under the Companies Ordinances, 1940-1946)

Registered Office:

8trium, Level 21 Menara 1
Jalan Cempaka SD 12/5
Bandar Sri Damansara
52200 Kuala Lumpur

29 August 2013

Board of Directors:

Dato' Hj Zainal Abidin Putih (*Independent Non-Executive Chairman*)
Low Gay Teck (*Managing Director, Non-Independent Executive Director*)
Ferdaus Mahmood (*Executive Director, Non-Independent Executive Director*)
Dato' Ir Dr A Bakar Jaafar (*Senior Independent Non-Executive Director*)
Dato' Hj Ikhwan Salim Dato' Hj Sujak (*Independent Non-Executive Director*)
YM Tengku Maruan Tengku Ariff (*Independent Non-Executive Director*)
Wing Kwan Winnie Chiu (*Non-Independent Non-Executive Director*)
Hoong Cheong Thard (*Non-Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF RM77,779,589 NOMINAL VALUE OF FIVE (5)-YEAR, 1%, ICULS AT 100% OF THE NOMINAL VALUE OF RM0.13 EACH ON THE BASIS OF RM0.13 NOMINAL VALUE OF THE ICULS FOR EVERY ONE (1) EXISTING L&G SHARE HELD AT 5.00 P.M. ON 29 AUGUST 2013

1. INTRODUCTION

Our Board is pleased to inform you that our shareholders had approved the Rights Issue of ICULS and the Acquisition at our Company's EGM held on 31 July 2013.

A certified true extract of the resolutions pertaining to the Corporate Exercises passed at the said EGM is attached in **Appendix I** of this AP.

On 17 June 2013, PIVB had, on our behalf, announced that the SC had vide its letter dated 17 June 2013, granted its approval for the issuance of the ICULS pursuant to the Rights Issue of ICULS under subsection 214(1) of the CMSA.

The approval granted by the SC is subject to the following conditions:

Conditions imposed		Status of compliance
(a)	Prior to the issuance of the ICULS, PIVB is required to submit a checklist of compliance with the standard conditions and continuing obligations as stipulated in the Guidelines on PDS and any other condition imposed in any other letter issued in connection with the Rights Issue of ICULS.	To be met
(b)	The provisions under the CMSA, guidelines, notices and circulars issued or administered by the SC are an integral part of the SC's approval and must be complied with. PIVB and our Company are reminded that any contravention or non-compliance with any approval condition will be subject to enforcement actions by the SC as provided under the CMSA.	Noted

On 28 June 2013, PIVB, had on our behalf, announced that Bursa Securities had vide its letter dated 27 June 2013, granted its approval for the admission of the ICULS to the Official List of Main Market of Bursa Securities and the listing of and quotation for the ICULS and up to 598,304,530 new L&G Shares to be issued arising from the full conversion of the ICULS on the Main Market of Bursa Securities.

The approval granted by Bursa Securities is subject to the following conditions:

Conditions imposed		Status of compliance
(a)	L&G and PIVB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Corporate Exercises.	Noted
(b)	L&G and PIVB to inform Bursa Securities upon the completion of the Corporate Exercises.	To be met
(c)	L&G to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Corporate Exercises are completed.	To be met
(d)	L&G to furnish Bursa Securities on a quarterly basis, a summary of the total number of shares listed pursuant to the conversion of the ICULS as at the end of each quarter together with a detailed computation of listing fees payable.	To be met
(e)	To incorporate the comments made in the circular to our shareholders dated 16 July 2013 provided in the attachment of the Bursa Securities' letter of approval.	Met
(f)	L&G to furnish Bursa Securities with a copy of the approval letter from the SC (PDS) for the issuance of the ICULS.	Met

The official listing of and quotation for the ICULS and the new L&G Shares to be issued arising from the full conversion of the ICULS will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS accounts of our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

On 15 August 2013, PIVB, had on our behalf, announced that the Entitlement Date, which our shareholders must be registered on the Record of Depositors in order to participate in the Rights Issue of ICULS, has been fixed at 5.00 p.m. on 29 August 2013.

No person is authorised to give any information or to make any representation not contained herein in connection with the Rights Issue of ICULS, and if given or made, such information or representation must not be relied upon as having been authorised by us or PIVB.

IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE OF ICULS

2.1 Introduction

In accordance with the terms of the Rights Issue of ICULS as approved by the relevant authorities and our shareholders at the EGM on 31 July 2013 and subject to the terms of the Documents, our Company will provisionally allot RM77,779,589 nominal value of five (5)-year, 1%, ICULS at 100% of the nominal value of RM0.13 each on the basis of RM0.13 nominal value of the ICULS for one (1) existing L&G Share held on the Entitlement Date.

The Rights Issue of ICULS will be undertaken on a full subscription basis of RM77,779,589 nominal value of the ICULS pursuant to the Irrevocable Undertaking by MPSB. For further details of the Irrevocable Undertaking, kindly refer to Section 4 of this AP.

As an Entitled Shareholder, you will find enclosed with this AP:

- (i) the NPA in respect of the number of Rights ICULS provisionally allotted to you, for which you are entitled to subscribe under the terms of the Rights Issue of ICULS; and
- (ii) the RSF which is to be used for the acceptance of the Rights ICULS provisionally allotted to you, and for the application of any Rights ICULS pursuant to the excess Rights ICULS application, should you wish to do so.

You can fully or partially subscribe and/or renounce your entitlements for the Rights ICULS provisionally allotted to you. In addition to taking up your respective entitlements under the Rights Issue of ICULS, you may also apply for the excess Rights ICULS under the excess Rights ICULS application. It is the intention of our Board to allot the excess Rights ICULS, if any, in a fair and equitable manner as further set out in Section 13.3 of this AP.

The Rights ICULS which are renounced, not validly taken up or are not allotted for any reason whatsoever, will first be made available for the excess Rights ICULS application by our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable). After which, any remaining unsubscribed Rights ICULS will be subscribed by MPSB pursuant to the Irrevocable Undertaking.

Any dealing in our Company's securities will be subject to, amongst others, the provision of the SICDA, the Rules of Bursa Depository and any other relevant legislation. The Rights ICULS will be credited directly into the respective CDS accounts of our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who have successfully subscribed for such Rights ICULS. No physical loan stock certificates will be issued.

The Rights ICULS to be issued pursuant to the Rights Issue of ICULS will be listed and quoted on the Main Market of Bursa Securities within two (2) Market Days upon the receipt of the application for quotation of the Rights ICULS by Bursa Securities as specified under the Listing Requirements.

Our Company shall despatch notices of allotment to the successful applicants within eight (8) Market Days from the last date for acceptance and payment for the Rights ICULS or such other period as may be prescribed by Bursa Securities.

2.2 Basis and justification in arriving at the issue price of the Rights ICULS and the conversion price of the ICULS

The Rights ICULS will be issued at 100% of the nominal value of RM0.13 each. The conversion price of the ICULS of RM0.26 for one (1) new L&G Share was arrived at after taking into consideration, amongst others, the following:

- (i) par value of L&G Shares of RM0.20 each;
- (ii) five (5)-day VWAMP of the L&G Shares up to and including 8 April 2013, being the last practicable day immediately prior to the Announcement, of RM0.4290 per L&G Share;

- (iii) the range of discount given for recent rights issue exercises undertaken by public companies listed on Bursa Securities; and
- (iv) the quantum of the gross proceeds to be raised for the funding requirements of the Acquisition, working capital and estimated expenses relating to the Corporate Exercises as set out in Section 7 of this AP.

For illustrative purposes, the conversion price of the ICULS of RM0.26 represents:

- (i) a discount of approximately RM0.11 or 29.73% over the theoretical ex-rights price of RM0.37 per L&G Share, calculated based on the five (5)-day VWAMP of the L&G Shares up to and including 8 April 2013, being the last practicable day immediately prior to the Announcement, of RM0.4290 per L&G Share; and
- (ii) a discount of approximately RM0.14 or 35.00% over the theoretical ex-rights price of RM0.40 per L&G Share, calculated based on the five (5)-day VWAMP of the L&G Shares up to and including the LPD of RM0.4720 per L&G Share.

The discount of the conversion price over the theoretical ex-rights price will also provide our Entitled Shareholders with an attractive opportunity to subscribe for their entitlements and at the same time, raise sufficient funds for the purpose of the Acquisition and to defray the expenses incidental to the Corporate Exercises.

As set out in the terms of the ICULS and based on the conversion price of RM0.26, the ICULS may be converted into new L&G Shares in the following manner:

- (i) by surrendering RM0.26 nominal value of ICULS for one (1) new L&G Share; or
- (ii) by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for one (1) new L&G Share.

The table below illustrates the Rights ICULS entitlement and number of L&G Shares to be received upon the full conversion of the ICULS by the two (2) available conversion modes as stated above for an Entitled Shareholder.

	L&G Shares held as at the Entitlement Date	Rights ICULS entitlement	No. of L&G Shares to be received upon the full conversion of the ICULS	
			by surrendering RM130 nominal value of ICULS	by surrendering RM130 nominal value of ICULS together with cash of RM130
Entitled Shareholder	1,000	RM130	500	1,000

Premised on the terms of the ICULS, the ICULS can be converted into new L&G Shares anytime from the date of issuance of the ICULS up to its Maturity Date. Any ICULS which are not converted would be mandatorily converted into new L&G Shares on the Maturity Date.

Any fractional new L&G Shares arising from the mandatory conversion of the ICULS on the Maturity Date shall be disregarded and be dealt with by our Board as it may deem fit and expedient in the best interest of our Company.

2.3 Status of the ICULS and ranking of the new L&G Shares to be issued arising from the full conversion of the ICULS

The ICULS shall constitute direct, unconditional and unsecured obligations of our Company and subject to the provisions contained in the Trust Deed, must at all times rank *pari passu*, without discrimination, preference or priority between themselves and must rank at least *pari passu* with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of our Company except for those which are preferred by law.

The new L&G Shares to be allotted and issued upon full conversion of the ICULS will rank *pari passu* in all respects with the existing L&G Shares except that such new L&G Shares will not be entitled to any dividends, rights, allotments and/or distributions declared, the entitlement date of which precedes the date of allotment and issuance of such new L&G Shares.

2.4 Principal terms of the ICULS

The principal terms of the ICULS are set out as follows:

Issuer	:	L&G.
Issue Size	:	RM77,779,589 nominal value of ICULS (equivalent to 598,304,530 units) to be issued pursuant to the Rights Issue of ICULS.
Issue Price	:	100% of the nominal value of RM0.13 each.
Form & Denomination	:	The ICULS will be issued in registered form in denomination of RM0.13 each and multiples of 100 units thereof, and constituted by the Trust Deed.
Basis of Allotment	:	RM0.13 nominal value of ICULS for every one (1) existing L&G Share held by our Entitled Shareholders on the Entitlement Date.
Tenure	:	Five (5) years commencing from and including the date of issue of the ICULS.
Maturity Date	:	The last Market Day prior to the fifth (5th) anniversary of the date of issue of the ICULS.
Coupon Rate & Payment	:	1% per annum on the nominal value of the ICULS payable on an annual basis.
Conversion Rights	:	Each registered holder of the ICULS shall have the right at any time during the Conversion Period to convert such amount of ICULS held into fully paid-up new L&G Shares at the Conversion Price. Any remaining ICULS not converted at the end of the Conversion Period shall be mandatorily converted into new L&G Shares at the Conversion Price on the Maturity Date. Any fractional new L&G Shares arising from the mandatory conversion of the ICULS on the Maturity Date shall be disregarded and be dealt with by our Board as it may deem fit and expedient in the best interest of our Company.
Conversion Price	:	The conversion price of the ICULS is RM0.26 for every one (1) new L&G Share.
Conversion Period	:	The ICULS shall be convertible into new L&G Shares on any Market Day from and including the date of the issue of the ICULS up to and including the Maturity Date.

- Conversion Mode : The ICULS may be converted into new L&G Shares in the following manner:
- (i) by surrendering nominal value of ICULS equivalent to the Conversion Price; or
 - (ii) by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it equivalent to the Conversion Price.
- Conversion Price Adjustment : Our Company shall make the necessary adjustment to the Conversion Price in the event of any alteration to the share capital of our Company on or before the Maturity Date, whether by way of rights issues, bonus issues, consolidation of shares, sub-division of shares or capital distribution whether on a reduction of capital or otherwise, in accordance with the provisions of the Trust Deed.
- Redeemability : The ICULS will not be redeemable for cash. All outstanding ICULS will be mandatorily converted into new L&G Shares on the Maturity Date.
- Purchase or Cancellation : Our Company and/or our subsidiaries may at any time purchase the ICULS on the Main Market of Bursa Securities at the market price prevailing at the time of purchase.
- All ICULS purchased by our Company and/or our subsidiaries shall be cancelled, subject to regulatory procedures and cannot be resold or be convertible into new L&G Shares.
- Status of ICULS : The ICULS shall constitute direct, unconditional and unsecured obligations of our Company and subject to the provisions contained in the Trust Deed, must at all times rank *pari passu*, without discrimination, preference or priority between themselves and must rank at least *pari passu* with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of our Company except for those which are preferred by law.
- ICULS holders' rights to participate in any distribution and/or offer of further securities in our Company : The ICULS holders are not entitled to participate in any distribution and/or offer of securities in our Company until and unless such ICULS holders convert the ICULS into new L&G Shares.
- Event of default : Any event of default as listed in the Trust Deed which includes amongst others, the non-payment of interest on the ICULS by our Company on the due dates thereof and any activity involving the winding up, dissolution or liquidation or bankruptcy (voluntary or otherwise) of our Company.
- Rights of the ICULS holders on liquidation : In the event of the ICULS becoming payable upon the occurrence of an event of default, the amount which is immediately due and payable by our Company to the holders of the ICULS or which the holders of the ICULS may prove for in the liquidation shall be the nominal value of the outstanding ICULS. Save as aforementioned, the ICULS shall not be liable to be redeemed in cash but only by conversion into fully paid new L&G Shares in accordance with the provisions of the Trust Deed.

Maximum number of new L&G Shares to be issued arising from the full conversion of the ICULS	:	Based on the Conversion Price of RM0.26 for one (1) new L&G Share, the maximum number of new L&G Shares to be issued is 598,304,530 new L&G Shares.
Ranking of new L&G Shares arising from the full conversion of the ICULS	:	The new L&G Shares to be allotted and issued upon full conversion of the ICULS will rank <i>pari passu</i> in all respects with the existing L&G Shares except that such new L&G Shares will not be entitled to any dividends, rights, allotments and/or distributions declared, the entitlement date of which precedes the date of allotment and issuance of such new L&G Shares.
Listing	:	Bursa Securities had on 27 June 2013, granted its approval for the admission of the ICULS to the Official List of Main Market of Bursa Securities and for the listing of and quotation for the ICULS and up to 598,304,530 new L&G Shares to be issued arising from the full conversion of the ICULS on the Main Market of Bursa Securities.
Board Lot	:	The ICULS are tradable in board lots of RM13 nominal value of ICULS, or such denomination as may be determined by Bursa Securities upon listing.
Rating	:	The ICULS will not be rated.
Trust Deed	:	The ICULS are constituted by the Trust Deed executed between our Company and the Trustee on 6 August 2013.
Governing Law	:	Laws and regulations of Malaysia.

3. OTHER CORPORATE EXERCISES

Save for the Rights Issue of ICULS, the Acquisition and as disclosed below, there are no other corporate exercises that has been approved by the relevant regulatory authorities but not yet implemented as at the LPD:

- (i) provision of financial assistance of up to approximately Australian Dollar 2.5 million (equivalent to approximately RM7.79 million at an exchange rate of RM3.117 as at 18 May 2012) by our Group, to Hidden Valley Australia Pty Ltd, an indirect 50% jointly controlled entity of our Company, which was announced on 18 May 2012; and
- (ii) provision of additional financial assistance of RM16.45 million by our Company to Elite Forward Sdn Bhd (“EFSB”), an indirect 50.01% owned subsidiary of our Company, for the purpose of undertaking a project known as ‘The Elements @ Ampang’ and additional provision of financial assistance by our Company to EFSB in the form of shareholders’ loan and/or corporate guarantees in respect of external borrowings to be secured by EFSB of an aggregate amount of up to RM43.56 million, which was announced on 21 February 2012 and approved by our shareholders on 5 April 2012.

4. SHAREHOLDER’S UNDERTAKING AND UNDERWRITING ARRANGEMENT

The Rights Issue of ICULS will be undertaken on a full subscription basis.

In order to ensure that all the Rights ICULS are fully subscribed, our Board has procured the Irrevocable Undertaking from MPSB based on the following:

- (a) to subscribe for RM13,444,600 nominal value of the Rights ICULS based on MPSB’s rights entitlement of ICULS; and

- (b) to subscribe for up to RM64,334,989 nominal value of the Rights ICULS, representing the balance of the rights entitlement of the ICULS in the event that our other Entitled Shareholders and/or renounee(s)/transferee(s) do not subscribe for their respective rights entitlements of ICULS and/or excess Rights ICULS.

