

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 TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold/transferred all your ordinary shares of 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, which is the subject of this AP should be addressed to our Share Registrar, namely Symphony Share Registrars Sdn Bhd, 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 Share Registrar with a registered address in Malaysia in writing not later than 5.00 p.m. on 14 April 2017. The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue 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 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 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 renouncee(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 Shares to be issued under the Rights Issue 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 13.6 of this AP. Neither L&G, PIVB nor any other advisers to the Rights Issue shall accept any responsibility or liability in the event that any acceptance or sale/transfer of the provisional allotment of the Rights Shares made by our Entitled Shareholders and/or their renouncee(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 renouncee(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 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 at the Extraordinary General Meeting held on 15 March 2017. Bursa Securities had on 24 February 2017 granted its approval for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue. The listing of and quotation for the Rights Shares on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue.

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 renouncee(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. 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, 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.



LAND & GENERAL BERHAD

(Company No. 5507-H)

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

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,914,061,696 NEW ORDINARY SHARES OF L&G (“L&G SHARES”) (“RIGHTS SHARES”) AT AN ISSUE PRICE OF RM0.21 PER RIGHTS SHARE ON THE BASIS OF EIGHT (8) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING L&G SHARES HELD AT 5.00 P.M. ON 14 APRIL 2017 BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 820,000,000 RIGHTS SHARES

Adviser



PUBLIC INVESTMENT BANK BERHAD (20027-VV)

A Participating Organisation Of Bursa Malaysia Securities Berhad
(Wholly-owned Subsidiary Of Public Bank Berhad)

IMPORTANT RELEVANT DATES AND TIME

Entitlement date : Friday, 14 April 2017 at 5.00 p.m.

Last date and time for:

Sale of provisional allotment of rights : Friday, 21 April 2017 at 5.00 p.m.
Transfer of provisional allotment of rights : Thursday, 27 April 2017 at 4.00 p.m.
Acceptance and payment : Wednesday, 3 May 2017 at 5.00 p.m.
Excess application and payment : Wednesday, 3 May 2017 at 5.00 p.m.

This AP is dated 14 April 2017

BURSA SECURITIES HAS APPROVED THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES ON THE MAIN MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE.

THE INCLUSION OF THE VALUATION CERTIFICATE FOR THE ACQUISITION IN THIS AP SHOULD NO BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT PROPERTIES.

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.

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 or where otherwise defined herein, the following words and abbreviations shall apply throughout this AP and shall have the following meanings:

Acquisitions	: The PMSB Acquisition, QBSB Acquisition, TBSB Acquisition and FESB Acquisition, collectively
Acquisitions and Option	: The Acquisitions and SPSB Option, collectively
Act	: Companies Act, 2016, as amended from time to time including any re-enactment thereof
Adviser or PIVB	: Public Investment Bank Berhad (20027-W)
Agreements	: SSAs and Option Agreement, collectively
AUD	: Australian Dollar
Balance Purchase Considerations	: The balance of the Purchase Considerations payable to Mayland after the deposits paid pursuant to the SSAs and the Option Acquisition
Board	: Board of Directors of our Company
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
CDS	: Central Depository System
CGHK	: Country Garden Holdings Company Limited (177345)
CGPM	: Country Garden Properties Malaysia Sdn Bhd (958831-P)
CGPM Group	: CGPM and its subsidiaries, namely MVSB and VCSB, collectively
CGRE	: Country Garden Real Estate Sdn Bhd (1001255-M)
CMSA	: Capital Markets and Services Act, 2007
Compensation	: An estimated amount of RM40.34 million agreed by Mayland to compensate and reimburse PSEL and GFIL pursuant to a letter of undertaking dated 9 May 2013 (wrongly dated 9 May 2003) issued by Mayland to CGHK, further details of which is set out in Section 7.1 of this AP
Corporate Exercises	: The Acquisitions and Option, Rights Issue and Exemption, collectively
Documents	: AP, NPA and RSF, collectively
EGM	: Extraordinary general meeting
Entitled Shareholders	: Shareholders of our Company whose names appear in the Record of Depositors on the Entitlement Date, who shall be entitled to participate in the Rights Issue
Entitlement Date	: 5.00 p.m. on 14 April 2017, 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
EPS	: Earnings per share
Exemption	: Exemption to MPSB, the major shareholder of our Company under Paragraph 4.08 of Rules from the obligation to undertake a mandatory take-over offer for all the remaining L&G Shares and convertible securities in our Company not already owned by MPSB and its PACs upon completion of the Rights Issue

DEFINITIONS (Cont'd)

FESB	: Forward Esteem Sdn Bhd (779392-U)
FESB Acquisition	: Acquisition of the entire equity interests in FESB to be satisfied in full by the FESB Consideration pursuant to the FESB SSA
FESB Consideration	: The cash consideration of RM45,725,000 payable by our Company pursuant to the FESB Acquisition
FESB Land	: A parcel of converted commercial plot, but pending payment of conversion premium held under Title No. Geran 331357, Lot No. 125847 Section 2 (formerly Title No. GRN 32548, Lot. No. 847) Town of Ulu Kelang, District of Gombak, State of Selangor
FESB Sale Shares	: 2,500,000 ordinary shares, representing the entire equity interest in FESB and any new shares to be issued further to the terms of the Share Application Letters
FESB SSA	: Conditional share sale and purchase agreement dated 15 November 2016 entered into between our Company and Mayland to acquire the FESB Sale Shares and the Share Application Rights
FPE	: Financial period ended
FYE	: Financial year ended/ending
GDC	: Gross development costs
GDV	: Gross development value
Greater Klang Valley	: Comprises Kuala Lumpur, Putrajaya and all districts in Selangor, including Hulu Selangor for the purposes of this Circular, with the exception of Kuala Langat, Kuala Selangor, and Sabak Bernam
ICULS	: 5-year 1% irredeemable convertible unsecured loan stocks at 100% of the nominal value of RM0.13 each, maturing on 24 September 2018
Independent Adviser or KAF IB	: KAF Investment Bank Berhad (20657-W)
Interested Directors	: Low Gay Teck, Hoong Cheong Thard, Chiu Andrew Wah Wai and Chai Keng Wai, collectively
Interested Major Shareholders	: MPSB and Tan Sri Dato David Chiu, collectively
L&G or our Company	: Land & General Berhad (5507-H)
L&G Group or our Group	: L&G and our subsidiaries, collectively
L&G Share(s) or Share(s)	: Ordinary share(s) of L&G
Listing Requirements	: Main Market Listing Requirements of Bursa Securities, as amended from time to time
LATMI	: Loss after tax and minority interests
LPD	: The latest practicable date prior to the despatch of this AP, being 22 March 2017
Mayland or Vendor	: Malaysia Land Properties Sdn Bhd (334713-X)
Mayland Group	: Mayland and its subsidiaries, collectively

DEFINITIONS (Cont'd)

Main Market	: Main Market of Bursa Securities
Market Day	: Any day in which Bursa Securities is open for the trading of securities
Maximum Scenario	: The scenario that assumes full conversion of all outstanding ICULS into new L&G Shares prior to the Entitlement Date (by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for 1 new L&G Share) and all our Entitled Shareholders fully subscribe for their Rights Shares entitlements
Minimum Scenario	: The scenario that assumes that the Rights Issue is undertaken on a Minimum Subscription Level basis pursuant to the Undertaking and none of the outstanding ICULS are exercised into new L&G Shares prior to the Entitlement Date
Minimum Subscription Level	: The scenario that assumes the Rights Issue will be undertaken on a minimum subscription level via the issuance of 820,000,000 Rights Shares
MPSB	: Mayland Parkview Sdn Bhd (566816-V)
MVSB	: Mayland Venue Sdn Bhd (565022-D)
NA	: Net assets
NPA	: Notice of Provisional Allotment in relation to the Rights Issue
Official List	: A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Option Acquisition	: Acquisition of the entire equity interest in SPSB upon exercise of the SPSB Option by our Company pursuant to the Option Agreement, to be satisfied in full by the SPSB Consideration pursuant to the SPSB SSA
Option Agreement	: The option agreement dated 15 November 2016 entered into between our Company and Mayland for the SPSB Option
Option Period	: The period commencing from the date of the Option Agreement and ending on the 18 months or such later date as the parties may mutually agree in writing
Option Price	: The cash consideration of RM37,246,000, being the purchase consideration for the Option Acquisition
Outstanding Balances	: Outstanding inter-company balances owing by respective Target Companies to the Mayland Group
PAC(s)	: Person(s) acting in concert with MPSB, namely Mayland, Tan Sri Dato' David Chiu, Puan Sri Datin Nancy Chiu Ng, Wing Kwan Winnie Chiu, Chiu Andrew Wah Wai, Low Gay Teck, Hoong Cheong Thard, and Chai Keng Wai
PATMI	: Profit after tax and minority interests
Plot A	: A parcel of land which is part of an on-going mixed stratified and landed residential development known as "Diamond City" held under Master Title No. HSD 154774, PT No. 35724, Mukim of Semenyih, District of Ulu Langat, State of Selangor
PAT	: Profit after taxation
PBT	: Profit before taxation

DEFINITIONS (Cont'd)

Plot B	: A parcel of land which is part of an on-going mixed stratified and landed residential development known as “Diamond City” held under GRN 329500, Lot No. 41565 (formerly known as HSD 154775, PT 35725) Mukim of Semenyih, District of Ulu Langat, State of Selangor
PMSB	: Primal Milestone Sdn Bhd (954477-W)
PMSB Acquisition	: Acquisition of the entire equity interests in PMSB to be satisfied in full by the PMSB Consideration pursuant to the PMSB SSA
PMSB Consideration	: The cash consideration of RM128,468,000 payable by our Company pursuant to the PMSB Acquisition
PMSB Sale Shares	: 2 ordinary shares, representing the entire equity interest in PMSB and any new shares to be issued further to the terms of the Share Application Letters
PMSB SSA	: Conditional share sale and purchase agreement dated 15 November 2016 entered into between our Company and Mayland to acquire the PMSB Sale Shares and the Share Application Rights
PRC	: People’s Republic of China
Provisional Rights Shares	: Rights Shares provisionally allotted to our Entitled Shareholders pursuant to the Rights Issue
Purchase Considerations	: The total cash considerations of approximately RM335.57 million, being the purchase consideration for the Acquisitions and Option Acquisition
QBSB	: Quantum Bonus Sdn Bhd (954502-V)
QBSB Acquisition	: Acquisition of the entire equity interests in QBSB to be satisfied in full by the QBSB Consideration pursuant to the QBSB SSA
QBSB Consideration	: The cash consideration of RM5,970,000 payable by our Company pursuant to the QBSB Acquisition
QBSB Sale Shares	: 2 ordinary shares, representing the entire equity interest in QBSB and any new shares to be issued further to the terms of the Share Application Letters
QBSB SSA	: Conditional share sale and purchase agreement dated 15 November 2016 entered into between our Company and Mayland to acquire the QBSB Sale Shares and the Share Application Rights
Record of Depositors	: A record of security holders established and maintained by Bursa Depository
Rights Issue	: Renounceable rights issue of up to 1,914,061,696 new L&G Shares at an issue price of RM0.21 per Rights Share on the basis of eight (8) Rights Shares for every five (5) existing L&G Shares held on the Entitlement Date based on the Minimum Subscription Level
Rights Shares	: New L&G Shares to be issued pursuant to the Rights Issue
RM and sen	: Ringgit Malaysia and sen, respectively
RSF	: Rights Subscription Form in relation to the Rights Issue
Rules	: Rules on Take-Overs, Mergers and Compulsory Acquisitions

DEFINITIONS (Cont'd)

SC	: Securities Commission Malaysia
Serendah Land	: A parcel of converted building land zoned for residential purposes with a 9-hole fairways and a clubhouse held under Title No. HS(D) 50836, PT No. 1392, Mukim of Serendah, District of Ulu Selangor, State of Selangor
Share Application Letters	: The letter(s) issued by Mayland to the respective Target Companies for amounts paid by Mayland as deposit towards its application for issuance of new shares in the respective Target Companies
Share Application Rights	: The rights of Mayland under the Share Application Letter(s) to receive all new shares in the respective Target Companies upon successful application, or the rights to the refund of the deposit paid by Mayland if the application is not successful
SICDA	: Securities Industry (Central Depositories) Act, 1991
SPSB	: Soho Prestige Sdn Bhd (676843-W)
SPSB Consideration	: The cash consideration of RM37,246,000 payable by our Company pursuant to the SPSB Acquisition
SPSB Land	: A parcel of converted commercial land held under Title No. GRN 43729, Lot. No. 55348, Mukim of Batu, Daerah of Kuala Lumpur, State of Wilayah Persekutuan, Kuala Lumpur
SPSB Option or Option	: Call option granted by Mayland in favour of our Company for the acquisition of entire equity interest in SPSB
SPSB Sale Shares	: 2,500,000 ordinary shares, representing the entire equity interest in SPSB
SPSB SSA	: Conditional share sale and purchase agreement substantially in the form and substance as set out in the Option Agreement, to be executed upon exercise of the SPSB Option pursuant to the Option Acquisition, to acquire the SPSB Sale Shares
SSAs	: PMSB SSA, QBSB SSA, TBSB SSA and FESB SSA, collectively
Subject Properties	: Plot A, Plot B, Serendah Land, TBSB Land, FESB Land and SPSB Land, collectively
Tan Sri Dato' David Chiu	: Tan Sri Dato' David Chiu Tat Cheong
Target Companies	: PMSB, QBSB, TBSB, FESB and SPSB, collectively
TBSB	: Triumph Bliss Sdn Bhd (885448-X)
TBSB Acquisition	: Acquisition of the entire equity interests in TBSB to be satisfied in full by the TBSB Consideration pursuant to the TBSB SSA
TBSB Land	: A parcel of commercial land approved for an integrated development held under Title No. HSD 59903, PT No. 16731, Mukim and District of Petaling, State of Selangor
TBSB Consideration	: The cash consideration of RM118,154,000 payable by our Company pursuant to the TBSB Acquisition
TBSB Sale Shares	: 2 ordinary shares, representing the entire equity interest in TBSB and any new shares to be issued further to the terms of the Share Application Letters

DEFINITIONS (Cont'd)

TBSB SSA	: Conditional share sale and purchase agreement dated 15 November 2016 entered into between our Company and Mayland to acquire the TBSB Sale Shares and the Share Application Rights
TERP	: Theoretical ex-rights price of L&G Shares
Undertaking	: The written irrevocable undertaking dated 21 November 2016 provided by MPSB that it will subscribe for up to 820,000,000 Rights Shares pursuant to the Minimum Subscription Level as follows: <ul style="list-style-type: none"> (i) in full for its 550,065,600 Rights Shares entitlement pursuant to the Rights Issue; and (ii) up to 269,934,400 excess Rights Shares, in the event that other Entitled Shareholders and / or renouncee(s) / transferee(s) do not subscribe for their respective Rights Shares entitlements.
USD	: United States Dollar
Valuation Reports	: Valuation reports prepared by the Valuer on the Subject Properties dated 3 November 2016
Valuer or PA International	: PA International Property Consultants (KL) Sdn Bhd (748916-W)
VCSB	: Vibrant Corridor Sdn Bhd (878163-K)
VWAP	: Volume-weighted average market price

All references to “our Company” in this AP are made to L&G. References to “our Group” or “our L&G 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	20-6 The Residence Jalan Wan Kadir 5 TTDI, 60000 Kuala Lumpur	Chairman/ Independent Non- Executive Chairman	Company Director	Malaysian
Low Gay Teck	3, Lorong Chelagi Damansara Heights 50490 Kuala Lumpur	Managing 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	Engineer / Professor	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
Dato' Hj Ikhwan Salim Dato' Hj Sujak	No. 126, Jalan Athinahapan 1 Taman Tun Dr. Ismail 60000 Kuala Lumpur	Independent Non- Executive Director	Businessman	Malaysian
Hoong Cheong Thard	66, Lorong Kurau Satu Taman Chai Leng 13700 Perai Pulau Pinang	Non-Independent Non-Executive Director	Company Director	Malaysian
Ferdaus Mahmood	68, Jalan BU 4/5 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	Non-Independent Non-Executive Director	Company Director	Malaysian
Chiu Andrew Wah Wai	11-1-1, Menara Hartamas Condo Jalan Sri Hartamas 3 50480 Kuala Lumpur	Non-Independent Non-Executive Director	Company Director	Hong Kong SAR (Malaysia Permanent Resident)
Chai Keng Wai	No. 31, Jalan Selayang 5 Taman Rasa Sayang, Batu 9 43200 Cheras Selangor Darul Ehsan	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

REMUNERATION COMMITTEE

Name	Designation	Directorship
Dato' Ir Dr A Bakar Jaafar	Chairman	Senior Independent Non-Executive Director
Hoong Cheong Thard	Member	Non-Independent Non-Executive Director
Chiu Andrew Wah Wai	Member	Non-Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Dato' Hj Zainal Abidin Putih	Chairman	Independent Non-Executive Chairman
Dato' Ir Dr A Bakar Jaafar	Member	Senior Independent Non-Executive Director
YM Tengku Maruan Tengku Ariff	Member	Independent Non-Executive Director

COMPANY SECRETARY

: Lee Siw Yeng (MAICSA 7048942)
8trium, Level 21, Menara 1
Jalan Cempaka SD 12/5
Bandar Sri Damansara
52200 Kuala Lumpur

Tel: +603 – 6279 8000
Fax: +603 – 6277 7061

REGISTERED OFFICE

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

Tel: +603 – 6279 8000
Fax: +603 – 6277 7061

HEAD OFFICE

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

Tel: +603 – 6279 8000
Fax: +603 – 6277 7061
Email: lgb@land-general.com
Website: www.land-general.com

CORPORATE DIRECTORY (*Cont'd*)

AUDITORS	: Ernst & Young (<i>AF 0039</i>) Chartered Accountants Level 23A Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel: +603 – 7495 8000 Fax: +603 – 2095 5332
REPORTING ACCOUNTANTS	: Siew Boon Yeong & Associates (<i>AF 0660</i>) Chartered Accountants 9-C, Jalan Medan Tuanku Medan Tuanku 50300 Kuala Lumpur Tel: +603 – 2693 8837 Fax: +603 – 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: +603 – 2166 3225 Fax: +603 – 2166 3227
PRINCIPAL BANKERS	: Public Bank Berhad (<i>6463-H</i>) Menara Public Bank 146, Jalan Ampang 50450 Kuala Lumpur Tel: +603 – 2176 6000 Fax: +603 – 2163 9917 OCBC Bank (Malaysia) Berhad (<i>295400-W</i>) Menara OCBC 18, Jalan Tun Razak 50050 Kuala Lumpur Tel: +603 – 2034 5034 Fax: +603 – 2698 4363
SHARE REGISTRAR	: Symphony Share Registrars Sdn Bhd (<i>378993-D</i>) Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Tel: +603 – 7849 0777 Fax: +603 – 7841 8151/8152

CORPORATE DIRECTORY (*Cont'd*)

ADVISER	: Public Investment Bank Berhad (<i>20027-W</i>) 25 th Floor, Menara Public Bank 146, Jalan Ampang 50450 Kuala Lumpur Tel No: +603 – 2166 9382 Fax No: +603 – 2166 9386
VALUER	: PA International Property Consultants (KL) Sdn Bhd (<i>286279D</i>) 29A&31A, Jalan 52/1, Petaling Jaya New Town 46200 Petaling Jaya Selangor Tel No: +603 – 7958 5933 Fax No: +603 – 79575933
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

14 April 2017

Board of Directors:

Dato' Hj Zainal Abidin Putih (*Chairman / Independent Non-Executive Chairman*)

Low Gay Teck (*Managing Director*)

Dato' Ir Dr A Bakar Jaafar (*Senior Independent Non-Executive Director*)

YM Tengku Maruan Tengku Ariff (*Independent Non-Executive Director*)

Dato' Hj Ikhwan Salim Dato' Hj Sujak (*Independent Non-Executive Director*)

Hoong Cheong Thard (*Non-Independent Non-Executive Director*)

Ferdaus Mahmood (*Non-Independent Non-Executive Director*)

Chiu Andrew Wah Wai (*Non-Independent Non-Executive Director*)

Chai Keng Wai (*Non-Independent Non-Executive Director*)

To: Our Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,914,061,696 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.21 PER RIGHTS SHARE ON THE BASIS OF EIGHT (8) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING L&G SHARES HELD AT 5.00 P.M. ON 14 APRIL 2017 BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 820,000,000 RIGHTS SHARES

1. INTRODUCTION

Our Board is pleased to inform you that our shareholders had approved, amongst others, the Rights Issue at our Company's EGM held on 15 March 2017. A certified true extract of the resolution pertaining to the Rights Issue passed at the said EGM is attached in Appendix I of this AP.

On 27 February 2017, PIVB had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 24 February 2017, granted its approval for the listing of and quotation for up to 1,914,061,696 Rights Shares on the Main Market of Bursa Securities.

The approval granted by Bursa Securities for the Rights Issue is subject to, amongst others, the following conditions:

Conditions imposed		Status of compliance
(a)	Our Company and PIVB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	Noted
(b)	Our Company and PIVB to inform Bursa Securities upon the completion of the Rights Issue;	To be met

	Conditions imposed	Status of compliance
(c)	Our Company and PIVB to furnish a certified true copy of the resolutions passed by shareholders at the shareholders' meeting for the Proposals;	Met
(d)	Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed; and	To be met
(e)	To incorporate Bursa Securities' comments as per Bursa Securities' approval letter in respect of draft circular to shareholders for the Proposals.	Met

On behalf of our Board, PIVB had on the following dates announced that:

- (i) on 20 March 2017, the SC had, via its letter dated 17 March 2017, approved the Exemption;
- (ii) on 20 March 2017, the issue price of the Rights Shares had been fixed at RM0.21 each;
- (iii) on 31 March 2017, the Entitlement Date has been fixed at 5.00 p.m. on 14 April 2017 and the other relevant dates pertaining to the Rights Issue; and
- (iv) on 3 April 2017, changes to other relevant dates pertaining to the Rights Issue.

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

No person is authorised to give any information or to make any representation not contained herein in connection with the Rights Issue, 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 TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Introduction

In accordance with the terms of the Rights Issue as approved by the relevant authorities and our shareholders and subject to the terms of the Documents, our Company will provisionally allot up to 1,914,061,696 Rights Shares at an issue price of RM0.21 per Rights Share on the basis of eight (8) Rights Shares for every five (5) existing L&G shares held on the Entitlement Date based on the Minimum Subscription Level.

As at the LPD, the issued share capital and number of issued shares of our Company is represented by 1,122,230,817 L&G Shares, equivalent to approximately RM224,624,663 and our Company has approximately RM9,627,507 nominal value of ICULS convertible into up to 74,057,743 new L&G Shares.

After taking into consideration the assumptions as detailed below, the number of new L&G Shares that could be issued under the Rights Issue would be:

- (i) 820,000,000 Rights Shares, assuming that the Rights Issue is undertaken on a Minimum Subscription Level basis only pursuant to the Undertaking. Further details of the Undertaking are set out in Section 4 of this AP; or
- (ii) up to 1,914,061,696 Rights Shares, assuming full conversion of the outstanding ICULS as at the LPD into 74,057,743 new L&G Shares prior to the Entitlement Date (by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for 1 new L&G Share) and all Entitled Shareholders fully subscribe for their Rights Shares entitlements.

Nonetheless, the actual number of the Rights Shares to be provisionally allotted to our Entitled Shareholders would depend on the issued share capital of our Company on the Entitlement Date.

Any fractional entitlement under the Rights Issue shall be disregarded and will be dealt with by our Board as it may deem fit and expedient in the best interest of our Company.

The Rights Shares entitlements are renounceable in full or in part. Accordingly, our Entitled Shareholders may fully or partially subscribe and / or renounce their Rights Shares entitlements under the Rights Issue.

Any unsubscribed Rights Shares will be made available to our other Entitled Shareholders and/or renounee(s) / transferee(s) (including MPSB but up to its Undertaking as set out in Section 4 of this AP) under the excess Rights Shares application. Our Board intends to allocate the excess Rights Shares in a fair and equitable manner on a basis as set out in Section 13.3 of this AP.

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

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

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 Shares 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 Shares. No physical share will be issued.

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

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

2.2 Basis and justification of determining the issue price of the Rights Shares

The issue price of the Rights Shares of RM0.21 per Rights Share was arrived at after taking into consideration, amongst others, the following:

- (i) the 5-day VWAP of L&G Shares up to and including 17 March 2017, being the last trading date prior to the price-fixing date;
- (ii) the discount of approximately RM0.0481 or 18.64% over the TERP of L&G Shares of RM0.2581, computed based on the 5-day VWAP of RM0.3351 per L&G Shares up to and including 17 March 2017, being the last trading date prior to the price-fixing date on 20 March 2017;
- (iii) the discount of approximately RM0.0595 or 22.08% over the TERP of L&G Shares of RM0.2695, computed based on the 5-day VWAP of RM0.3646 per L&G Shares up to and including 14 November 2016, being the last practicable date prior to the announcement of the Corporate Exercises made on 15 November 2016; and
- (iv) the funding requirements of our Group.

2.3 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issuance, rank *pari passu* in all respect with the then existing L&G Shares, except that the Rights Shares shall not be entitled to any dividends, rights, allotments and / or other distributions that may be declared, made or paid, where the entitlement date is prior to the date of allotment of the Rights Shares.

3. OTHER CORPORATE EXERCISES

Save for the Corporate Exercises, there is no other outstanding corporate exercise which has been announced but pending completion as at the LPD.