The Irrevocable Undertaking from MPSB in the manners as mentioned above is set out in the table below:

Major Shareholder	L&G Shares held directly as at the LPD		Rights ICULS entitlement		Irrevocable Undertaking	
	No. of L&G Shares '000	%	Nominal value of Rights ICULS RM'000	% [^]	Nominal value of Rights ICULS RM'000	% [^]
MPSB	103,420	17.29	13,445	17.29	77,780	100.00

Note:

[^] As a percentage of RM77,779,589, being the nominal value of the Rights ICULS to be issued pursuant to the Rights Issue of ICULS.

Arising from the obligation of the Irrevocable Undertaking, MPSB has also confirmed via its letter dated 15 April 2013 that it has sufficient financial resources to subscribe for the Rights ICULS pursuant to its Irrevocable Undertaking in the above-mentioned manner. PIVB has verified, to the extent possible, that MPSB has the financial resources to fulfill its commitment pursuant to the Irrevocable Undertaking.

In view of the Irrevocable Undertaking procured from MPSB, there will not be any underwriting arrangement required for the Rights Issue of ICULS.

In the event MPSB fails to fulfill its obligation as stipulated in the Irrevocable Undertaking and the full subscription basis is not achieved, our Company will not proceed with the implementation of the Rights Issue of ICULS. All subscription monies received pursuant to the Rights Issue of ICULS will be refunded without interest within fifteen (15) market days from the last date of acceptance and payment to our Entitled Shareholders and/or their renounee(s)/transferee(s) who have subscribed for the Rights ICULS.

In addition, if the Rights Issue of ICULS is not implemented, our Company will not proceed with the implementation of the Acquisition due to the conditionality of the Rights Issue of ICULS and the Acquisition.

As at the LPD, our Company does not have any other alternative fund raising plan in the event that the full subscription basis for RM77,779,589 nominal value of the ICULS is not achieved.

5. PUBLIC SHAREHOLDING SPREAD

On a proforma basis, assuming that the Corporate Exercises are completed on the LPD and the Rights ICULS are fully subscribed by MPSB pursuant to the Irrevocable Undertaking, the shareholdings of MPSB in our Company could potentially increase from 17.29% up to 58.64%, upon the full conversion of the ICULS (assuming by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for one (1) new L&G Share) and potentially the shareholdings held by the public is approximately 41.36%.

Our Company would be in compliance with the public shareholding spread requirement pursuant to Paragraph 8.02 of the Listing Requirements, whereby at least 25.00% of a listed corporation's total listed shares (excluding treasury shares) or such lesser percentage as may be approved by Bursa Securities is required to be held by public shareholders.

6. IMPLICATION OF THE CODE

As at the LPD, MPSB holds 103,420,000 L&G Shares, representing approximately 17.29% of the issued and paid-up share capital of our Company.

Premised on MPSB's Irrevocable Undertaking and based on the assumption that should none of our shareholders subscribe for the Rights ICULS, MPSB would be obligated to subscribe for all the Rights ICULS. As such, the shareholdings of MPSB in our Company could potentially increase from 17.29% up to 58.64%, upon the full conversion of the ICULS (assuming by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for one (1) new L&G Share). However, the actual shareholdings of MPSB in our Company would depend on amongst others, the timing and actual holdings of its ICULS converted into new L&G Shares (on the assumption that MPSB does not dispose any of its existing or acquire any new L&G Shares and/or ICULS).

The conversion of the ICULS held by MPSB may result in the shareholdings of MPSB and its PACs (if any), direct or indirect shareholdings to collectively exceed 33% of the voting shares in our Company at any point of time. Pursuant to the Code, MPSB and its PACs (if any) would be obligated to extend a mandatory take-over offer for all the remaining L&G Shares and convertible securities not already owned by them.

In relation to the above, MPSB may make an application to the SC to seek an exemption for MPSB and its PACs (if any) under Paragraph 16.1 of Practice Note 9 of the Code from the obligation to extend a mandatory take-over offer for all the remaining L&G Shares and convertible securities not already owned by them upon the conversion of the ICULS. The application will be made at a later date but prior to triggering the mandatory take-over offer obligation. MPSB has been advised by PIVB and is aware that the SC may consider granting an exemption to MPSB and its PACs (if any) when the following conditions under Paragraph 16.3 of Practice Note 9 of the Code have been satisfied:

- (i) there is no disqualifying transaction ^;
- (ii) approval has been obtained from independent holders of voting shares or voting rights of the offeree at a meeting of the holders of the relevant class of voting shares or voting rights to waive their rights to receive the mandatory offer from the offeror and PACs; and
- (iii) the names of the parties that have abstained from voting at the general meeting have been submitted to the SC.

Note:

^ "disqualifying transaction" shall have the meaning given in Paragraph 16.4 of Practice Note 9 of the Code

Subject to satisfying the conditions aforementioned, the SC may consider granting an exemption to MPSB and its PACs (if any) with or without conditions.

7. UTILISATION OF PROCEEDS

Based on the nominal value of RM0.13 per ICULS and the Irrevocable Undertaking, the total gross proceeds that are expected to be raised from the Rights Issue of ICULS is RM77,779,589 which is intended to be utilised as follows:

Details of utilisation	RM	Estimated timeframe for utilisation of proceeds from date of receipt
Funding for the Acquisition ^(a)	67,048,625	Within twenty-four (24) months
Working capital requirements ^(b)	9,730,964	Within twelve (12) months
Defray estimated expenses relating to the Corporate Exercises ^(c)	1,000,000	Within six (6) months
Total	77,779,589	

Notes:

- (a) *The proceeds of approximately RM67.05 million will be utilised for the partial settlement of the Purchase Consideration for the Acquisition. Please see below for details of the Acquisition and information of the Project and the Office Building.*
- (b) *Working capital requirements include but are not limited to the funding of our Group's day-to-day operations such as employee remuneration, statutory related expenses, payment of creditors and other operating/administrative expenses.*
- (c) *The estimated expenses of approximately RM1.00 million include the estimated professional fees, fees payable to the relevant authorities and other miscellaneous expenses, including the RM30,000 for the reimbursement account in accordance with the provisions of the Trust Deed. Any surplus or shortfall of funds for the payment of expenses for the Corporate Exercises will be adjusted accordingly from or to the working capital, as the case may be.*

Pending utilisation of the proceeds from the Rights Issue of ICULS for the above purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

The quantum of proceeds to be received by our Company pursuant to the full conversion of the ICULS is up to approximately RM77,779,589 (assuming by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for one (1) new L&G Share).

Notwithstanding the above, the actual quantum of proceeds to be received by our Company pursuant to the conversion of all the ICULS cannot be determined at this juncture as it would be dependent on the mode of conversion of the ICULS into new L&G Shares. Nevertheless, our Group intends to use such proceeds, if any, for working capital requirements and future business expansion of our Group, which shall include but not limited to the acquisition of land banks for development purposes and/or properties for investment purposes.

Our Company will commence utilising the proceeds to be received pursuant to the conversion of the ICULS at the appropriate time, depending on inter-alia, the cash flow position as well as the funding requirements of our Group. The intended timeframe for full utilisation of the proceeds is up to twelve (12) months from the date of receipt of such proceeds. The ICULS can be converted into new L&G Shares during the five (5)-year tenure of the ICULS.

In the event that the Acquisition does not materialise subsequent to the completion of the Rights Issue of ICULS, our Group intends to use the amount of RM67,048,625, being the gross proceeds raised from the Rights Issue of ICULS, for its working capital requirements and future business expansion, the details of which has yet to be determined by our Board at this juncture.

Announcements will be made when the proposed utilisation of the refunded progressive payments made to MASB and unutilised proceeds raised from the Rights Issue of ICULS have been identified and concluded by our Board. If the nature of transaction requires shareholders' approval pursuant to the Listing Requirements, our Board will seek the necessary approval from our shareholders accordingly.

7.1 Details of the Acquisition

On 9 April 2013, MDSB had entered into the following Agreements with MASB for the Acquisition:

- (i) MSA for the acquisition of the Office Building being constructed over the Land, with total NLA of 132,687 sq. ft. for a total cash consideration of approximately RM72.49 million;
- (ii) thirteen (13) SPAs for the acquisition of each Office Parcel; and
- (iii) thirteen (13) DMCs for each Office Parcel for the mutual benefit of MASB and MDSB as well as the other owners of the Project, which covenants and agreements contained in the DMCs are separate and independent of the MSA and SPAs.

The Acquisition is in line with our Group's investment objective and growth strategy to provide a stable and sustainable income stream and potential capital growth in the long term. The Acquisition represents an opportunity for our Group to increase our property assets base and to expand our geographical location to include Putrajaya, given the growth potential and strategic location of the city within the central region of Peninsular Malaysia, with convenient access to major roads, public transportation network and proximity to major residential areas.

The Acquisition is also expected to be synergistic whereby it can be further enhanced by leveraging on our Group's existing experience and competencies in property management. The aforesaid synergy could enhance our Group's existing property investment and management division with the completion of a twenty-one (21)-storey integrated business-retail-leisure concept known as 8trium @ Sri Damansara in August 2012.

7.2 Information of the Project and the Office Building

MASB is the registered proprietor of the Land and is currently developing and constructing a commercial development project on the Land, which comprises:

- (i) one (1) tower block with the Office Building and a two (2)-storey commercial space;
- (ii) two (2) blocks of podium with a four (4)-storey commercial space and a seven (7)-storey hotel (215 rooms); and
- (iii) two (2)-storey car park in basement 1 and 2.

The Project is situated at Precinct 3, Putrajaya, which comprises ministries and institutions related to the development of the arts and culture in Putrajaya. It lies approximately twenty-five (25) kilometres to the south of the Kuala Lumpur city centre, twenty (20) kilometres by road to the north of Kuala Lumpur International Airport ("KLIA") and about five (5) kilometres to the east of Cyberjaya. It is easily accessible via Damansara-Puchong Expressway ("LDP"), South Klang Valley Expressway, Kajang Dispersal Link Expressway and Maju Expressway ("MEX"). The immediate vicinity of the Project comprises Putrajaya Corporation Complex, Palace of Justice, Tuanku Mizan Zainal Abidin Mosque, Poslaju National Courier and Boulevard Square.

MASB had, on 23 April 2010 and 16 August 2012, obtained the development order for the purposes of developing and constructing on the Land ("Planning Approval") for the initial development plan and the revised Planning Approval for the Project, respectively, from the Putrajaya Corporation. The development of the Project commenced on 1 March 2012 and is expected to be fully completed with Certificate of Completion and Compliance by the second (2nd) half of 2014. As at the LPD, the Office Building is about 53.40% completed with constructions of basement up to 13th floor.

The Land is currently charged by MASB to AmBank (M) Berhad of which the presentations were registered on 19 August 2008 and 2 April 2010. Issuance of the redemption statement and undertaking from AmBank (M) Berhad in relation to the Office Building to be acquired by MDSB shall form part of the conditions precedent of the MSA.

Pursuant to the Agreements, MDSB is acquiring the Office Building from MASB, and shall not include the commercial space, hotel and car park which form part of the Project. As at the LPD, the details of the Office Building are as follows:

Postal Address	:	Lot 3C5, Presint 3, 62675 Putrajaya
Title no.	:	Geran 825
Description	:	Thirteen (13)-storey stratified office floors being part of a proposed integrated commercial development that also comprises therein a seven (7)-storey hotel, retail podium and basement car park currently under construction

Land tenure	:	Freehold
Existing usage	:	Not applicable as the construction and development of the Office Building has yet to be completed as at this juncture
Proposed usage	:	Commercial usage and 100% of the NLA will be rented out
Gross floor area	:	180,984 sq. ft.
NLA	:	132,687 sq. ft.
Total units	:	Thirteen (13) floors. The individual units for each floor cannot be determined at this juncture as it would depend on the market demand for size of space required by potential tenants
Total estimated development cost	:	Approximately RM57.16 million
Source of funds of development cost	:	Internally generated funds and external borrowing
Expected profit	:	Too preliminary to be determined at this juncture
Expected occupancy rate based on the valuation report dated 4 March 2013 prepared by PA International	:	With competitive rental rates of about RM4.50 – RM5.00 per sq. ft., in the short to medium term, occupancy is likely to be about 85.00% – 90.00%, given its good accessibility to various parts of Klang Valley as well as KLIA
Latest audited net book value	:	Not applicable as the construction and development of the Office Building has yet to be completed as at this juncture
Stage of completion	:	Approximately 53.40%
Approvals obtained for development	:	<p><u>Planning Approval:</u></p> <p>Planning Approval and the revised Planning Approval had been obtained from the Putrajaya Corporation on 23 April 2010 and 16 August 2012, respectively</p> <p><u>Building Plan:</u></p> <p>Approvals of the Building Plan and the revised Building Plan had been obtained from the Putrajaya Corporation on 11 October 2010 and 17 December 2012, respectively</p>
Market Value appraised by PA International	:	Average RM575 per sq. ft. or equivalent to approximately RM76,300,000 based on the NLA using the comparison method of valuation
Encumbrances	:	The Land is charged to AmBank (M) Berhad on 19 August 2008 and 2 April 2010
Express Conditions	:	Commercial building
Restrictions-in-interest	:	Nil

7.3 Market Value and the Purchase Consideration of the Office Building

A summary of the Market Value of the Office Building derived by PA International is as follows:

Date of valuation report	4 March 2013
Date of valuation	21 February 2013
Market Value based on the:	
(i) comparison method of valuation; and	RM76,300,000
(ii) investment method of valuation	RM72,000,000

Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Based on the Market Value assessed by PA International of RM76.30 million after adopting the comparison method of valuation, premised upon valid and conclusive sales data, MDSB and MASB have negotiated and mutually agreed upon the Purchase Consideration of the Office Building of approximately RM546 per sq. ft. or equivalent to approximately RM72.49 million (based on the NLA of 132,687 sq. ft.) representing approximately 5% discount on the Market Value assessed by PA International. The salient information of the valuation report is detailed in the valuation certificate prepared by PA International dated 2 August 2013 as set out in **Appendix VI** of this AP.

The Purchase Consideration of the Office Building will be satisfied entirely in cash and will be financed in the following manner:

Purchase Consideration	RM	Percentage	Source of funding
Deposit	5,436,375	7.5%	Internally generated funds ^(a)
Balance of the Purchase Consideration	67,048,625	92.5%	Rights Issue of ICULS
Total	72,485,000	100.0%	

Note:

(a) *Comprising of our Group's existing cash and bank balances.*

On 9 April 2013, a deposit of RM5,436,375 has been paid to MASB.

8. RATIONALE FOR THE RIGHTS ISSUE OF ICULS

The rationale for the Rights Issue of ICULS are as follows:

- (i) to enable our Group to raise funds at an attractive and lower cost without incurring higher interest cost (as opposed to financial institution's borrowings) which will be used primarily to settle the balance of the Purchase Consideration (after the payment of deposit) and to finance our Group's working capital requirements;
- (ii) to enable our Group to strengthen its eventual capital based upon the full conversion of the ICULS;
- (iii) to ensure there is no dilution to the shareholding of our existing shareholders, if all our Entitled Shareholders fully subscribe for their respective entitlements and thereafter fully convert the ICULS;

- (iv) to avoid immediate dilutive effect on the EPS of our Group as opposed to the issuance of new L&G Shares; and
- (v) to provide our Entitled Shareholders with an option to further participate in the equity of our Company at a predetermined Conversion Price during the tenure of the ICULS. Proceeds to be received from the conversion of the ICULS, if any, will provide an additional source of funds to be used for future working capital requirements and business expansion of our Group.

9. RISK FACTORS

In addition to the other information contained herein, you should carefully consider the following risk factors (which may not be exhaustive) before making your decision on whether to subscribe for your entitlements to the Rights ICULS.

9.1 Risks relating to the operations and business of our Group

9.1.1 Business risks

Our Group's core business is in property investment and development sector. The business operations of our Group are subject to certain risks inherent in the property investment and development sector including, but are not limited to, timely commencement and completion of projects, obtaining required approvals, satisfactory performance of contractors and adverse economic events or recession. In addition, any significant increase in the cost of building materials as well as petrol or electricity may contribute to a higher overall development cost, thereby impacting the profit margins of our Group's projects.

We seek to limit these risks through, *inter-alia*, practising prudent management policies, stay abreast with the development, trends and directions of the sector, careful planning and identification of the type of developments, innovative pricing strategies to pass through cost escalations to customers, maintaining long-term relationship with our suppliers and customers, reducing reliance by purchasing from a few suppliers and continuous review of our processes and operations to improve efficiency and quality. However, there is no assurance that any changes to the said risk factors will not have a material adverse effect on our Group's businesses and financial performance.

9.1.2 Dependence on key personnel

Our Group believes that our continued success will depend, to a large extent, upon the abilities and continued efforts of our existing Directors and senior management, who are crucial in managing our Group, sourcing for potential business opportunities to increase market share and identifying and training key personnel for business continuity planning. The loss of any of our Group's Directors or key members of the senior management team could affect our Group's financial and operational performance.

Our Board recognises the importance of our Group's ability to attract and retain professionally trained senior management and experienced skilled personnel. Thus, we have in place an appropriate human resource strategy and succession plan that includes competitive and performance-based remuneration packages, training and personnel development programmes, conducive working environment and opportunity for career growth. However, there is no assurance that these measures will always be successful or relevant in retaining key personnel or ensuring a smooth transition should changes occur without materially impacting our Group's operations and financial performance.

9.1.3 Interest rate and liquidity risks

Banking facilities and borrowing could be some of the main sources of financing for our business operations and expansion. Hence, an increase in interest rates could lead to higher borrowing costs and in turn, affect the profitability of our Group. The management of our Group has taken and will continue to take measures to mitigate our Group's exposure to adverse movements in interest rate but such measures may not fully eliminate interest rate risks faced by our Group.

Our Group has also adopted prudent liquidity risk management by maintaining sufficient cash and the availability of funding through adequate amount of committed credit facilities to ensure our Group's ability to meet its cash flow obligations.

9.1.4 Foreign exchange fluctuation risk

Our Group's exposure to foreign exchange fluctuation risk is mainly attributable to our joint venture project in Australia. However, the exposure of our operations to foreign exchange fluctuation risk at this stage is not material as our Group's transaction, assets and liabilities are denominated mainly in RM. The information of the revenue for the FYE 31 March 2013 and the non-current assets as at 31 March 2013 based on the geographical location of our customers and assets, respectively, are as follows:

Geographical location	Audited FYE 31 March 2013	
	Revenue RM'000	Non-current assets RM'000
Malaysia	215,928	142,816
Australia	346	5,291
Others	19	126
Total	216,293	148,233

However, there can be no assurance that any future significant fluctuation in exchange rates and financial crisis will not have an impact on our earnings. As a mitigating factor, our Group assesses, controls and monitors the risk via regular review of foreign exchange movements and foreign exchange exposure for overseas operation.

9.2 Risks relating to our property investment and development sector

9.2.1 Political, economic and regulatory considerations

Our operations and financial performance may be adversely affected by unfavourable political, economic, monetary and regulatory developments. Political and economic uncertainties include, but are not limited to, risks of war, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation and currency exchange controls.

Nevertheless, our Board believes that by leveraging on our sector experience in terms of monitoring of our business operations, we would be able to adapt to the changing political, economic and regulatory environment. However, there is no assurance that adverse political, economic, monetary and regulatory factors will not materially affect our Group's operations and financial performance.

9.2.2 Competition

Property investment and development markets are highly competitive. Potential threats from new entrants are high as the barriers to entry are relatively low. Any oversupply of properties due to a mismatch in supply and demand will intensify the level of competition too. Competition could also arise in the form of acquisition of strategically located land banks and/or properties, pricing of the properties as well as sale and marketing of the properties. The vagaries of competition may result in property developers lowering their prices in order to secure sales, which will consequently affect profit margins.

However, our Board believes that we have better competitive advantage over our competitors with our strong branding and established track record. Nevertheless, we will continue to take measures to address the competition risk such as conducting market intelligence study to understand buyers' needs, monitoring and adjusting development products and marketing strategies in response to changing economic conditions and market demand.

9.2.3 Dependence on licensing/approval from authorities

Regulatory approvals are one of the core risks inherent in the property investment and development sector, particularly in respect of approvals for development orders, building plans and conversion of land usage. There is no assurance that any delay in obtaining these approvals may not have an adverse impact on the timing of launching our development projects and thereby affecting our future profitability.

Our management has always worked to ensure that the entire regulatory framework is complied with. To ensure smooth implementation of our development projects, we conduct thorough studies on the nature and background of land to be acquired and ensure that we comply with procedural and documentation requirements in relation to the applications for necessary approvals. In addition, we will monitor the progress of such applications by progressively liaising with the relevant authorities.

9.2.4 Dependence on contractors

The property investment and development sector are highly dependent on the performance of the main/sub-contractors to ensure timely completion of the respective building and infrastructure works as per their contractual timeline. The performance and profitability of our development projects will also depend on the quality, pricing, performance and reliability of the main/sub-contractors appointed to carry out the development projects. There is no assurance that any unanticipated delay due to unforeseen circumstances, shortage of supplies of construction materials or labour and unsatisfactory performance of the appointed main/sub-contractors may not have an adverse effect on the operations and profitability of our Group.

Nevertheless, in order to mitigate the risks, we are stringent in the selection of contractors such that only contractors with proven track record and adequate financial resources are engaged to undertake construction works in our development projects. We also appointed contractors based on the quality of work done in the past. Moreover, we are not dependent on any single contractor as we engage the services of few contractors for the development of our projects.

9.3 Risks relating to the Rights Issue of ICULS

9.3.1 Investment risks

The market price of the L&G Shares will be influenced by, amongst others, prevailing market sentiments, volatility of the stock market, the prospects and operating results of our Group and the future outlook of the property investment and development sector.

The issue price and the conversion price of the Rights ICULS were arrived at, after taking into consideration, amongst others, the five (5)-day VWAMP of the L&G Shares up to and including 8 April 2013, being the last practicable day immediately prior to the Announcement, of RM0.4290 per L&G Share and the par value of L&G Shares of RM0.20 each.

The market price of the ICULS, like all listed securities traded on Bursa Securities, being new securities to be issued by our Company is subject to, *inter-alia*, price discovery by investors, fluctuations in tandem with the overall outlook of the stock market in Malaysia and globally, and will be influenced by, amongst others, the market price, potential payments of dividends and volatility of the L&G Shares, and the remaining conversion period of the ICULS.

Notwithstanding that, there is no assurance that the conversion price of the ICULS will be in-the-money during the tenure of the conversion period of the ICULS.

9.3.2 Factors affecting the ICULS

There is no prior market for the ICULS, and as such there is no assurance that an active market for the ICULS will develop upon its listing and quotation on the Main Market of Bursa Securities, or if developed, that such a market may not be sustained or adequately liquid during the tenure of the ICULS.

Our Board believes that a variety of factors could cause the future market price performance of the ICULS to fluctuate, including but not limited to trades of substantial amount of the ICULS on Bursa Securities in the future, fluctuation in the market price of the underlying L&G Shares, announcements of corporate developments relating to our Group's business and the future financial performance of our Group.

The future price performance of the ICULS will also depend on various external factors, such as the prospects of the property investment and development sector in which our Group operates, the economic, monetary and political conditions of Malaysia and Australia, outlook of interest rates, the investors' sentiments and liquidity in the local stock market as well as the performance of regional and world bourses.

Notwithstanding the above, it should be noted that our Group's financial performance is not dependent on the market price performance of the L&G Shares and the ICULS.

9.3.3 Delay or failure in the completion of the Rights Issue of ICULS

The Rights Issue of ICULS is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

- (i) force majeure events or events/circumstances, which are beyond the control of our Group, arising prior to the completion of the Rights Issue of ICULS; or
- (ii) MPSB, who has provided the Irrevocable Undertaking as set out in Section 4 of this AP, does not fulfill or is not able to fulfill its obligation.

In the event of failure in the completion of the Rights Issue of ICULS, all application monies received pursuant to the Rights Issue of ICULS will be refunded to our Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who have subscribed for the Rights ICULS without interest.

Notwithstanding the above, our Company will exercise our best endeavour to ensure the successful implementation of the Rights Issue of ICULS. However, there can be no assurance that the abovementioned events will not cause a delay in or failure of the Rights Issue of ICULS.

9.3.4 Unsecured obligations/repayment risks of the ICULS

The ICULS shall constitute direct, unconditional and unsecured obligations of our Company and subject to the provisions contained in the Trust Deed, must at all times rank *pari passu*, without discrimination, preference or priority between themselves and must rank at least *pari passu* with all present and future direct, unconditional, unsecured and unsubordinated debts and obligations of our Company except for those which are preferred by law. Moving forward, there is no assurance that the financial performance of our Group would be profitable to sustain the financial condition of our Group at a satisfactory level to support the value of the ICULS and generate sufficient cash flows to service the annual coupon when due.

In the event of the ICULS becoming payable upon the occurrence of an event of default pursuant to the Trust Deed, the amount which is immediately due and payable by our Company to the holders of the ICULS shall be the nominal value of the outstanding ICULS.

Our Company will endeavour to ensure that we will maintain prudent cash flow management and monitor our cash flow position regularly to minimise the event of default. However, there is no assurance that our Company will generate sufficient cash flow to mitigate the payment risk of coupon of the ICULS.

10. EFFECTS OF THE CORPORATE EXERCISES

10.1 Issued and paid-up share capital

The proforma effects of the Corporate Exercises on our Company's issued and paid-up share capital are as follows:

	Par value RM	Minimum Scenario		Maximum Scenario	
		No. of L&G Shares	Share capital RM	No. of L&G Shares	Share capital RM
Authorised share capital	0.20	5,000,000,000	1,000,000,000	5,000,000,000	1,000,000,000
Issued and paid-up share capital					
As at the LPD	0.20	598,304,530	119,660,906	598,304,530	119,660,906
To be issued pursuant to the Rights Issue of ICULS	-	-	-	-	-
	0.20	598,304,530	119,660,906	598,304,530	119,660,906
To be issued arising from the full conversion of the ICULS	0.20	299,152,265	59,830,453	598,304,530	119,660,906
Enlarged issued and paid-up share capital	0.20	897,456,795	179,491,359	1,196,609,060	239,321,812

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10.2 NA and gearing

The proforma effects of the Corporate Exercises on our Group's NA and gearing based on our Company's audited consolidated financial statements as at 31 March 2013 are as follows:

Minimum Scenario

	Audited as at 31 March 2013 RM'000	(I) After the Rights Issue of ICULS RM'000	(II) ^(b) After (I) and the Acquisition RM'000	(III) After (II) and assuming full conversion of the ICULS RM'000
Share capital	119,661	119,661	119,661	179,491
Share premium	17,036	^(a) 16,074	16,074	34,024
ICULS – equity portion	-	75,568	75,568	-
Retained profits	169,979	^(a) 169,941	169,941	169,941
Other reserves	20,342	20,342	20,342	20,342
Equity attributable to shareholders of our Company	327,018	401,586	401,586	403,798

No. of L&G Shares in issue ('000)

NA per L&G Share (RM)

Borrowings (RM'000) ^(c)

Gearing (times)

No. of L&G Shares in issue ('000)	598,305	598,305	598,305	897,457
NA per L&G Share (RM)	0.55	0.67	0.67	0.45
Borrowings (RM'000) ^(c)	66,764	69,713	69,713	66,764
Gearing (times)	0.20	0.17	0.17	0.17

Notes:

- (a) After deducting the estimated expenses in relation to the Corporate Exercises from the share premium account and retained profits, amounting to RM962,000 and RM38,000, respectively.
- (b) For illustrative purposes, assuming that the Office Building was completed as at 31 March 2013.
- (c) Comprise of all interest bearing borrowings and liability portion of ICULS of approximately RM66,764,000 and RM2,949,000, respectively.

Maximum Scenario

	Audited as at 31 March 2013 RM'000	(I) After the Rights Issue of ICULS RM'000	(II) ^(b) After (I) and the Acquisition RM'000	(III) After (II) and assuming full conversion of the ICULS RM'000
Share capital	119,661	119,661	119,661	239,322
Share premium	17,036	^(a) 16,074	16,074	51,973
ICULS – equity portion	-	75,568	75,568	-
Retained profits	169,979	^(a) 169,941	169,941	169,941
Other reserves	20,342	20,342	20,342	20,342
Equity attributable to shareholders of our Company	327,018	401,586	401,586	481,578

No. of L&G Shares in issue ('000)

NA per L&G Share (RM)

Borrowings (RM'000) ^(c)

Gearing (times)

No. of L&G Shares in issue ('000)	598,305	598,305	598,305	1,196,609
NA per L&G Share (RM)	0.55	0.67	0.67	0.40
Borrowings (RM'000) ^(c)	66,764	69,713	69,713	66,764
Gearing (times)	0.20	0.17	0.17	0.14

Notes:

- (a) After deducting the estimated expenses in relation to the Corporate Exercises from the share premium account and retained profits, amounting to RM962,000 and RM38,000 respectively.
- (b) For illustrative purposes, assuming that the Office Building was completed as at 31 March 2013.
- (c) Comprise of all interest bearing borrowings and liability portion of ICULS of approximately RM66,764,000 and RM2,949,000, respectively.

10.3 Earnings and EPS

The Corporate Exercises are not expected to have any material effect on the earnings of our Group for the FYE 31 March 2014 as the Rights Issue of ICULS is expected to be completed by early October of 2013 and the Acquisition is expected to be completed by the second (2nd) half of 2014.

Our Board expects the Corporate Exercises to contribute positively to the future earnings of our Group. Moving forward, our Group's future earnings would depend on, amongst others, the return generated from the utilisation of the proceeds arising from the Rights Issue of ICULS and the proceeds from the conversion of the ICULS, if any.

Barring any unforeseen circumstances that could adversely impact the financial performance of our Group, the Acquisition is also expected to contribute positively to the future earnings of our Group as the Acquisition will provide the opportunity to our Group to expand its property assets base and geographical location.

For illustrative purposes, assuming that the Corporate Exercises were completed on 1 April 2012, the Corporate Exercises are expected to result in an increase in earnings of approximately RM2.86 million and an increase in EPS of approximately 0.48 sen for the FYE 31 March 2013 after taking into account the anticipated rental income from the Office Building and netting off the estimated outgoings and expenses in relation to the Corporate Exercises.

On a standalone basis, the EPS of our Group may be diluted as a result of the increase in the number of L&G Shares arising from the full conversion of the ICULS into new L&G Shares, in the event that the earnings of our Group does not increase in tandem with the increase in the number of L&G Shares issued. However, the extent of dilution to the EPS is dependent on, amongst others, the actual number of the L&G Shares to be converted and the future earnings of our Group.

11. INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

11.1 Overview and outlook of the Malaysian economy

The Malaysian economy performed better than expected in 2012, with a higher growth of 5.6% (2011: 5.1%). The strong growth was supported by resilient domestic demand, which cushioned the negative impact of the weak external environment. Domestic demand recorded its highest rate of expansion for the decade, supported by stronger consumption and investment spending. Unlike in 2009 when the weakness in external demand had significantly affected domestic economic activity through its impact on private investment and private consumption, domestic demand had remained resilient in 2012. The continued resilience in domestic demand was underpinned largely by sound macroeconomic fundamentals, the more diversified and balanced economic structure, the stronger and more developed financial system, and greater macroeconomic policy flexibility.

The Malaysian economy is expected to remain on a steady growth path with an expansion of 5-6% in 2013. Economic activity will be anchored by the continued resilience of domestic demand, and supported by a gradual improvement in the external sector.

Domestic demand, which recorded the highest rate of expansion over the recent decade in 2012, is expected to remain the key driver of growth in 2013, albeit at a more moderate pace. Growth in public and private investment is expected to remain strong, following the exceptional growth in capital spending in 2012. Private investment is still expected to record a double-digit rate of growth, driven by the continued capacity expansion of the domestic-oriented firms, ongoing implementation of projects with long gestation periods and a gradual improvement in external demand. Private consumption is projected to grow at a more moderate rate in the second half of the year, but it will continue to be supported by sustained income growth and healthy labour market conditions. Public sector spending is also expected to record lower growth given the ongoing consolidation of the Government's fiscal position and as the role of the private sector gains greater significance.

(Source: Bank Negara Malaysia, Annual Report 2012)

The Malaysian economy is expected to strengthen further and projected to grow at a faster rate of 4.5% - 5.5% in 2013. Growth will be supported by improving exports and strong domestic demand on the assumption that global growth will pick up, especially during the second half of 2013. The growth projection is premised upon the expectation of an improvement in the resolution of the debt crisis in the euro area and stronger growth momentum in the economies of Malaysia's major trading partners. Domestic demand is expected to maintain its strong momentum driven by robust private investment and strong private consumption. Private sector activity will be supported by an accommodative monetary policy in an environment of low inflation coupled with a robust financial sector. Recovery in the external sector, particularly increasing external demand from regional economies and major trading partners will further provide the impetus for a private-led growth. The overall public expenditure is expected to increase, led by higher Non-Financial Public Enterprises' (NFPEs) capital investment which will further augment growth. Thus, nominal gross national income per capita is expected to increase 6.4% to RM32,947 (2012: 4.4%; RM30,956). In terms of purchasing power parity, per capita income is expected to grow 4.4% to reach USD16,368 (2012: 3.2%; USD15,676).

Given that domestic economic activity is expected to strengthen further in 2013, inflation is estimated to increase moderately, partly mitigated by further capacity expansion in the economy. The key supply side factors that will influence inflation, namely prices of energy and food commodities are expected to ease during the first half of 2013, but are likely to trend up during the second half on the assumption that global growth continues to pick up pace. Hence, for 2013, the average inflation rate is estimated to be between 2% to 3%.

(Source: Economic Report 2012/2013, Ministry of Finance, Malaysia)

11.2 Overview and outlook of the Malaysian property investment and development market

The Malaysian property market moderated after attaining two (2) consecutive years of growth. The market activity contracted by 0.7% in volume but increased marginally by 3.6% in value. The market moved by -3.1% (Q1); 7.3% (Q2); -0.6% (Q3) and -11.5% (Q4) against GDP growth of 4.9%, 5.4% (Q2), 5.3% (Q3) and 6.4% (Q4). The year registered 427,520 transactions worth RM142.84 billion against 2011 which recorded 430,403 and RM137.83 billion in volume and worth respectively. Except for residential and development land sub-sectors that indicated modest growth of 1.1% and 6.1% respectively, other sub-sectors moderated. Commercial, agriculture and industrial sub-sectors subdued by -5.9%, -4.8% and -4.7% respectively.