4. SHAREHOLDER'S UNDERTAKING AND UNDERWRITING ARRANGEMENT

The Rights Issue will be implemented on a Minimum Subscription Level basis to raise the minimum gross proceeds of RM172.20 million based on the issue price of RM0.21 per Rights Share. The Minimum Subscription Level has been determined by our Board after taking into consideration, amongst others, the following:

- (i) the partial funding requirements pursuant to the Acquisitions and Option, of which the details of the Acquisitions and Option are set out in Section 7 of this AP; and
- (ii) the defraying of expenses incidental to the Corporate Exercises

In order to achieve the Minimum Subscription Level, our Board had on 21 November 2016 procured the written undertaking from our major shareholder of our Company, namely MPSB, to subscribe for up to 820,000,000 Rights Shares equivalent to up to RM172.20 million as follows:

- (iii) in full for its 550,065,600 Rights Shares entitlement pursuant to the Rights Issue; and
- (iv) up to 269,934,400 excess Rights Shares, in the event that other Entitled Shareholders and / or renounee(s) / transferee(s) do not subscribe for their respective Rights Shares entitlements.

For illustrative purposes, the shareholding and Rights Shares entitlement of MPSB as at the LPD and the details of the Undertaking are as follows:

	As at the LPD		Rights Shares entitlement		Additional undertaking		Undertaking		
	No. of L&G Shares ('000)	% ^(a)	No. of Rights Shares ('000)	% ^(b)	No. of Rights Shares ('000)	% ^(b)	Indicative no. of Rights Shares ('000)	% ^(b)	Total commitment (RM'000)
MPSB	343,791	30.63	550,065	28.74	269,935	14.10	820,000	42.84	172,200

Notes:

- (a) As a percentage of 1,122,230,817 L&G Shares as at the LPD.
- (b) As a percentage of 1,914,061,696 Rights Shares, being the number of L&G Shares to be issued pursuant to the Rights Issue under the Maximum Scenario.

It is important to note that the basis of allocation for the excess Rights Shares to all Entitled Shareholders and / or renounee(s) / transferee(s) will be made on a fair and equitable basis as set out in Section 13.3 of this AP.

As the Rights Issue will be undertaken on a Minimum Subscription Level basis, there will not be any underwriting arrangement required for the Rights Issue.

Arising from the obligations pursuant to the Undertaking, MPSB has confirmed that it has sufficient financial resources to subscribe for the Rights Shares pursuant to the Undertaking. PIVB has verified that MPSB has the financial resources to fulfill its commitments pursuant to the Undertaking.

5. IMPLICATION OF THE RULES

The Rules must be read together with the Malaysian Code on Take-overs and Mergers 2016 and any rulings issued by the SC pursuant to the CMSA.

As at the LPD, MPSB holds 343,791,000 L&G Shares, representing approximately 30.63% of the issued share capital of our Company.

Premised on the Undertaking and assuming none of the Entitled Shareholders subscribes for the Rights Shares, MPSB would be obligated to subscribe 820,000,000 Rights Shares. As such, the shareholdings of MPSB in our Company could potentially increase from 30.63% to 59.92% under the Minimum Scenario as set out in Section 4 of Appendix II of this AP.

However, the actual shareholdings of MPSB in our Company would depend on, amongst others, the timing and actual conversion of outstanding ICULS by other holders of the ICULS (on the assumption that MPSB does not dispose any of its existing L&G Shares or acquire any new L&G Shares and / or ICULS).

The subscription of the Rights Shares by MPSB may result in the direct or indirect shareholdings of MPSB and its PACs, to collectively exceed 33% of the voting shares in our Company upon completion of the Rights Issue. Pursuant to the Rules, MPSB would be obligated to extend a mandatory take-over offer for all the remaining L&G Shares and convertible securities not already owned by MPSB and its PACs.

In relation to the above, the non-interested shareholders of L&G and the SC had on 15 March 2017 and 17 March 2017, respectively, approved the Exemption.

6. UTILISATION OF THE PROCEEDS FROM THE RIGHTS ISSUE

For illustrative purposes, based on the issue price of RM0.21 per Rights Share, the Rights Issue is expected to raise maximum gross proceeds of up to approximately RM401.95 million.

The proceeds are expected to be used by our Group in the following manner:

	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Estimated timeframe for utilisation of proceeds from date of receipt
Settlement of the Balance Purchase Consideration and Outstanding Balances ^(a)	169,700	314,348	Within 12 months
Working capital requirements ^(b)	-	85,105 ^(b)	Within 36 months
Estimated expenses for the Corporate Exercises ^(c)	2,500	2,500	Within 6 months
Total	172,200	401,953	

Notes:

- (a) The proceeds to be used for the settlement of the Balance Purchase Consideration and the Outstanding Balances up to 31 August 2016 are set out in Section 7.3 of this AP. However, in the event that our Company does not exercise the SPSB Option for whatsoever reason, the allocation of approximately RM37.25 million earmarked for such settlements will be used by our Group for the construction of main building works in relation to our future development projects within 36 months.
- (b) The proceeds are proposed to be used for our Group's working capital purposes, which include, amongst others, the payment in relation to the future development projects, as follows:

	Maximum Scenario (RM'000)
Sales and marketing expenses	12,000
Site clearance, earthworks, pilings and pile caps	38,105
Construction of main building works	35,000
Total	85,105

- (c) The estimated expenses of approximately RM2.50 million include, amongst others, the estimated professional fees and fees payable to the relevant authorities. Under the Minimum Scenario, any differences in the actual expenses relating to the Corporate Exercises shall be adjusted using its internally generated funds. Under the Maximum Scenario, any differences in the actual expenses relating to the Corporate Exercises shall be adjusted accordingly from or to the portion of the proceeds allocated for our working capital requirements above.

The actual proceeds to be raised from the Rights Issue are dependent on the subscription level of the Rights Issue. Any variation in the actual proceeds to be raised shall be used first to settle the Balance Purchase Consideration.

7. DETAILS OF THE ACQUISITIONS AND OPTION

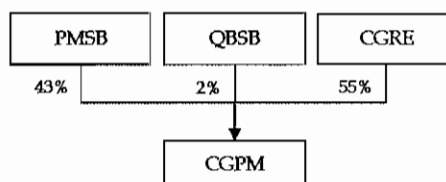
On 15 November 2016, our Company entered into the SSAs and Option Agreement. As part of the Acquisitions and Option, our Company undertakes to assume and settle the Outstanding Balances as at the completion date of the Acquisitions and Option Acquisition, which is the date falling within 12 months from the date of the respective SSAs and SPSB SSA or such later date as the parties may mutually agree in writing.

The summary of the Purchase Considerations, the deposits paid, Balance Purchase Considerations and settlement of the Outstanding Balances are as follows:

Target companies	(A) Purchase Considerations (RM'000)	(B) Deposits on the Purchase Considerations paid ^(a) (RM'000)	(A) - (B) = (C) Balance Purchase Considerations (RM'000)	(D) Settlement of Outstanding Balances ^(d) (RM'000)	(C) + (D) Total (RM'000)
Acquisitions					
PMSB ^(c)	128,468	(12,847)	115,621	3,119	118,740
QBSB ^(c)	5,970	(597)	5,373	148	5,521
TBSB	118,154	(11,815)	106,339	1,107	107,446
FESB	45,725	(4,573)	41,152	278	41,430
SPSB Option					
SPSB	37,246	— ^(b)	37,246	3,965	41,211
Total	335,563	(29,832)	305,731	8,617	314,348 ^(e)

Notes:

- (a) Being 10% deposits on the purchase considerations pursuant to the Acquisitions paid by our Company upon execution of the respective SSAs.
- (b) Pursuant to the SPSB Option, our Company had paid RM1.00 as a consideration upon execution of the Option Agreement.
- (c) The PMSB Acquisition and QBSB Acquisition represent the investments of our Group in an associate company, namely CGPM via PMSB and QBSB with their existing 43% and 2% shareholdings in CGPM, respectively. Currently, CGPM is a joint venture company between the Mayland Group, holding a total of 45% shareholdings in CGPM (via PMSB and QBSB), and CGRE, holding 55% shareholdings in CGPM. The shareholdings structure is as follows:



- (d) Being the Outstanding Balances up to 31 August 2016 based on the respective unaudited management accounts of the Target Companies for the 8-month FPE 31 August 2016.

For avoidance of doubt, the Outstanding Balances up to 31 August 2016 will be paid by our Company from the internally generated funds and / or bank borrowings of our Group (under the Minimum Scenario) or from the proceeds to be raised from the Rights Issue (under the Maximum Scenario) as set out in Section 7.3 of this AP. Any remaining Outstanding Balances from 1 September 2016 up to the completion date of the Acquisitions and Option will be paid by our Company from the internally generated funds and / or bank borrowings of our Group.

- (e) The source of funding of the amount of approximately RM314.35 million is set out in Section 7.3 of this AP.

Upon completion of the Acquisitions and the Option Acquisition, the Target Companies will become wholly-owned subsidiaries of our Company.

The acquisitions of TBSB, FESB and SPSB will provide our Group the opportunity to increase our land banks available for immediate and future developments, which are expected to enhance the future profitability of our Group. At the same time, the acquisitions of PMSB and QBSB will allow our Group to immediately tap into the on-going and future development projects of the CGPM Group.

The land banks underpinning the Acquisitions and Option are mainly located in the Greater Klang Valley area. Accordingly, they are expected to enhance our Group's GDV as well as ensuring the sustainability of future profits of our Group.

Notwithstanding the above, the developments of the lands are mostly at preliminary stages, where development orders have been obtained but has not commenced construction work (except for on-going development projects of the CGPM Group) and the developments may be subject to changes by regulatory requirements or the management of our Company due to various factors, amongst others, changes in development plans in the future, changes in market and economic conditions and changes in feasibility of the proposed launches.

As at the 31 August 2016, the preliminary estimated GDV of the on-going and potential developments on the Subject Properties, subject to changes, underpinning the Acquisitions and Option are as follows:

Target Companies	Lands	Location of the lands / Project name (if any)	Land area (acres)	Type of development	Estimated GDV (RM million)
PMSB and QBSB	Plot A	Semenyih, Selangor ^(a) / "Diamond City" Plot A	98.77	On-going development projects, where full development include 300 units 3-storey villas, 114 units 3-storey super link houses, 2 units 2-storey semi-detached houses, 2 units 2-storey eluster houses, 424 units Rumah Selangorku, clubhouse and a commercial plot	285.73 ^{(b)(c)}
	Plot B	Semenyih, Selangor ^(a) / "Diamond City" Plot B	158.28	On-going development projects including 395 units 2-storey terrace houses, 140 units 2-storey semi-detached houses, 304 units 2-storey cluster houses, 31 units 3-storey detached houses / villas, 870 units Rumah Selangorku and a commercial plot	1,039.54 ^{(b)(c)}
	Serendah Land	Serendah, Rawang, Selangor ^(a)	167.57	Proposed developments of 323 units 2-storey link houses, 96 units 2-storey semi-detached houses, 56 units 2-storey cluster houses, 106 units 3-storey villas, 45 units 3-storey shop offices, clubhouse, 9-hole golf course, 581 units Rumah Selangorku and 2 commercial plots	535.92 ^(b)
TBSB	TBSB Land	Seri Kembangan, Selangor	15.32	Proposed developments of 6 blocks of 33-storey service apartments, including a 6-storey podium incorporating 5-storey car park, 32 units 2-storey duplex villas, 18 units retail lots, 18 units of affordable retail lots and facilities	1,579.68 ^(b)
FESB	FESB Land	Ukay Ampang, Selangor	4.60	Proposed developments of 3 blocks of 29 to 32-storey serviced apartments comprising 7 levels of podium car park and 1 level of facilities floor	485.77 ^(d)
SPSB	SPSB Land	Taman Sri Hartamas, Kuala Lumpur	1.78	Proposed developments of 1 block of 11-storey development comprising 10-storey serviced apartments, 2 levels of basement car park, 2 levels of sub-basements car park, 1 level of main lobby, retail space and facilities	274.10 ^(b)
Total			446.32		4,200.74

Notes:

- (a) Being the on-going and future development projects of the CGPM Group which may be subject to changes in development plan. Upon the completion of the PMSB Acquisition and QBSB Acquisition, our Company would be entitled to a share of 45% profits from these on-going and future development projects pursuant to our total 45% shareholding in CGPM via PMSB and QBSB.
- (b) The estimated GDVs represent the estimates as appraised by the Valuer.
- (c) The estimated GDVs represent the estimates for the on-going development projects with the remaining unbilled, unsold and undeveloped units.
- (d) The estimated GDV represent the estimate as appraised by the management.

Based on the proposed developments on the Subject Properties as set out in the table above, the total estimated GDV is approximately RM4,200.74 million, yielding a total estimated gross development profit of approximately RM1,931.78 million. However, the types of development and the total estimated GDVs as set out in the table above may be subject to changes by regulatory requirements or the management of our Company due to various factors, amongst others, changes in development plans in the future, changes in market and economic conditions and changes in feasibility of the proposed launches.

Summary of the market value of the Subject Properties appraised by the Valuer are as shown below:

Lands	Location of the Subject Properties	Market value of the Subject Properties (RM million)	Method(s) of valuation adopted
Plot A	Semenyih, Selangor ^(a) / "Diamond City" Plot A	222.20	Residual
Plot B	Semenyih, Selangor ^(a) / "Diamond City" Plot B	201.90	Residual
Serendah Land	Serendah, Rawang, Selangor ^(a)	147.00	Cost
TBSB Land	Seri Kembangan, Selangor	250.00	Comparison
FESB Land	Ukay Ampang, Selangor	80.00	Comparison
SPSB Land	Taman Sri Hartamas, Kuala Lumpur	63.00	Comparison
Total		964.10	

Note:

- (a) Being the on-going and future development projects of the CGPM Group. Upon the completion of the PMSB Acquisition and QBSB Acquisition, our Company would be entitled to a share of 45% profits from these on-going and future development projects pursuant to our total 45% shareholding in CGPM via PMSB and QBSB.

Further details of the abovementioned Subject Properties are set out in Appendix III of this AP.

7.1 Basis and justification of arriving at the Purchase Considerations

The Purchase Considerations for the respective Target Companies were arrived at on a "*willing-buyer, willing-seller*" basis, after taking into consideration, the following:

- (i) the unaudited NA of the Target Companies based on the unaudited management accounts for the 8-month FPE 31 August 2016;
- (ii) the unaudited RNAV of the Target Companies after taking into consideration the respective net revaluation surplus, being the difference between the carrying value and the market value of the Subject Properties as appraised by the Valuer, vide its Valuation Reports, and adjusted for the deferred taxation;

- (iii) the deduction in advance of the Compensation mutually agreed by our Company and the Vendor in relation to the PMSB Acquisition and QBSB Acquisition;
- (iv) the conditional sale and purchase agreement dated 26 July 2016 entered into by SPSB to dispose a commercial unit located in Cheras Sentral Mall (formerly known as Plaza Phoenix) measuring in area approximately 309 square feet ("Cheras Sentral Parcel"); and
- (v) the strategic location, on-going development and future development potential of the Subject Properties. Further details of the Subject Properties are set out in Appendix III of this AP.

For illustrative purposes, the computation of the Purchase Considerations to acquire the Target Companies are as follows:

Target companies	Unaudited NA as at 31 August 2016 ^(a) (RM'000)	Valuation surplus, net of deferred tax (RM'000)	Other adjustments (RM'000)	Purchase Considerations (RM'000)
Acquisitions				
PMSB	184,732	(28,454) ^(b)	(27,810) ^(c)	128,468
QBSB	8,587	(1,323) ^(b)	(1,294) ^(c)	5,970
TBSB	51,359	66,795	-	118,154
FESB	19,163	26,562	-	45,725
SPSB Option				
SPSB	1,052	36,175	19 ^(d)	37,246
Total	264,893	99,755	(29,085)	335,563

Notes:

- (a) Based on the respective unaudited management accounts of the Target Companies for the 8-month FPE 31 August 2016.
- (b) Being the adjustment for the purpose of determining the purchase consideration based on the proportion of its shareholding in CGPM after taking into consideration the unaudited RNAV of the CGPM Group adjusted for respective revaluation surpluses (i.e. the difference between the carrying value and the market value of the lands and buildings held by CGPM's wholly-owned subsidiaries, namely MVSBS and VCSB, as appraised by the Valuer, vide its Valuation Reports) and deferred taxations.
- (c) Pursuant to a letter of undertaking dated 9 May 2013 (wrongly dated 9 May 2003) issued by Mayland to CGHK, Mayland agreed to compensate and reimburse PSEL and GFIL, an estimated amount of RM40.34 million, which was derived after taking into consideration their total 55% equity interest in CGPM based on the then applicable tax rate of 25%. Both PSEL and GFIL had previously held 55% equity interest in CGPM before they transferred all their ordinary shares in CGPM to CGRE on 1 January 2016. The Compensation shall be due and payable by Mayland when the CGPM Group pays dividend or other distributions to its shareholders, and shall be varied based on the changes in the tax structure imposed and / or amended by the Malaysian Government from time to time.

In view of the above, our Company and the Vendor had mutually agreed for our Company to deduct the purchase considerations of PMSB and QBSB by a total amount of approximately RM29.10 million after discounting the Compensation over a period of 3.5 years and based on a discount factor of 8.5% per annum and the tax rate of 24%, being the applicable tax rate for the year of assessment in 2016, in accordance with the PMSB SSA and QBSB SSA.

- (d) Adjusted for the estimated net gain of approximately RM18,771 from the disposal of the Cheras Sentral Parcel prior to the execution of the Option Agreement based on the unaudited management account of SPSB as at 31 August 2016.

7.2 Information on the Target Companies

Further information on the Target Companies including the Subject Properties, are set out in Appendix III of this AP.

7.3 Source of funding

The Purchase Consideration is to be satisfied entirely in cash. The Balance Purchase Consideration is expected to be financed via the proceeds to be raised from the Rights Issue, internally generated funds and / or bank borrowings of our Group, the quantum of which is to be determined later.

Based on the issue price of RM0.21 per Rights Share, the summary of the source of funding for the Balance Purchase Consideration and the settlement of the Outstanding Balances up to 31 August 2016 is as follows:

	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Balance Purchase Consideration as at the LPD	305,731	305,731
Settlement of the Outstanding Balances up to 31 August 2016	8,617	8,617
	314,348	314,348
Source of funding from:		
Proceeds to be raised from the Rights Issue (as set out in Section 6 of this AP)	169,700 ^(a)	314,348
Internally generated funds and/or bank borrowings of our Group	144,648 ^(a)	-
	314,348 ^(a)	314,348

Note:

- (a) The breakdown of the source of funding below depicts the settlement of the Balance Purchase Consideration and Outstanding Balances up to 31 August 2016 under the Minimum Scenario for the following:

	Proceeds to be raised from the Rights Issue (RM'000)	Internally generated funds and / or bank borrowings of our Group (RM'000)	Total (RM'000)
PMSB Acquisition	115,621	-	115,621
QBSB Acquisition	5,373	-	5,373
TBSB Acquisition	48,706	57,633	106,339
FESB Acquisition	-	41,152	41,152
SPSB Option	-	37,246	37,246
Settlement of Outstanding Balances up to 31 August 2016	-	8,617	8,617
Total	169,700	144,648	314,348

For avoidance of doubt, our Company has the intention to acquire all Target Companies regardless of the actual proceeds to be raised from the Rights Issue. In the event that our Company does not raise sufficient proceeds from the Rights Issue to acquire all Target Companies, our Group will use our internally generated funds and / or bank borrowings, the quantum of which is to be determined later.

7.4 Rationale of the Acquisitions and Option

The rationales and justifications for the Acquisitions and Option are as follows:

- (i) to allow our Group to replenish our land banks for immediate and future developments;
- (ii) to allow our Group to purchase sizeable strategically located land banks in Greater Klang Valley area in an expeditious manner to take advantage of the current property market slow down;
- (iii) to enlarge and strengthen the current earnings base of our Group with future contributions from the on-going and future developments on the land banks and investments to be acquired; and
- (iv) to provide our Company the opportunity to acquire SPSB within the period of 18 months from the date of the Option Agreement at a fixed purchase consideration based on the current RNAV of SPSB.

Premised on the above, the Acquisitions and Option are expected to augur well for our Group's plans to achieve a more sustainable long-term growth. Our Board is of the view that the Acquisitions and Option would contribute positively to the future earnings and profitability of our Group.

8. RATIONALE FOR THE RIGHTS ISSUE

The rationales and justifications for the Rights Issue are as follows:

- (i) to enable our Group to raise funds without incurring higher and / or recurring interest costs which is a more cost efficient alternative to incurring additional bank borrowings;
- (ii) to enlarge and strengthen our eventual capital base upon the issuance of the Rights Shares to attract a broader investors base;
- (iii) to raise funds for the Acquisitions and Option, the settlement of Outstanding Balances as well as the working capital requirements of our Group; and
- (iv) to provide the shareholders of our Company with an opportunity to further increase their equity participation in our Company without diluting the existing shareholders' shareholdings percentage, assuming that all our Entitled Shareholders and / or renouncee(s) / transferee(s) fully subscribe for their respective entitlements under the Rights Issue and ultimately, participate in the prospects and future growth 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 Shares.

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.

Although we seek to limit these risks through, *inter-alia*, practising prudent management policies, stay abreast with developments, trends and directions of the sector, and continuous review of our processes and operations to improve efficiency and quality, 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.

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 2016 and the non-current assets as at 31 March 2016 based on the geographical location of our customers and our assets, respectively, are as follows:

Geographical location	Audited FYE 31 March 2016	
	Revenue (RM'000)	Non-current assets (RM'000)
Malaysia	341,565	216,167
Australia	468	(3,227)
Others	29	-
Total	342,062	212,940

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

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.

Whilst our Board believes that we have better competitive advantage over our competitors with our strong branding and established track record, there is no assurance that we could effectively mitigate any material adverse effect on our Group's business and financial performance due to changes in the competitive environment.

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. Any failure or delay in obtaining these approvals may have an adverse impact on the timing of launching our development projects and thereby affecting our future profitability.

There is no assurance that our existing permits / licenses would be renewed in a timely manner or that our Group would be able to obtain any new licenses required for our operations.

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

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. Therefore, the future liquidity and trading volume of our Shares is unknown at this stage.

Notwithstanding that, there is no assurance that the market price of our Shares (together with the Rights Shares), upon or subsequent to the listing of and quotation for the Rights Shares, will remain at or above the issue price of the Rights Shares.

9.3.2 Delay or failure in the implementation of the Rights Issue

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of any force majeure events or events/circumstances, which are beyond the control of our Group, arising prior to the implementation of the Rights Issue. Such events or circumstances include *inter-alia*, natural disasters, adverse developments in political, economic and government policies in Malaysia, global economic downturn, acts of war, act of terrorism, riots, expropriations and changes in political leadership.

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

In the event of failure in the implementation of the Rights Issue, all application monies received pursuant to the Rights Issue will be refunded to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who have subscribed for the Rights Shares without interest within 14 days after our Company becomes liable to do so, in accordance with the provisions of the CMSA. If such application monies are not refunded within 14 days after it becomes liable, our Company will repay such application monies with an interest at the rate of 10% per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

9.3.3 Potential dilution

Our Entitled Shareholders who do not or are not able to accept their Provisional Rights Shares will have their proportionate ownership and voting interests in our Company reduced, and the percentage of our enlarged issued share capital represented by their shareholdings in our Company will also be reduced accordingly. Further, their proportionate entitlements to any dividends, rights, allotments and/or other forms of distributions that our Company may declare, make or pay will also correspondingly be diluted.

9.3.4 Forward-looking statements

Certain statements in this AP are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements are based on estimations and assumptions made by our Board and although our Board believes these statements and assumptions are reasonable, they are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements.

In light of these uncertainties, the inclusion of forward-looking statements in this AP should not be regarded as representation or warranty by our Company and/ or the Adviser that the plans and objectives of our Group will be achieved.

10. PRO FORMA EFFECTS OF THE CORPORATE EXERCISES

The Exemption will not have any material impact on the issued share capital and substantial shareholder's shareholding of our Company, NA, NA per Share, gearing, earnings and EPS of our Group on a standalone basis, given that the inter-conditionality of the Corporate Exercises.

10.1 Issued share capital

The Acquisitions and Option would not have any effect on the issued share capital and substantial shareholder's shareholding of our Company as there is no issuance of new L&G Shares.

The pro forma effects of the Rights Issue on the issued share capital of our Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of L&G Shares ('000)	(RM'000)	No. of L&G Shares ('000)	(RM'000)
As at the LPD	1,122,230	224,624	1,122,230	224,624
Assuming full conversion of the outstanding ICULS	-	-	74,058 ^(a)	19,255
	1,122,230	224,624	1,196,288	243,879
To be issued pursuant to the Rights Issue	820,000	172,200	1,914,062	401,953
Total enlarged issued share capital	1,942,230	396,824	3,110,350	645,832

Note:

- (a) Assuming full conversion of approximately RM9,627,507 nominal value of outstanding ICULS as at the LPD into 74,057,743 new L&G Shares prior to the Entitlement Date by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for 1 new L&G Share.

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10.2 NA and gearing

The pro forma effects of the Rights Issue, Acquisitions and Option Acquisition on the NA and gearing of our Group based on the latest audited consolidated financial statements as at FYE 31 March 2016 are as follows:

Minimum Scenario

Group level	Audited as at 31 March 2016 (RM'000)	(I) Adjusted for subsequent events up to the LPD ^(b) (RM'000)	(II) After (I) and the Rights Issue (RM'000)	(III) After (II) and the Acquisitions (RM'000)	(IV) After (III) and the Option Acquisition (RM'000)
Share capital	218,618	224,624	396,824	396,824	396,824
Share premium	45,745	47,315	44,815 ^(c)	44,815	44,815
ICULS - equity component	12,825	9,201	9,201	9,201	9,201
Retained profits	399,672	377,284	377,284	436,166 ^(d)	436,166
Other reserves	20,532	20,532	20,532	20,532	20,532
Equity attributable to owners of the parent	697,392	678,956	848,656	907,538	907,538
No. of L&G Shares in issue ('000)	1,093,091	1,122,230	1,942,230	1,942,230	1,942,230
NA per L&G Share (RM)	0.64	0.61	0.44	0.47	0.47
Total borrowings (RM'000) ^(a)	83,505	83,337	83,337	218,070 ^(e)	228,452 ^(f)
Gearing (times)	0.12	0.12	0.10	0.24	0.25

Notes:

- Comprising all interest bearing borrowings and liability portion of outstanding ICULS.
- Comprising the issuance of 29,139,301 new L&G Shares arising from the conversion of RM3,792,464 nominal value of the ICULS from 1 April 2016 up to the LPD and taking into consideration the payment of the single-tier final dividend of 2 sen paid by our Company on 26 October 2016 in respect of the FYE 31 March 2016, amounting to approximately RM22.37 million.
- After deducting the estimated expenses amounting to approximately RM2.50 million in relation to the Corporate Exercises against the share premium account.
- After adjusting for bargain purchase of approximately RM58.88 million arising from the PMSB Acquisition and QBSB Acquisition.
- After adjusting for the total borrowings of TBSB and FESB amounting to approximately RM134.73 million based on unaudited management accounts as at 31 August 2016.
- After adjusting for the total borrowings of SPSB amounting to approximately RM10.38 million based on unaudited management accounts as at 31 August 2016.

Maximum Scenario

Group level	Audited as at 31 March 2016 (RM'000)	(I) Adjusted for subsequent events up to the LPD ^(b) (RM'000)	(II) After (I) and assuming full conversion of outstanding ICULS ^(c) (RM'000)	(III) After (II) and the Rights Issue (RM'000)	(IV) After (III) and the Acquisitions (RM'000)	(V) After (IV) and the Option Acquisition (RM'000)
Share capital	218,618	224,624	243,879	645,832	645,832	645,832
Share premium	45,745	47,315	47,315	44,815 ^(d)	44,815	44,815
ICULS – equity component	12,825	9,201	-	-	-	-
Retained profits	399,672	377,284	376,998	376,998	435,880 ^(e)	435,880
Other reserves	20,532	20,532	20,532	20,532	20,532	20,532
Equity attributable to owners of the parent	697,392	678,956	688,724	1,088,177	1,147,059	1,147,059
No. of L&G Shares in issue ('000)	1,093,091	1,122,230	1,196,288	3,110,350	3,110,350	3,110,350
NA per L&G Share (RM)	0.64	0.61	0.58	0.35	0.37	0.37
Total borrowings (RM'000) ^(a)	83,505	83,337	83,151	83,151	217,884 ^(f)	228,267 ^(g)
Gearing (times)	0.12	0.12	0.12	0.08	0.19	0.20

Notes:

- (a) Comprising all interest bearing borrowings and liability portion of outstanding ICULS.
- (b) Comprising the issuance of 29,139,301 new L&G Shares arising from the conversion of RM3,792,464 nominal value of the ICULS from 1 April 2016 up to the LPD and taking into consideration the payment of the single-tier final dividend of 2 sen paid by our Company on 26 October 2016 in respect of the FYE 31 March 2016, amounting to approximately RM22.37 million.
- (c) Assuming full conversion of approximately RM9,627,507 nominal value of the outstanding ICULS as at the LPD into 74,057,743 new L&G Shares prior to the Entitlement Date by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for 1 new L&G Share.
- (d) After deducting the estimated expenses amounting to approximately RM2.50 million in relation to the Corporate Exercises against the share premium account.
- (e) After adjusting for bargain purchase of approximately RM58.88 million arising from the PMSB Acquisition and QBSB Acquisition.
- (f) After adjusting for the total borrowings of TBSB and FESB amounting to approximately RM134.73 million based on unaudited management accounts as at 31 August 2016.
- (g) After adjusting for the total borrowings of SPSB amounting to approximately RM10.38 million based on unaudited management accounts as at 31 August 2016.

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 2017 as the Corporate Exercises are expected to be completed by second (2nd) half of 2017.

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 Rights Issue, in the event that the earnings of our Group does not increase in tandem with the increase in the number of L&G Shares in issue. However, the extent of dilution to the EPS is dependent on, amongst others, the utilisation of proceeds raised from the Rights Issue and the future earnings of our Group.

The Acquisitions, SPSB Option and Rights Issue are expected to contribute positively to the future earnings of our Group. Moving forward, our Group's future earnings would depend on, amongst others, the future development plans of the land banks to be acquired and the level of returns from the developments on the land banks to be acquired.

For illustrative purposes, the pro forma effects of the Corporate Exercises on the EPS of our Group assuming that the Corporate Exercises had been effected on 1 April 2015 (being the beginning of the FYE 31 March 2016) are as follows:

	Audited as at 31 March 2016 (RM'000)	(I) Adjusted for subsequent events up to the LPD (RM'000)	(II) After (I) and the Corporate Exercises	
			Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
PATMI	95,002	95,002	95,002	95,002
Less: Adjustment for the ICULS converted	-	(307)	(307)	(307)
Add: Share of profit from the CGPM Group ^(a)	-	-	31,859	31,859
Add: Gain on bargain purchase arising from the PMSB Acquisition and QBSB Acquisition	-	-	58,882	58,882
Add: Total LATMI of the Target Companies ^(b)	-	-	(534)	(534)
Pro forma PATMI	95,002	94,695	184,902	184,902
Number of the L&G Shares in issue ('000)	1,093,091	1,122,230	1,942,230 ^(c)	3,110,350 ^(d)
Number of the L&G Shares in issue used in the computation of the diluted EPS ('000) ^(e)	1,196,322	1,196,288	2,016,288	3,110,350
Minimum Scenario				
- Basic EPS (sen)	8.69	8.44	9.52	n.a
- Diluted EPS (sen)	7.94	7.92	9.17	n.a
Maximum Scenario				
- Basic EPS (sen)	8.69	8.44	n.a	5.94
- Diluted EPS (sen)	7.94	7.92	n.a	5.94

Notes:

- (a) Being the estimated share of profits from the CGPM Group by PMSB and QBSB, based on the unaudited management accounts of the CGPM Group for the 8-month FPE 31 August 2016.
- (b) Based on the unaudited management accounts of the Target Companies for the 8-month FPE 31 August 2016.

- (c) Assuming 820,000,000 Rights Shares are issued following the completion of the Corporate Exercises under the Minimum Scenario.
 - (d) Assuming 1,914,061,696 Rights Shares are issued following the completion of the Corporate Exercises under the Maximum Scenario.
 - (e) Being the adjusted weighted average number of the L&G Shares in issue used in the computation of the diluted EPS, assuming full conversion of the outstanding ICULS into the L&G Shares (by surrendering RM0.13 nominal value of ICULS together with cash such that in aggregate it amounts to RM0.26 for 1 new L&G Share).
- n.a Not applicable.

10.4 Convertible securities

Pursuant to Condition 6(a)(iv) of the trust deed dated 6 August 2013 constituting the ICULS, the Rights Issue will give rise to adjustment to the conversion price of the outstanding ICULS. Any adjustment to be made to the conversion price of the outstanding ICULS arising from the Rights Issue will be determined at a later date.

The notice on the adjustment to the conversion price of the outstanding ICULS will be issued and despatched to the holders of the outstanding ICULS accordingly.

Save for the ICULS, our Company does not have any other existing convertibles securities as at the LPD.

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

11.1 Overview and outlook of the Malaysian economy

The Malaysian Economy in 2016

In 2016, the Malaysian economy recorded a growth of 4.2% (2015: 5.0%) despite considerable external and domestic headwinds. The global economic landscape was challenging given the subdued global demand and low commodity prices. International financial markets were also subjected to heightened uncertainty with significant reversal of capital flows from emerging economies. This was driven by the unexpected political developments in the advanced economies, such as the United Kingdom and the United States, and the macroeconomic policies adopted by these economies. Domestically, the economy continued to face headwinds from the higher cost of living amid soft employment conditions. Concurrently, business and consumer sentiments were affected by a confluence of global and domestic factors, including the heightened volatility in financial markets and the significant underperformance of the ringgit.

Against these external and domestic challenges, all sectors of the economy recorded a modest expansion during the year. Domestic demand continued to anchor growth, supported mainly by private sector spending. Private consumption growth, in particular, was sustained at 6.1% (2015: 6.0%), supported by continued employment and wage growth following the increase in minimum wage and civil servant salaries. Government measures to boost disposable income such as the temporary reduction in employees' contribution to the Employees Provident Fund ("EPF"), higher Bantuan Rakyat 1Malaysia payouts and tax relief to lower-income tax payers also supported household spending.

Core inflation was also relatively stable during the year, averaging 2.1% in 2016 (2015: 2.3%) as demand driven inflationary pressures in the economy remained largely contained. This was underpinned by continued modest growth in private consumption and an absence of significant wage pressures.

Overall, the strong fundamentals of the Malaysian economy have accorded Malaysia the ability to weather these external and domestic challenges. The diversified sources of growth in the economy have helped to contain the spillover effects of sector-specific shocks. Stable labour market conditions amid continued wage growth continued to support household spending. Healthy financial institutions and ample domestic liquidity also ensured orderly financial intermediation. Notwithstanding the weak global demand, Malaysia's external position remained strong, supported by ample international reserves and manageable levels of external debt.

Outlook for the Malaysian Economy in 2017

In 2017, the Malaysian economy is projected to grow by 4.3% - 4.8%. Domestic demand will continue to be the main driver of growth, underpinned primarily by private sector activity. Reflecting the Government's commitment to fiscal consolidation, the contribution of public sector to growth is expected to remain moderate going forward. Nevertheless, public sector expenditure will remain supportive of growth. On the external front, export growth is expected to recover gradually, in line with the improvement in global growth.

Private consumption is projected to expand by 6.0% in 2017. While households are likely to make further expenditure adjustments in response to rising inflationary pressure, consumption spending is expected to remain sustained, supported by a stable labour market and continued wage growth. The implementation of selected Government measures are also expected to increase household disposable income. These measures include the higher amount of Bantuan Rakyat 1Malaysia cash transfers, reduction in employees' contribution to EPF by 3% points until December 2017 as well as the special assistance to all civil servants (RM500) and retirees (RM250). The higher commodity prices are also expected to support incomes, particularly for rural households.

In an environment of moderate growth and cautious business sentiments, labour market conditions are expected to remain soft in 2017. While employment is expected to remain expansionary, job growth will not be sufficiently robust to absorb new entrants to the labour force, causing the unemployment rate to edge higher (3.6% – 3.8%; 2016: 3.5%). Nevertheless, domestic demand and a gradually improving external sector is expected to lend support to the labour market, and wages are expected to continue growing at a moderate pace. The Malaysian Employers Federation annual survey reports that employers expect salary increments to average at approximately 5.4% in 2017 (2016: 5.5%). Wage growth is likely to be supported by the export-oriented manufacturing sector, while wages in the domestic-oriented services sector are expected to expand moderately.

Growth in the construction sector is projected to expand at a faster pace in 2017, driven mainly by new and existing civil engineering projects in the utilities, transportation and petrochemical segments.

(Source: Annual Report 2016, Bank Negara Malaysia)

11.2 Overview and outlook of the Malaysia property development market

The Malaysian economy recorded a 4.0% growth in the second quarter of 2016 (Q1 2016: 4.2%) whilst quarter-on-quarter growth toned down at 0.7% (Q1 2016: 1.0%). This was in line with the moderate pace in global economic growth as advanced economies recorded modest growth.

In tandem, the property market moderated in the first half of 2016. There were 163,527 transactions recorded worth RM64.60 billion, indicating a decline of 12.3% in volume and 15.7% in value.

On the supply-side, the number of housing approvals for construction (as approved by the Ministry of Urban Wellbeing, Housing and Local Government) declined further by 30.8% on annual basis. As for the demand-side, the loan applications for purchase of residential and non-residential continued to shrink in first half of 2016. In tandem, the loan approvals for both segments recorded substantial declines. The ratio of loan approvals against loans applications shrunk to a low 40.0% range, which was the lowest recorded in the six-year period.

The Malaysian Institute of Economic Research's Consumer Sentiments Index ("CSI") showed a slight improvement from the year before, stood at 75.5 points in first half of 2016 (first half of 2015: 72.2 points). However, the CSI was way lower than the 100-point threshold as there is a going concern on disposable income and employment. On a positive note, Business Conditions Index has reached 106.4 points in Q2 2016 (Q1 2016: 92.9 points), reflecting the recovery in confidence within the business environment. Nevertheless, based on the decline in the loans approved for non-residential purchase, the market activity in commercial sub-sector dropped by 34.5% whilst value was down by 21.8%.

Residential sub-sector continued to dominate the market, with 62.4% contribution in volume and 50.6% in value. All sub-sectors recorded softening market volume ranging from -34.5% to -5.3% with the exception of agriculture sub-sector up by 7.3%. Correspondingly, value of transactions also recorded similar downward pattern.

(Source: Malaysian Property Market First Half of 2016, Property Market Valuation Property Services Department, Ministry of Finance Malaysia)

For home buyers, bank financing for the purchase of residential properties for qualified borrowers continued to be available. Growth in loans outstanding for home purchase averaged at 13.2% during 2012 - 2014 (2008 - 2009: 9.8%). While this moderated to 9.2% in 2016, this moderation was due to the softer housing market. The demand for affordable housing had supported the expansion in end-financing by banks for residential property purchases. As at end-2016, about 56% of loans outstanding were for houses priced below RM250,000, while loans for houses priced between RM250,000 to RM500,000 accounted for another 25%. Rejection rates for housing loan applications also fell further to 23.6% in 2016 (2012 - 2015: 26.1%). These trends are evidence that financing remains ample for eligible home buyers.

Similarly, house builders continued to have access to bank financing. Loans for real estate activities and residential property construction increased at a healthy rate of 11.7% in 2016 (2012 - 2014: 18.5%), reflecting the fewer property launches and incoming supply.

The growth in household debt continued to moderate during the year to 5.4% (2015: 7.3%). This was attributable to the moderate growth in domestic demand, and was in part due to the pre-emptive macro- and micro-prudential measures implemented by the Bank to ensure prudent levels of household debt. The moderation was observed across most loan types, particularly loans for the purchase of non-residential properties; purchase of securities and purchase of passenger cars. The growth in residential property loans, which accounted for 50.0% of total household debt, also moderated to 9.1% during the year (2015: 11.0%). Nevertheless, borrowers with the capacity to service their debt continued to have access to residential property financing during the year, supported by stable approval rates across all house price segments.

The construction sector recorded moderate growth in 2016 (7.4%; 2015: 8.2%). The faster pace of expansion in the civil engineering and residential sub-sectors was partially offset by a decline in non-residential activity. Growth in the civil engineering sub-sector was driven by higher activity in existing multi-year projects, particularly in the petrochemical, transportation and utilities segments. Activity in the residential sub-sector was supported by large property launches in the previous years while growth in the special trade sub-sector continued to be supported by early and end-works activity. Growth in the non-residential sub-sector, however, was weighed down by slower activity in the commercial property segment amid the oversupply of office and retail space.

(Source: Annual Report 2016, Bank Negara Malaysia)

11.3 Prospects of our Group and the Subject Properties

Our Company is principally an investment holding company, leasing of assets and provision of management services whilst our subsidiaries are engaged in property investment and development business, cultivation of rubber and oil palm, management of club activities and provision of education services. Our Group has established itself in the property sector through our signature development of the township of Bandar Sri Damansara as well as our high-rise development projects, namely Damansara Foresta, The Elements, Astoria Ampang and Sena Parc.

As the property development is the largest profit contributor to our Group, the management of our Company has been constantly identifying suitable landbanks and new development projects to further enhance our Group's profitability and shareholders' value.

Apart from the rationale set out in Section 7.4 of this AP, the Acquisitions and Option are also in line with our Group's objective to continuously seek strategically located landbanks to enhance and strengthen our earnings base.

In Malaysia, our Group's developments are focused in the high-growth Greater Klang Valley area and the upcoming development in Seremban, Negeri Sembilan. Since 2009, our Group has been consciously focused on developing high-rise residential properties in vibrant urban communities amid Malaysia's economic growth and rapid urbanisation. While high-rise residential properties will remain the primary staple of our Group's developments, our Group also aims to diversify our portfolio by developing landed properties in strategic locations.

As set out in Section 11.2 above, the Malaysian property market in first half of 2016 was down by 12.3% in volume and 15.7% in value against first half of 2015. This was due to the continued impact of the tightened lending condition imposed by the Government coupled with softened consumer sentiment.

However, our Board believes that during the current market slow down, land prices will be more realistic. With our Group's strong financial footing in the midst of a market slow down, our Company has been on the lookout for strategic land banks that have the potential to generate income growth and positive returns on our investment.

Pursuant thereto, our Company has identified and undertaken the Acquisitions and Option that could provide positive returns for our Group in the foreseeable future. As at the LPD, our Group has approximately 428.53 acres of land banks spread across Malaysia in Kedah, Selangor Darul Ehsan, Negeri Sembilan and Johor Bahru. Following the completion of the Acquisitions and Option, our Group would add additional land banks of approximately 21.70 acres (excluding 424.62 acres under the CGPM Group) within Greater Klang Valley area and increase our total land banks to approximately 450.23 acres in Malaysia.

Further information on the prospects of the Subject Properties, as extracted from the Valuation Reports, are as follows:

(i) Plot A and Plot B

The Plot A and Plot B are located off Jalan Broga, within the locality of Semenyih and is surrounded by Tiara East, Desa Amal Jireh and Taman Industrial Sri Haneco within the broader locality, all being developed upon with landed housing properties and light industrial forms. The University of Nottingham Malaysia Campus is also located within a 10-minute drive away.

The Plot A and Plot B are also easily accessible while well-connected to major highways, namely the Kajang-Seremban Highway (LEKAS) and the Kajang Dispersal Link Expressway ("SILK") via Jalan Broga and Jalan Semenyih. Heavy traffic is now a normal feature along Jalan Semenyih during peak hours.

Additionally, the Kajang-Semenyih-Bangi corridor which is spurred by the Setia Eco Hill township as well as the Sungai Buloh-Kajang MRT line, makes Semenyih town, where the Plot A and Plot B are located, a hotspot for home owners.

Besides good connectivity and accessibility as stated above, it is noted that the Plot A and Plot B fall within a locality that is on a fast development track over the last few years and which is expected to continue along this pace going into the foreseeable future. And, with its close proximity to the University of Nottingham Malaysia, the Plot A and Plot B will never fail to attract buying prospects into its proposed development, from both academia and non-academia alike, due to prospect of good returns to capital and rental.

Besides the foregoing, the Plot A and Plot B are also flanked by township-themed developments that carry forth strong spillover impact on neighbouring holdings, more so with most of these developments carrying good buying supports over the years. And, given that these developments are also unique while niche in character, it is with great expectancy that the spillover anticipated for Plot A and Plot B is nothing less than great.

As manifested by the strong take up of about 75% in adjacent Plot A, the proposed development in Plot B is indeed grounded on good and strong viability and long term sustainability and the fear of low take up for the Plot B development is indeed unfounded going into the long term.

(Source: Valuation Reports on the Plot A and Plot B, 3 November 2016, PA International)

(ii) Serendah Land

The Serendah Land is easily accessible while located well-connected to major highways via the Kuala Lumpur-Ipoh main road, such as the North-South Expressway ("NSE"), the Kuala Lumpur-Kuala Selangor Expressway, the Guthrie Corridor Expressway and the North Klang Valley Expressway ("NKVE"). The planned Kuala Lumpur Arah Serendah Expressway which will commence at Jalan Kuching and exiting at the Kuala Lumpur-Ipoh main road after passing through Jalan Rawang is expected to smoothen and shorten travelling time from the property to southern Klang Valley when it is completed.

The public transportation systems in the form of trains, buses and taxis are also made available in the Serendah locality, with bus stops and the Serendah Commuter Station (Seremban-Rawang route) spotted within a 2 km spread from the Serendah Land.

Besides the above, the immediate locality of the Serendah Land is also fairly developed upon with older low rise apartments and detached houses while a variety of amenities and facilities i.e. petrol stations, public clinic, post office, eateries and retail shops are made available in Serendah town centre which is about 3 km drive from the subject property.

As stated in the Valuation Report, there is still healthy demand for residential properties at fringe localities. And, in view of the rapid residential and commercial projects on-going in the neighbouring Rawang town, it is only a matter of time before Serendah benefits from this spillover, the development of the subject property being one of the more direct beneficiaries.

At the micro perspective, it is noted that having a golf course with clubhouse facilities in the midst of a residential scheme, such as the development planned for the Serendah Land, is indeed a novelty and a proactive marketing tool. And, as proven many times over in large and fast growing urban centres in the country, golf courses in the midst of housing schemes do result in rapid capital growth of residences therein going into the long term, a situation that bodes well for the Serendah Land when developed and marketed upon.

(Source: Valuation Report on the Serendah Land, 3 November 2016, PA International)

(iii) TBSB Land

The TBSB Land is sandwiched between the Sungai Besi Highway (also known as Besraya Highway) on the west and South Lake of the Mines Resort City on the east. As such, the TBSB Land enjoys direct access to Besraya Highway while well connected to other major highways, namely SILK and NSE in the process.

Connectivity to the TBSB Land is further enhanced by the presence of the Terminal Bersepadu Selatan-Bandar Tasik Selatan, a newest interstate bus terminal, at 6 kilometres away due north. This integrated transportation terminal not only caters for buses, it is also a connecting station for the Light Rail Transit Sri Petaling Line Station, the Keretapi Tanah Melayu Komuter and Express Rail Link.

The immediate surroundings include upmarket landed properties (Bluwater Estate and Taman Sungai Besi Indah), condominiums (The Heritage Residence), shop offices located at Taman Sungai Besi Indah and schools (Sekolah Kebangsaan Taman Sungai Indah and the Australian International School Malaysia).

In addition, the TBSB Land is located within close proximity to The Mines Shopping Mall, The Mines Resort & Golf Club, The Mines Shopping Mall 2, Malaysia International Exhibition & Convention Centre.

Some of the units of the proposed development would enjoy the lake view as the eastern side of TBSB Land is facing the South Lake of the Mines Resort City.

(Source: Valuation Report on the TBSB Land, 3 November 2016, PA International)

(iv) FESB Land

The FESB Land is located within the locality of Taman Sri Ukay and is easily accessible and well-connected to major highways such as Duta - Ulu Kelang Expressway ("DUKE") and the Middle Ring Road 2.

The immediate neighbourhood include Taman Sri Ukay and Taman Hillview which comprise predominantly landed properties, namely semi-detached and detached homes. A variety of facilities and amenities are also made available within a stone's throw away such as petrol stations, police station, sport complex, public clinic, shopping centers (Aeon AU2 shopping centre), schools (Stella Maris School and International School of Kuala Lumpur).

The market indeed portrays a good stead where demand still prevail for condominiums / serviced apartments in the locality of the FESB Land. Furthermore, the immediate locality of the FESB Land is exclusive in status as it is surrounded by upscale bungalows and semi-detached homes.

The Valuer is of the view that planned development on FESB Land would be taking off viably due to its favourable and profound location and neighborhood as well as the various opportunities arising therefrom.

(Source: Valuation Report on the FESB Land, 3 November 2016, PA International)

(v) SPSB Land

The SPSB Land is located in the vicinity of the intersection formed by Lebuhraya Jalan Duta - Sungai Buloh and Jalan Duta Interchange ("SPRINT") heading towards Sri Hartamas area. As such, it is easily accessible while well-connected to the other major highways of NKVE and DUKE.

The immediate neighbourhood includes Mont' Kiara, Dutamas and Sri Hartamas which comprise predominantly high-rise and upscale residential and commercial buildings.

A variety of facilities and amenities are also made available within a stone's throw away. This area is a hotspot amongst the expatriate community in Kuala Lumpur city.

(Source: Valuation Report on the SPSB Land, 3 November 2016, PA International)

Our management is of the view that the Acquisitions and Option will provide the following:

- land banks that would ensure sustainable development projects to our Group for the next 8 to 10 years and to enhance the sustainable earnings of our Group with an estimated GDV of approximately RM4.20 billion (including our investment in CGPM); and
- our Group the ability to strengthen our broad product mix in the development of landed properties and high rise developments.

Moving forward, our Board believes that our Group is heading in the right direction. Our Group will continue to unlock the value of the existing land banks while searching and securing new land banks, including the Acquisitions and Option, which can further add value to our Group's future growth and expansion. With the expected challenges ahead, our Group remains positive on our prospects for our next financial year.

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, our Group will have sufficient working capital for a period of 12 months from the date of issue of this AP to meet our present and foreseeable future working capital requirements.

12.2 Borrowings

As at the LPD, our Group's total outstanding borrowings of approximately RM82.33 million, all of which are interest-bearing and are denominated in RM, are as follows:

	Short-term (RM'000)	Long-term (RM'000)	Total (RM'000)
Hire purchase and finance lease liabilities	85	20	105
Term loan	4,952	77,102	82,054
ICULS	56	130	186
Total	5,093	77,252	82,345

As at the LPD, there has been no default on payments of either interest and/or principal sums in respect of any borrowings throughout the FYE 31 March 2016 and the subsequent financial period thereof, immediately preceding the LPD.

12.3 Material commitments

Save as disclosed below, there are no material commitments 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.

	Approved and contracted for (RM'000)	Approved and not contracted for (RM'000)	Total (RM'000)
In relation to the Corporate Exercises as set out in Section 7 of this AP	273,137	41,211	314,348
Capital expenditures	-	1,233	1,233
Total	273,137	42,444	315,581

12.4 Contingent liabilities

There are no contingent liabilities incurred or known to be incurred by our Group 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 you are an Entitled Shareholder of our Company, your CDS account(s) will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe in full or in part under the terms and conditions of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of the number of such Provisional Rights Shares into your CDS account(s) and the RSF to enable you to subscribe for such Rights Shares that you have been provisionally allotted, as well as apply for the excess Rights Shares if you wish to do so.

FULL PROCEDURES FOR THE ACCEPTANCE, PAYMENT, SALE/TRANSFER AND THE EXCESS RIGHTS SHARES 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 Shares must be made on the RSF issued with this AP and completed in accordance to the notes and instructions printed on 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 Shares, please complete Part I(A) and Part II 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 Share 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

Tel No: +603 – 7849 0777

Fax No: +604 – 7841 8151/8152

and should reach our Share Registrar **not later than 5.00 p.m. on Wednesday, 3 May 2017**, being the last date and time for acceptance and payment.