Market activities softened across the board except for residential and development land sub-sectors. Development land sub-sectors grew by 6.1% after achieving 14.8% last year. Similarly, residential sub-sector recorded a marginal growth of 1.1% after recording a double digit growth of 18.9% last year. Commercial, agriculture and industrial sub-sectors were less encouraging to register -5.9%, -4.8% and -4.7% changed respectively against growth of 9.7%, 4.6% and 6.5% in last year. By market share, residential sub-sector continued to dominate with 63.8% and trailed by agricultural (18.9%), commercial (9.6%), development land (5.4%) and industrial (2.3%) sub-sectors.

The year saw sustained market activity of purpose built office sub-sector. Equal number of transactions was recorded whilst value increased slightly (2012: RM1.31 billion; 2011: RM1.14 billion). The annual take up however, dropped 60.2% from 561,749 s.m. (2011) to 223,797 s.m. as more new spaces came on stream. In tandem, the national occupancy rate eased at 82.3% (2011: 83.2%). Nevertheless, all states with exception to Sabah indicated positive take-up difference. Kuala Lumpur led with the highest annual take-up of 109,013 s.m. improved from 51,569 s.m. in 2011.

Moving forward, the overall property market performance for 2013 will be subject to the local and global economic environment. Nevertheless, the construction activity is expected to be vigorous particularly by the residential sub-sectors. Similarly for the shop and industrial sub-sector, higher starts and buildings plans approval in 2012 indicate buoyancy in the construction activity. In the retail and office sub-sector, the occupancy performances are expected to remain strong, backed by moderate increase in new supply and coupled with fewer starts and new planned supply. The implementation of ETP projects is expected to continue to be the supporting factor to the positive impact on the property market at large. The development of Klang Valley Mass Rapid Transit as well as the LRT extensions from Kelana Jaya to Putra Heights (Putra Line) and Sri Petaling to Putra Height (Start Line) is expected to appreciate market value of hotel and industrial sub-sectors are expected in response to incentives and programmes set forth by the government.

(Source: Property Market Report 2012 by Valuation and Property Services Department, Ministry of Finance)

Real estate investment registered rapid expansion with higher residential and non-residential construction, following the strong growth in property launches between 2010 and 2011. Growth in residential investments is also expected to remain strong, supported by the construction of high-end residential properties and increasingly, activity in the mid-range residential property segment.

(Source: Bank Negara Malaysia, Annual Report 2012)

Taking advantage of the Government's continuous efforts to increase home ownership, developers are embarking on building more affordable homes. In this regard, launches for houses priced between RM150,000 and RM250,000 increased 2.7% to 5,628 units as at end-June 2012 (end-December 2011: 5,481 units).

(Source: Economic Report 2012/2013, Ministry of Finance)

11.3 Prospects and outlook for our Group for the next twelve (12) months

11.3.1 Prospects and outlook of the properties in Putrajaya

The performance of Putrajaya property market remained strong in 2012. There were 663 transactions recorded worth RM444.94 million. The volume of transactions improved by 26.8% as compared to 523 transactions in 2011. Conversely value decreased by 21.2% (2011: RM564.86 million). The residential sub-sector continue to lead the overall property market with 96.5% market share, followed by commercial (2.9%) and industrial (0.6%). The residential sub-sector increased by 32.8%, whilst industrial and commercial sub-sectors decreased significantly by 78.9% and 13.6%. In tandem, value of transactions experienced expansion of 77.7% for resident and contraction by 83.3% and 75.8% for commercial and industrial sub-sectors respectively.

Rentals for retail units in shopping complexes were stagnated. The highest rental remained in Kompleks Alamanda, registering between RM88.26 per sq. m. and RM109.80 per sq. m. for lower ground floor and RM50.59 per sq. m. to RM62.98 per sq. m. for the ground floor. Rentals for purpose-built office were also stable. In Menara PjH at Precint 2, highest rental recorded at RM108.64 per sq. m. for ground floor and RM52.74 per sq. m. to RM55.66 per sq. m. for fourth to fifth floor.

In the retail sub-sector, the year saw the completion of Menara Ikhlas, in Precint 3, which injected 4,883 sq. m. of space into the market. The performance of retail sub-sector softened with an overall occupancy of 77.3%, lower than 83.3% recorded in 2011, similar performance was witnessed in the office sub-sector, recording an overall occupancy rate of 93.3% despite zero in take-up space. The year recorded the completions of two (2) private building offering a combined space of 92,301 sq. m. They were Menara Ikhlas and Menara PjH.

Looking forward, stable property market is expected in 2013. Nonetheless, the proposed extension of the Mass Rapid Transit line from Kajang to Putrajaya Sentral will increase inter-intra-city transport into Putrajaya and alleviate the traffic parking woes within the area. The upcoming developments such as Green Building Index Certified, 3-star business hotel and office tower in Precinct 1, Heriot Watt University Campus in Precinct 5 and residential development in Precinct 15 are expected to further enhance the vibrancy of Putrajaya.

(Source: Property Market Report 2012 by Valuation and Property Services Department, Ministry of Finance)

Putrajaya, an area covering approximately 4,931 hectares of land, is strategically located and is only 25 kilometers south from the capital city of Kuala Lumpur and 20 kilometers north from the Kuala Lumpur International Airport at Sepang. Putrajaya serves as the federal administrative centre of Malaysia where most of the Federal Government ministries, offices, departments and agencies are located.

The planning of Putrajaya emphasises on the preservation of its eco-system while at the same time promoting an active, lively and caring society. The city is built in accordance to a series of comprehensive policies and guidelines for land use, building location, transportation system, utilities, infrastructure, housing, public amenities, information technology, parks and gardens which are integrated to form a city with modern living but without the pressures and stress.

The demand for government office spaces is expected to continue with more government offices being relocated from Klang Valley to Putrajaya. In addition to the growth in government offices, over the years there also has been an increase in the relocation and/or establishments of offices for non-government companies within Putrajaya. Premised on the increased demand for office land and space, the property market in Putrajaya has gained more attention from property investors looking for investment opportunities beyond the crowded areas of central Klang Valley.

Private sector investment in Putrajaya is an integral component of the development strategy and furthermore, there are no particular restrictions for private properties in Putrajaya. In addition, with all government development areas in Putrajaya being fully occupied, this would further spur the growth of private sector investment in Putrajaya.

Putrajaya boasts exceptional accessibility and visibility via a wide network of highways, expressways and public transportation. It has high-speed road and rail linkages to national highways, expressways, dedicated highways and railways (e.g. LDP, SKV and MEX). It also has a good intra-city transport system consisting of buses and private vehicles via North-South Expressway and Express Rail Link (“ERL”) Services from Western Transport Terminal.

11.3.2 Prospects and outlook of the Office Building

The Office Building is located in Precinct 3 of Putrajaya (named as the Civic & Government Precinct), which is primarily situated in the centre where majority of the government and commercial developments congregate. The main road of Putrajaya, which bridges the mixed development precinct in the north and the commercial precinct in the south, also cuts through Precinct 3 thus making it one of the most accessible precincts in Putrajaya. One of the notable landmarks in Precinct 3 is the Putrajaya Corporation Complex, which houses the offices that manage the administration of the Federal Territory of Putrajaya, an auditorium and where numerous conference activities are held. As such, with its centric location and accessibility, this is expected to be beneficial for the demand of the Office Building.

The Office Building forms part of an integrated commercial development which comprises a four (4)-storey commercial area and a seven (7)-storey hotel with the capacity of 215 rooms thus catering to the leisure, accommodation and business needs of potential tenants/owners/patrons. As at to-date, there are only two (2) shopping complexes and five (5) hotels in Putrajaya, all of which are located outside Precinct 3. Premised on the above, given the integrated commercial development of which the Office Building is part of, it would be a favourable consideration factor for potential tenants.

As detailed in Section 11.1, 11.2 and 11.3.1 of this AP, the Malaysian economy and the property markets in Malaysia and Putrajaya are expected to be promising moving forward. Furthermore, the stable rental rates and relatively high occupancy rates of the office sub-sector in Putrajaya all of which is expected to bode well for the Office Building. In addition, the increase in workforce for business within Putrajaya, as a result of mass population attraction arising from the growth in the residential sub-sector of Putrajaya, stimulation of transport connectivity and development of university campuses, is expected to boost demand for office space thus is expected to augur well for the Office Building.

Pursuant to the above and coupled with synergistic benefits pursuant to the Acquisition as disclosed in Section 7 of this AP, the Acquisition presents an opportunity to our Group to acquire a strategic and potential property in the expansion of the investment property division. In addition, the Acquisition is expected to contribute positively to the future earnings of our Group given the prospects of the long term growth and development and high demand for office space within Putrajaya.

12. WORKING CAPITAL, BORROWINGS, MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

12.1 Working capital

Our Board is of the opinion that, after taking into account our Group's cash in hand, banking facilities available and the proceeds to be raised from the Rights Issue of ICULS, our Group will have sufficient working capital for a period of twelve (12) months from the date of issue of this AP.

12.2 Borrowings

As at the LPD, our Group's total borrowings are as follows:

	Short-term RM'000	Long-term RM'000	Total RM'000
Fixed rate interest-bearing borrowings ^(a)	130	395	525
Variable rate interest-bearing borrowings ^(b)	2,776	43,119	45,895
Total	2,906	43,514	46,420

Notes:

^(a) Interest rates ranging from 2.30% to 3.25% per annum.

^(b) Interest rates at Base Lending Rate minus 1.5% per annum.

All outstanding borrowings are interest-bearing and are denominated in RM. As at the LPD, our Group does not have any foreign currency borrowings.

There has been no default on payments of either interest and/or principal sums in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period thereof, immediately preceding the LPD.

12.3 Material commitments and contingent liabilities

Save as disclosed below, there are no material commitments for capital expenditure contracted or known to be contracted by our Group which may have a substantial impact on the results or the financial position of our Group as at the LPD:

	Group RM'000
Capital commitment:	
Approved and contracted for:	
- investment property ^(a)	67,049
Capital expenditure:	
Approved and contracted for:	
- property, plant and equipment ^(b)	508
Approved but not contracted for:	
- property, plant and equipment ^(b)	1,348
Total	<u>68,905</u>

Notes:

(a) *Being the balance purchase consideration to be paid pursuant to the Acquisition as set out in Section 7 of this AP and will be funded by the proceeds to be raised from the Rights Issue of ICULS.*

(b) *To be funded by internally generated funds.*

There are no contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a substantial impact on the results or the financial position of our Group as at the LPD.

13. PROCEDURES FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

As an Entitled Shareholder of our Company, your CDS account(s) will be duly credited with the number of Provisional Rights ICULS which you are entitled to subscribe for under the terms and conditions of the Rights Issue of ICULS. You will find enclosed with this AP, the NPA notifying you of the crediting of the number of such Provisional Rights ICULS into your CDS account(s) and the RSF to enable you to subscribe for such Rights ICULS that you have been provisionally allotted, as well as apply for the excess Rights ICULS if you wish to do so.

FULL PROCEDURES FOR THE ACCEPTANCE, PAYMENT, SALE/TRANSFER AND THE EXCESS RIGHTS ICULS APPLICATION ARE SET OUT IN THIS SECTION AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS AP.

13.1 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Rights ICULS must be made on the RSF issued with this AP and completed in accordance to the notes and instructions printed in the RSF. At the absolute discretion of our Board, we may not accept acceptances which do not strictly conform to the terms of this AP or the RSF or the notes and instructions printed in these documents.

If you wish to accept all or part of your entitlement to the Provisional Rights ICULS, please complete Part I and Part III of the RSF in accordance with the notes and instructions contained in the RSF. You must despatch the completed and signed RSF together with the relevant remittance in the official envelope provided at your own risk to our ICULS Registrar at the following address:

- (i) by ORDINARY POST; or

Peti Surat 9150
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor

- (ii) by COURIER or DELIVERED BY HAND.

Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Helpdesk Tel: 03-7849 0777
Fax: 03-7841 8151/8152

and should reach our ICULS Registrar not later than 5.00 p.m. on Friday, 13 September 2013, being the last date and time for acceptance and payment, or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

If you lose, misplace or for any reason require another copy of the RSF, you and/or your renounee(s)/transferee(s) (if applicable) may obtain additional copies from your stockbrokers, our ICULS Registrar, our Registered Office or Bursa Securities' website (<http://www.bursamalaysia.com>).

You can use one (1) RSF for the acceptance of the Provisional Rights ICULS standing to the credit of one (1) CDS account. Separate RSF must be used for the acceptance of the Provisional Rights ICULS standing to the credit of more than one (1) CDS accounts. If successful, the Rights ICULS accepted by you will be credited into the respective CDS accounts where the Provisional Rights ICULS are standing to the credit.

A reply envelope is enclosed with this AP. To facilitate the processing of the RSFs by our ICULS Registrar, you are advised to use one (1) reply envelope for each completed RSF.

If you do not wish to accept the Provisional Rights ICULS in full, you are entitled to accept part of your entitlement to the Provisional Rights ICULS. The minimum number of the Provisional Rights ICULS that can be accepted is one (1) Rights ICULS. You should take note that a trading board lot comprises one hundred (100) Rights ICULS.

Each completed RSF must be accompanied by remittance in RM for the full amount payable in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made payable to "LAND & GENERAL BERHAD - L&G RIGHTS ISSUE ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side(s) with your name, contact number and address in block letters together with your CDS account number. The payment must be made in the exact amount. Any application accompanied by excess or insufficient payment or payment in the manner other than as stated in this AP may be rejected at the absolute discretion of our Board. Cheques or any other mode(s) of payment not prescribed herein are not acceptable. Details of remittance must be filled in the appropriate boxes provided in the RSF.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE ACCEPTANCE OF THE PROVISIONAL RIGHTS ICULS. NOTICES OF ALLOTMENT WILL BE DESPATCHED TO THE SUCCESSFUL APPLICANTS BY ORDINARY POST AT THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT THEIR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL RIGHTS ICULS, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR ICULS REGISTRAR OR OUR COMPANY.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR ICULS REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES (AS THE CASE MAY BE) WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL RIGHTS ICULS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK.

If the acceptance of and payment for the Provisional Rights ICULS is not received by our ICULS Registrar by 5.00 p.m. on Friday, 13 September 2013 or such later date and time as may be determined and announced by our Board, your and/or your renouneece(s)/transferee(s)' (if applicable) provisional entitlement under the Rights Issue of ICULS will be deemed to have been declined and will be cancelled.

Such Provisional Rights ICULS not taken up will be allotted to applicants for the excess Rights ICULS in the manner as set out in Section 13.3 of this AP.

13.2 Procedures for sale/transfer of the Provisional Rights ICULS

The Provisional Rights ICULS are renouneeceable. If you wish to sell or transfer all or part of your entitlement to the Provisional Rights ICULS to one (1) or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Rights ICULS standing to the credit of your CDS account(s). To sell or transfer all or part of your entitlement to the Provisional Rights ICULS, you may sell such entitlement in the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for the sale/transfer of the Provisional Rights ICULS.

In selling or transferring all or part of your entitlement to the Provisional Rights ICULS, you need not deliver the RSF or any document to your stockbroker. **You are however advised to ensure that there is sufficient Provisional Rights ICULS standing to the credit of your CDS account(s) before selling or transferring.**

Renounee(s)/transferee(s) of the Provisional Rights ICULS may obtain a copy of this AP and the RSF from their stockbrokers, our ICULS Registrar, our Registered Office or Bursa Securities' website (<http://www.bursamalaysia.com>).

If you have sold or transferred only part of your entitlement to the Provisional Rights ICULS, you may still accept the balance of your entitlement to the Provisional Rights ICULS by completing both Part I and Part III of the RSF and deliver the completed and signed RSF together with the relevant remittance to our ICULS Registrar in the manner as set out in Section 13.1 of this AP.

If you sell or transfer all or part of your entitlement to the Provisional Rights ICULS, you will automatically be selling or transferring your entitlement to all or part of the Rights ICULS.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR ICULS REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

13.3 Procedures for excess Rights ICULS application

If you wish to apply for additional Rights ICULS in excess of those provisionally allotted to you, please complete Part II of the RSF (in addition to both Part I and Part III) and forward it together with a **separate remittance** for the full amount payable in respect of the excess Rights ICULS applied for, to our ICULS Registrar not later than 5.00 p.m. on Friday, 13 September 2013, being the last date and time for application and payment, or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

Payment for the excess Rights ICULS applied for should be made in the same manner as described in Section 13.1 of this AP, with remittance in RM made in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made payable to "**LAND & GENERAL BERHAD - L&G EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side(s) with your name, contact number and address in block letters together with your CDS account number. The payment must be made in the exact amount. Any application accompanied by excess or insufficient payment or payment in the manner other than stated in this AP may be rejected at the absolute discretion of our Board. Cheques or any other mode(s) of payment not prescribed herein are not acceptable. Details of remittance must be filled in the appropriate boxes provided in the RSF.