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

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

If you do not wish to accept the Provisional Rights Shares in full, you are entitled to accept part of your entitlement to the Provisional Rights Shares. The minimum number of the Provisional Rights Shares that can be subscribed for or accepted is eight (8) Right Shares for every five (5) existing L&G Shares held. Any fractional entitlement under the Rights Issue shall be disregarded and the aggregate of such fractions, if any, shall be dealt with in such manner or on such terms as our Board may at its absolute discretion deem fit and expedient and in the best interest of our Company. You should take note that a trading board lot comprises one hundred (100) Rights Shares.

Each completed RSF must be accompanied by appropriate 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 "L&G RIGHTS SHARES 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 SHARES. 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 8 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES, 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 SHARE REGISTRAR OR OUR COMPANY.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE 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 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES 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 Shares is not received by our Share Registrar by 5.00 p.m. on Wednesday, 3 May 2017, you and/or your renounee(s)/transferee(s)' (if applicable) provisional entitlement under the Rights Issue will be deemed to have been declined and will be cancelled.

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

13.2 Procedures for sale/transfer of the Provisional Rights Shares

The Provisional Rights Shares are renounceable. If you wish to sell or transfer all or part of your entitlement to the Provisional Rights Shares to one or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS account(s). To sell or transfer all or part of your entitlement to the Provisional Rights Shares, 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 Shares.

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

Renouncee(s)/transferee(s) of the Provisional Rights Shares may obtain a copy of this AP and the RSF from their stockbrokers, our Share 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 Shares, you may still accept the balance of your entitlement to the Provisional Rights Shares by completing both Part I(A) and Part II of the RSF and deliver the completed and signed RSF together with the relevant remittance to our Share 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 Shares, you will automatically be selling or transferring your entitlement to all or part of the Rights Shares.

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

13.3 Procedures for excess Rights Shares application

If you wish to apply for additional Rights Shares in excess of those provisionally allotted to you, please complete Part I(B) of the RSF (in addition to both Part I(A) and Part II) and forward it together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares applied for, to our Share Registrar **not later than 5.00 p.m. on Wednesday, 3 May 2017**, being the last date and time for application and payment.

Payment for the excess Rights Shares applied for should be made in the same manner as described in Section 13.1 of this AP, with remittance 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 "**L&G EXCESS RIGHTS SHARES 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 accept any excess Rights Shares application, in full or in part, without assigning any reason thereto. It is the intention of our Board to allot the excess Rights Shares, if any, applied for under Part I(B) of the RSF on a fair and equitable basis as they deem fit and expedient and in the best interest of our Company, and that the intention of our Board as set out in the basis of allotment below is achieved. The basis of allotment of the excess Rights Shares will be in the following sequence:

- (i) firstly, to minimise the incidence of odd lots;

- (ii) secondly, for allocation to our Entitled Shareholders who have applied for the excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to our Entitled Shareholders who have applied for the excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Rights Shares application; and
- (iv) lastly, for allocation to renouncee(s)/transferee(s) who have applied for the excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective excess Rights Shares application.

In the event of any balance of excess Rights Shares after the above sequence of allocations, the balance of excess of Rights Shares will be allocated again through the same sequence of processes (ii), (iii) and (iv) until all excess Rights Shares are fully allocated.

After the above consideration, any remaining Rights Shares not allotted, if any, shall be dealt with in such manner or on such terms as our Board may at its absolute discretion deem fit and expedient and in the best interest of our Company.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE EXCESS RIGHTS SHARES APPLICATION. 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 8 MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES, 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 SHARE REGISTRAR OR OUR COMPANY.

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

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES 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 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES 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 renouncee(s)/transferee(s)

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

The procedures for acceptance, selling/transferring of the Provisional Rights Shares, excess Rights Shares application and/or payment by the renouncee(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.

RENOUNCEE(S)/TRANSFEREE(S) 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 Shares are prescribed securities and as such, all dealings in the Provisional Rights Shares 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 Shares.

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

13.5.1 Acceptance of the Provisional Rights Shares by our Entitled Shareholders

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

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

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

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

If you are successful in applying for the excess Rights Shares, such excess Rights Shares will be credited directly as prescribed securities into your CDS account(s) upon allotment and issuance. The allocation of the excess Rights Shares 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 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 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.

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.

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 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 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, 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 Shares 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 Shares; 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 Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

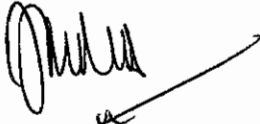
14. TERMS AND CONDITIONS

The issuance of the Rights Shares under the Rights Issue 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

A handwritten signature in black ink, appearing to read 'Ferdaus Mahmood', with a long horizontal line extending from the end of the signature.

Ferdaus Mahmood
Non-Independent Non-Executive Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM ON 15 MARCH 2017



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, 15TH MARCH 2017 AT 9.45 A.M.

11.0 ORDINARY RESOLUTIONS PASSED AT THE EGM

11.1 ORDINARY RESOLUTION 1

- (I) PROPOSED ACQUISITIONS BY LAND & GENERAL BERHAD ("L&G" OR "COMPANY") FROM MALAYSIA LAND PROPERTIES SDN BHD ("MAYLAND" OR "VENDOR") OF THE FOLLOWING:
 - (A) ENTIRE EQUITY INTERESTS IN PRIMAL MILESTONE SDN BHD ("PMSB") FOR A CASH CONSIDERATION OF APPROXIMATELY RM128.47 MILLION ("PROPOSED PMSB ACQUISITION");
 - (B) ENTIRE EQUITY INTERESTS IN QUANTUM BONUS SDN BHD ("QBSB") FOR A CASH CONSIDERATION OF APPROXIMATELY RM5.97 MILLION ("PROPOSED QBSB ACQUISITION");
 - (C) ENTIRE EQUITY INTERESTS IN TRIUMPH BLISS SDN BHD ("TBSB") FOR A CASH CONSIDERATION OF APPROXIMATELY RM118.15 MILLION ("PROPOSED TBSB ACQUISITION"); AND
 - (D) ENTIRE EQUITY INTERESTS IN FORWARD ESTEEM SDN BHD ("FESB") FOR A CASH CONSIDERATION OF APPROXIMATELY RM45.73 MILLION ("PROPOSED FESB ACQUISITION"); AND
- (II) PROPOSED CALL OPTION GRANTED BY MAYLAND IN FAVOUR OF THE COMPANY FOR THE ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN SOHO PRESTIGE SDN BHD ("SPSB") FOR A CASH CONSIDERATION OF APPROXIMATELY RM37.25 MILLION ("OPTION") ("PROPOSED SPSB OPTION"),

AND THE SETTLEMENT OF RESPECTIVE OUTSTANDING INTER-COMPANY BALANCES OWING BY PMSB, QBSB, TBSB, FESB AND SPSB TO THE MAYLAND AND ITS SUBSIDIARIES ("MAYLAND GROUP") AS AT THE COMPLETION DATE;

(COLLECTIVELY, THE PROPOSED PMSB ACQUISITION, PROPOSED QBSB ACQUISITION, PROPOSED TBSB ACQUISITION AND PROPOSED FESB ACQUISITION ARE COLLECTIVELY REFERRED TO AS THE "PROPOSED ACQUISITIONS"; THE PROPOSED ACQUISITION OF SPSB UPON EXERCISE OF THE OPTION BY THE COMPANY PURSUANT TO THE PROPOSED SPSB OPTION SHALL BE REFERRED TO AS THE "PROPOSED OPTION ACQUISITION".)

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 15 MARCH 2017 (Cont'd)

Ordinary Resolution 1, proposed by Encik Othman Kalid and seconded by Madam Tan Moi Lang was duly passed by the shareholders of L&G and the poll results are as stated below.

IT WAS RESOLVED:

"THAT subject to the passing of Ordinary Resolution 2 and Ordinary Resolution 3, and 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 the Company to:

- (i) acquire from Mayland, the entire equity interests in the following:
 - (a) PMSB for a cash consideration of approximately RM128.47 million;
 - (b) QBSB for a cash consideration of approximately RM5.97 million;
 - (c) TBSB for a cash consideration of approximately RM118.15 million;
 - (d) FESB for a cash consideration of approximately RM45.73 million; and
 - (e) SPSB for a cash consideration of approximately RM37.25 million upon exercise of the Option,

and the settlement of respective outstanding inter-company balances owing by PMSB, QBSB, TBSB, FESB and SPSB to the Mayland Group as at the completion date of the Proposed Acquisitions and the Proposed Option Acquisition;
- (ii) invest in an existing joint venture company, namely Country Garden Properties Malaysia Sdn Bhd ("**CGPM**") via PMSB and QBSB, and for the Company to:
 - (a) enter into a novation agreement dated 3 January 2017 ("**Novation Agreement**") as a supplemental agreement to the existing shareholders' agreement dated 23 December 2011 governing the roles and responsibilities of the shareholders of CGPM; and
 - (b) provide financial assistance of up to RM135.00 million from the internally generated funds and / or bank borrowings of the L&G Group, over the periods of the developments of lands owned by the subsidiaries of CGPM via shareholders' advances and / or corporate guarantees based on its shareholding proportion in CGPM for the development costs and the working capital requirements of the CGPM and its subsidiaries,

in accordance with the terms and conditions of the respective conditional share sale and purchase agreements and option agreement dated 15 November 2016, and the Novation Agreement as set out in the Circular to the shareholders of the Company dated 28 February 2017 ("**Circular**");

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

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM ON 15 MARCH 2017 (Cont'd)

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 Acquisitions, Proposed SPSB Option and Proposed Option 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 Results:

Voted in Favour		Voted Against	
No. of Shares	%	No. of Shares	%
157,156,241	71.4899	62,673,700	28.5101

Note: Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Mayland Parkview Sdn Bhd which holds 343,791,000 shares in Land & General Berhad has abstained from voting on Ordinary Resolution 1 due to their interest in the resolution.

11.2 ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,914,061,696 NEW ORDINARY SHARES OF L&G (“L&G SHARES”) (“RIGHTS SHARES”) AT AN ISSUE PRICE TO BE DETERMINED LATER ON THE BASIS OF EIGHT (8) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING L&G SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“ENTITLEMENT DATE”) BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 820,000,000 RIGHTS SHARES (“MINIMUM SUBSCRIPTION LEVEL”) (“PROPOSED RIGHTS ISSUE”)

Ordinary Resolution 2, proposed by Madam Baheerathy A/P Arumugam and seconded by Encik Abdul Hamid Md Yusof was duly passed by the shareholders of L&G and the poll results are as stated below.

IT WAS RESOLVED:

“**THAT**, subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 3 and the approvals of all relevant authorities including the approval-in-principle of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the Rights Shares, 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 up to 1,914,061,696 Rights Shares at an issue price to be determined later on the basis of eight (8) Rights Shares for every five (5) existing L&G Shares held on the Entitlement Date based on the Minimum Subscription Level;
- (ii) disregard fractional entitlements under the Proposed Rights Issue 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;

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM ON 15 MARCH 2017 (Cont'd)

- (iii) deal with the excess Rights Shares not subscribed by the other entitled shareholders in the manner as detailed in Section 2.2 of Part A of the Circular; and
- (iv) utilise the proceeds to be derived from the Proposed Rights Issue in the manner as set out in Section 2.2.6 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;

THAT the L&G Shares shall, upon allotment and issuance, rank *pari passu* in all respect with the then existing L&G Shares, except that the Rights Shares shall not be entitled to any dividends, rights, allotments and / or other distributions that may be declared, made or paid, where the entitlement date is prior to the date of allotment of the Rights 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 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 Results:

Voted in Favour		Voted Against	
No. of Shares	%	No. of Shares	%
155,735,641	70.8437	64,094,300	29.1563

Note: Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Mayland Parkview Sdn Bhd which holds 343,791,000 shares in Land & General Berhad has abstained from voting on Ordinary Resolution 2 due to their interest in the resolution.

11.3 ORDINARY RESOLUTION 3

PROPOSED EXEMPTION TO MAYLAND PARKVIEW SDN BHD (“MPSB”), THE MAJOR SHAREHOLDER OF THE COMPANY UNDER PARAGRAPH 4.08 OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS (“RULES”) FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER FOR ALL THE REMAINING L&G SHARES AND CONVERTIBLE SECURITIES IN THE COMPANY NOT ALREADY OWNED BY MPSB AND PERSON(S) ACTING IN CONCERT WITH MPSB (“PAC(S)”) (IF ANY) UPON COMPLETION OF THE PROPOSED RIGHTS ISSUE (“PROPOSED EXEMPTION”)

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE CORPORATE EXERCISES PASSED AT OUR EGM ON 15 MARCH 2017 (Cont'd)

Ordinary Resolution 3, proposed by Madam Tan Moi Lang and seconded by Madam Baheerathy A/P Arumugam was duly passed by the shareholders of L&G and the poll results are as stated below.

IT WAS RESOLVED:

"THAT subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2, and the approvals of all relevant authorities including such conditions as may be imposed by the Securities Commission Malaysia ("SC") and / or parties (where required) being obtained, approval be and is hereby given for exemptions to be granted to MPSB and his PAC(s) (if any), by the SC under Paragraph 4.08 of the Rules from the obligation to undertake a mandatory take-over offer to acquire all the remaining L&G Shares and convertible securities in the Company not already owned by MPSB and his PAC(s) (if any) upon completion of the Proposed Rights Issue;

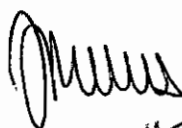
AND THAT the Directors of the Company be and are hereby empowered and authorised to do all such acts, deeds and things to execute, sign and deliver on behalf of the Company all such documents and enter into any arrangements, agreements and / or undertakings with any party or parties as they may deem fit, necessary or expedient or appropriate in order to implement, finalise and / or give full effect to the Proposed Exemption 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 Results:

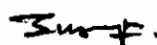
Voted in Favour		Voted Against	
No. of Shares	%	No. of Shares	%
155,810,641	70.8778	64,019,300	29.1222

Note: Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Mayland Parkview Sdn Bhd which holds 343,791,000 shares in Land & General Berhad has abstained from voting on Ordinary Resolution 3 due to their interest in the resolution.

CERTIFIED TRUE EXTRACT



FERDAUS MAHMOOD
DIRECTOR



LEE SIW YENG (MAICSA 7048942)
SECRETARY

DATE: 28 MAR 2017

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 our 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, leasing of assets and provision of management services. The principal activities of our subsidiaries are set out in Section 6 of this Appendix.

3. ISSUED SHARE CAPITAL

The issued share capital and number of issued shares of our Company as at the LPD are as follows:

	No. of L&G Shares	Amount (RM)
Issued share capital	1,122,230,817	224,624,663.40

The following changes in the issued share capital and number of issued shares of our Company for the past 3 years up to the LPD were mainly due to the conversion of ICULS into new L&G Shares:

Date of allotment	No. of L&G Shares allotted	Consideration given	Cumulative issued share capital (RM)
18 February 2014	26,700	Cash conversion	127,014,006.00
28 March 2014	453,900	Cash conversion	127,104,786.00
5 May 2014	10,000	Cash conversion	127,106,786.00
21 May 2014	6,900,000	Cash conversion	128,486,786.00
3 June 2014	4,015,000	Cash conversion	129,289,786.00
6 June 2014	2,809,100	Cash conversion	129,851,606.00
10 June 2014	4,348,500	Cash conversion	130,721,306.00
11 June 2014	9,000,100	Cash conversion	132,521,326.00
16 June 2014	5,114,800	Cash conversion	133,544,286.00
17 June 2014	6,893,300	Cash conversion	134,922,946.00
20 June 2014	7,703,500	Cash conversion	136,463,646.00
24 June 2014	4,973,000	Cash conversion	137,458,246.00
25 June 2014	1,398,700	Cash conversion	137,737,986.00
30 June 2014	2,943,886	Cash conversion	138,326,763.20
4 July 2014	3,206,100	Cash conversion	138,967,983.20
8 July 2014	860,000	Cash conversion	139,139,983.20
11 July 2014	1,330,000	Cash conversion	139,405,983.20
16 July 2014	1,760,000	Cash conversion	139,757,983.20
21 July 2014	3,218,900	Cash conversion	140,401,763.20
22 July 2014	1,624,700	Cash conversion	140,726,703.20

INFORMATION OF OUR COMPANY (Cont'd)

Date of allotment	No. of L&G Shares allotted	Consideration given	Cumulative issued share capital (RM)
25 July 2014	4,930,600	Cash conversion	141,712,823.20
4 August 2014	5,110,300	Cash conversion	142,734,883.20
7 August 2014	4,447,200	Cash conversion	143,624,323.20
8 August 2014	9,721,100	Cash conversion	145,568,543.20
13 August 2014	9,851,000	Cash conversion	147,538,743.20
15 August 2014	3,429,500	Cash conversion	148,224,643.20
19 August 2014	4,530,300	Cash conversion	149,130,703.20
21 August 2014	4,289,000	Cash conversion	149,988,503.20
25 August 2014	2,658,000	Cash conversion	150,520,103.20
27 August 2014	1,265,000	Cash conversion	150,773,103.20
29 August 2014	1,800,000	Cash conversion	151,133,103.20
3 September 2014	150,000	Cash conversion	151,163,103.20
4 September 2014	6,167,700	Cash conversion	152,396,643.20
11 September 2014	4,234,900	Cash conversion	153,243,623.20
12 September 2014	5,189,900	Cash conversion	154,281,603.20
17 September 2014	22,264,300	Cash conversion	158,734,463.20
18 September 2014	146,036,300	Cash conversion	187,941,723.20
19 September 2014	7,000,800	Cash conversion	189,341,883.20
22 September 2014	66,983,100	Cash conversion	202,738,503.20
23 September 2014	36,618,000	Cash conversion	210,062,103.20
26 September 2014	77,800	Cash conversion	210,077,663.20
2 October 2014	600,000	Cash conversion	210,197,663.20
7 October 2014	773,900	Cash conversion	210,352,443.20
14 October 2014	21,000	Cash conversion	210,356,643.20
28 October 2014	70,000	Cash conversion	210,370,643.20
5 November 2014	27,000	Cash conversion	210,376,043.20
20 November 2014	91,000	Cash conversion	210,394,243.20
25 November 2014	1,146,600	Cash conversion	210,623,563.20
28 November 2014	2,190,000	Cash conversion	211,061,563.20
3 December 2014	10,000	Cash conversion	211,063,563.20
5 December 2014	1,101,000	Cash conversion	211,283,763.20
9 December 2014	545,000	Cash conversion	211,392,763.20
15 December 2014	1,768,800	Cash conversion	211,746,523.20
18 December 2014	130,000	Cash conversion	211,772,523.20
30 December 2014	91,000	Cash conversion	211,790,723.20
8 January 2015	2,940,000	Cash conversion	212,378,723.20
12 January 2015	83,000	Cash conversion	212,395,323.20
14 January 2015	391,000	Cash conversion	212,473,523.20
22 January 2015	170,000	Cash conversion	212,507,523.20
26 January 2015	300,000	Cash conversion	212,567,523.20
28 January 2015	1,519,000	Cash conversion	212,871,323.20
10 February 2015	1,491,000	Cash conversion	213,169,523.20
11 February 2015	335,000	Cash conversion	213,236,523.20
16 February 2015	220,500	Cash conversion	213,280,623.20

INFORMATION OF OUR COMPANY (Cont'd)

Date of allotment	No. of L&G Shares allotted	Consideration given	Cumulative issued share capital (RM)
25 February 2015	970,000	Cash conversion	213,474,623.20
2 March 2015	91,000	Cash conversion	213,492,823.20
5 March 2015	310,000	Cash conversion	213,554,823.20
12 March 2015	513,300	Cash conversion	213,657,483.20
13 March 2015	2,089,000	Cash conversion	214,075,283.20
24 March 2015	526,800	Cash conversion	214,180,643.20
27 March 2015	300,000	Cash conversion	214,240,643.20
31 March 2015	1,791,000	Cash conversion	214,598,843.20
2 April 2015	100,000	Cash conversion	214,618,843.20
8 April 2015	700,000	Cash conversion	214,758,843.20
13 April 2015	84,000	Cash conversion	214,775,643.20
17 April 2015	1,900,000	Cash conversion	215,155,643.20
23 April 2015	1,537,600	Cash conversion	215,463,163.20
27 April 2015	626,000	Cash conversion	215,588,363.20
5 May 2015	1,510,000	Cash conversion	215,890,363.20
8 May 2015	90,000	Cash conversion	215,908,363.20
13 May 2015	134,000	Cash conversion	215,935,163.20
27 May 2015	54,800	Cash conversion	215,946,123.20
1 June 2015	250,000	Cash conversion	215,996,123.20
3 June 2015	457,200	Cash conversion	216,087,563.20
8 June 2015	142,100	Cash conversion	216,115,983.20
17 June 2015	75,000	Cash conversion	216,130,983.20
22 June 2015	173,700	Cash conversion	216,165,723.20
1 July 2015	94,800	Cash conversion	216,184,683.20
29 July 2015	28,500	Cash conversion	216,190,383.20
4 August 2015	104,700	Cash conversion	216,211,323.20
6 August 2015	759,000	Cash conversion	216,363,123.20
28 August 2015	95,000	Cash conversion	216,382,123.20
2 September 2015	1,224,500	Cash conversion	216,627,023.20
10 September 2015	1,820,000	Cash conversion	216,991,023.20
15 September 2015	2,499,200	Cash conversion	217,490,863.20
21 September 2015	3,564,800	Cash conversion	218,203,823.20
28 September 2015	960,000	Cash conversion	218,395,823.20
24 November 2015	250,000	Cash conversion	218,445,823.20
19 January 2016	10,000	Cash conversion	218,447,823.20
21 January 2016	2,500	Conversion	218,448,323.20
15 March 2016	849,900	Cash conversion	218,618,303.20
16 May 2016	150,000	Cash conversion	218,648,303.20
9 June 2016	790,000	Cash conversion	218,806,303.20
14 June 2016	144,701	Cash conversion	218,835,243.40
16 June 2016	433,100	Cash conversion	218,921,863.40
21 June 2016	444,000	Cash conversion	219,010,663.40
23 June 2016	660,000	Cash conversion	219,142,663.40
28 June 2016	280,000	Cash conversion	219,198,663.40

INFORMATION OF OUR COMPANY (Cont'd)

Date of allotment	No. of L&G Shares allotted	Consideration given	Cumulative issued share capital (RM)
1 July 2016	613,300	Cash conversion	219,321,323.40
5 July 2016	450,700	Cash conversion	219,411,463.40
13 July 2016	89,900	Cash conversion	219,429,443.40
22 July 2016	50,000	Cash conversion	219,439,443.40
27 July 2016	334,600	Cash conversion	219,506,363.40
1 August 2016	32,500	Conversion	219,512,863.40
5 August 2016	130,400	Cash conversion	219,538,943.40
11 August 2016	681,500	Cash conversion	219,675,243.40
16 August 2016	830,600	Cash conversion	219,841,363.40
19 August 2016	1,009,500	Cash conversion	220,043,263.40
24 August 2016	595,000	Cash conversion	220,162,263.40
26 August 2016	290,100	Cash conversion	220,220,283.40
5 September 2016	2,107,800	Cash conversion	220,641,843.40
13 September 2016	4,751,200	Cash conversion	221,592,083.40
19 September 2016	1,129,200	Cash conversion	221,817,923.40
21 September 2016	1,868,900	Cash conversion	222,191,703.40
23 September 2016	1,000	Conversion	222,191,903.40
23 September 2016	6,309,200	Cash conversion	223,453,743.40
28 September 2016	1,084,000	Cash conversion	223,670,543.40
5 October 2016	10,000	Cash conversion	223,672,543.40
4 November 2016	104,000	Cash conversion	223,693,343.40
1 December 2016	40,000	Cash conversion	223,701,343.40
16 December 2016	20,000	Cash conversion	223,705,343.40
28 December 2016	579,100	Cash conversion	223,821,163.40
19 January 2017	100,000	Cash conversion	223,841,163.40
25 January 2017	50,000	Cash conversion	223,851,163.40
2 February 2017	105,000	Cash conversion	223,878,463.40
6 February 2017	15,000	Cash conversion	223,882,363.40
17 February 2017	385,000	Cash conversion	223,982,463.40
24 February 2017	401,600	Cash conversion	224,086,879.40
2 March 2017	711,500	Cash conversion	224,271,869.40
6 March 2017	105,500	Cash conversion	224,299,299.40
17 March 2017	783,900	Cash conversion	224,503,113.40
21 March 2017	467,500	Cash conversion	224,624,663.40

INFORMATION OF OUR COMPANY (Cont'd)

4. SUBSTANTIAL SHAREHOLDER' SHAREHOLDING

The Acquisitions and Option would not have any effect on the issued share capital and substantial shareholder's shareholding of our Company as there is no issuance of new L&G Shares. Based on the Register of Substantial Shareholder of our Company, the shareholding of our substantial shareholder (holding 5% or more) of our Company as at the LPD and the pro forma effects of the Rights Issue and the Acquisitions and Option is set out below.

Minimum Scenario

	As at the LPD			(I) After the Rights Issue			(II) After (I) and the Acquisitions and Option		
	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of L&G Shares ('000)	% ^(a)	No. of L&G Shares ('000)	No. of L&G Shares ('000)	% ^(b)	No. of L&G Shares ('000)	No. of L&G Shares ('000)	%	No. of L&G Shares ('000)
Substantial shareholder									
MPSB	343,791	30.63	-	1,163,791	59.92	-	1,163,791	59.92	-

Notes:

(a) As a percentage of 1,122,230,817 L&G Shares as at the LPD.

(b) As a percentage of enlarged 1,942,230,817 L&G Shares as set out in Section 10.1 of this AP after the Rights Issue under the Minimum Scenario.