Our Board reserves the right to allot the excess Rights ICULS, if any, applied for under Part II of the RSF on a fair and equitable basis as they deem fit and expedient and in the best interest of our Company. Our Board reserves the right to accept any excess Rights ICULS application, in full or in part, without assigning any reason thereto. The indicative basis of allotment of the excess Rights ICULS is as follows:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, after the occurrence of (i) above, for allocation to our Entitled Shareholders who have applied for the excess Rights ICULS on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, after the occurrence of (i) and (ii) above, for allocation to our Entitled Shareholders who have applied for the excess Rights ICULS on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Rights ICULS application; and

- (iv) lastly, after the occurrence of (i), (ii) and (iii) above, for allocation to renounee(s)/transferee(s) who have applied for the excess Rights ICULS on a pro-rata basis and in board lot, based on the quantum of their respective excess Rights ICULS application.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE EXCESS RIGHTS ICULS APPLICATION. NOTICES OF ALLOTMENT WILL BE DESPACHED TO THE SUCCESSFUL APPLICANTS BY ORDINARY POST AT THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT THEIR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS ICULS, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR ICULS REGISTRAR OR OUR COMPANY.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR ICULS REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS ICULS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES (AS THE CASE MAY BE) WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPACHED TO YOU WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS ICULS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK.

13.4 Procedures to be followed by renounee(s)/transferee(s)

Renounees/transferees may obtain a copy of this AP and the RSF from their stockbrokers, our ICULS Registrar, our Registered Office or Bursa Securities' website (<http://www.bursamalaysia.com>).

The procedures for acceptance, selling/transferring of the Provisional Rights ICULS, applying for the excess Rights ICULS and/or payment by the renounee(s)/transferee(s) are the same as that which are applicable to you as described in Sections 13.1 to 13.3 of this AP.

RENOUNCEES/TRANSFEREES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

13.5 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Rights ICULS are prescribed securities and as such, all dealings in the Provisional Rights ICULS will be by book entries through CDS accounts and will be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS account in order to subscribe for the Rights ICULS.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS account number may result in the application being rejected.

If you have multiple CDS accounts into which the Provisional Rights ICULS have been credited, you cannot use a single RSF for acceptance of all these Provisional Rights ICULS. Separate RSF must be used for separate CDS accounts. If successful, the Rights ICULS accepted by you will be credited into the respective CDS accounts where the Provisional Rights ICULS are standing to the credit.

13.5.1 Acceptance of the Provisional Rights ICULS by our Entitled Shareholders

Your acceptance of the Provisional Rights ICULS shall mean that you consent to receive such Rights ICULS as prescribed securities which will be credited directly into your CDS account(s). Hence, the Rights ICULS will be credited directly into your CDS account(s) upon allotment and issue.

13.5.2 Acceptance of the Provisional Rights ICULS by renouncee(s)/ transferee(s)

If you intend to accept the Provisional Rights ICULS, you must state your CDS account number in the RSF whereupon the Rights ICULS will be credited directly as prescribed securities into your CDS account(s) upon allotment and issue.

13.5.3 Application for excess Rights ICULS by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable)

If you are successful in applying for the excess Rights ICULS, such Rights ICULS will be credited directly as prescribed securities into your CDS account(s) upon allotment and issuance. The allocation of the excess Rights ICULS will be made on a fair and equitable basis as set out in Section 13.3 of this AP.

13.6 Laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction, and have not been (and will not be) lodged, registered or approved under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any foreign jurisdiction, and the Rights Issue of ICULS will not be made or offered in any foreign jurisdiction. The Documents will not be sent to our Entitled Shareholders without an address in Malaysia.

Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) may accept or renounce (as the case may be) all or part of their entitlements and exercise any other rights in respect of the Rights Issue of ICULS only to the extent that it would be lawful to do so. Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), shall be solely responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to.

PIVB, our Company, our Board and our officers and other experts shall not accept any responsibility or liability in the event that any acceptance and/or renunciation made by any foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), is or shall become illegal, unenforceable, voidable or void in any such foreign jurisdiction.

Further, foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in the foreign jurisdictions and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) for any issue, transfer or any other taxes or other requisite payments as such person may be required to pay. They will have no claims whatsoever against PIVB, our Company, our Board and our officers and other experts in respect of their rights or entitlements under the Rights Issue of ICULS.

Such foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Rights Issue of ICULS.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any foreign jurisdiction. If the Documents are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he or she must not seek to accept the offer unless he or she has complied with and observed the laws of the relevant jurisdiction in connection therewith.

Any person who does forward the Documents to any such foreign jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and our Company reserves the right to reject a purported acceptance of the Rights Issue of ICULS from any such application by foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Issue of ICULS as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia or other jurisdictions.

By signing any of the forms accompanying this AP, the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) PIVB, our Company, our Board and our officers and other experts that:

- (i) we would not, by acting on the acceptance and/or renunciation in connection with the Rights Issue of ICULS, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance and/or renunciation;
- (iii) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance and/or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are aware that the Provisional Rights ICULS can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have respectively received a copy of this AP and have had access to such financial and other information and have been afforded the opportunity to ask such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights ICULS; and
- (vi) the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have sufficient knowledge and experience in financial business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights ICULS, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights ICULS.

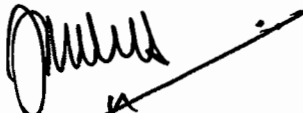
14. TERMS AND CONDITIONS

The issuance of the Rights ICULS under the Rights Issue of ICULS is governed by the terms and conditions as set out in the Documents.

15. ADDITIONAL INFORMATION

You are requested to refer to the attached appendices for additional information.

Yours faithfully,
for and on behalf of our Board
LAND & GENERAL BERHAD


Ferdaus Mahmood
Executive Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM ON 31 JULY 2013



CERTIFIED TRUE EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD AT THE SAGA ROOM, THE SRI DAMANSARA CLUB, LOT 23304, PERSIARAN PERDANA, BANDAR SRI DAMANSARA, 52200 KUALA LUMPUR ON WEDNESDAY, 31st JULY 2013 AT 3.00 P.M.

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF RM77,779,589 NOMINAL VALUE OF FIVE (5)-YEAR, 1%, IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”) AT 100% OF THE NOMINAL VALUE OF RM0.13 EACH (“RIGHTS ICULS”) ON THE BASIS OF RM0.13 NOMINAL VALUE OF THE ICULS FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF RM0.20 EACH IN L&G (“L&G SHARE(S)”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“PROPOSED RIGHTS ISSUE OF ICULS”)

Ordinary Resolution 1 which was voted by way of poll, was duly passed by the shareholders of L&G and the poll results are summarised as stated below.

IT WAS RESOLVED:

“**THAT**, subject to the passing of Ordinary Resolution 2 and the approvals of all relevant authorities including the Securities Commission Malaysia for the approval for the issuance of the ICULS, the approval-in-principle of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the admission of the ICULS to the Official List of Main Market of Bursa Securities and the listing of and quotation for the ICULS and the new L&G Shares arising from the full conversion of the ICULS pursuant to this Resolution, approval be and is hereby given to the Directors of the Company to:

- (i) provisionally allot and issue by way of renounceable rights issue of RM77,779,589 nominal value of Rights ICULS at an issue price at 100% of the nominal value of RM0.13 per Rights ICULS on the basis of RM0.13 nominal value of Rights ICULS for every one (1) existing L&G Share held on an entitlement date to be determined and announced later, to disregard fractional entitlements under the Proposed Rights Issue of ICULS and to deal with the aggregate of such fractions as the Directors of the Company may at their absolute discretion deem fit and expedient and in the best interest of the Company and to deal with the excess Rights ICULS not subscribed by the other entitled shareholders in the manner as detailed in Section 2.1.1 of Part A of the Circular to shareholders of L&G dated 16 July 2013 (“**Circular**”), **AND THAT** the Rights ICULS so allotted and issued to the shareholders shall rank *pari passu* in all respects with the then all other unsubordinated and unsecured obligations of the Company subject only to those preferred by mandatory provisions of law;
- (ii) utilise the proceeds to be derived from the Proposed Rights Issue of ICULS in the manner as set out in Section 2.1.7 of Part A of the Circular and the Directors of the Company be and are hereby authorised to revise the manner and purpose of utilisation of proceeds as they may deem fit and expedient in the best interest of the Company subject to (where required) the approval of the relevant authorities;

Page 1 of 3

LAND & GENERAL BERHAD (Company No. 5507-H)

8trium, Level 21, Menara 1, Jalan Cempaka SD 12/5, Bandar Sri Damansara, 52200 Kuala Lumpur, Malaysia

Tel : 603-6279 8000, 603-6275 7788 Fax : 603-6277 7061

Email : lgb@land-general.com Website : www.land-general.com

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM ON 31 JULY 2013 (Cont'd)



- (iii) create and issue the ICULS at the conversion price of RM0.26 for every one (1) new L&G Share, (or such price adjusted in accordance with the trust deed) based on the indicative principal terms as set out in Appendix I of the Circular and the terms and conditions of a trust deed to be executed by the Company constituting the ICULS (“**Trust Deed**”);
- (iv) allot and issue new L&G Shares arising from the conversion of the ICULS (including further ICULS arising from any adjustments under the provisions of the Trust Deed); and
- (v) enter into and execute the Trust Deed constituting the ICULS and to do all acts, deed and things as Directors of the Company may deem fit or expedient in order to implement, finalise and give effect to the Trust Deed.

THAT such new L&G Shares to be issued arising from the full conversion of the ICULS shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing L&G Shares except that they will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of these new L&G Shares.

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to implement, finalise and/or give full effect to the Proposed Rights Issue of ICULS with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Directors in the best interest of the Company.”

Poll Result : Votes casted “**For**” Ordinary Resolution 1 were 53,085,700 ordinary shares (representing 80.77% present and voting)

Votes casted “**Against**” Ordinary Resolution 1 were 12,641,700 ordinary shares (representing 19.23% present and voting)

ORDINARY RESOLUTION 2

PROPOSED ACQUISITION OF ONE (1) BLOCK OF THIRTEEN (13)-STOREY STRATIFIED OFFICE FLOORS BEING CONSTRUCTED OVER A PIECE OF FREEHOLD LAND HELD UNDER GERAN 825, LOT NO. 3, PRESINT 3, TOWN AND DISTRICT OF PUTRAJAYA, STATE OF WILAYAH PERSEKUTUAN PUTRAJAYA BY MAPLE DOMAIN SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF L&G, FROM MAYLAND AVENUE SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF MALAYSIA LAND PROPERTIES SDN BHD, FOR A TOTAL CASH CONSIDERATION OF RM72,485,000 (“PROPOSED ACQUISITION”)

Ordinary Resolution 2 which was voted by way of poll, was duly passed by the shareholders of L&G and the poll results are summarised as stated below.

IT WAS RESOLVED:

“**THAT** subject to the passing of Ordinary Resolution 1, the fulfillment of the conditions precedent and the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to Maple Domain Sdn Bhd (“**MDSB**”), a wholly-owned subsidiary of L&G to acquire one (1) block of thirteen (13)-storey stratified office floors being constructed over a piece of freehold land held under Geran 825, Lot No. 3, Presint 3, town and district of Putrajaya, state of Wilayah Persekutuan Putrajaya for a total cash consideration of RM72,485,000 in accordance with the terms and conditions of

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM ON 31 JULY 2013 (Cont'd)



the conditional Master Sale Agreement, Definitive Sale and Purchase Agreements and Deed of Mutual Covenants dated 9 April 2013 entered into between MDSB and Mayland Avenue Sdn Bhd, a wholly-owned subsidiary of Malaysia Land Properties Sdn Bhd;

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and/or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to implement, finalise and/or give full effect to the Proposed Acquisition with full powers to assent to any terms, conditions, modifications, variations and/or amendments as may be required by the relevant authorities or deemed necessary by the Directors in the best interest of the Company.”

Poll Result : Votes casted **“For”** Ordinary Resolution 2 were 52,965,700 ordinary shares (representing 80.58 % present and voting)

Votes casted **“Against”** Ordinary Resolution 2 were 12,761,700 ordinary shares (representing 19.42% present and voting)

CERTIFIED TRUE EXTRACT

FERDAUS MAHMOOD
EXECUTIVE DIRECTOR

LEE SIW YENG (MAICSA 7048942)
SECRETARY

DATED: 5TH AUGUST 2013

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia on 21 May 1964 as a limited company under the name Nanyang Holdings Limited under the Companies Ordinances, 1940-1946. On 21 March 1968, our Company changed its name from Nanyang Holdings Limited to General Lumber (Holdings) Sdn Bhd and was converted to a public limited company on 7 October 1968 and subsequently assumed the present name in 1991.

Our Company was listed on the KLSE (formerly the Stock Exchange of Kuala Lumpur and Singapore Ltd) on 14 November 1968. It maintained both of these listings until 1989 when Malaysian Government policy and the listing requirements of the KLSE required its delisting from the Stock Exchange of Singapore, which took effect from 1 January 1990. Our Company is currently listed on the Main Market of the Bursa Securities.

2. PRINCIPAL ACTIVITIES

Our Company is an investment holding company whilst our subsidiaries are principally engaged in property investment and development business, cultivation of rubber and oil palm, management of club activities and provision of education services.

3. SHARE CAPITAL

The authorised and issued and paid-up share capital of our Company as at the LPD are as follows:

Type	No. of L&G Shares	Par value RM	Amount RM
Authorised	5,000,000,000	0.20	1,000,000,000
Issued and paid-up	598,304,530	0.20	119,660,906

There are no changes in the authorised and issued and paid-up share capital of our Company for the past three (3) years up to the LPD.

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INFORMATION ON OUR COMPANY (Cont'd)

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Based on the Register of Substantial Shareholders of our Company, the shareholdings of the substantial shareholders (holding 5% or more) of our Company as at the LPD and the proforma effects of the Corporate Exercises are set out below.

Minimum Scenario

	As at the LPD				(I) After the Rights Issue of ICULS				(II) ^(b) After (I) and assuming full conversion of the ICULS				
	Direct		Indirect		Direct		Indirect		Direct		Indirect		
	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	
Substantial shareholders													
MPSB	103,420	17.29	-	-	103,420	17.29	-	-	402,572	44.86	-	-	-
Wing Kwan Winnie Chiu ^(a)	-	-	103,420	17.29	-	-	103,420	17.29	-	-	-	402,572	44.86

Notes:

(a) Our director and deemed interest through MPSB.

(b) In the event all the ICULS are converted by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for one (1) new L&G Share, a total of 598,304,530 new L&G Shares will be issued and the enlarged issued and paid-up share capital of our Company will increase to 1,196,609,060 L&G Shares. Accordingly, the direct shareholding of MPSB and indirect shareholding of Ms Wing Kwan Winnie Chiu in our Company would increase to 58.64%, respectively.

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INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

	As at the LPD				(I) After the Rights Issue of ICULS				(II) After (I) and assuming full conversion of the ICULS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%
Substantial shareholders	103,420	17.29	-	-	103,420	17.29	-	-	206,840	17.29	-	-
MPSB	-	-	103,420	17.29	-	-	103,420	17.29	-	-	206,840	17.29
Wing Kwan Winnie Chiu ^(a)	-	-	-	-	-	-	-	-	-	-	-	-

Note:

(a) Our director and deemed interest through MPSB.

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INFORMATION ON OUR COMPANY (Cont'd)

5. PARTICULARS OF DIRECTORS**5.1 Details of Directors**

The particulars of our Directors as at the LPD are as follows:

Name	Age	Designation	Profession	Nationality	Address
Dato' Hj Zainal Abidin Putih	67	Independent Non-Executive Chairman	Company Director	Malaysian	No. 70, Jalan Bruas Damansara Heights 50490 Kuala Lumpur
Low Gay Teck	48	Managing Director Non-Independent Executive Director	Company Director	Malaysian	3, Lorong Chelagi Damansara Heights 50490 Kuala Lumpur
Ferdaus Mahmood	58	Executive Director Non-Independent Executive Director	Company Director	Malaysian	68, Jalan BU 4/5 Bandar Utama 47800 Petaling Jaya Selangor
Dato' Ir Dr A Bakar Jaafar	63	Senior Independent Non-Executive Director	Company Director	Malaysian	2A, Jalan Menara Satu (U8/5A) Bukit Jelutong 40150 Shah Alam Selangor
Dato' Hj Ikhwan Salim Dato' Hj Sujak	56	Independent Non-Executive Director	Company Director	Malaysian	No. 126, Jalan Athinahapan 1 Taman Tun Dr. Ismail 60000 Kuala Lumpur
YM Tengku Maruan Tengku Ariff	60	Independent Non-Executive Director	Company Director	Malaysian	84, Jalan Leong Yew Koh Taman Tun Dr Ismail 60000 Kuala Lumpur
Wing Kwan Winnie Chiu	33	Non-Independent Non-Executive Director	Company Director	Permanent Resident of Malaysia	11-1-1, Menara Hartamas Condo Jalan Sri Hartamas 3 Sri Hartamas 50480 Kuala Lumpur
Hoong Cheong Thard	44	Non-Independent Non-Executive Director	Company Director	Malaysian	66, Lorong Kurau Satu Taman Chai Leng 13700 Perai Pulau Pinang

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INFORMATION ON OUR COMPANY (Cont'd)

5.2 Details of Directors' shareholdings

Save for the proforma effects of the Corporate Exercises on our Directors' shareholdings as disclosed below, none of our other Directors have any direct and/or indirect shareholdings in our Company as at the LPD.