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INFORMATION OF OUR COMPANY (Cont'd)

Maximum Scenario

	As at the LPD			(I) Assuming full conversion of the outstanding ICULS			(II) After (I) and the Rights Issue			(III) After (II) and the Acquisitions and Option		
	Direct		Indirect	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of L&G Shares ('000)	% ^(a)	No. of L&G Shares ('000)	No. of L&G Shares ('000)	% ^(b)	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 shareholder	343,791	30.63	-	343,791	28.74	-	893,856	28.74	-	893,856	28.74	-
MPSB	343,791	30.63	-	343,791	28.74	-	893,856	28.74	-	893,856	28.74	-

Notes:

- (a) As a percentage of 1,122,230,817 L&G Shares as at the LPD.
- (b) As a percentage of enlarged 1,196,288,560 L&G Shares, assuming full conversion of approximately RM9,627,507 nominal value of the outstanding ICULS as at the LPD into 74,057,743 new L&G Shares prior to the Entitlement Date.
- (c) As a percentage of enlarged 3,110,350,256 L&G Shares as set out in Section 10.1 of this AP after the Rights Issue under the Maximum Scenario.

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INFORMATION OF 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 of Directors / Designation	Age	Profession	Nationality	Address
Dato' Hj Zainal Abidin Putih (Chairman / Independent Non-Executive Chairman)	71	Company Director	Malaysian	20-6 The Residence Jalan Wan Kadir 5 TTDI, 60000 Kuala Lumpur
Low Gay Teck (Managing Director)	52	Company Director	Malaysian	3 Lorong Chelagi Damansara Heights, 50490 Kuala Lumpur
Dato' Ir Dr A Bakar Jaafar (Senior Independent Non-Executive Director)	67	Engineer / Professor	Malaysian	2A, Jalan Menara Satu (U8/5A) Bukit Jelutong 40150 Shah Alam Selangor
YM Tengku Maruan Tengku Ariff (Independent Non-Executive Director)	64	Company Director	Malaysian	84, Jalan Leong Yew Koh Taman Tun Dr Ismail 60000 Kuala Lumpur
Dato' Hj Ikhwan Salim Dato' Hj Sujak (Independent Non-Executive Director)	60	Businessman	Malaysian	No. 126, Jalan Athinahapan 1 Taman Tun Dr. Ismail 60000 Kuala Lumpur
Hoong Cheong Thard (Non-Independent Non-Executive Director)	48	Company Director	Malaysian	66, Lorong Kurau Satu Taman Chai Leng 13700 Perai, Pulau Pinang
Ferdaus Mahmood (Non-Independent Non-Executive Director)	62	Company Director	Malaysian	68, Jalan BU 4/5 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan
Chiu Andrew Wah Wai (Non-Independent Non-Executive Director)	28	Company Director	Hong Kong SAR (Malaysia Permanent Resident)	11-1-1 Menara Hartamas Condo Jalan Sri Hartamas 3 50480 Kuala Lumpur
Chai Keng Wai (Non-Independent Non-Executive Director)	40	Company Director	Malaysian	No. 31, Jalan Selayang 5 Taman Rasa Sayang, Batu 9 43200 Cheras Selangor Darul Ehsan

5.2 Details of Directors' shareholdings

Minimum Scenario

Notes:

- | | |
|-----|---|
| (a) | As a percentage of 1,122,230,817 L&G Shares as at the LPD. |
| (b) | Deemed interest through MPSB. |
| (c) | As a percentage of enlarged 1,942,230,817 L&G Shares as set out in Section 10.1 of this AP after the Rights Issue under the Minimum Scenario. |
| * | Negligible. |

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INFORMATION OF OUR COMPANY (Cont'd)

Maximum Scenario

	As at the LPD				(I) Assuming full conversion of the outstanding ICULS				(II) After (I) and the Rights Issue				(III) After (II) and the Acquisitions and Option			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of L&G Shares (^{'000})	% ^(a)	No. of L&G Shares (^{'000})	%	No. of L&G Shares (^{'000})	% ^(c)	No. of L&G Shares (^{'000})	% ^(c)	No. of L&G Shares (^{'000})	% ^(d)	No. of L&G Shares (^{'000})	% ^(d)	No. of L&G Shares (^{'000})	%	No. of L&G Shares (^{'000})	%
Directors																
YM Tengku Maruan Tengku Ariff	2	*	-	-	2	*	-	-	5	*	-	-	5	*	-	-
Chiu Andrew Wah Wai	-	-	343,791	30.63 ^(b)	-	-	343,791	28.74	-	-	893,856	28.74	-	-	893,856	28.74

Notes:

- (a) As a percentage of 1,122,230,817 L&G Shares as at the LPD.
- (b) Deemed interest through MPSB.
- (c) As a percentage of enlarged 1,196,288,560 L&G Shares, assuming full conversion of approximately RM9,627,507 nominal value of the outstanding ICULS as at the LPD into 74,057,743 new L&G Shares prior to the Entitlement Date.
- (d) As a percentage of enlarged 3,110,350,256 L&G Shares as set out in Section 10.1 of this AP after the Rights Issue under the Maximum Scenario.

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INFORMATION ON OUR COMPANY (Cont'd)**6. OUR SUBSIDIARIES AND ASSOCIATES**

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

Name of subsidiaries	Date/Place of incorporation	Issued share capital	Effective equity interest %	Principal activities
Bestform Limited	25 June 1991/ Isle of Man	GBP2	100.00	Investment holding
Bright Term Sdn Bhd	22 October 2009/ Malaysia	RM500,000	100.00	Property development
Clarity Crest Sdn Bhd	15 January 1993/ Malaysia	RM9,030,100	100.00	Cultivation of rubber and oil palm trees
L&G Resources (1994), Inc.	7 March 1994/ United States of America	USD1,450,000	100.00	Investment holding
Land & General Properties Sdn Bhd	16 January 1989/ Malaysia	RM500,000	100.00	Property development and property management
Land & General Australia (Holdings) Pty Ltd	27 September 2000/ Australia	AUD10,670,671	100.00	Investment holding
Lang Education Holdings Sdn Bhd	14 December 1994/ Malaysia	RM12,201,671	100.00	Investment holding
Lang Furniture (Pahang) Sdn Bhd	22 March 1974/ Malaysia	RM50,000,000	100.00	Dormant
Maple Domain Sdn Bhd	28 October 2009/ Malaysia	RM500,000	100.00	Dormant
Pillar Quest Sdn Bhd	7 July 2011 / Malaysia	RM2	100.00	Investment holding
Sri Damansara Sdn Bhd	23 November 1983/ Malaysia	RM69,000,000	100.00	Property development
Syarikat Trima Sdn Bhd	3 July 1976/ Malaysia	RM12,974,534	100.00	Property development
Synergy Score Sdn Bhd	9 June 2008/ Malaysia	RM2	100.00	Investment holding
Victory Vista Sdn Bhd	7 May 2015/ Malaysia	RM2	100.00	Investment holding
Winlink Pte Ltd	29 June 1991/ Singapore	SGD2	100.00	Dormant
Subsidiary of Victory Vista Sdn Bhd				
Pembinaan Jaya Megah Sdn Bhd	15 July 1993/ Malaysia	RM1,000	100.00	Property development

INFORMATION ON OUR COMPANY (Cont'd)

Name of subsidiaries	Date/Place of incorporation	Issued share capital	Effective equity interest %	Principal activities
Subsidiary of L&G Resources (1994), Inc.:				
L&G Display Technologies, Inc.	9 March 1994 / United States of America	USD420,000	100.00	Dormant
Subsidiaries of Land & General Australia (Holdings) Pty Ltd:				
Lang Melbourne Pty Ltd	6 March 1997/ Australia	AUD5	100.00	Dormant
World Trade Centre Holdings Pty Ltd	6 February 2003/ Australia	AUD1	100.00	Dormant
Flinders Wharf Pty Ltd	23 December 1997/ Australia	AUD1	100.00	Dormant
Flinders Wharf One Pty Ltd	7 June 2001/ Australia	AUD1	100.00	Dormant
Flinders Wharf Two Pty Ltd	7 June 2001/ Australia	AUD 1	100.00	Dormant
Flinders Wharf Land Pty Ltd	7 June 2001/ Australia	AUD 1	100.00	Dormant
PLR Mayfields Pty Ltd	25 February 1997/ Australia	AUD 1	100.00	Dormant
Subsidiary of Lang Education Holdings Sdn Bhd:				
Lang Education Sdn Bhd	29 December 1993/ Malaysia	RM1,000,000	100.00	Education services
Subsidiary of Pillar Quest Sdn Bhd:				
Xtreme Meridian Sdn Bhd	26 July 2011/ Malaysia	RM750,000	50.01	Property development
Subsidiary of Sri Damansara Sdn Bhd:				
Sri Damansara Club Bhd	11 August 1993/ Malaysia	RM6,000,000	100.00	Management of club activities
Subsidiaries of Syarikat Trimal Sdn Bhd:				
Mentari Unggul Sdn Bhd	29 October 1993/ Malaysia	RM10,000	100.00	Dormant
Tinvein Nominees Sdn Bhd	19 May 1983/ Malaysia	RM2	100.00	Investment holding
Subsidiary of World Trade Centre Holdings Pty Ltd:				
Lang Anstralia Pty Ltd	22 April 1996/ Australia	AUD100	100.00	Dormant

INFORMATION ON OUR COMPANY (Cont'd)

Name of subsidiaries	Date/Place of incorporation	Issued share capital	Effective equity interest %	Principal activities
Subsidiary of Synergy Score Sdn Bhd:				
Elite Forward Sdn Bhd	28 July 2009/ Malaysia	RM750,000	50.01	Property development

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

Name of associates	Date/Place of incorporation	Issued share capital	Effective equity interest %	Principal activities
C.I. Damansara Quarry Sdn Bhd	27 June 1984/ Malaysia	RM100,000	35.00	Dormant
Projass Langhuil Sdn Bhd	27 May 1997/ Malaysia	RM1,000,000	50.00	Dormant
FW Financing Solutions Pty Ltd	28 June 2001/ Australia	AUD2	50.00	Dormant

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

Name of jointly controlled entity	Date/Place of incorporation	Issued share capital	Effective equity interest %	Principal activities
Hidden Valley Australia Pty Ltd	25 February 1997/ Australia	AUD2	50.00	Property development

7. PROFIT AND DIVIDEND RECORD

The profit and dividend records based on our Group's audited consolidated results for the FYEs 2014, 2015 and 2016 and the latest unaudited 9-month consolidated results for the FPEs 31 December 2015 and 31 December 2016 are as follows:

	Audited FYE 31 March			Unaudited 9-month FPE 31 December	
	2014 (RM'000)	2015 (RM'000)	2016 (RM'000)	2015 (RM'000)	2016 (RM'000)
Revenue	491,916	465,790	342,062	157,867	34,813
Other income	17,473	11,762	14,188	8,133	48,053
Share of results of a joint venture	(4,083)	8,559	432	567	(54)
Profit before interest, taxation, depreciation and amortisation	178,967	197,486	132,074	55,013	57,388
Depreciation & amortisation	(2,147)	(2,472)	(2,523)	(1,890)	(1,166)
Finance costs	(2,061)	(2,676)	(2,379)	(1,818)	(1,846)
PBT	174,759	192,338	127,172	51,305	54,376
Taxation	(46,082)	(48,924)	(35,580)	(12,623)	(11,655)
PAT	128,677	143,414	91,592	38,682	42,721

INFORMATION ON OUR COMPANY (Cont'd)

	Audited FYE 31 March			Unaudited 9-month FPE 31 December	
	2014 (RM'000)	2015 (RM'000)	2016 (RM'000)	2015 (RM'000)	2016 (RM'000)
Profit attributable to:					
- equity holders of our Company	75,329	105,428	95,002	40,068	36,457
- minority interests	53,348	37,986	(3,410)	(1,386)	6,264
Profit margin (%)	26.16	30.79	26.78	24.5	122.72
Weighted average no. of L&G Shares in issue ('000)	612,732	883,555	1,086,509	1,104,650	1,084,561
Weighted average number of L&G Shares in issue used in the computation of the diluted EPS ('000)	901,582	1,006,885	1,189,740	1,181,833	1,188,656
- Basic EPS (sen)	12.29	11.93	8.74	3.30	3.69
- Diluted EPS (sen)	8.60	10.48	7.99	3.09	3.36
Dividend per L&G Share (sen)	2.00	2.00	2.00	-	-

On 9 March 2017, our Company announced a proposed special dividend of 2 sen, where the final entitlement and payment dates of the proposed dividend will be announced at a later date.

Commentaries on past performance:***FYE 31 March 2014 as compared to FYE 31 March 2013***

Our Group's revenue increased substantially by RM275.62 million (127.43%) from the FYE 31 March 2013 due mainly to the near completion of The Elements@Ampang project and the progress of the Damansara Foresta project, of which both projects had recorded a take-up rate of more than 90%.

As a result, our Group recorded a PBT of approximately RM174.76 million, representing an increase of approximately RM102.00 million (140.18%) as compared to the PBT for the FYE 31 March 2013 of approximately RM72.76 million due mainly to higher revenue recorded during the FYE 31 March 2014.

FYE 31 March 2015 as compared to FYE 31 March 2014

Our Group's revenue recorded RM465.79 million for the FYE 31 March 2015, which was marginally lower than revenue recorded for the FYE 31 March 2014 by approximately RM26.13 million (-5.32%). The revenue was still derived mainly from our property division from the construction progress of Damansara Foresta Phase 1 project and The Elements@Ampang project.

Despite a decrease in revenue, our Group had recorded a higher PBT of approximately RM192.34 million, representing an increase of approximately RM17.58 million (10.06%) as compared to the PBT for the FYE 31 March 2014 of approximately RM174.76 million. This was mainly due to the lower operating expenses as a result of the higher allowance for impairment on financial assets recorded in the FYE 31 March 2014.

FYE 31 March 2016 as compared to FYE 31 March 2015

Our Group's revenue decreased by RM123.73 million (-26.57%) for the FYE 31 March 2016 due mainly to lower contribution from the property division as a result of the completion of The Elements@Ampang project in the FYE 31 March 2015 and the construction progress of the Damansara Foresta Phase 1 project.

For the FYE 31 March 2016, our Group had recorded a lower PBT of RM127.17 million, representing a decrease of approximately RM65.17 million (-33.88%) as compared to the PBT for the FYE 31 March 2015 of RM192.34 million. The decrease in PAT is in tandem with the decrease in the revenue.

INFORMATION ON OUR COMPANY (Cont'd)

Unaudited FPE 31 December 2016 as compared to the corresponding FPE 31 December 2015

Our Group's revenue decreased by RM123.05 million (-77.95%) for the FPE 31 December 2016 as compared to the corresponding FPE 31 December 2015 of RM157.87 million was mainly due to the fact that during the FPE 31 December 2016 the property division only registered nominal results from our newly launched project, namely Astoria Phase 1 project.

For the FPE 31 December 2016, our Group had recorded a higher PBT of RM54.38 million, representing an increase of approximately RM 3.07 million (6.0%) as compared to the PBT for the FPE 31 December 2015 of RM51.31 million. The increase in PBT was mainly due to the write back of certain costs deemed no longer required in respect to the completed project of Damansara Foresta, amounted to approximately RM32.20 million, and the income derived from the fair value changes on financial assets through profit or loss, amounted to approximately RM13.71 million.

8. SHARE PRICES

The following table sets out the monthly highest and lowest market prices of the L&G Shares as transacted on the Main Market of Bursa Securities for the last 12 months from March 2016 to February 2017:

Months	Highest (RM)	Lowest (RM)
<u>2016</u>		
March	0.360	0.330
April	0.355	0.340
May	0.420	0.330
June	0.415	0.370
July	0.400	0.375
August	0.440	0.390
September	0.445	0.400
October	0.410	0.375
November	0.380	0.290
December	0.325	0.290
<u>2017</u>		
January	0.345	0.295
February	0.360	0.320

The last transacted market price on 14 November 2016 (being the last Market Day prior to the announcement of the Corporate Exercises on 15 November 2016) RM0.365

The last transacted market price on 22 March 2017 (being the LPD) RM0.325

The last transacted market price on 11 April 2017 (being the last Market Day prior to the ex-date for the Rights Issue) RM0.315

(Source: Bloomberg)

INFORMATION ON THE TARGET COMPANIES

1. PMSB and QBSB

1.1 Information on PMSB and QBSB

1.1.1 PMSB

PMSB was incorporated in Malaysia on 26 July 2011 as a private limited company under the Companies Act, 1965 and it is principally involved in investment holding. As at the LPD, PMSB is a wholly-owned subsidiary of Mayland and it holds 43% shareholdings in an associate company, CGPM.

As at the LPD, the issued share capital and number of issued shares of PMSB is represented by 2 ordinary shares, equivalent to RM2.

As at the LPD, the particulars of the directors and their respective shareholdings in PMSB are as follows:

Name	Nationality	Designation	Direct		Indirect	
			No. of PMSB Shares	%	No. of PMSB Shares	%
Kock Kim Fah @ Kok Kim Fah	Malaysian	Director	-	-	-	-
Lau Siang Ee	Malaysian	Director	-	-	-	-

As at the LPD, there are no material commitments or contingent liabilities incurred or known to be incurred by PMSB which, upon becoming enforceable, may have a material impact on the profits or NA of PMSB.

1.1.2 QBSB

QBSB was incorporated in Malaysia on 26 July 2011 as a private limited company under the Companies Act, 1965 and it is principally involved in investment holding. As at the LPD, QBSB is a wholly-owned subsidiary of Mayland and it holds 2% shareholdings in CGPM.

As at the LPD, the issued share capital and number of issued shares of QBSB is represented by 2 ordinary shares, equivalent to RM2.00.

As at the LPD, the particulars of the directors and their respective shareholdings in QBSB are as follows:

Name	Nationality	Designation	Direct		Indirect	
			No. of QBSB Shares	%	No. of QBSB Shares	%
Kock Kim Fah @ Kok Kim Fah	Malaysian	Director	-	-	-	-
Lau Siang Ee	Malaysian	Director	-	-	-	-

As at the LPD, there are no material commitments or contingent liabilities incurred or known to be incurred by QBSB which, upon becoming enforceable, may have a substantial impact on the profits or NA of QBSB.

INFORMATION ON THE TARGET COMPANIES (Cont'd)

1.2 Investments in CGPM

As at the LPD, the only investment of PMSB and QBSB is in CGPM, which is 55% owned by CGRE, 43% owned by PMSB and 2% owned by QBSB.

1.2.1 Information on CGPM

CGPM was incorporated in Malaysia on 26 August 2011 under the former name of Wealthy Signet Sdn Bhd as a private limited company under the Companies Act, 1965 and subsequently it assumed the present name on 10 January 2012. It is principally engaged in investment holding with 2 wholly-owned subsidiaries, namely MVSb and VCSb, which are involved in property development and property investment.

As at the LPD, the issued share capital and number of issued shares of CGPM is represented by 500,000 ordinary shares, equivalent to RM500,000.

As at the LPD, the particulars of the directors and their respective shareholdings in CGPM are as follows:

Name	Nationality	Designation	Direct		Indirect	
			No. of CGPM Shares	%	No. of CGPM Shares	%
Chai Keng Wai	Malaysian	Director	-	-	-	-
Chiu Andrew Wah Wai	Hong Kong Special Administrative Region of PRC ("SAR") (Malaysia Permanent Resident)	Director	-	-	-	-
Wu Hui Xi	PRC	Director	-	-	-	-
Zhu Yue	PRC	Director	-	-	-	-
Fu JinLing	PRC	Director	-	-	-	-
Chen Zhongyu	PRC	Director	-	-	-	-
Qian Zhao Yang	PRC	Director	-	-	-	-
Leow Soon Huat	Malaysian	Director	-	-	-	-
Shek Sze Yin Simon	PRC	Director	-	-	-	-

As at the LPD, the particulars of the substantial shareholders of CGPM and their respective shareholdings are as follow:

Name	Country of incorporation	Direct		Indirect	
		No. of CGPM Shares	%	No. of CGPM Shares	%
CGRE	Malaysia	275,000	55.0	-	-
PMSB	Malaysia	215,000	43.0	-	-
QBSB	Malaysia	10,000	2.0	-	-

As at the LPD, there are no material commitments or contingent liabilities incurred or known to be incurred by CGPM which, upon becoming enforceable, may have a substantial impact on the profits or NA of CGPM.

INFORMATION ON THE TARGET COMPANIES (Cont'd)

1.2.2 Information on MVSB

MVSB was incorporated in Malaysia on 21 November 2001 as a private limited company under the Companies Act, 1965 and it is principally involved in property development and property investment. As at the LPD, MVSB is a wholly-owned subsidiary of CGPM and it does not have any subsidiary or associated company.

As at the LPD, the issued share capital and number of issued shares of MVSB is represented by 2,500,000 ordinary shares, equivalent to RM2,500,000.

As at the LPD, the particulars of the directors and their respective shareholdings in MVSB are as follows:

Name	Nationality	Designation	Direct		Indirect	
			No. of MVSB Shares	%	No. of MVSB Shares	%
Loh Pooi Ling	Malaysian	Director	-	-	-	-
Zhu Yuc	PRC	Director	-	-	-	-
Chen Zhongyu	PRC	Director	-	-	-	-

MVSB is the registered proprietor of 2 parcels of adjoining freehold lands held under Master Title No. HSD 154774, PT No. 35724, Mukim of Semenyih, District of Ulu Langat, State of Selangor and GRN 329500, Lot No. 41565 (*formerly known as HSD 154775, PT 35725*) Mukim of Semenyih, District of Ulu Langat, State of Selangor. Plot A and Plot B are part of an on-going mixed stratified and landed residential development known as "Diamond City". Further details of the on-going development projects are disclosed in Section 1.4 of this Appendix.

As at the LPD, there are no material commitments or contingent liabilities incurred or known to be incurred by MVSB which, upon becoming enforceable, may have a substantial impact on the profits or NA of MVSB.

1.2.3 Information on VCSB

VCSB was incorporated in Malaysia on 6 November 2009 as a private limited company under the Companies Act, 1965 and it is principally involved in property development and property investment. As at the LPD, VCSB is a wholly-owned subsidiary of CGPM and it does not have any subsidiary or associated company.

As at the LPD, the issued share capital and number of issued shares of VCSB is represented by 2,500,000 ordinary shares, equivalent to RM2,500,000.

As at the LPD, the particulars of the directors and their respective shareholdings in VCSB are as follows:

Name	Nationality	Designation	Direct		Indirect	
			No. of VCSB Shares	%	No. of VCSB Shares	%
Rahmat bin Dahalan	Malaysian	Director	-	-	-	-
Zhu Yue	PRC	Director	-	-	-	-
Chen Zhongyu	PRC	Director	-	-	-	-

INFORMATION ON THE TARGET COMPANIES (Cont'd)

VCSB is the registered proprietor of a parcel of converted building land zoned for residential purposes held under Title No. HS(D) 50836, PT No. 1392, Mukim of Serendah, District of Ulu Selangor, State of Selangor. As at the LPD, there is no commencement of the development on the Serendah Land except for the existing clubhouse and 9-hole golf course.

As at the LPD, there are no material commitments or contingent liabilities incurred or known to be incurred by VCSB which, upon becoming enforceable, may have a substantial impact on the profits or NA of VCSB.

1.2.4 CGRE

CGRE was incorporated in Malaysia on 10 May 2012 as a private limited company under the Companies Act, 1965 and it is principally involved in investment holding. As at the LPD, CGRE holds 55% equity interest in CGPM and its ultimate holding company is a public listed company on Hong Kong Stock Exchange, namely CGHK.

As at the LPD, the issued share capital and number of issued shares of CGRE is represented by 1,000,000 ordinary shares, equivalent to RM1,000,000.

As at the LPD, the directors of CGRE are Zhu Yue, Chen Zhongyu, Su Baiyuan.

1.3 Historical financial information
1.3.1 PMSB

The historical audited and unaudited financial information of PMSB for the past three FYEs and 8-month FPE 31 August 2016:

	Audited FYE 31 December			Unaudited FPE 31 August 2016 (RM)
	2013 (RM)	2014 (RM)	2015 (RM)	
Revenue	-	-	-	-
LBT	(524,575)	(424,893)	(482,462)	(2,281)
LATMI	(524,575)	(424,893)	(482,462)	(2,281)
Shareholders' (deficit) / equity / (NL) / NA	(557,982)	184,822,553 ^(a)	184,734,663	184,732,382
No. of shares in issue	2	2	2	2
Gross (LPS) (RM)	(262,288)	(212,447)	(241,231)	(1,141)
Net (LPS) (RM)	(262,288)	(212,447)	(241,231)	(1,141)
(NL) / NA per share (RM)	(278,991)	92,411,277	92,367,332	92,366,191
Total borrowings (RM)	-	-	-	-
Current assets (RM)	172,100,630	184,608,853	184,608,853	187,637,965
Current liabilities (RM)	172,873,614	1,300	89,190	3,120,583
Gearing (times)	-	-	-	-
Current ratio (times)	1.00	142,006.81	2,069.84	60.13

(Source: Audited accounts and management account of PMSB)

Note:

- (a) The increase in shareholders' equity for the FYE 31 December 2014 was mainly due to the recognition of total amount of approximately RM185.81 million previously made by Mayland to PMSB as deposit towards its application for new shares in PMSB pursuant to the Share Application Letter. The amount was used for its investment in CGPM.