Minimum Scenario

	As at the LPD				(I) After the Rights Issue of ICULS				(II) ^(b) After (I) and assuming full conversion of the ICULS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%
Directors	2	*	-	17.29	2	*	-	17.29	2	*	-	44.86
YM Tengku Maruan Tengku Ariff	-	-	103,420	17.29	-	-	103,420	17.29	-	-	402,572	44.86
Wing Kwan Winnie Chiu ^(a)	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

(a) Our director and deemed interest through MPSB.

(b) In the event all the ICULS are converted by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for one (1) new L&G Share, a total of 598,304,530 new L&G Shares will be issued and the enlarged issued and paid-up share capital of our Company will increase to 1,196,609,060 L&G Shares. Accordingly, the direct shareholding of MPSB and indirect shareholding of Ms Wing Kwan Winnie Chiu in our Company would increase to 58.64%, respectively.

* Negligible.

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INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

	As at the LPD				(I) After the Rights Issue of ICULS				(II) After (I) and assuming full conversion of the ICULS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%	No. of L&G Shares '000	%
Directors	2	*	-	-	2	*	-	-	4	*	-	-
YM Tengku Maruan Tengku Ariff	-	-	103,420	17.29	-	-	103,420	17.29	-	-	206,840	17.29
Wing Kwan Winnie Chiu ^(a)	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

(a) Our director and deemed interest through MPSE.

* Negligible.

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INFORMATION ON OUR COMPANY (Cont'd)
6. SUBSIDIARIES AND ASSOCIATED COMPANIES

The details of our subsidiaries as at the LPD are as follows:

Name of subsidiaries	Date/Place of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
Bestform Limited	24 June 1991/ Isle of Man	2	100.00	Investment holding
Bright Term Sdn Bhd	22 October 2009/ Malaysia	500,000	100.00	Property development
Clarity Crest Sdn Bhd	15 January 1993/ Malaysia	9,030,100	100.00	Cultivation of rubber and oil palm
L&G Resources (1994), Inc.	3 July 1994/ USA	1,450,000	100.00	Investment holding
Land & General Properties Sdn Bhd	16 January 1989/ Malaysia	500,000	100.00	Property development and property management
Land & General Australia (Holdings) Pty Ltd	27 September 2000/ Australia	10,670,671	100.00	Investment holding
Land & General Marketing Sdn Bhd	14 March 1985/ Malaysia	22,851,724	100.00	Property management
Lang Education Holdings Sdn Bhd	14 December 1994/ Malaysia	12,201,671	100.00	Investment holding
Lang Furniture (Pahang) Sdn Bhd	22 March 1974/ Malaysia	50,000,000	100.00	Dormant
Maple Domain Sdn Bhd	28 October 2009/ Malaysia	2	100.00	Dormant
Sri Damansara Sdn Bhd	23 November 1983/ Malaysia	69,000,000	100.00	Property development
Syarikat Trimal Sdn Bhd	3 July 1976/ Malaysia	12,974,534	100.00	Property development
Synergy Score Sdn Bhd	9 June 2008/ Malaysia	2	100.00	Investment holding
Winlink Pte Ltd	29 June 1991/ Singapore	2	100.00	Dormant

INFORMATION ON OUR COMPANY (Cont'd)

Name of subsidiaries	Date/Place of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
Subsidiary of L&G Resources (1994), Inc.:				
L&G Display Technologies, Inc.	3 September 1994/ USA	420,000	100.00	Dormant
Subsidiaries of Land & General Australia (Holdings) Pty Ltd:				
Lang Melbourne Pty Ltd	6 March 1997/ Australia	5	100.00	Dormant
World Trade Centre Holdings Pty Ltd	6 February 2003/ Australia	1	100.00	Dormant
Flinders Wharf Pty Ltd	23 December 1997/ Australia	1	100.00	Dormant
Flinders Wharf One Pty Ltd	7 June 2001/ Australia	1	100.00	Dormant
Flinders Wharf Two Pty Ltd	7 June 2001/ Australia	1	100.00	Dormant
Flinders Wharf Land Pty Ltd	7 June 2001/ Australia	1	100.00	Dormant
PLR Mayfields Pty Ltd	25 February 1997/ Australia	1	100.00	Dormant
Subsidiary of Lang Education Holdings Sdn Bhd:				
Lang Education Sdn Bhd	29 December 1993/ Malaysia	100,000	100.00	Education services
Subsidiary of Sri Damansara Sdn Bhd:				
Sri Damansara Club Bhd	11 August 1993/ Malaysia	6,000,000	100.00	Management of club activities
Subsidiaries of Syarikat Trimal Sdn Bhd:				
Mentari Unggul Sdn Bhd	29 October 1993/ Malaysia	10,000	70.00	Dormant
Tinvein Nominees Sdn Bhd	19 May 1983/ Malaysia	2	100.00	Investment holding

INFORMATION ON OUR COMPANY (Cont'd)

Name of subsidiaries	Date/Place of incorporation	Issued and paid-up share capital RM	Effective equity interest %	Principal activities
Subsidiary of World Trade Centre Holdings Pty Ltd:				
Lang Australia Pty Ltd	22 April 1996/ Australia	100	100.00	Dormant
Subsidiary of Tinvein Nominees Sdn Bhd:				
Navistar Sdn Bhd	4 May 1987/ Malaysia	250,000	100.00	Property development
Subsidiary of Synergy Score Sdn Bhd:				
Elite Forward Sdn Bhd	28 July 2009/ Malaysia	750,000	50.01	Property development

The details of our associates as at the LPD are as follows:

Name of associates	Date/Place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
C.I. Damansara Quarry Sdn Bhd	27 June 1984/ Malaysia	100,000	35.00	Dormant
Projass Langbuilt Sdn Bhd	27 May 1997/ Malaysia	1,000,000	50.00	Dormant
FW Financing Solutions Pty Ltd	28 June 2001/ Malaysia	2	50.00	Dormant

The details of our jointly controlled entity as at the LPD are as follows:

Name of associates	Date/Place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
Hidden Valley Australia Pty Ltd	25 February 1997/ Australia	2	50.00	Property development

INFORMATION ON OUR COMPANY (Cont'd)
7. PROFIT AND DIVIDEND RECORD

The profit and dividend records based on our Group's audited consolidated results for the FYEs 31 March 2011, 2012 and 2013 are as follows:

	Audited FYE 31 March		
	2011 RM'000	2012 RM'000	2013 RM'000
Revenue	44,202	130,799	216,293
Other income	11,107	18,701	19,049
Share of results of jointly controlled entities	(1,697)	(3,165)	(4,728)
Earnings before interest, taxation, depreciation and amortisation	15,339	44,831	74,444
<u>(Less):</u>			
Depreciation and amortisation	(1,443)	(1,311)	(1,663)
Interest expense	(18)	(21)	(20)
PBT	13,878	43,499	72,761
Income tax expenses	(3,665)	(10,379)	(15,584)
PAT	10,213	33,120	57,177
Less: Non-controlling interests	-	(2,751)	(13,208)
Profit attributable to the owners of our Company	10,213	30,369	43,969
PAT margin (%)	23.11	25.32	26.43
Weighted average number of ordinary shares in issue ('000)	598,305	598,305	598,305
Basic EPS (sen)	1.71	5.08	7.35
Diluted EPS (sen)	1.71	5.08	7.35

Note:

No dividend was declared and paid for the FYE 31 March 2011 to 2013.

INFORMATION ON OUR COMPANY (Cont'd)

Commentaries on past performance:***FYE 31 March 2011 as compared to FYE 31 March 2010***

The improved revenue for the current FYE 31 March 2011 by approximately RM13.99 million (46.30%) as compared to the preceding FYE 31 March 2010 was due to more profit recognition in respect of the property development of 8trium @ Sri Damansara, a landmark office-cum-retail complex embodies with integrated business-retail-leisure concept, which was launched in 2009 and was due for completion by 2012. Sales of the office suites had reached 91% out of the total sales value of RM98.00 million.

As compared to the current FYE 31 March 2011, the higher profit posted in the preceding FYE 31 March 2010 of approximately RM29.68 million were mainly due to the recognition of exceptional income as mentioned above in the FYE 31 March 2010.

FYE 31 March 2012 as compared to FYE 31 March 2011

Our Group's revenue of approximately RM130.80 million for the FYE 31 March 2012 increased by approximately RM86.60 million (195.91%) as compared to the preceding FYE 31 March 2011 of approximately RM44.20 million. The increase in revenue was mainly attributable to the progressive recognition of our Group's project at the Elements @ Ampang, which was launched in April 2011, and the 8trium @ Sri Damansara project.

Our Group's PAT of approximately RM33.12 million increased by approximately RM22.91 million (224.29%) as compared to the preceding FYE 31 March 2011 of approximately RM10.21. The increase in PAT was in line with the increase in revenue.

FYE 31 March 2013 as compared to FYE 31 March 2012

For the current FYE under review, our Group posted a revenue of RM216.29 million as compared to RM130.80 million in the preceding FYE, an increase of RM85.49 million (65.36%), with the property division being the key contributor. The successful completion of 8trium @ Sri Damansara coupled with the sales and development of the Elements @ Ampang and Damansara Foresta projects contributed to the property division's revenue in the current financial year of RM191.5 million.

Our Group's PAT of approximately RM57.18 million increased by approximately RM24.06 million (72.64%) as compared to the preceding FYE 31 March 2012 of approximately RM33.12 million. The increase in PAT was in line with the increase in revenue.

8. SHARE PRICES

The monthly highest and lowest market prices of the L&G Shares as traded on Bursa Securities for the past twelve (12) months up to the LPD are as follows:

	Highest RM	Lowest RM
<u>2012</u>		
August	0.510	0.430
September	0.440	0.390
October	0.465	0.395
November	0.475	0.405
December	0.425	0.390

INFORMATION ON OUR COMPANY (Cont'd)

	Highest RM	Lowest RM
<u>2013</u>		
January	0.445	0.380
February	0.415	0.365
March	0.430	0.375
April	0.470	0.375
May	0.480	0.375
June	0.500	0.430
July	0.485	0.440

The last transacted price of the L&G Shares on Bursa Securities on 8 April 2013, being the last practicable day immediately prior to the Announcement of the Corporate Exercises on 9 April 2013, was RM0.450 per L&G Share.

The last transacted price of the L&G Shares on Bursa Securities on 5 August 2013, being the LPD prior to the printing of this AP, was RM0.465 per L&G Share.

The last transacted price of the L&G Shares on Bursa Securities on 26 August 2013, being the last Market Day prior to the ex-date for the Rights Issue of ICULS, was RM0.445 per L&G Share.

(Source: Bloomberg)

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OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



SIEW BOON YEONG & ASSOCIATES

Chartered Accountants [AF: 0660]

9-C, Jalan Medan Tuanku, Medan Tuanku, 50300 Kuala Lumpur, Malaysia.

Tel: 03-2693 8837 Fax: 03-2693 8836 Website: www.sby.com.my E-mail: audit@sby.com.my



Member Firm 13
Malaysian Institute of Accountants
Dewan Akademi Malaysia
Majlis Akademi Malaysia

Date: 2 August 2013

The Board of Directors
Land & General Berhad
8trium, Level 21, Menara 1
Jalan Cempaka SD 12/5
Bandar Sri Damansara,
52200 Kuala Lumpur.

Dear Sirs,

**LAND & GENERAL BERHAD (“L&G” OR “COMPANY”)
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2013**

We have reviewed the Proforma Consolidated Statements of Financial Position of L&G and its subsidiaries (“the Group”) as at 31 March 2013 together with the accompanying notes thereon for which the Board of Directors of L&G is solely responsible, as set out in the accompanying statements (which we have stamped for the purpose of identification). The Proforma Consolidated Statements of Financial Position have been prepared for illustrative purposes only for the inclusion in the Abridged Prospectus to the Entitled Shareholders of L&G to be dated 29 August 2013 in connection with renounceable rights issue of irredeemable convertible unsecured loan stocks for the Group which forms part of the following corporate exercises undertaken by L&G:

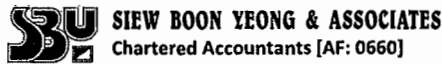
- (i) Renounceable rights issue of RM77,779,589 nominal value of five (5)-year, 1%, irredeemable convertible unsecured loan stocks (“ICULS”) at 100% of the nominal value of RM0.13 each (“Rights ICULS”) on the basis of RM0.13 nominal value of the ICULS for every one (1) existing ordinary share of RM0.20 each in L&G (“L&G Share(s)”) (“Rights Issue of ICULS”); and
- (ii) Acquisition of one (1) block of thirteen (13)-storey stratified office floors being constructed over a piece of freehold land held under Geran 825, Lot No. 3, Presint 3, town and district of Putrajaya, state of Wilayah Persekutuan Putrajaya (“Land”) (“Office Building”) by Maple Domain Sdn. Bhd. (“MDSB”), a wholly-owned subsidiary of L&G, from Mayland Avenue Sdn. Bhd. (“MASB”), a wholly-owned subsidiary of Malaysia Land Properties Sdn. Bhd. (“MLP”), for a total cash consideration of RM72,485,000 (“Acquisition”).

hereinafter the above collectively, shall be referred to as the “Corporate Exercises”.

Basis of Opinion

We conducted our work in accordance with the Malaysian Approved Standards of Assurance, *ISAE 3000 – Assurance Engagements Other Than Audit or Review of Historical Information*. Our work consisted primarily of comparing the Proforma Consolidated Statements of Financial Position with the audited consolidated financial statements of the Group, considering the evidence supporting the adjustments and discussing the Proforma Consolidated Statements of Financial Position with the Directors of L&G. Our work involved no independent examination of any of the underlying financial information.

OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Proforma Consolidated Statements of Financial Position have been properly compiled on the basis stated using financial statements prepared in accordance with Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies normally adopted by L&G.

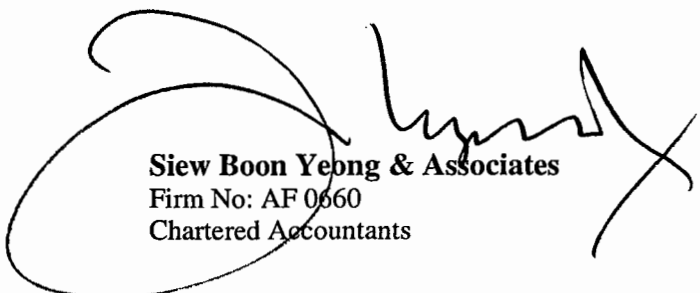
The audited financial statements of L&G for the financial year ended 31 March 2013 were audited by another firm of Chartered Accountants and were reported upon by the auditors without any modification to the members of L&G on 10 July 2013.

In our opinion,

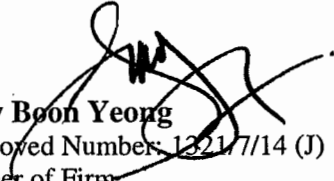
- (i) the Proforma Consolidated Statements of Financial Position as at 31 March 2013 which were prepared for illustrative purposes only, have been properly compiled on the basis set out in the accompanying notes to the Proforma Consolidated Statements of Financial Position using financial statements prepared in accordance with the Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies of the L&G in the preparation of its audited consolidated financial statements for the financial year ended 31 March 2013; and
- (ii) the adjustments made to the information used in the preparation of the Proforma Consolidated Statements of Financial Position are appropriate for the purposes of preparing the Proforma Consolidated Statements of Financial Position of L&G as at 31 March 2013.

We understand that this letter will be used solely for the purposes of inclusion in the Abridged Prospectus to the Entitled Shareholders of L&G in connection with the Rights Issue of ICULS. As such, this letter should not be used for any purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully



Siew Boon Yeong & Associates
Firm No: AF 0660
Chartered Accountants



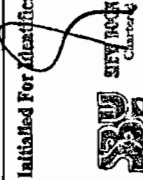
Siew Boon Yeong
Approved Number: 1321/7/14 (J)
Partner of Firm

OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**LAND & GENERAL BERHAD ("L&G")
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013
MINIMUM SCENARIO**

	Audited Consolidated Statements of Financial Position as at 31 March 2013 RM'000	Adjustments for the Rights Issue of ICULS RM'000	Proforma I After the Rights Issue of ICULS RM'000	Adjustments for the Acquisition RM'000	Proforma II After Proforma I and the Acquisition RM'000	Adjustments for the Full Conversion of the ICULS RM'000	Proforma III After Proforma II and the Full Conversion of the ICULS RM'000
ASSETS							
Non-current Assets							
Property, plant and equipment	72,306	-	72,306	-	72,306	-	72,306
Land held for property development	30,954	-	30,954	-	30,954	-	30,954
Investment properties	34,413	-	34,413	72,485	106,898	-	106,898
Goodwill	12	-	12	-	12	-	12
Land use rights	58	-	58	-	58	-	58
Investments in jointly controlled entities	(12,254)	-	(12,254)	-	(12,254)	-	(12,254)
Other investments	5,118	-	5,118	-	5,118	-	5,118
Trade and other receivables	17,626	-	17,626	-	17,626	-	17,626
Deferred tax assets	-	737	737	-	737	(737)	-
	148,233	737	148,970	72,485	221,455	(737)	220,718
Current Assets							
Property development costs	142,246	-	142,246	-	142,246	-	142,246
Inventories	9,733	-	9,733	-	9,733	-	9,733
Trade and other receivables	25,322	-	25,322	-	25,322	-	25,322
Other current assets	50,016	-	50,016	-	50,016	-	50,016
Tax recoverable	979	-	979	-	979	-	979
Deposits, cash and bank balances	172,371	76,780	249,151	(72,485)	176,666	-	176,666
	400,667	76,780	477,447	(72,485)	404,962	-	404,962
Non-current assets classified as held for sale							
	757	-	757	-	757	-	757
	401,424	76,780	478,204	(72,485)	405,719	-	405,719
Total Assets	549,657	77,517	627,174	-	627,174	(737)	626,437

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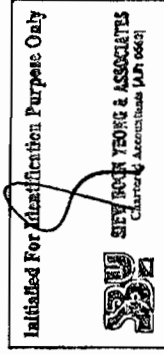
SIVYA RAJEEV YEOH & ASSOCIATES
Chartered & Accountants (Malaysia)

OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**LAND & GENERAL BERHAD
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013
MINIMUM SCENARIO (CONT'D)**

	Audited Consolidated Statements of Financial Position as at 31 March 2013 RM'000	Proforma I Adjustments for the Rights Issue of KUIJS RM'000	Proforma I After the Rights Issue of KUIJS RM'000	Adjustments for the Acquisition RM'000	Proforma II After Proforma I and the Acquisition RM'000	Adjustments for the Full Conversion of the KUIJS RM'000	Proforma III After Proforma II and the Full Conversion of the KUIJS RM'000
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	119,661	-	119,661	-	119,661	59,830	179,491
Share premium	17,036	(962)	16,074	-	16,074	17,950	34,024
ICUIJS - Equity portion	-	75,568	75,568	-	75,568	(75,568)	-
Retained profits	169,979	(38)	169,941	-	169,941	-	169,941
Other reserves	20,342	-	20,342	-	20,342	-	20,342
Total equity attributable to owners of the Company	327,018	74,568	401,586	-	401,586	2,212	403,798
Non-controlling interests	22,568	-	22,568	-	22,568	-	22,568
Total Equity	349,586	74,568	424,154	-	424,154	2,212	426,366
Non-Current Liabilities							
Provisions	33,712	-	33,712	-	33,712	-	33,712
Trade and other payables	15,935	-	15,935	-	15,935	-	15,935
Borrowings	57,234	-	57,234	-	57,234	-	57,234
Deferred tax liabilities	3,887	-	3,887	-	3,887	-	3,887
ICUIJS - Liability portion	-	2,949	2,949	-	2,949	(2,949)	-
Total Current Liabilities	110,768	2,949	113,717	-	113,717	(2,949)	110,768
Current Liabilities							
Provisions	2,294	-	2,294	-	2,294	-	2,294
Trade and other payables	73,785	-	73,785	-	73,785	-	73,785
Borrowings	9,530	-	9,530	-	9,530	-	9,530
Tax payable	3,694	-	3,694	-	3,694	-	3,694
Total Current Liabilities	89,303	-	89,303	-	89,303	-	89,303
Total Liabilities	200,071	2,949	203,020	-	203,020	(2,949)	200,071
Total Equity and Liabilities	549,657	77,517	627,174	-	627,174	(757)	626,437
Par value per ordinary share (RM)	0.20		0.20		0.20		0.20
Number of shares ('000)	598,305		598,305		598,305		598,305
Net assets per share (RM)	0.55		0.67		0.67		0.45
Total borrowings (RM'000)*	66,764		69,713		69,713		66,764
Gearing ratio (times)	0.20		0.17		0.17		0.17

* Comprise of all interest bearing borrowings and liability portion of ICUIJS

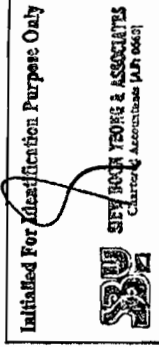


OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**LAND & GENERAL BERHAD
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013
MAXIMUM SCENARIO**

	Audited Consolidated Statements of Financial Position as at 31 March 2013 RM'000	Proforma I		Proforma II		Proforma III	
		Adjustments for the Rights Issue of ICULS RM'000	After the Rights Issue of ICULS RM'000	Adjustments for the Acquisition RM'000	After Proforma I and the Acquisition RM'000	Adjustments for the Full Conversion of the ICULS RM'000	After Proforma II and the Full Conversion of the ICULS RM'000
ASSETS							
Non-current Assets							
Property, plant and equipment	72,306	-	72,306	-	72,306	-	72,306
Land held for property development	30,954	-	30,954	-	30,954	-	30,954
Investment properties	34,413	-	34,413	72,485	106,898	-	106,898
Goodwill	12	-	12	-	12	-	12
Land use rights	58	-	58	-	58	-	58
Investments in jointly controlled entities	(12,254)	-	(12,254)	-	(12,254)	-	(12,254)
Other investments	5,118	-	5,118	-	5,118	-	5,118
Trade and other receivables	17,626	-	17,626	-	17,626	-	17,626
Deferred tax assets	-	737	737	-	737	(737)	-
	148,233	737	148,970	72,485	221,455	(737)	220,718
Current Assets							
Property development costs	142,246	-	142,246	-	142,246	-	142,246
Inventories	9,733	-	9,733	-	9,733	-	9,733
Trade and other receivables	25,322	-	25,322	-	25,322	-	25,322
Other current assets	50,016	-	50,016	-	50,016	-	50,016
Tax recoverable	979	-	979	-	979	-	979
Deposits, cash and bank balances	172,371	76,780	249,151	(72,485)	176,666	77,780	254,446
	400,667	76,780	477,447	(72,485)	404,962	77,780	482,742
Non-current assets classified as held for sale							
	757	-	757	-	757	-	757
	401,424	76,780	478,204	(72,485)	405,719	77,780	483,499
Total Assets	549,657	77,517	627,174	-	627,174	77,043	704,217

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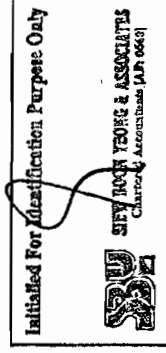
SEY HOON YEONG & ASSOCIATES
Chartered Accountants (Malaysia)

OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**LAND & GENERAL BERHAD
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013
MAXIMUM SCENARIO (CONT'D)**

	Audited Consolidated Statements of Financial Position as at 31 March 2013 RM'000	Proforma I		Proforma II		Proforma III	
		Adjustments for the Rights Issue of ICULS RM'000	After the Rights Issue of ICULS RM'000	Adjustments for the Acquisition RM'000	After Proforma I and the Acquisition RM'000	Adjustments for the Full Conversion of the ICULS RM'000	After Proforma II and the Full Conversion of the ICULS RM'000
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	119,661	-	119,661	-	119,661	239,322	239,322
Share premium	17,036	(962)	16,074	-	16,074	35,899	51,973
ICULS - Equity portion	-	75,568	75,568	-	75,568	-	-
Retained profits	169,979	(38)	169,941	-	169,941	169,941	169,941
Other reserves	20,342	-	20,342	-	20,342	-	20,342
Total equity attributable to owners of the Company	327,018	74,568	401,586	-	401,586	79,992	481,578
Non-controlling interests	22,568	-	22,568	-	22,568	-	22,568
Total Equity	349,586	74,568	424,154	-	424,154	79,992	504,146
Non-Current Liabilities							
Provisions	33,712	-	33,712	-	33,712	-	33,712
Trade and other payables	15,935	-	15,935	-	15,935	-	15,935
Borrowings	57,234	-	57,234	-	57,234	-	57,234
Deferred tax liabilities	3,887	-	3,887	-	3,887	-	3,887
ICULS - Liability portion	-	2,949	2,949	-	2,949	(2,949)	-
Total Non-Current Liabilities	110,768	2,949	113,717	-	113,717	(2,949)	110,768
Current Liabilities							
Provisions	2,294	-	2,294	-	2,294	-	2,294
Trade and other payables	73,785	-	73,785	-	73,785	-	73,785
Borrowings	9,530	-	9,530	-	9,530	-	9,530
Tax payable	3,694	-	3,694	-	3,694	-	3,694
Total Current Liabilities	89,303	-	89,303	-	89,303	-	89,303
Total Liabilities	200,071	2,949	203,020	-	203,020	(2,949)	200,071
Total Equity and Liabilities	549,657	77,517	627,174	-	627,174	77,043	704,217
Par value per ordinary share (RM)	0.20		0.20		0.20		0.20
Number of shares ('000)	596,305		596,305		596,305		1,196,609
Net assets per share (RM)	0.55		0.67		0.67		0.40
Total borrowings (RM'000)*	66,764		69,713		69,713		66,764
Gearing ratio (times)	0.20		0.17		0.17		0.14

* Comprise of all interest bearing borrowings and liability portion of ICULS



OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)

LAND & GENERAL BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013

1. BASIS OF PREPARATION

The Proforma Consolidated Statements of Financial Position of L&G have been prepared in accordance with the Financial Reporting Standards in Malaysia and based on the audited Consolidated Statements of Financial Position of L&G as at 31 March 2013. The Proforma Consolidated Statements of Financial Position of L&G have been prepared solely for illustrative purposes, to show the effect of the following:

- (i) Renounceable rights issue of RM77,779,589 nominal value of five (5)-year, 1%, irredeemable convertible unsecured loan stocks ("ICULS") at 100% of the nominal value of RM0.13 each ("Rights ICULS") on the basis of RM0.13 nominal value of the ICULS for every one (1) existing ordinary share of RM0.20 each in L&G ("L&G Share(s)") ("Rights Issue of ICULS"); and
- (ii) Acquisition of one (1) block of thirteen (13)-storey stratified floors being constructed over a piece of freehold land held under Geran 825, Lot No. 3, Presint 3, town and district of Putrajaya, state of Wilayah Persekutuan Putrajaya ("Land") ("Office Building") by Maple Domain Sdn. Bhd. ("MDSB"), a wholly-owned subsidiary of L&G, from Mayland Avenue Sdn. Bhd. ("MASB"), a wholly-owned subsidiary of Malaysia Land Properties Sdn. Bhd. ("MLP"), for a total cash consideration of RM72,485,000 ("Acquisition").

hereinafter the above collectively, shall be referred to as the "Corporate Exercises".

The Rights Issue of ICULS and the Acquisition are inter-conditional upon each other for the purpose of securing the approvals of the shareholders of L&G.

The Proforma Consolidated Statements of Financial Position have been prepared based on the accounting policies and bases consistent with those normally adopted by L&G in the preparation of its audited financial statements.

The Proforma Consolidated Statements of Financial Position is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

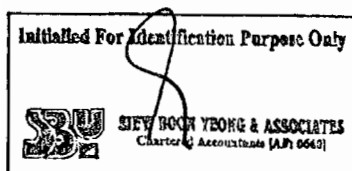
The Proforma Consolidated Statements of Financial Position of the Group, because of its nature, may not be reflective of the Group's actual financial position. Furthermore, such information does not purport to predict the future financial position of the Group.

1.1 The details of the Minimum and Maximum Scenarios are set out below:

(a) Minimum Scenario

Minimum scenario representing the scenario based on the following assumptions:

- (i) issuance of RM77,779,589 nominal value of Rights ICULS;
- (ii) completion of the Acquisition, assuming the construction of the Office Building had been completed on 31 March 2013; and
- (iii) the RM77,779,589 nominal value of ICULS issued pursuant to the Rights Issue of ICULS are all converted into 299,152,265 new L&G Shares upon maturity by surrendering RM0.26 nominal value of ICULS for one (1) new L&G Share.



OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**LAND & GENERAL BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

(b) **Maximum Scenario**

Maximum scenario representing the scenario based on the following assumptions:

- (i) issuance of RM77,779,589 nominal value of Rights ICULS;
- (ii) completion of the Acquisition, assuming the construction of the Office Building had been completed on 31 March 2013; and
- (iii) the RM77,779,589 nominal value of the ICULS issued pursuant to the Rights Issue of ICULS are all converted into 598,304,530 new L&G Shares upon maturity by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for one (1) new L&G Share.

2. PROFORMA I

Minimum and Maximum Scenario

Proforma I incorporates the effects of Rights Issue of ICULS of RM77,779,589 nominal value of the ICULS.

Pursuant to the Rights Issue of ICULS described in Note 1 above, the fair value of the ICULS is assessed and allocated into its liability and equity components.

The liability component of the ICULS is recognised initially at the fair value of a similar liability that does not have an equity conversion option, amounting to RM2.95 million. Deferred tax assets amounting to RM0.74 million are recognised using the statutory tax rate of 25% arising on the liability component of the ICULS.

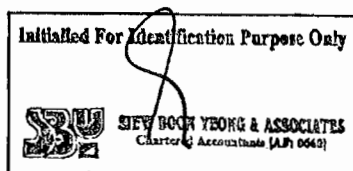
The equity component of the ICULS is recognised initially at the difference between the fair value of the ICULS instrument as a whole and the fair value of the liability component of the ICULS amounting to RM75.57 million. The estimated expenses in relation to the Corporate Exercises, totalling to RM1.0 million are allocated to share premium (RM0.96 million) and reserves (RM0.04 million) proportionately based on the equity and liability components of the ICULS.

The proceeds from the Rights Issue of ICULS by L&G will be utilised in the following manner:

Minimum and Maximum Scenario

	RM
Funding of the Acquisition	67,048,625
Working capital requirements	9,730,964
Estimated expenses for the Corporate Exercises	1,000,000
	77,779,589

The proceeds from issuance of ICULS, net of expenses relating to the Rights Issue of ICULS, have been included within deposits, cash and bank balances.



OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

LAND & GENERAL BERHAD

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

The Rights Issue of ICULS has the following impact on the Proforma Consolidated Statements of Financial Position of the Group as at 31 March 2013:

	Increase/(Decrease)	
	Effect on Total Assets RM'000	Effect on Total Equity and Liabilities RM'000
Deferred tax assets	737	-
Deposits, cash and bank balances	76,780	-
Share premium	-	(962)
Retained profits	-	(38)
ICULS – equity portion	-	75,568
ICULS – liability portion	-	2,949
	77,517	77,517

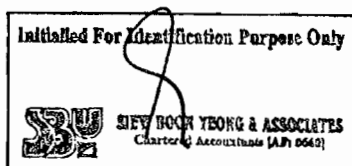
3. PROFORMA II

Minimum and Maximum Scenario

Proforma II incorporates the effects of Proforma I and the Acquisition, assuming the construction of the Office Building had been completed on 31 March 2013.

The Acquisition has the following impact on the Proforma Consolidated Statements of Financial Position of the Group:

	Increase/(Decrease)	
	Effect on Total Assets RM'000	Effect on Total Equity and Liabilities RM'000
Investment properties	72,485	-
Deposits, cash and bank balances	(72,485)	-
	-	-



OUR PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)

LAND & GENERAL BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013

4. PROFORMA III

Minimum Scenario

Proforma III incorporates the effects of Proforma II, assuming the construction of the Office Building had been completed on 31 March 2013 and the RM77,779,589 nominal value of ICULS issued pursuant to the Rights Issue of ICULS are all converted into 299,152,265 new L&G Shares upon maturity by surrendering RM0.26 nominal value of ICULS for one (1) new L&G Share.

This will result in the issuance of 299,152,265 new L&G Shares, amounting to an increase in share capital of RM59.83 million and share premium of RM17.95 million.

Maximum Scenario

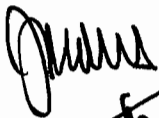
Proforma III incorporates the effects of Proforma II, assuming the construction of the Office Building had been completed on 31 March 2013 and the RM77,779,589 nominal value of the ICULS issued pursuant to the Rights Issue of ICULS are all converted into 598,304,530 new L&G Shares upon maturity by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for one (1) new L&G Share.

This will result in the issuance of 598,304,530 new L&G Shares, amounting to increase in share capital of RM119.66 million, share premium of RM35.90 million and deposits, cash and balances of RM77.78 million.

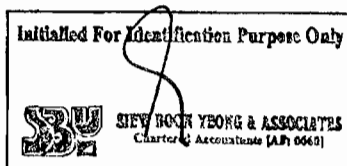
APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 31 July 2013.