INFORMATION ON THE TARGET COMPANIES (Cont'd)**1.3.2 QBSB**

The historical audited and unaudited financial information of QBSB for the past three FYEs and 8-month FPE 31 August 2016:

	Audited FYE 31 December			Unaudited FPE 31 August 2016 (RM)
	2013 (RM)	2014 (RM)	2015 (RM)	
Revenue	-	-	-	-
LBT	(26,616)	(21,935)	(24,930)	(2,281)
LATMI	(26,616)	(21,935)	(24,930)	(2,281)
Shareholders' (deficit) / equity / (NL) / NA	(33,606)	8,594,859 ^(a)	8,589,529	8,587,249
No. of shares in issue	2	2	2	2
Gross (LPS) (RM)	(13,308)	(10,968)	(12,465)	(1,141)
Net (LPS) (RM)	(13,308)	(10,968)	(12,465)	(1,141)
(NL) / NA per share (RM)	(16,803)	4,297,430	4,294,765	4,293,625
Total borrowings (RM)	-	-	-	-
Current assets (RM)	8,004,681	8,586,459	8,586,459	8,727,347
Current liabilities (RM)	8,048,287	1,600	6,930	150,098
Gearing (times)	-	-	-	-
Current ratio (times)	0.99	5,366.54	1,239.03	58.14

(Source: Audited accounts and management account of QBSB)

Note:

- (a) The increase in shareholders' equity for the FYE 31 December 2014 was mainly due to the recognition of total amount of approximately RM8.65 million previously made by Mayland to QBSB as deposit towards its application for new shares in QBSB pursuant to the Share Application Letter. The amount was used for its investment in CGPM.

1.3.3 CGPM Group

The historical audited and unaudited financial information of CGPM Group for the past three FYEs and 8-month FPE 31 August 2016:

	Audited FYE 31 December			Unaudited FPE 31 August 2016 (RM)
	2013 Restated (RM)	2014 Restated (RM)	2015 (RM)	
Revenue	-	31,961,565 ^(a)	132,029,232 ^(a)	168,310,137 ^(a)
LBT / PBT	(8,104,648)	(9,318,872)	(2,155,575)	91,281,828
LATMI / PATMI	(8,077,521)	(9,318,872)	(2,200,575) ^(b)	70,798,848 ^(b)
Shareholders' (deficit) / equity / (NL) / NA	(14,542,062)	(18,807,626)	(21,008,201)	49,790,648
No. of shares in issue	500,000	500,000	500,000	500,000
Gross (LPS) / EPS (RM)	(16.21)	(18.64)	(4.31)	182.56
Net (LPS) / EPS (RM)	(16.16)	(18.64)	(4.40)	141.60
(NL) / NA per share (RM)	(29.08)	(37.62)	(42.02)	99.58

INFORMATION ON THE TARGET COMPANIES (Cont'd)

	Audited FYE 31 December			Unaudited FPE 31 August 2016 (RM)
	2013 Restated (RM)	2014 Restated (RM)	2015 (RM)	
Total borrowings (RM)	46,316,524	93,446,069	114,252,844	122,850,696
Current assets (RM)	143,123,026	200,248,931	238,487,249	313,145,087
Current liabilities (RM)	39,867,413	128,349,347	181,049,915	183,060,333
Gearing (times)	n.a	n.a	n.a	2.47
Current ratio (times)	3.59	1.56	1.32	1.71

(Source: Audited accounts and management account of the CGPM Group)

Notes:

- (a) The increase in revenue for the FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016 was mainly attributable to the recognition of the higher percentage of completion as the construction for Plot A was near completion (except for the construction for affordable homes).
- (b) The profits of the CGPM Group improved from the FYE 31 December 2014 to the FYE 31 December 2015 and the FPE 31 August 2016 was in tandem with the increase in the revenue.
- n.a Not applicable.

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INFORMATION ON THE TARGET COMPANIES (Cont'd)

1.4 Information on Plot A and Plot B

Information on Plot A and Plot B is set out below:

	Plot A	Plot B
Brief description	A parcel of land forming part of an on-going mixed stratified and landed residential development known as "Diamond City" (Plot A)	A parcel of land forming part of an on-going mixed stratified and landed residential development known as "Diamond City" (Plot B)
Parent title no. / PT no.	Master Title No. HSD 154774, PT No. 35724, Mukim of Semeniyih, District of Ulu Langat, State of Selangor	GRN 329500, Lot No. 41565 (formerly known as HSD 154775, PT 35725) Mukim of Semeniyih, District of Ulu Langat, State of Selangor
Locality	North side of Jalan Broga and in close proximity to Taman Perindustrian Sri Haneco, and within the locality of Semeniyih, Selangor. Plot A and Plot B are also located approximately 11 kilometres and 40 kilometres to the south east of Kajang Town centre and Kuala Lumpur city centre respectively while Semeniyih town centre located nearer at approximately 3 kilometres away to the south-west.	
Existing use / Proposed use	On-going development	On-going development
Category of land use	"Bangunan"	"Bangunan"
Parent land area (acres)	98.77	158.28
Land tenure	Freehold	Freehold
Audited net book value as at 31 December 2015	RM186,124,307 (including the clubhouse as recorded in the book of MVSB)	
Encumbrances	Charged to Public Bank Berhad since 20 February 2013	Charged to Public Bank Berhad since 20 February 2013
Relevant approvals	The planning approval was approved by Jawatan Kuasa Pusat Setempat, MPK on 9 April 2013 and further approval to an amended layout plan obtained from MPK on 9 March 2016. The original building plans approval obtained from MPK on 4 July 2013 and application to amend the original building plans to accommodate additional units for a total of 418 residential units is still pending as at the date of valuation..	The planning approval obtained from MPK on 6 October 2015. The building plans approval obtained from MPK on 29 March 2016.
Express condition	"Bangunan kediaman"	"Bangunan kediaman"
Restrictions in interest	"Tiada"	"Tiada"

INFORMATION ON THE TARGET COMPANIES (Cont'd)

	Plot A		Plot B
Other endorsements	Nil		Nil
Market value	RM222,200,000 (as appraised by the Valuer on the date of valuation of 31 August 2016 after taking into consideration the residual method of valuation adopted.)		RM201,900,000 (as appraised by the Valuer on the date of valuation of 31 August 2016 after taking into consideration the residual method of valuation adopted.)
Estimated GDV (RM million)	285.73 ^(a)		1,039.54 ^(a)
Estimated GDC (RM million) (excluding the land costs)	48.50 ^(a)		615.04 ^(a)
Expected profits (RM million)	237.23 ^(a)		424.50 ^(a)
Commencement and expected completion of the developments	Commenced development in 2014 and most of the development is completed by end of 2016 while the remaining units of 3-storey villa (vacant plots) are expected to be completed by end of 2017. The affordable house project is expected to be completed by 2019		Commenced in 2016 and expected completion by beginning of 2020
Sources of funding for development cost	Cash flows generated from the sales, bank borrowings and shareholders' advances		Cash flows generated from the sales, bank borrowings and shareholders' advances

Note:

- (a) The estimated GDV, GDC and profits for the on-going development projects with the remaining unbilled, unsold and undeveloped units.

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INFORMATION ON THE TARGET COMPANIES (Cont'd)

As at the LPD, further information on the on-going development of “Diamond City” on the Plot A is set out below:

Parcel	Type of development	Stage of completion	Total units sold
Commercial parcel	<ul style="list-style-type: none"> 2-storey clubhouse (including office and 14 retail lots) (with gross built-up area of 50,333 sq. ft.), 19 units of terraced shop lots (with total gross floor area of 7,994.14 sq. ft.); and a vacant commercial plot 	100%	<p>As at the LPD, the clubhouse erected on Plot A was constructed in 2013.</p> <p>The facilities of the clubhouse include amongst others, 24-hour security services, swimming and wading pools, children playroom, gymnasium, multi-purpose hall, squash and badminton courts, table tennis room, surau, mini cinema, snooker room, bowling centre, health centre and convenient shop. Retail shop lots are for lease only and the expected rental has not been determined.</p>
Parcel 1	3-storey super-link houses (Type N129) – 112 units	100%	110
Parcel 2	3-storey villas (Type G191) – 74 units	100%	61
Parcel 3	<ul style="list-style-type: none"> 3-storey villas (Type G192) – 1 unit; 3-storey villas (Type G202) – 1 unit; 3-storey villas (Type G192) – 2 units; 3-storey villas (Type G202) – 16 units; 2-storey semi-detached houses (Type 1) – 2 units; 2-storey semi-cluster houses (Type 2) – 2 units 	<p>75%</p> <p>75%</p> <p>Vacant plots</p> <p>Vacant plots</p> <p>100%</p> <p>100%</p>	<p>1</p> <p>1</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p>
Parcel 4	<ul style="list-style-type: none"> 3-storey villas (Type G190) – 21 units; 3-storey villas (Type G191) – 183 units; 3-storey villa (Type G192) – 1 unit; 3-storey villa (Type G202) – 1 unit; 3-storey super-link houses (Type N129) – 2 units 	100%	<p>18</p> <p>145</p> <p>-</p> <p>-</p> <p>-</p>
Rumah Selangorku	3 apartment blocks within an affordable housing project – 424 units	Site has been cleared and ready for immediate development but there is no construction in progress.	Yet to launch

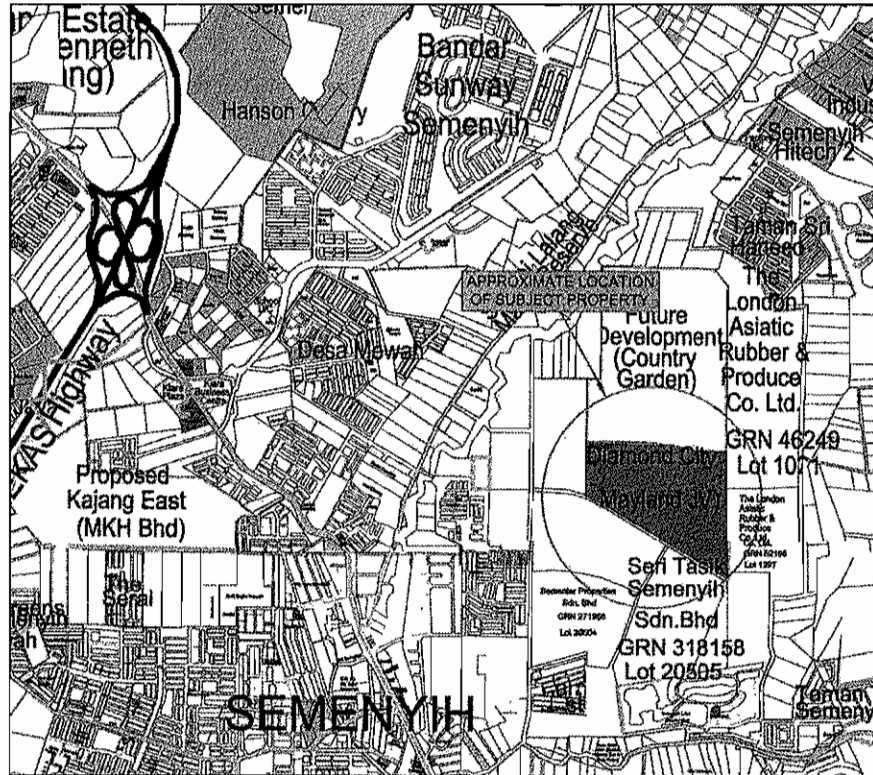
INFORMATION ON THE TARGET COMPANIES (Cont'd)

As at the LPD, further information on the on-going development of "Diamond City" on the Plot B is set out below:

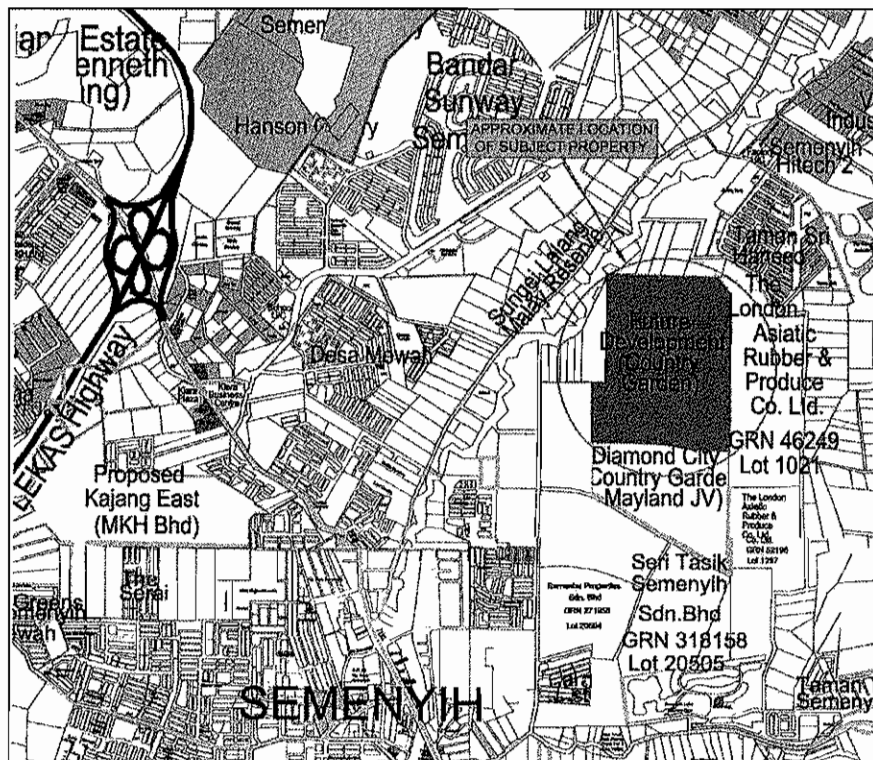
Parcel	Type of development	Stage of completion	Total units sold
Parcel 1	2-storey terraced houses – 192 units	20.0%	126
Parcel 2	2-storey semi-detached houses – 64 units	Site has been cleared and earthworks for infrastructures are in progress.	Yet to launch
Parcel 3	<ul style="list-style-type: none"> 2-storey semi-detached houses – 26 units; 2-storey clustered houses – 304 units 		Yet to launch
Parcel 4	2-storey terraced houses – 203 units	5.0%	21
Parcel 5	<ul style="list-style-type: none"> 3-storey detached houses / villas – 31 units; 2-storey semi-detached houses – 50 units 	Site has been cleared and earthworks for infrastructures are in progress.	Yet to launch
Rumah Selangorku	3 apartment blocks within an affordable housing project – 870 units		Yet to launch

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INFORMATION ON THE TARGET COMPANIES (Cont'd)

1.4.1 Location maps of the Plot A and Plot B**Plot A**

(Source: Valuation Report on the Plot A, 3 November 2016, PA International)

Plot B

(Source: Valuation Report on the Plot B, 3 November 2016, PA International)

INFORMATION ON THE TARGET COMPANIES (Cont'd)

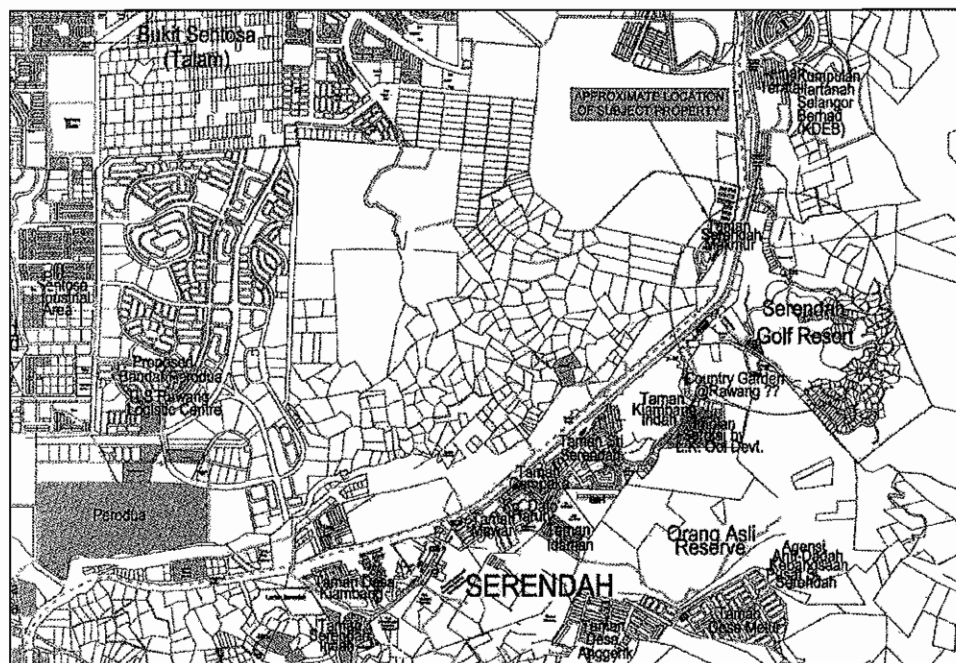
1.5 Information on the Serendah Land

Information on the Serendah Land is set out below:

Brief description	A parcel of converted building land zoned for residential purposes. The Serendah Land also contains a clubhouse and an abandoned 18-hole golf course, forming part of Serendah Golf Links developed in the mid-1990s
Title no.	HS(D) 50836, PT No. 1392, Mukim of Serendah, District of Ulu Selangor, State of Selangor
Locality	Located along the Kuala Lumpur – Ipoh main road, approximately 43 kilometres by road north of Kuala Lumpur city centre and some 18 kilometres by road north-east of Rawang town. Serendah town is however nearer, albeit at about 3 kilometres away to the southwest
Existing use / Proposed use	A clubhouse and an abandoned 18-hole golf course / Residential
Category of land use	Building
Land area (acres)	165.57
Land tenure	Leasehold interest for 99 years expiring on 29 December 2112
Audited net book value as at 31 December 2015	RM71,082,877 (including the clubhouse as recorded in the book of VCSB)
Encumbrances	Charged to Industrial and Commercial Bank of China (Malaysia) Berhad since 30 June 2016
Relevant approvals	A converted building land zoned for housing perusal, which was approved for development into a 1207-unit large stratified and landed housing scheme, with the said clubhouse and 9 of the fairways being an integral part of the housing scheme. The planning approval for the layout plan obtained from Majlis Daerah Hulu Selangor on 18 May 2016. The building plans are yet to be submitted as at to-date.
Express condition	“Pembinaan bangunan-bangunan mengikut Jabatan Perancangan Bandar dan Desa Negeri Selangor”
Restrictions in interest	“Tanah ini boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri”
Other endorsements	Nil
Type of development	Proposed developments of 323 units 2-storey link houses, 96 units 2-storey semi-detached houses, 56 units 2-storey cluster houses, 106 units 3-storey villas, 45 units 3-storey shop offices, clubhouse, 9-hole golf course, 581 units Rumah Selangorku and 2 commercial plots. As at the LPD, the clubhouse erected on the Serendah Land was constructed more than 20 years ago and had undergone an extensive upgrading exercise in 2012. The facilities of the clubhouse include amongst others, fitness room, spa and sauna rooms, table tennis room, mini supermarket and restaurant.
Stage of completion	Yet to commence development
Market value	RM147,000,000 (as appraised by the Valuer on the date of valuation of 31 August 2016 after taking into consideration the cost method of valuation adopted.)
Estimated GDV (RM million)	535.92
Estimated GDC (RM million) (excluding the land cost)	338.67
Expected profits (RM million)	197.25
Expected commencement and completion of the developments	Not available as at the date of this AP
Sources of funding for development cost	Not available as at the date of this AP

INFORMATION ON THE TARGET COMPANIES (Cont'd)

1.5.1 Location map of the Serendah Land



(Source: Valuation Report on the Serendah Land, 3 November 2016, PA International)

2. TBSB

2.1 Background information

TBSB was incorporated in Malaysia on 8 January 2010 as a private limited company under the Companies Act, 1965 and it is principally engaged in property development. As at the LPD, TBSB is a wholly-owned subsidiary of Mayland and it does not have any subsidiary or associated company.

As at the LPD, the issued share capital and number of issued shares of TBSB is represented by 2 ordinary shares, equivalent to RM2.

As at the LPD, the particulars of the directors and their respective shareholdings in TBSB are as follows.

Name	Nationality	Designation	Direct		Indirect	
			No. of TBSB Shares	%	No. of TBSB Shares	%
Rahmat bin Dahalan	Malaysian	Director	-	-	-	-
Lee Yim Farn	Malaysian	Director	-	-	-	-

TBSB is the registered proprietor of a parcel of commercial land approved for an integrated development held under Title No. HSD 59903, PT No. 16731, Mukim and District of Petaling, State of Selangor.

As at the LPD, there are no material commitments or contingent liabilities incurred or known to be incurred by TBSB which, upon becoming enforceable, may have a substantial impact on the profits or NA of TBSB.

INFORMATION ON THE TARGET COMPANIES (Cont'd)**2.2 Historical financial information**

The historical audited and unaudited financial information of TBSB for the past three FYEs and 8-month FPE 31 August 2016:

	Audited FYE 31 December			Unaudited FPE 31 August 2016 (RM)
	2013 (RM)	2014 (RM)	2015 (RM)	
Revenue	-	-	-	-
LBT	(6,527)	(2,662)	(23,054)	(3,264)
LATMI	(6,527)	(2,662)	(23,054)	(3,264)
Shareholders' equity / NA	(11,370)	39,197,725 ^(a)	47,162,914 ^(a)	51,359,650 ^(a)
No. of shares in issue	2	2	2	2
Gross (LPS) / EPS (RM)	(3,264)	(1,331)	(11,527)	(1,632)
Net (LPS) / EPS (RM)	(3,264)	(1,331)	(11,527)	(1,632)
(NL) / NA per share (RM)	(5,685)	19,598,863	23,581,457	25,679,825
Total borrowings	109,420,000	109,420,000	109,420,000	109,420,405
Current assets	142,080,240	148,620,177	156,914,427	162,137,729
Current liabilities	32,671,610	2,452	331,513	1,357,674
Gearing (times)	n.a	2.79	2.32	2.13
Current ratio (times)	4.35	60,611.82	473.33	119.42

(Source: Audited accounts and management account of TBSB)

Notes:

- (a) The increase in shareholders' equity for the FYE 31 December 2014, FYE 31 December 2015, and FPE 31 August 2016 was mainly due to the recognition of approximately RM39.21 million, RM7.99 million and RM4.20 million, respectively, for amounts previously made by Mayland to TBSB as deposit towards its application for new shares in TBSB pursuant to the Share Application Letter. The amount was mainly used for the preparation of land for development and the repayment of the interest expenses.

n.a Not applicable.

2.3 Information on TBSB Land

Information on TBSB Land is set out below:

Brief description	A parcel of converted commercial land approved for an integrated development
Title no.	HSD 59903, PT No. 16731, Mukim and District of Petaling, State of Selangor
Locality	Located along an unnamed metalled slip road that runs parallel to the Sngai Besi Highway leading to Jalan Anggcrik, within the Mines Resort City, and in Seri Kembangan. It is also located approximately 14 kilometres to the south of Kuala Lumpur city centre, 1.5 kilometres due east of Pekan Seri Kembangan and 3.5 kilometres due west of Pekan Balakong.
Existing use / Proposed use	Vacant / Commercial
Category of land use	"Bangunan"
Land area (acres) ^(a)	15.32
Land tenure	Leasehold interest for 99 years expiring on 20 March 2091
Audited net book value as at 31 December 2015	RM156,907,869

INFORMATION ON THE TARGET COMPANIES (Cont'd)

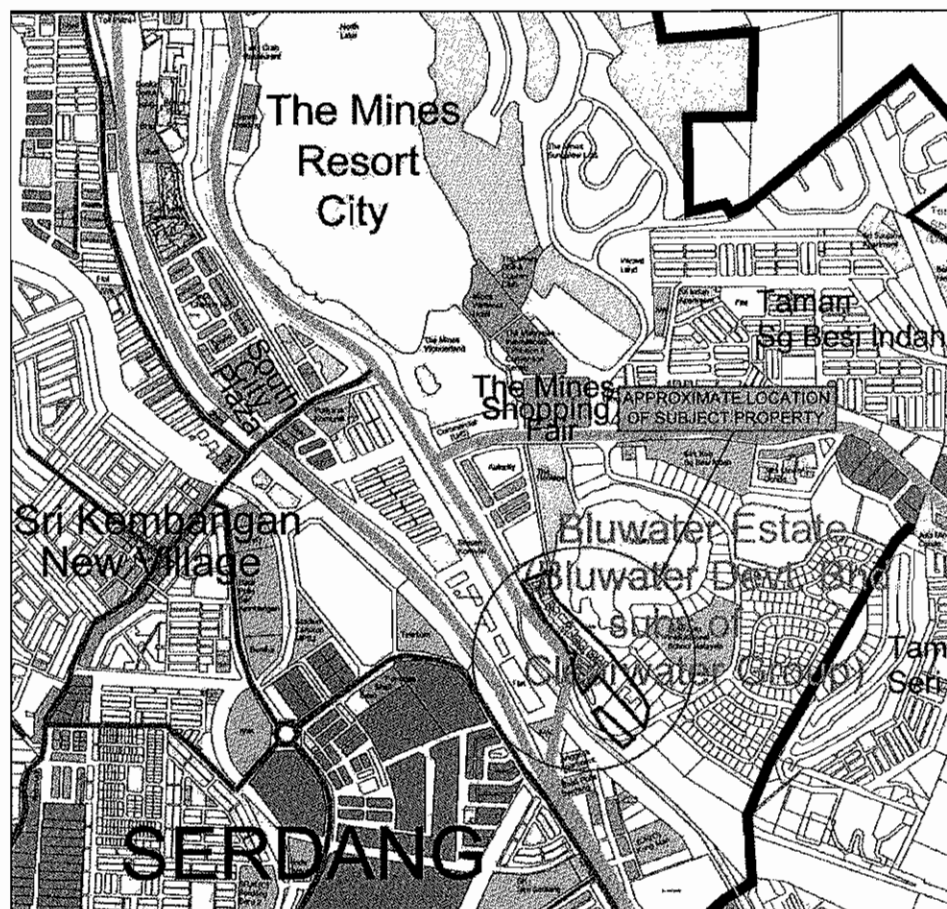
Encumbrances	Charged to Public Bank Berhad since 16 December 2013
Relevant approvals	The planning approval obtained from Majlis Perbandaran Subang Jaya on 4 December 2015. The proposed building plans have been submitted to the authorities on 21 March 2016 and are still pending approval from the authorities.
Express condition	"Bangunan Perniagaan"
Restrictions in interest	"Tanah yang diberi milik ini tidak boleh dipindah milik, dipajak atau digadai melainkan dengan kebenaran Pihak Berkuasa Negeri"
Other endorsements	Part of TBSB Land has been acquired and the annual rent has been revised to RM137,073.00 on 7 November 1996.
Type of development	Proposed developments of 6 blocks of 33-storey service apartments, including a 6-storey podium incorporating 5-storey car park, 32 units 2-storey duplex villas, 18 units retail lots, 18 units of affordable retail lots and facilities
Stage of completion	Yet to commence development
Market value	RM250,000,000 (as appraised by the Valuer on the date of valuation of 31 August 2016 after taking into consideration the comparison method of valuation adopted)
Estimated GDV (RM million)	1,579.68
Estimated GDC (RM million) (excluding the land cost)	837.93
Expected profits (RM million)	741.75
Expected commencement and completion of the developments	Not available as at the date of this AP
Sources of funding for development cost	Not available as at the date of this AP

Note:

- (a) Part of TBSB Land measuring approximately 1.65 acres has been acquired for public road purpose and 2.78 acres has been reserved for electrical transmission line, thus leaving a net development land area of TBSB Land at 15.32 acres. The 15.32 acres of TBSB Land has been adopted as basis in the planning approval granted on 4 December 2015 as well as for valuation by Valuer.

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INFORMATION ON THE TARGET COMPANIES (Cont'd)

2.3.1 Location map of the TBSB Land

(Source: Valuation Report on the TBSB Land, 3 November 2016, PA International)

3. FESB**3.1 Background information**

FESB was incorporated in Malaysia on 3 July 2007 as a private limited company under the Companies Act, 1965 and it is principally engaged in property development. As at the LPD, FESB is a wholly-owned subsidiary of Mayland and it does not have any subsidiary or associated company.

As at the LPD, the issued share capital and number of issued shares of FESB is represented by 2,500,000 ordinary shares, equivalent to RM2,500,000.

As at the LPD, the particulars of the directors and their respective shareholdings in FESB are as follows:

Name	Nationality	Designation	Direct		Indirect	
			No. of FESB Shares	%	No. of FESB Shares	%
Chiu Andrew Wah Wai	Hong Kong SAR (Malaysia Permanent Resident)	Director	-	-	-	-
Loh Pooi Ling	Malaysian	Director	-	-	-	-

INFORMATION ON THE TARGET COMPANIES (Cont'd)

FESB is the registered proprietor of parcel of converted commercial plot, but pending payment of conversion premium held under Title No. Geran 331357, Lot No. 125847 Section 2 (*formerly Title No. GRN 32548, Lot. No. 847*) Town of Ulu Kelang, District of Gombak, State of Selangor.

As at the LPD, there are no material commitments or contingent liabilities incurred or known to be incurred by FESB which, upon becoming enforceable, may have a substantial impact on the profits or NA of FESB.

3.2 Historical financial information

The historical audited and unaudited financial information of FESB for the past three FYEs and 8-month FPE 31 August 2016:

	Audited FYE 31 December			Unaudited FPE 31 August 2016 (RM)
	2013 (RM)	2014 (RM)	2015 (RM)	
Revenue	-	-	-	-
LBT / PBT	(136,302)	(7,033)	10,625 ^(a)	(79,040)
LATMI / PATMI	(136,302)	(7,033)	10,625	(79,040)
Shareholders' equity / NA	2,337,671	14,425,712 ^(b)	18,241,263 ^(b)	19,162,224 ^(b)
No. of shares in issue	2,500,000	2,500,000	2,500,000	2,500,000
Gross (LPS) (RM)	(0.05)	*	*	(0.03)
Net (LPS) (RM)	(0.05)	*	*	(0.03)
NA per share (RM)	0.94	5.77	7.30	7.67
Total borrowings	27,000,000	27,000,000	25,312,500	25,312,500
Current assets	2,987	2,108	1,960	1,875
Current liabilities	9,718,691	204,565	395,585	576,722
Gearing (times)	11.55	1.87	1.39	1.32
Current ratio (times)	*	0.01	*	*

(Source: Audited accounts and management account of FESB)

Notes:

- (a) The PBT recorded for the FYE 31 December 2015 was mainly due to overprovision of expenses in previous years.
- (b) The increase in shareholders' equity for the FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016 was mainly due to the recognition of approximately RM12.10 million, RM3.81 million and RM1.00 million, respectively, for amounts previously made by Mayland to FESB as deposit towards its application for new shares in FESB pursuant to the Share Application Letter. The amount was mainly used for the preparation of land for development and the repayments of interest expenses.
- * Negligible or less than ± 0.01 .

INFORMATION ON THE TARGET COMPANIES (Cont'd)

3.3 Information on FESB Land

Information on FESB Land is set out below:

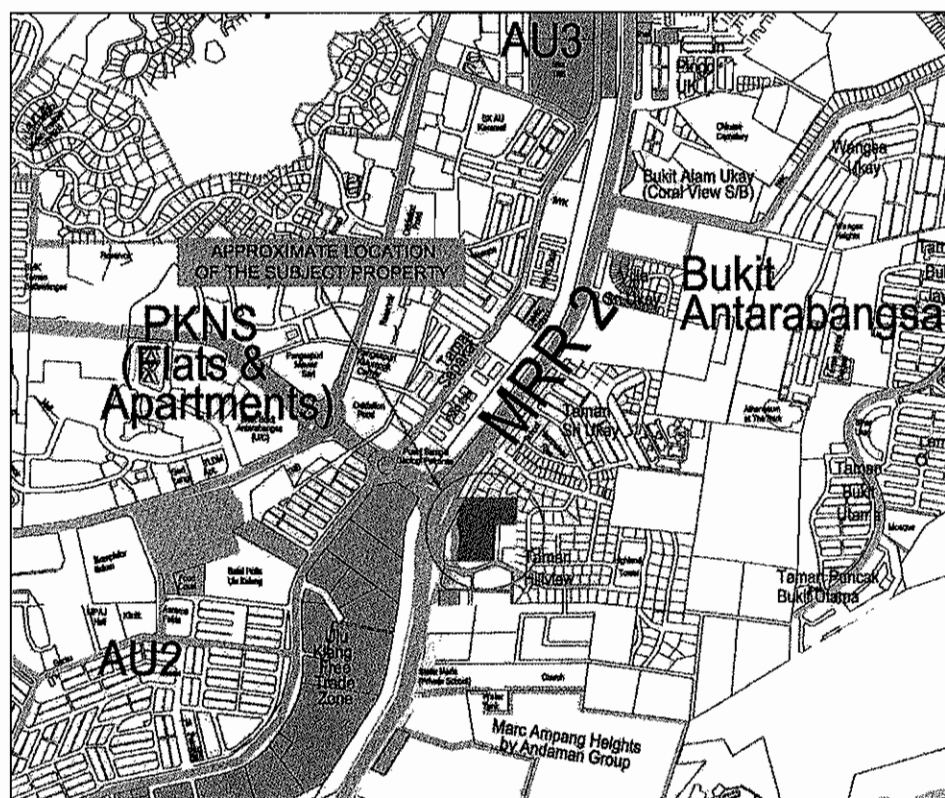
Description	A parcel of converted commercial plot, but pending payment of conversion premium
Title no.	Geran 331357, Lot No. 125847 Section 2 (<i>formerly Title No. GRN 32548, Lot. No. 847</i>) Town of Ulu Kelang, District of Gombak, State of Selangor
Locality	The FESB Land bears dual frontage situation onto Lorong 2A, within Taman Sri Ukay and Lorong Hillview 2A within Taman Hillview, Selangor. Both neighbourhoods are located approximately 9 kilometres to the north-east of Kuala Lumpur city centre and within the Ampang locality. The FESB Land is also located adjacent to the Middle Ring Road 2 (MRR2) Highway.
Existing use / Proposed use	Vacant / Commercial
Category of land use	"Tiada"
Land area (acres)	4.60
Land tenure	Freehold
Audited net book value as at 31 December 2015	RM43,947,388
Encumbrances	Charged to Affin Bank Berhad since 2 December 2011
Relevant approvals	The planning approval obtained from Majlis Perbandaran Ampang Jaya on 28 April 2016, of which the validity of the planning approval was extended from 18 January 2016 to 19 January 2017. A consent judgment dated 16 May 2016 has been granted for the judicial review application filed by local residents against the planning approvals dated 19 January 2015 and 18 January 2016. The building plans have yet to be submitted as at to-date.
Express condition ^(a)	"Tiada"
Restrictions in interest	Nil
Other endorsements	Permohonan scrah balik, pemberimilikan semula tanah registered on 22 April 2015
Type of development	Proposed developments of 3 blocks of 29 to 32-storey serviced apartments comprising 7 levels of podium car park and 1 level of facilities floor
Stage of completion	Yet to commence development
Market value	RM80,000,000 (as appraised by the Valuer on the date of valuation of 31 August 2016 after taking into consideration the comparison method of valuation adopted)
Estimated GDV (RM million)	485.77
Estimated GDC (RM million) (excluding the land cost)	293.19
Expected profits (RM million)	192.58
Expected commencement and completion of the developments	Not available as at the date of this AP
Sources of funding for development cost	Not available as at the date of this AP

Note:

- (a) Approval to amend the express condition of FESB Land from "Tiada" to "Bangunan Perniagaan" (Servis Apartment) obtained from Pejabat Daerah dan Tanah Gombak on 29 September 2015 subject to payment of premium assessed at RM3,875,511.00. No payment of the said premium has been made as at to-date.

INFORMATION ON THE TARGET COMPANIES (Cont'd)

3.3.1 Location map of the FESB Land



(Source: Valuation Report on the FESB Land, 3 November 2016, PA International)

4. SPSB

4.1 Background information

SPSB was incorporated in Malaysia on 30 December 2004 under the name of Reliance Horizon Sdn Bhd as a private limited company under the Companies Act, 1965. Subsequently, SPSB changed its name from Reliance Horizon Sdn Bhd to Mayland Prestige Sdn Bhd on 14 December 2007 and assumed its present name on 23 August 2011. SPSB is principally engaged in property development. As at the LPD, SPSB is a wholly-owned subsidiary of Mayland and it does not have any subsidiary or associated company.

As at the LPD, the issued share capital and number of issued shares of SPSB is represented by 2,500,000 ordinary shares, equivalent to RM2,500,000.

As at the LPD, the particulars of the directors and their respective shareholding in SPSB are as follows:

Name	Nationality	Designation	Direct		Indirect	
			No. of SPSB Shares	%	No. of SPSB Shares	%
Chiu Andrew Wah Wai	Hong Kong SAR (Malaysia Permanent Resident)	Director	-	-	-	-
Loh Pooi Ling	Malaysian	Director	-	-	-	-

INFORMATION ON THE TARGET COMPANIES (Cont'd)

SPSB is the registered proprietor of a parcel of converted commercial land held under Title No. GRN 43729, Lot. No. 55348, Mukim of Batu, Daerah of Kuala Lumpur, State of Wilayah Persekutuan, Kuala Lumpur.

As at the LPD, there are no material commitments or contingent liabilities incurred or known to be incurred by SPSB which, upon becoming enforceable, may have a substantial impact on the profits or NA of SPSB.

4.2 Historical financial information

The historical audited and unaudited financial information of SPSB for the past three FYEs and 8-month FPE 31 August 2016:

	Audited FYE 31 December			Unaudited FPE 31 August 2016 (RM)
	2013 (RM)	2014 (RM)	2015 (RM)	
Revenue	-	-	-	-
LBT	(7,367) ^(a)	(293,509) ^(a)	(634,852) ^(a)	(447,470)
LATMI	(7,367)	(293,509)	(634,852)	(447,470)
Shareholders' equity / NA	2,427,379	13,335,225 ^(b)	1,499,018 ^(b)	1,051,547
No. of shares in issue	2,500,000	2,500,000	2,500,000	2,500,000
Gross (LPS) / EPS (RM)	*	(0.12)	(0.25)	(0.18)
Net (LPS) / EPS (RM)	*	(0.12)	(0.25)	(0.18)
NA per share (RM)	0.97	5.33	0.60	0.42
Total borrowings	12,831,689	2,370,823	11,041,401	10,383,105
Current assets	9,520,327	909,072	21,070	20,864
Current liabilities	17,923,172	974,069	13,330,955	13,591,443
Gearing (times)	5.29	0.18	7.37	9.87
Current ratio (times)	0.53	0.93	*	*

(Source: Audited accounts and management account of SPSB)

Notes:

- (a) The LBT recorded for the FYE 31 December 2014, FYE 31 December 2015 and FPE 31 August 2016 were mainly attributable to finance costs.
- (b) The increase in shareholders' equity for the FYE 31 December 2014 was mainly due to the recognition of total amount of approximately RM11.20 million previously made by Mayland to SPSB as deposit towards its application for new shares in SPSB pursuant to the Share Application Letter. The amount was mainly used for the preparation of land for development. Subsequently, the amount was refunded to Mayland in the FYE 31 December 2015.
- * Negligible or less than ±0.01.

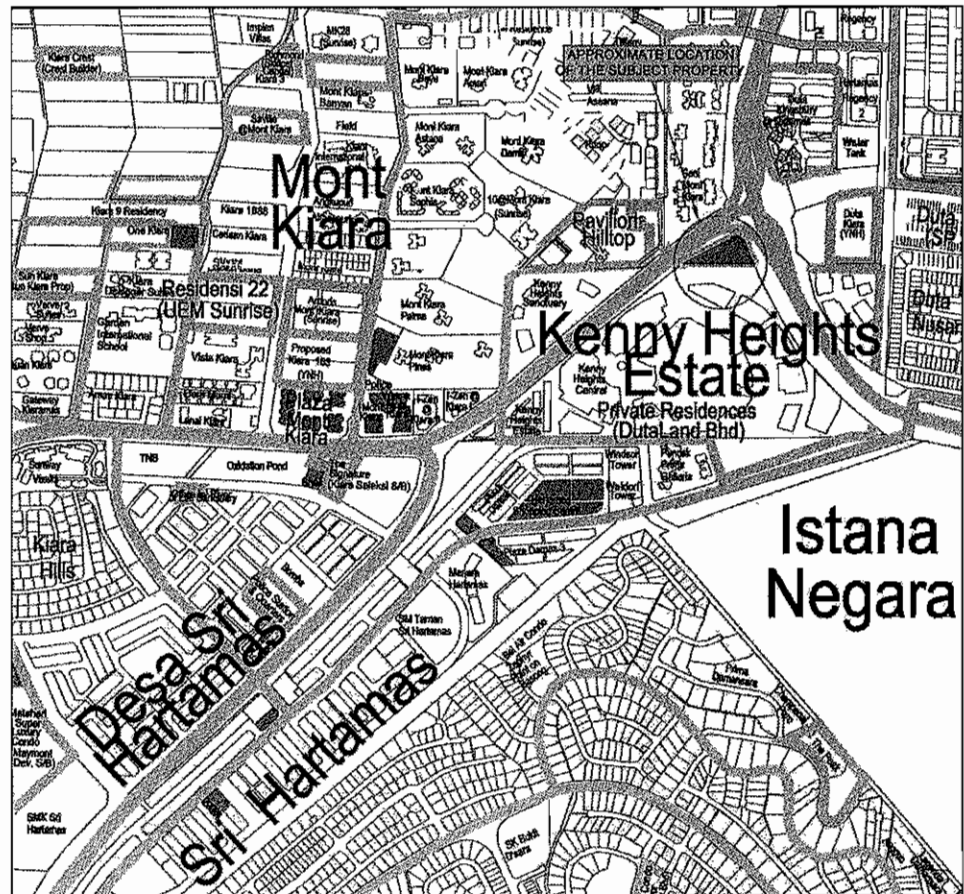
INFORMATION ON THE TARGET COMPANIES (Cont'd)

4.3 Information on SPSB Land

Information on SPSB Land is set out below:

Brief description	A parcel of converted commercial land approved for retail cum service apartment development
Title no.	GRN 43729, Lot No. 55348, Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan KL
Locality	Situated at the intersection of SPRINT Highway, immediately north of "Kenny Heights Estate" and within the locality of Taman Sri Hartamas, Kuala Lumpur. It is located approximately 8 kilometres to the north-west of Kuala Lumpur city centre.
Existing use / Proposed use	Vacant / Commercial
Category of land use	"Bangunan"
Land area (acres)	1.78
Land tenure	Freehold
Audited net book value as at 31 December 2015	RM15,303,220
Encumbrances	Charged to Public Bank Berhad since 9 August 2007
Relevant approvals and date obtained	The amended development order approval obtained from Dewan Bandaraya Kuala Lumpur ("DBKL") on 28 January 2014. The conditional building plans approval obtained from DBKL on 14 May 2014.
Express condition	"Tanah ini hendaklah digunakan untuk bangunan perdagangan bagi tujuan pangsapuri servis dan ruang niaga sahaja"
Restrictions in interest	Nil
Other endorsements	Nil
Type of development	Proposed developments of 1 block of 11-storey development comprising 388 units of 10-storey serviced apartments, 2 levels of basement car park, 2 levels of sub-basements car park, 1 level of main lobby, retail space and facilities
Stage of completion	Yet to commence development
Market value	RM63,000,000 (as appraised by the Valuer on the date of valuation of 31 August 2016 after taking into consideration the comparison method of valuation adopted)
Estimated GDV (RM million)	274.10
Estimated GDC (RM million) (excluding the land cost)	134.76
Expected profits (RM million)	139.34
Expected commencement and completion of the developments	Not available as at the date of this AP
Sources of funding for development cost	Not available as at the date of this AP

INFORMATION ON THE TARGET COMPANIES (Cont'd)

4.3.1 Location map of the SPSB Land

(Source: Valuation Report on the SPSB Land, 3 November 2016, PA International)

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OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON



CERTIFIED TRUE COPY

Siw Yeng
.....
SECRETARY
LEE SIW YENG
MAICSA 7048942

**LAND & GENERAL BERHAD
(5507-H)
(Incorporated in Malaysia)**

**Directors' Report and Audited Financial Statements
31 March 2016**

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

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OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Land & General Berhad
(Incorporated in Malaysia)
Directors' report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2016.

Principal activities

The principal activities of the Company are investment holding, and provision of management services. The principal activities of the subsidiaries are set out in Note 17 to the financial statements.

There has been no significant change to the activities of the Group and of the Company during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year	<u>91,592</u>	<u>34,069</u>
Attributable to:		
Equity owners of the Company	95,002	34,069
Non-controlling interests	<u>(3,410)</u>	<u>-</u>
	<u>91,592</u>	<u>34,069</u>

There was no material transfer to or from reserves or provisions during the financial year other than as disclosed in the financial statements of the Group and of the Company.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

Dividends

Dividends paid by the Company since 31 March 2015 are as follows:

RM'000

In respect of the financial year ended 31 March 2015:

Final single tier dividend of 2 sen per share on 1,091,019,116 ordinary shares, declared on 9 September 2015 and paid on 19 October 2015	<u>21,820</u>
---	---------------

On 30 May 2016, the Directors recommended a final single tier dividend of 2 sen per ordinary share of RM0.20 each in respect of the current financial year ended 31 March 2016, to be approved by the Company's shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this dividend. This dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2017.

Directors

The Directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Hj Zainal Abidin Bin Putih (Chairman)

Low Gay Teck (Managing Director)

Dato' Ir. Dr A Bakar Jaafar

Dato' Hj Ikhwan Salim Bin Dato' Hj Sujak

Tengku Maruan Bin Tengku Ariff

Hoong Cheong Thard

Chiu Andrew Wah Wai

Chai Keng Wai

Ferdaus Bin Mahmood (Retired as Executive Director on 31 December 2015 and re-designated as Non Independent Non Executive Director thereon)

In accordance with Article 93 of the Articles of Association of the Company, Ferdaus Bin Mahmood, Dato' Ir. Dr A Bakar Jaafar and Hoong Cheong Thard retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

Pursuant to Section 129 of the Companies Act 1965, Dato' Hj Zainal Abidin Bin Putih has attained the age of 70 and shall be seeking re-appointment as Directors of the Company to hold office until the conclusion of the next Annual General Meeting.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)**
Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 6 to the financial statements or the fixed salaries of full-time employees of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors' interests

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM0.20 each			31 March 2016
	1 April 2015	Acquired	Disposed	
Direct Interest:				
Tengku Maruan Bin Tengku Ariff	2,000	-	-	2,000
Indirect Interest:				
Chiu Andrew Wah Wai	343,791,000	-	-	343,791,000

Chiu Andrew Wah Wai, by virtue of his indirect interest in shares in the Company, is also deemed interested in shares in all the Company's subsidiaries to the extent the Company has an interest.

No other Directors in office at the end of the financial year had any interest in shares or in debentures of the Company and its related corporations during the financial year.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****Issue of shares**

During the financial year, the issued and paid up share capital of the Company was increased by way of issuance of 20,097,300 new ordinary shares of RM0.20 each pursuant to the conversion of 20,099,800 units of ICULS, details of which is disclosed in Note 31 of the financial statements.

The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company.

Other statutory information

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were drawn out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in these financial statements inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****Other statutory information (cont'd.)**

- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events

Details of significant events are disclosed in Note 39 to the financial statements.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

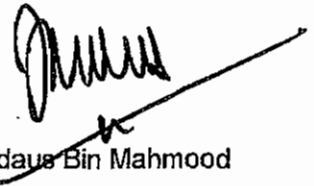
Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 June 2016.



Low Gay Teck



Ferdaus Bin Mahmood

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

Statement by directors

Pursuant to Section 169(15) of the Companies Act, 1965

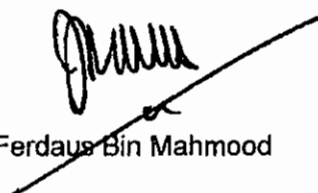
We, Low Gay Teck and Ferdaus Bin Mahmood, being two of the Directors of Land & General Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 11 to 127 are drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 45 to the financial statements on page 128 to the financial statements, does not form part of the financial statements. It is prepared in all material aspects, in accordance with Guidance on Special Matter No.1 "Determination of realised and unrealised profits or losses in the context of disclosures pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 30 June 2016.



Low Gay Teck



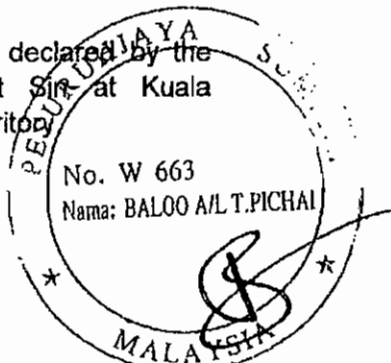
Ferdaus Bin Mahmood

Statutory declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Chee Yuet Sin, being the officer primarily responsible for the financial management of Land & General Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 128 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Chee Yuet Sin at Kuala
Lumpur in the Federal Territory of
on 30 June 2016



Before me,



Chee Yuet Sin

NO. 102 & 104 1st FLOOR BANGUNAN
PERSATUAN YAP SELANGOR
JALAN TUN HS LEE
50000 KUALA LUMPUR

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)



Ernst & Young AF 0039
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Chartered Accountants
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5507-H

**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 2016 of the Group and of the Company, and the income statements, 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 11 to 128.

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 DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**5507-H****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 2016 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 17 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 did not include any comment required to be made under Section 174(3) of the Act.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)



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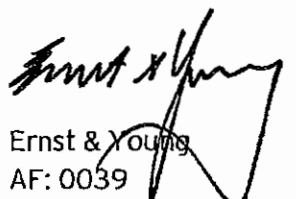
**Independent auditors' report to the members of
Land & General Berhad (cont'd.)
(Incorporated in Malaysia)**

Other reporting responsibilities

The supplementary information set out in Note 45 to the financial statements on page 128 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

Kuala Lumpur, Malaysia
30 June 2016



Sundralingam A/L Navaratnam
No. 2984/05/18(J)
Chartered Accountant

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

**Income statements
For the year ended 31 March 2016**

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	3	342,062	465,790	39,875	34,334
Other income	4	14,188	11,762	3,071	2,717
Raw materials and consumables used		(606)	(638)	-	-
Property development expenditure recognised as expense		(170,961)	(240,571)	-	-
Changes in inventories		-	(124)	-	-
Staff costs	5	(18,713)	(17,038)	(2,982)	(3,672)
Depreciation and amortisation		(2,523)	(2,472)	(599)	(632)
Other expenses		(34,328)	(30,254)	(2,105)	(5,257)
Operating profit		129,119	186,455	37,260	27,490
Finance costs	7	(2,379)	(2,676)	(1,628)	(1,628)
Share of results of jointly controlled entity		432	8,559	-	-
Profit before tax	8	127,172	192,338	35,632	25,862
Income tax expense	9	(35,580)	(48,924)	(1,563)	(1,529)
Profit for the year		91,592	143,414	34,069	24,333
Profit attributable to:					
Owners of the Company		95,002	105,428	34,069	24,333
Non-controlling interests		(3,410)	37,986	-	-
Profit for the year		91,592	143,414	34,069	24,333
Earnings per share attributable to owners of the Company (sen)					
Basic	10	8.74	11.93		
Diluted	10	7.99	10.48		

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

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

**Statements of comprehensive income
For the year ended 31 March 2016**

		Group		Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
Profit for the year		91,592	143,414	34,069	24,333
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Foreign currency translation differences for foreign operations		(55)	330	-	-
Other comprehensive (expense)/ income for the year		(55)	330	-	-
Total comprehensive income for the year		<u>91,537</u>	<u>143,744</u>	<u>34,069</u>	<u>24,333</u>
Total comprehensive income attributable to:					
Owners of the Company		94,947	105,758	34,069	24,333
Non-controlling interests		(3,410)	37,986	-	-
Total comprehensive income for the year		<u>91,537</u>	<u>143,744</u>	<u>34,069</u>	<u>24,333</u>

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

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

Statements of financial position as at 31 March 2016

		Group		Company	
	Note	2016	2015	2016	2015
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	75,091	76,405	474	643
Land held for property development	12(a)	38,974	26,123	-	-
Investment properties	13	90,655	95,856	24,899	25,313
Goodwill	14	12	12	-	-
Biological assets	15	6,302	5,846	-	-
Land use rights	16	55	56	50	51
Investments in subsidiaries	17	-	-	200,227	200,227
Investments in associates	18	-	-	-	-
Investment in a jointly controlled entity	19	(3,227)	(3,489)	-	-
Other investments	20	3,473	2,919	3,473	2,919
Deferred tax assets	34	1,605	938	66	110
Trade and other receivables	22	-	-	109,352	100,315
		<u>212,940</u>	<u>204,666</u>	<u>338,541</u>	<u>329,578</u>
Current assets					
Property development costs	12(b)	187,938	182,345	-	-
Inventories	21	46,391	31,061	-	-
Trade and other receivables	22	113,262	55,515	56,176	54,510
Other current assets	23	1,599	122,250	342	340
Tax recoverable		3,033	8,535	-	208
Deposits, cash and bank balances	24	525,906	398,343	111,796	136,934
		<u>878,129</u>	<u>798,049</u>	<u>168,314</u>	<u>191,992</u>
TOTAL ASSETS		<u>1,091,069</u>	<u>1,002,715</u>	<u>506,855</u>	<u>521,570</u>

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

Statements of financial position as at 31 March 2016 (cont'd.)