On behalf of the Board,



Ferdaus Mahmood
Executive Director



**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON**



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**Independent auditors' report to the members of
Land & General Berhad
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Land & General Berhad, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of 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 a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 116.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**



**Independent auditors' report to the members of
Land & General Berhad (cont'd.)
(Incorporated in Malaysia)**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 ("Act") in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which are indicated in Note 16 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**




Independent auditors' report to the members of
Land & General Berhad (cont'd.)
(Incorporated in Malaysia)

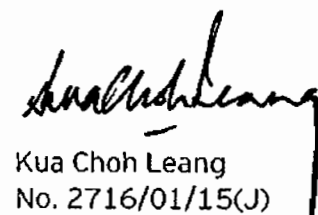
Other reporting responsibilities

The supplementary information set out in Note 41 to the financial statements on page 117 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1 "Determination of realised and unrealised profits or losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material aspects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


Ernst & Young
AF: 0039
Chartered Accountants


Kua Choh Leang
No. 2716/01/15(J)
Chartered Accountant

Kuala Lumpur, Malaysia
10 July 2013

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Land & General Berhad
(Incorporated in Malaysia)**

**Statements of comprehensive income
For the year ended 31 March 2013**

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	3	216,293	130,799	33,785	27,733
Other income	4	19,049	18,701	23,769	4,704
Raw materials and consumables used		(654)	(508)	-	-
Property development expenditure recognised as expense	12(b)	(101,767)	(45,213)	-	-
Changes in inventories		(2,762)	(16,020)	-	-
Staff costs	5	(14,750)	(13,898)	(3,777)	(2,440)
Depreciation and amortisation		(1,663)	(1,311)	(663)	(651)
Impairment losses		-	-	(407)	-
Other expenses		(34,540)	(24,386)	(8,805)	(11,288)
Operating profit		79,206	48,164	43,902	18,058
Finance costs	7	(1,717)	(1,500)	(1,410)	(1,353)
Share of results of jointly controlled entities	18	(4,728)	(3,165)	-	-
Profit before tax	8	72,761	43,499	42,492	16,705
Income tax expense	9	(15,584)	(10,379)	(3,405)	(4,355)
Profit for the year		57,177	33,120	39,087	12,350
Other comprehensive income					
Foreign currency translation differences for foreign operations		(68)	258	-	-
Realisation of foreign exchange reserve upon deconsolidation of foreign subsidiaries	16(ii)	666	(4,829)	-	-
Other comprehensive income/(expense) for the year		598	(4,571)	-	-
Total comprehensive income for the year		57,775	28,549	39,087	12,350
Profit attributable to:					
Owners of the Company		43,969	30,369	39,087	12,350
Non-controlling interests		13,208	2,751	-	-
Profit for the year		57,177	33,120	39,087	12,350

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Land & General Berhad
(Incorporated in Malaysia)**
**Statements of comprehensive income
For the year ended 31 March 2013 (cont'd.)**

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total comprehensive income attributable to:					
Owners of the Company		44,567	25,798	39,087	12,350
Non-controlling interests		13,208	2,751	-	-
Total comprehensive income for the year		<u>57,775</u>	<u>28,549</u>	<u>39,087</u>	<u>12,350</u>
Earnings per share attributable to owners of the Company (sen)					
Basic	10	<u>7.35</u>	<u>5.08</u>		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Land & General Berhad
(Incorporated in Malaysia)**

Statements of financial position as at 31 March 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	72,306	70,018	468	654
Land held for property development	12(a)	30,954	26,634	-	-
Investment properties	13	34,413	31,789	19,673	20,088
Goodwill	14	12	12	-	-
Land use rights	15	58	60	53	55
Investments in subsidiaries	16	-	-	202,761	181,133
Investments in associates	17	-	-	-	-
Investments in jointly controlled entity	18	(12,254)	(7,406)	-	-
Other investments	19	5,118	11,793	4,992	11,516
Trade and other receivables	21	17,626	13,283	18,417	17,588
		<u>148,233</u>	<u>146,183</u>	<u>246,364</u>	<u>231,034</u>
Current assets					
Property development costs	12(b)	142,246	154,001	-	-
Inventories	20	9,733	8,231	-	-
Trade and other receivables	21	25,322	34,716	30,182	11,822
Other current assets	22	50,016	9,173	233	323
Tax recoverable		979	129	2,130	3,114
Deposits, cash and bank balances	23	172,371	122,802	92,211	87,910
		<u>400,667</u>	<u>329,052</u>	<u>124,756</u>	<u>103,169</u>
Non-current assets classified as held for sale	24	757	724	-	-
		<u>401,424</u>	<u>329,776</u>	<u>124,756</u>	<u>103,169</u>
TOTAL ASSETS		<u>549,657</u>	<u>475,959</u>	<u>371,120</u>	<u>334,203</u>

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Land & General Berhad
(Incorporated in Malaysia)

Statements of financial position as at 31 March 2013 (cont'd.)

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	28	119,661	119,661	119,661	119,661
Share premium		17,036	17,036	17,036	17,036
Retained profits	29	169,979	126,010	142,856	103,769
Other reserves	30	20,342	19,744	-	-
		<u>327,018</u>	<u>282,451</u>	<u>279,553</u>	<u>240,466</u>
Non-controlling interests		22,568	9,360	-	-
Total equity		<u>349,586</u>	<u>291,811</u>	<u>279,553</u>	<u>240,466</u>
Non-current liabilities					
Provisions	25	33,712	32,604	33,712	32,322
Trade and other payables	26	15,935	12,353	-	-
Borrowings	27	57,234	51,172	78	138
Deferred tax liabilities	31	3,887	3,357	-	-
		<u>110,768</u>	<u>99,486</u>	<u>33,790</u>	<u>32,460</u>
Current liabilities					
Provisions	25	2,294	18,903	-	-
Trade and other payables	26	73,785	56,819	57,365	61,109
Borrowings	27	9,530	6,339	60	168
Tax payable		3,694	2,601	352	-
		<u>89,303</u>	<u>84,662</u>	<u>57,777</u>	<u>61,277</u>
TOTAL LIABILITIES		<u>200,071</u>	<u>184,148</u>	<u>91,567</u>	<u>93,737</u>
TOTAL EQUITY AND LIABILITIES		<u>549,657</u>	<u>475,959</u>	<u>371,120</u>	<u>334,203</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)**

**Consolidated statement of changes in equity
For the year ended 31 March 2013**

	Attributable to owners of the Company----->					Total equity RM'000
	Non-distributable----->		Foreign exchange reserve		Non-controlling interests	
	Share capital RM'000 (Note 28)	Share premium RM'000	Capital reserve RM'000 (Note 30(a))	Foreign exchange reserve RM'000 (Note 30(b))	Retained profits RM'000 (Note 29)	Total equity RM'000
At 1 April 2011	119,661	17,036	10,633	12,182	97,141	256,653
Acquisition of a subsidiary	-	-	-	-	-	6,609
16(iv)(c)						
Total comprehensive income for the year	-	-	-	(4,571)	30,369	25,798
Transaction with owners						
Redemption of preference shares in a subsidiary	-	-	1,500	-	(1,500)	-
At 31 March 2012	119,661	17,036	12,133	7,611	126,010	282,451
						9,360
						291,811

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Land & General Berhad
(Incorporated in Malaysia)

Consolidated statement of changes in equity
For the year ended 31 March 2013 (cont'd.)

	Attributable to owners of the Company----->							Total equity RM'000
	Share capital RM'000 (Note 28)	Share premium RM'000	Capital reserve RM'000 (Note 30(a))	Foreign exchange reserve RM'000 (Note 30(b))	Retained profits RM'000 (Note 29)	Total RM'000	Non-controlling interests RM'000	
At 1 April 2012	119,661	17,036	12,133	7,611	126,010	282,451	9,360	291,811
Total comprehensive income for the year	-	-	-	598	43,969	44,567	13,208	57,775
At 31 March 2013	119,661	17,036	12,133	8,209	169,979	327,018	22,568	349,586

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Land & General Berhad
(Incorporated in Malaysia)**

**Company statement of changes in equity
For the year ended 31 March 2013**

	<--Non-distributable-->		Retained profits RM'000 (Note 29)	Total equity RM'000
	Share capital RM'000 (Note 28)	Share premium RM'000		
At 1 April 2011	119,661	17,036	91,419	228,116
Total comprehensive income for the year	-	-	12,350	12,350
At 31 March 2012	119,661	17,036	103,769	240,466
At 1 April 2012	119,661	17,036	103,769	240,466
Total comprehensive income for the year	-	-	39,087	39,087
At 31 March 2013	119,661	17,036	142,856	279,553

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Land & General Berhad
(Incorporated in Malaysia)**

**Statements of cash flows
For the year ended 31 March 2013**

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows from operating activities				
Cash receipts from customers	179,118	94,164	3	3
Cash payments to suppliers and employees	(112,858)	(80,044)	(5,724)	(4,178)
Interest received	3,611	3,924	2,636	2,467
Returns of short term funds	621	184	207	23
Tax paid	(15,483)	(6,914)	(550)	-
Tax refunded	671	47	665	-
Other operating receipts	735	2,512	2	2
Other operating payments	(277)	(649)	-	-
Net cash inflow/(outflow) from operating activities	56,138	13,224	(2,761)	(1,683)
Cash flows from investing activities				
Cash outflows from acquisition of a subsidiary (Note 16(iv)(b))	-	(364)	-	-
Additional investment in a subsidiary company (Note 16(iii))	-	-	-	(250)
Payment made to redeem charges on land secured for borrowing of a former subsidiary (Note 25)	(4,300)	-	-	-
Purchase of property, plant and equipment	(3,670)	(1,697)	(60)	(94)
Subsequent expenditure on investment properties	(3,661)	(15,597)	-	-
Proceeds from disposal of non-current assets held for sale	413	3,555	-	-
Proceeds from disposal of property, plant and equipment	8	84	8	69
Partial purchase price paid for a piece of land	-	(10,000)	-	-
Dividend received	2,590	-	9,140	17,709
Net cash (outflow)/inflow from investing activities	(8,620)	(24,019)	9,088	17,434

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Land & General Berhad
(Incorporated in Malaysia)**

**Statements of cash flows
For the year ended 31 March 2013 (cont'd.)**

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash flows from financing activities				
Advances to a jointly controlled entity	(3,946)	(318)	-	-
Payment of hire purchase obligations	(168)	(174)	(168)	(174)
Drawdown of bridging loan	24,962	9,367	-	-
Repayment of term loan	(18,748)	(19,660)	-	-
Interest payments	(3,322)	(1,769)	(20)	(21)
Net advances to subsidiaries	-	-	(1,858)	(6,189)
Net cash outflow from financing activities	<u>(1,222)</u>	<u>(12,554)</u>	<u>(2,046)</u>	<u>(6,384)</u>
Net increase/(decrease) in cash and cash equivalents	46,296	(23,349)	4,281	9,367
Cash and cash equivalents at beginning of year	116,631	139,865	87,910	78,543
Effects of foreign exchange rate changes	66	115	20	-
Cash and cash equivalents at end of year (Note 23)	<u>162,993</u>	<u>116,631</u>	<u>92,211</u>	<u>87,910</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Land & General Berhad
(Incorporated in Malaysia)****Notes to the financial statements
For the financial year ended 31 March 2013****1. Corporate information**

Land & General Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is at 8trium, Level 21, Menara 1, Jalan Cempaka SD12/5, Bandar Sri Damansara, 52200 Kuala Lumpur, Malaysia.

The principal activities of the Company are investment holding and leasing of assets.

The principal activities of the subsidiaries are set out in Note 16. There have been no significant changes to the activities of the Group and of the Company during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of Directors on 10 July 2013.

2. Summary of significant accounting policies**2.1 Basis of preparation**

The financial statements of the Group and of the Company have been prepared under the historical basis unless otherwise indicated in the accounting policies below and in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning or after 1 April 2012 as described in Note 2.2.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2012, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 April 2012.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Land & General Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

Effective for financial periods beginning on or after 1 July 2011

- . IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
- . Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

Effective for financial periods beginning on or after 1 January 2012

- . Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- . Amendments to FRS 7: Transfers of Financial Assets
- . Amendments to FRS 112: Deferred tax - Recovery of Underlying Assets
- . FRS 124 Related Party Disclosure

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group and of the Company.

2.3 Standards and interpretations issued but not yet effective

The Group has not adopted the following standards and interpretations that had been issued but not yet effective:

Effective for financial periods beginning on or after 1 July 2012

- . Amendments to FRS 101: Presentation of Items of Other Comprehensive income

Effective for financial periods beginning on or after 1 January 2013

- . FRS 10 : Consolidated Financial Statements
- . FRS 11 : Joint Arrangements
- . FRS 12 : Disclosure of Interests in Other Entities
- . FRS 13 : Fair Value Measurement
- . FRS 119 : Employee Benefits
- . FRS 127 : Separate Financial Statements
- . FRS 128 : Investment in Associates and Joint Ventures
- . IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- . Amendments to FRS 7: Disclosure - Offsetting Financial Assets and Financial Liabilities
- . Amendments to FRS 1: First time Adoption of Malaysian Financial Reporting Standards - Government loans
- . Amendments to FRS 1: First time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))
- . Consolidated Financial Statement (Amendments to FRS 10)
- . Joint Arrangements (Amendments to FRS 11)

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Land & General Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.3 Standards and interpretations issued but not yet effective (cont'd.)

Effective for financial periods beginning on or after 1 January 2013 (cont'd.)

- . Disclosure of Interests in Other Entities: Transition Guidance (Amendments to FRS 12)
- . Amendments to FRS 101, 116, 132 and 134: Presentation of financial statements (Improvements to FRSs (2012))

Effective for financial periods beginning on or after 1 January 2014

- . Malaysian Financial Reporting Standards (MFRS)
- . Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
- . Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2015

- . FRS 9 : Financial Instruments

The Directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

FRS 9 Financial instruments

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

Land & General Berhad
(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd.)

2.3 Standards and interpretations issued but not yet effective (cont'd.)

FRS 10: Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

The Group has carried out an assessment on adoption of FRS 10 and it is concluded that there will be no change of classification of investment in subsidiary companies upon adoption of FRS 10.

FRS 11: Joint Arrangements

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities – Non-monetary Contributions by Venturers.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

Land & General Berhad
(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd.)

2.3 Standards and interpretations issued but not yet effective (cont'd.)

FRS 11: Joint Arrangements (cont'd.)

The Group has carried out an assessment on the adoption of FRS 11 and has concluded that there is no change of classification in the investment in jointly controlled entity upon adoption of FRS 11.

FRS 12: Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position and performance.

FRS 13: Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127: Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 128: Investment in Associates and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investment in Associates and Joint Ventures. The new standard describes the application of the entity method to investment in joint ventures in addition to associates.

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 132, 'Financial Instruments: Presentation' (effective from 1 January 2014) does not change the current offsetting model in FRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2013
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Land & General Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.3 Standards and interpretations issued but not yet effective (cont'd.)

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysia Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standard (MFRS Framework) in conjunction with the Board's plan to change to International Financial Reporting Standards (IFRS) in 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreement for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustment required on transition will be made, retrospectively, against opening retained profits.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2013 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its schedule milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for financial year ending 31 March 2015.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to similar transactions and events in similar circumstances.

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**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.4 Basis of consolidation (cont'd.)**

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full except for unrealised losses, which are not eliminated when there are indications of impairment.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statements of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.5 Transactions with non-controlling interests**

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

2.6 Foreign currencies**(i) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currency are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the dates when the fair value was determined.

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**Land & General Berhad
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2. Summary of significant accounting policies (cont'd.)

2.6 Foreign currencies (cont'd.)

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

Exchange differences arising on the settlement of monetary items, or on the translation of monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, which are recognised initially in other comprehensive income and accumulated under foreign exchange reserve in equity. The foreign exchange reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign exchange reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rates used for each respective unit of foreign currency ruling at the reporting date are as follows:

	2013 RM	2012 RM
Australian Dollars	3.20	3.16
British Pound Sterling	4.67	4.87
Singapore Dollars	2.48	2.43
United States Dollars	3.08	3.05

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2. Summary of significant accounting policies (cont'd.)

2.7 Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probably that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment and furniture and fixtures, except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is depreciated over the lease period of 99 years. Capital work in progress are not depreciated until the assets are ready for their intended use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% - 10%
Plant, machinery and others	5% - 30%
Motor vehicles	20%
Furniture, fittings and equipment	7.5% - 30%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

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2. Summary of significant accounting policies (cont'd.)

2.8 Investment properties and investment property under construction ("IPUC")

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties and IPUC are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated. Investment properties carried at cost are depreciated over the estimated economic useful life ranging from 20 to 50 years.

Investment properties under construction are not depreciated until the assets are ready for intended use.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in profit or loss in the year in which they arise.

2.9 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within the cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

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**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.10 Land use rights**

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

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**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.12 Subsidiaries**

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statements of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.14 Jointly controlled entities

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting based on the audited or management financial statements of the jointly controlled entities. Under the equity method of accounting, the Group's share of profits or losses of jointly controlled entities during the financial year is included in the statement of comprehensive income. Equity accounting is discontinued when the carrying amount of the investment in a jointly controlled entity reaches zero, unless the Group has incurred obligation to make payments on behalf of the jointly controlled entity.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit and loss.

2.15 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition.

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2. Summary of significant accounting policies (cont'd.)

2.15 Financial assets (cont'd.)

(i) Financial assets at fair value through profit or loss (cont'd.)

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange difference, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the preceding categories.

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2. Summary of significant accounting policies (cont'd.)

2.15 Financial assets (cont'd.)

(iii) Available-for-sale financial assets (cont'd.)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, the date that the Group and the Company commit to purchase or sell the asset.

2.16 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

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2. Summary of significant accounting policies (cont'd.)

2.16 Impairment of financial assets (cont'd.)

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

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Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of a trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, short term funds and deposits that are readily convertible to known amount of cash which is subject to insignificant risk of changes in value. These also include bank overdraft that forms an integral part of the Group's cash management.

2.18 Land held for property development and property development costs**(i) Land held for property development**

Land held for property development consists of land where no significant 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 and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

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**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.18 Land held for property development and property development costs (cont'd.)****(i) Land held for property development (cont'd.)**

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.

(ii) Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers are classified as accrued billings and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method. The costs of goods comprise the cost of purchase plus the cost of bringing the goods to its present condition. The cost of completed properties held for sale comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

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**Land & General Berhad
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Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.20 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The Group and the Company classified all its financial liabilities as other financial liabilities.

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.