		Group		Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	29	218,618	214,599	218,618	214,599
Share premium	30	45,745	44,539	45,745	44,539
ICULS - equity component	31	12,825	15,388	12,825	15,388
Retained profits	32	399,672	329,730	163,196	150,947
Other reserves	33	20,532	20,587	-	-
		<u>697,392</u>	<u>624,843</u>	<u>440,384</u>	<u>425,473</u>
Non-controlling interests		4,379	67,012	-	-
Total equity		<u>701,771</u>	<u>691,855</u>	<u>440,384</u>	<u>425,473</u>
Non-current liabilities					
Provisions	25	38,251	36,674	38,251	36,674
Trade and other payables	26	17,130	16,351	-	-
Borrowings	27	83,056	83,151	106	201
Deferred tax liabilities	34	600	1,312	-	-
ICULS - liability component	31	276	441	276	441
		<u>139,313</u>	<u>137,929</u>	<u>38,633</u>	<u>37,316</u>
Current liabilities					
Provisions	25	1,934	1,884	650	600
Trade and other payables	26	244,115	169,214	26,853	57,973
Borrowings	27	95	115	95	115
ICULS - liability component	31	78	93	78	93
Tax payable		3,763	1,625	162	-
		<u>249,985</u>	<u>172,931</u>	<u>27,838</u>	<u>58,781</u>
TOTAL LIABILITIES		<u>389,298</u>	<u>310,860</u>	<u>66,471</u>	<u>96,097</u>
TOTAL EQUITY AND LIABILITIES		<u>1,091,069</u>	<u>1,002,715</u>	<u>506,855</u>	<u>521,570</u>

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

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 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 2016

	Attributable to owners of the Company						
	Non-distributable			Foreign			
	Share capital RM'000 (Note 29)	Share premium RM'000 (Note 30)	ICULS - equity component RM'000 (Note 31)	Capital reserve RM'000 (Note 33(a))	exchange reserve RM'000 (Note 33(b))	Retained profits RM'000 (Note 32)	Total equity RM'000
At 1 April 2015	214,599	44,539	15,388	12,133	8,454	329,730	691,855
Total comprehensive income for the year	-	-	-	-	(55)	95,002	91,537
Transaction with owners							
Conversion of ICULS	4,019	1,206	(2,537)	-	-	-	2,688
Deferred tax effects on ICULS	-	-	(26)	-	-	-	(26)
Effect arising from acquisition of non-controlling interest	-	-	-	-	-	(3,240)	(3,240)
Issuance of equity to non-controlling interest of a subsidiary	-	-	-	-	-	-	-
Dividend payable to a non-controlling interest of a subsidiary	-	-	-	-	-	-	-
Dividend paid to shareholders	-	-	-	-	-	(21,820)	(21,820)
Total transactions with owners	4,019	1,206	(2,563)	-	-	(25,060)	(21,820)
At 31 March 2016	218,618	45,745	12,825	12,133	8,399	399,672	701,771

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 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 2016 (cont'd.)**

	Attributable to owners of the Company						
	Non-distributable			Foreign			
	Share capital	Share premium	ICULS - equity component	Capital reserve	exchange reserve	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(Note 29)	(Note 30)	(Note 31)	(Note 33(a))	(Note 33(b))	(Note 32)	
At 1 April 2014	127,105	18,291	70,831	12,133	8,124	245,308	545,811
Total comprehensive income for the year	-	-	-	-	330	105,428	143,744
Transaction with owners							
Conversion of ICULS	87,494	26,248	(54,966)	-	-	-	58,776
Deferred tax effects on ICULS	-	-	(477)	-	-	-	(477)
Dividend payable to a non-controlling interest of a subsidiary	-	-	-	-	-	-	(34,993)
Dividend paid to shareholders	-	-	-	-	-	(21,006)	(21,006)
Total transactions with owners	87,494	26,248	(55,443)	-	-	(21,006)	2,300
At 31 March 2015	214,599	44,539	15,388	12,133	8,454	329,730	691,855

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

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 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 2016**

	-----Non-distributable-----				
	Share capital RM'000 (Note 29)	Share premium RM'000 (Note 30)	ICULS - equity component RM'000 (Note 31)	Retained profits RM'000 (Note 32)	Total equity RM'000
At 1 April 2015	214,599	44,539	15,388	150,947	425,473
Total comprehensive income for the year	-	-	-	34,069	34,069
Transaction with owners					
Conversion of ICULS	4,019	1,206	(2,537)	-	2,688
Deferred tax effects on ICULS	-	-	(26)	-	(26)
Dividend paid to shareholders	-	-	-	(21,820)	(21,820)
Total transactions with owners	4,019	1,206	(2,563)	(21,820)	(19,158)
At 31 March 2016	<u>218,618</u>	<u>45,745</u>	<u>12,825</u>	<u>163,196</u>	<u>440,384</u>
At 1 April 2014	127,105	18,291	70,831	147,620	363,847
Total comprehensive income for the year	-	-	-	24,333	24,333
Transaction with owners					
Conversion of ICULS	87,494	26,248	(54,966)	-	58,776
Deferred tax effects on ICULS	-	-	(477)	-	(477)
Dividend paid to shareholders	-	-	-	(21,006)	(21,006)
Total transactions with owners	87,494	26,248	(55,443)	(21,006)	37,293
At 31 March 2015	<u>214,599</u>	<u>44,539</u>	<u>15,388</u>	<u>150,947</u>	<u>425,473</u>

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

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

**Statements of cash flows
For the year ended 31 March 2016**

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Cash receipts from customers	418,240	498,989	-	-
Cash payments to suppliers and employees	(171,208)	(217,482)	(4,987)	(5,456)
Interest received	7,035	6,651	4,529	3,817
Returns on short term funds	4,946	3,793	395	323
Tax paid	(32,687)	(61,998)	(1,360)	(1,943)
Tax refund	3,113	194	190	-
Other operating receipts	1,310	1,728	9	1
Other operating payments	(1,649)	(1,386)	-	-
Net cash inflow/(outflow) from operating activities	229,100	230,489	(1,224)	(3,258)
Cash flows from investing activities				
Acquisition of additional shares in a subsidiary	(3,200)	-	-	-
Payment for an acquisition of land	(9,000)	-	-	-
Part payment for an acquisition of investment property	(7,248)	-	-	-
Purchase of property, plant and equipment	(603)	(674)	(18)	(20)
Expenditure on biological assets	(661)	(1,253)	-	-
Subsequent expenditures on investment property	-	(44)	-	-
Net cash outflow from disposal of subsidiaries	-	(189)	-	-
Proceeds from disposal of property, plant and equipment	3	39	1	21
Payments for purchase of a piece of land	-	(82,950)	-	-
Dividend received from a subsidiary	-	-	35,005	-
Withdrawals/(placements) of deposits with periods more than 3 months	55,233	(56,944)	54,643	(54,854)
Net cash inflow/(outflow) from investing activities	34,524	(142,015)	89,631	(54,853)

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

Statements of cash flows

For the year ended 31 March 2016 (cont'd.)

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
ICULS conversion proceeds (Note 31)	2,612	56,871	2,612	56,871
Drawdown of term loan	-	82,950	-	-
Drawdown of revolving credit	14,000	6,300	-	-
Repayment of term loan	-	(12,500)	-	-
Repayment of bridging loan	-	(7,164)	-	-
Repayment of revolving credit	(14,000)	(6,300)	-	-
Repayment of loan from a jointly controlled entity	1,181	-	-	-
Advances to a jointly controlled entity	-	(225)	-	-
Additional shares in a subsidiary by non-controlling interest	125	-	-	-
Payment of hire purchase obligations	(115)	(123)	(115)	(123)
Advances from non-controlling interest	6,363	-	-	-
Dividend paid to shareholders	(21,820)	(21,006)	(21,820)	(21,006)
Dividend paid to a non-controlling interest of a subsidiary company	(64,387)	(24,995)	-	-
Interest payments	(4,672)	(5,070)	(161)	(580)
Net advances (to)/from subsidiaries	-	-	(39,397)	1,971
Placements of deposits pledged as security for bank guarantee facility	(16,522)	(99)	(3)	(99)
Net cash (outflow)/inflow from financing activities	(97,235)	68,639	(58,884)	37,034
Net increase/(decrease) in cash and cash equivalents	166,389	157,113	29,523	(21,077)
Cash and cash equivalents at beginning of year	341,300	183,758	81,981	103,082
Effects of foreign exchange rate changes	(115)	429	(21)	(24)
Cash and cash equivalents at end of year (Note 24)	507,574	341,300	111,483	81,981

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

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****Notes to the financial statements - 31 March 2016****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, leasing of assets and provision of management services.

The principal activities of the subsidiaries are set out in Note 17. There has been no significant change 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 30 June 2016.

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 on or after 1 April 2015 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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 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**

The accounting policies adopted are consistent with those of the previous financial year, except in the current financial year, the Group and the Company adopted the following new and amended FRSs which are mandatory for annual financial periods beginning on or after 1 April 2015:

Effective for financial periods beginning on or after 1 July 2014

- Amendments to FRSs 'Annual Improvements to FRSs 2010 - 2012 Cycle'
- Amendments to FRSs 'Annual Improvements to FRSs 2011 - 2013 Cycle'
- Amendments to FRS 119: Defined Benefit Plans: Employee Contributions

Adoption of the above standards did not have any effect on the financial performance or position and policy of the Group and the Company. The nature and impact of the new and amended FRSs are described below:

(a) Amendments to FRS 119 Defined Benefit Plans: Employee Contributions

The amendments to FRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

These amendments have been applied retrospectively. The application of these amendments has had no material impact on the disclosures or the amounts recognised in the Group's financial statements.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 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 issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for financial periods beginning on or after 1 January 2016

- Amendments to FRSs 'Annual Improvements to FRSs 2012-2014 Cycle'
- Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception
- Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 101: Disclosure Initiatives
- Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 116 and FRS 141: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to FRS 127: Equity Method in Separate Financial Statements

Effective for financial periods beginning on or after 1 January 2017

- Amendments to FRS 107: Disclosure Initiative
- Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Effective for financial periods beginning on or after 1 January 2018

- FRS 9: Financial Instruments
- FRS 15: Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2019

- MFRS 16: Leases

To be announced

- Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 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 issued but not yet effective (cont'd.)**

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

(a) Amendments to FRS 101: Disclosure Initiatives

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

(b) Amendments to FRS 116 and FRS 141 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 141. Instead, FRS 116 will apply. After initial recognition, bearer plants will be measured under FRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 141 and are measured at fair value less costs to sell.

The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted. The Directors anticipate that the application of these amendments will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group and the Company are currently assessing the impact of these amendments and plans to adopt the new standard on the required effective date.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 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 issued but not yet effective (cont'd.)****(c) MFRS 15 Revenue from Contracts with Customers**

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

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

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

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

(d) FRS 9 Financial Instruments

In November 2014, IASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 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 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").

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 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

On 28 October 2015, MASB announced that Transitioning Entities are allowed to defer the adoption of MFRS Framework for an additional one year from the initial effective date, affecting annual periods beginning on or after 1 January 2017. Accordingly, the adoption of MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on and after 1 January 2018.

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 2019. 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 adjustments required on transition will be made, retrospectively, against opening retained profits.

Under the FRS framework, the Group's accounting policy for biological assets are as disclosed in Note 2.9. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of MFRS 141 and are measured at fair value less costs of disposal.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 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 issued but not yet effective (cont'd.)****Malaysian Financial Reporting Standards ("MFRS Framework") (cont'd.)**

As at the reporting date, 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 2016 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 2019.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2016.

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 for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that result in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained profits. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.5 Business combinations

Acquisition of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.5 Business combinations (cont'd.)**

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.11.

2.6 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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.6 Transactions with non-controlling interests (cont'd.)**

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.

2.7 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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Land & General Berhad
(Incorporated in Malaysia)

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

2.7 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:

	2016	2015
	RM	RM
Australian Dollars	2.97	2.81
British Pound Sterling	5.58	5.45
Singapore Dollars	2.88	2.68
United States Dollars	<u>3.89</u>	<u>3.69</u>

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

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

2.8 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 probable 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. 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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

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

2.9 Biological assets

Biological assets comprise pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of the crop at the following rate which is deemed as the useful economic lives of the crop:

Pre-cropping expenditure - oil palm	over 25 years
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2.10 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 either when 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.

2.11 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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.11 Goodwill (cont'd.)**

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 that 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.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.7.

2.12 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.

2.13 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")).

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Land & General Berhad
(Incorporated in Malaysia)

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

2.13 Impairment of non-financial assets (cont'd.)

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.14 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its investment with the investee; and
- The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for 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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.15 Investments in associates and joint ventures**

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies.

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangements. Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of 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 or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.15 Investments in associates and joint ventures (cont'd.)**

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures 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.

After application of the equity method, the Group applies FRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for 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.

2.16 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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.16 Financial assets (cont'd.)**

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.

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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.16 Financial assets (cont'd.)****(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.

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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.17 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.

(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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Land & General Berhad
(Incorporated in Malaysia)

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

2.17 Impairment of financial assets (cont'd.)

(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.

(iii) Available-for-sale ("AFS") financial assets

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 AFS 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.

2.18 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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (*Cont'd*)

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

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

2.19 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.

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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

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

2.20 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.

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.

2.21 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.

2.22 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.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.22 Financial liabilities (cont'd.)**

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.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.23 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.24 Borrowing costs**

Borrowing costs are capitalised as part of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2.25 Employee benefits**(i) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed. Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

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

2.26 Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.27(vii).

2.27 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable.

(i) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as disclosed in Note 2.19(ii).

Revenue from completed property units and land is recognised when the risks and rewards associated to ownership have been transferred to purchasers and substantial contractual obligations have been completed.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.27 Revenue (cont'd.)****(ii) Education fees**

Revenue from education fees are recognised over the period of instruction whereas non-refundable registration and enrolment fees are recognised on enrolment.

(iii) Club operations

Revenue from membership fee is recognised upon acceptance of club membership by the club. Revenue from subscription fees is recognised on an accrual basis. Revenue from sale of food and beverage and from letting of club facilities are recognised upon invoicing of the services.

(iv) Sale of goods

Revenue is recognised upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(v) Interest income

Interest is recognised on an accrual basis using the effective interest method.

(vi) Dividend income

Dividend income is recognised when the right to receive payment is established.

(vii) Rental income

Rental income is recognised on a straight line basis over the term of the lease or in accordance with the substance of the relevant agreements.

(viii) Management fees

Management fees are recognised when services are rendered.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

2.28 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

2.28 Income taxes

(b) Deferred tax (cont'd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Goods and Services tax ("GST")

On and after 1 April 2015, revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilities in the statement of financial position.

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**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.29 Segment reporting**

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosure on each these segments are shown in Note 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.30 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.31 Irredeemable convertible unsecured loan stocks ("ICULS")

The ICULS are recognised as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible loan stock. The difference between the proceeds of issue of the ICULS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or maturity, whilst the value of the equity component is not adjusted in subsequent periods. Attributable transactions costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for a similar non-convertible loan stock to the instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying amount of ICULS.

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**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.32 Contingencies**

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities or assets are not recognised in the statements of financial position of the Group.

2.33 Fair value measurement

The Group measures financial instruments such as derivatives, at fair value at each balance sheet date, and disclose fair value of non-financial assets such as investment properties, at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 13(a) and Note 41(ii).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

2.33 Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The management and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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

2.33 Fair value measurement (cont'd.)

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.34 Significant accounting judgements and estimates

The preparation of Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liability affected in future.

(a) Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and inventories

The Group has developed certain criteria based on FRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The Group has temporarily sub-let some completed unsold properties but has decided not to treat these properties as investment properties as it is not the Group's intention to hold these properties in the long term for capital appreciation or rental income but rather for sale. Accordingly, these properties are still classified as inventories. The carrying amounts of these inventories as at reporting date are RM820,668 (2015: RM820,668).

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

2.34 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(i) Revenue recognition on property development activities

The Group recognises property development activities based on the percentage of completion method.

Significant judgment is required in determining the percentage of completion, the extent of the development project costs incurred, the estimated total revenue and total costs and the recoverability of the development project. In making these judgements, management relies on past experience and the work of specialists.

(ii) Impairment of property, plant and equipment and investment properties

The Group determines whether property, plant and equipment and investment properties are impaired whenever there is an indication of impairment.

The best evidence of impairment test is current prices in an active market for similar properties or valuation carried out by independent firms of valuers annually.

In the absence of current prices in an active market, the management carried out the impairment test based on value-in-use of these cash generating units ("CGU") to which the assets were allocated and determines if the carrying value of the CGU is in excess of the value-in-use. This requires management to make an estimate of the expected cash flows from the CGU, supported by the terms of any existing lease and other contracts, and to choose suitable discount rates that reflect current market assessment of the uncertainty in the carrying amount and timing in order to calculate the present value of those cash flows. Changes in estimates and assumptions may result in revisions in the carrying amount of these assets.

(iii) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Debts that are past due but not impaired are disclosed in Note 22.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.34 Significant accounting judgements and estimates (cont'd.)****(b) Key sources of estimation uncertainty (cont'd.)****(iv) Income taxes**

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that have been initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 March 2016, the Group has tax recoverable and payable of approximately RM3,033,000 (2015: RM8,535,000) and RM3,763,000 (2015: RM1,625,000) respectively.

(v) Material litigations

The Group determines whether a present obligation in relation to a material litigation exists at the reporting date by taking into account all available evidence, including the opinion of its solicitors and subsequent events after the reporting date. On the basis of such evidence, the Group evaluates if a provision needs to be recognised in the financial statements. Further details of the material litigations involving the Group are disclosed in Note 37.

(vi) Impairment of investments

Management determines whether the carrying amounts of its investments are impaired at reporting date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flow analysis and in some cases, are based on current market indicators and estimates that provide reasonable approximations to the detailed computation.

Management determined the recoverable amount of these investments based on the individual asset's value in use. The present value of the future cash flows to be generated by these assets is the asset's value in use. An impairment loss is recognised immediately in the profit or loss if the recoverable amount is less than the carrying amount.

It is the opinion of the directors that adequate impairment losses have been recognised in the profit or loss and the management's assumptions are reasonable.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Land & General Berhad
(Incorporated in Malaysia)

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

2.34 Significant accounting judgements and estimates (cont'd.)

(b) Key sources of estimation uncertainty (cont'd.)

(vii) Provisions

The Group recognised a provision in respect of financial obligations arising from the winding up of a former subsidiary of the Group in previous years. The carrying amount of the provision as at 31 March 2016 was RM38,251,000 (2015: RM36,674,000). Annual review of estimates are performed based on latest available information and these provisions are appropriately revised as necessary.

(viii) Amounts due from subsidiaries

The Company determines the recoverability of the amounts due from certain subsidiaries when these debts exceeded their capital investments. The directors are of the opinion that adequate allowance for impairment has been made for the debts due from these subsidiaries to the extent the Company is able to realise these debts through internal group restructuring including possible offsets against debts owed by the Company to certain other subsidiaries, should such need arises.

(ix) Fair value of investment properties and investment properties under construction

The directors estimate the fair values of the Group's investment properties by reference to market evidence of transaction prices for similar properties in the location and category of the properties being valued. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flow expected to be received from renting out the property. A yield that reflects the specific inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

2.35 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Land & General Berhad
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2. Summary of significant accounting policies (cont'd.)
2.35 Current versus non-current classification (cont'd.)

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. Revenue

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Sale of properties	317,462	441,914	-	-
Education	12,907	13,157	-	-
Club operations and building maintenance	3,452	3,369	-	-
Interest income from deposits with financial institutions	3,426	3,726	3,373	3,705
Returns on short term funds	1,335	761	387	337
Dividends from unquoted Malaysian subsidiaries	-	-	30,180	25,005
Rental income:				
- Subsidiaries	-	-	2,712	2,567
- Third parties	684	624	-	-
Management fee from				
- Subsidiaries	-	-	2,248	2,720
- Jointly controlled entity	443	-	-	-
Others	2,353	2,239	975	-
	<u>342,062</u>	<u>465,790</u>	<u>39,875</u>	<u>34,334</u>

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4. Other income

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Rental income	3,655	3,369	-	-
Gain on disposal of property, plant and equipment	3	26	1	15
Unwinding of discount on interest on loan to:				
- Subsidiaries	-	-	1,789	2,049
- A jointly controlled entity	1,457	928	-	-
Interest income:				
- A subsidiary	-	-	718	652
- Others	2,302	3,226	-	-
Returns on short term funds	3,571	3,052	-	-
Returns on unit trust funds	956	-	-	-
Gain on fair value changes on quoted shares - financial assets at fair value through profit or loss	554	-	554	-
Deposits forfeited	95	210	-	-
Gain on disposal of subsidiaries	-	96	-	-
Unrealised foreign exchange gain	128	405	-	-
Others	1,467	450	9	1
	14,188	11,762	3,071	2,717

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5. Staff costs

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	15,794	14,339	2,579	3,101
Defined contribution plan	1,954	1,731	311	370
Other employment benefits	965	968	92	201
	<u>18,713</u>	<u>17,038</u>	<u>2,982</u>	<u>3,672</u>

Included in staff costs of the Group and of the Company are remunerations (excluding benefits-in-kind) of executive directors of the Company amounting to RM1,372,000 (2015: RM1,440,000) and RM1,118,000 (2015: RM1,018,000) respectively as further disclosed in Note 6 below.

6. Directors' remuneration

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Executive directors' remuneration (Note 5):				
Other emoluments	<u>1,372</u>	<u>1,440</u>	<u>1,118</u>	<u>1,018</u>
Non-executive directors' remuneration (Note 8):				
Fees	373	338	373	338
Other emoluments	<u>114</u>	<u>36</u>	<u>114</u>	<u>36</u>
	<u>487</u>	<u>374</u>	<u>487</u>	<u>374</u>
Total directors' remuneration	1,859	1,814	1,605	1,392
Estimated money value of benefits-in-kind	<u>59</u>	<u>64</u>	<u>47</u>	<u>48</u>
Total directors' remuneration including benefits-in-kind	<u>1,918</u>	<u>1,878</u>	<u>1,652</u>	<u>1,440</u>

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6. Directors' remuneration (cont'd.)

The number of directors of the Group and of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Group		Company	
	Number of Directors		Number of Directors	
	2016	2015	2016	2015
Executive directors:				
RM200,001 - RM400,000	1	-	-	-
RM400,001 - RM500,000	-	1	-	-
RM1,00,001 - RM1,100,000	-	1	-	1
RM1,100,001 - RM1,200,000	1	-	1	-
Non-executive directors:				
Below RM50,000	3	2	3	2
RM50,001 - RM100,000	4	3	4	3
RM100,001 - RM150,000	1	1	1	1

7. Finance costs

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- Bank overdraft	-	105	-	-
- Term loan	4,450	4,232	-	-
- Bridging loan	-	42	-	-
- Revolving credit	61	26	-	-
- ICULS	38	103	38	103
- Hire purchase and finance lease liabilities	14	13	13	13
Unwinding of discount on:				
- Provision for financial obligation (Note 25)	1,577	1,512	1,577	1,512
- Amount due to companies related to major shareholders of the Company (Note 38(a))	750	1,048	-	-
	6,890	7,081	1,628	1,628
Less: Interest expenses capitalised in property development costs (Note 12(b)(i))	(4,511)	(4,405)	-	-
	2,379	2,676	1,628	1,628

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8. Profit before tax

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

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Non-executive directors' remuneration (Note 6)	487	374	487	374
Auditors' remuneration:				
Auditors of the Company				
- Statutory audit	200	198	60	60
- Other services	24	24	8	8
Other auditors				
- Statutory audit	4	4	-	-
Property, plant and equipment written off	3	-	3	-
Biological assets written off	12	-	-	-
Impairment loss on investment property (Note 13)	4,747	-	-	-
Allowance for impairment on financial assets:				
- Amount due from subsidiaries	-	-	-	3
- Amount due from third parties	904	30	-	-
- Amount due from other receivables	87	292	-	159
- Amount due from a jointly controlled entity	686	222	-	-
Impairment loss on loans granted to a jointly controlled entity	1,457	928	-	-
Loss on fair value changes on quoted shares - financial assets at fair value through profit or loss	-	1,568	-	1,368
Other provision (Note 25)	50	600	50	600
Realised foreign exchange loss	-	5	-	5
Unrealised foreign exchange loss	-	-	208	1,084
Office rental	-	-	110	226

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9. Income tax expense

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian income tax	33,788	50,905	1,522	1,392
Under/(over) provision in prior years	3,197	(1,194)	23	(1)
	<u>36,985</u>	<u>49,711</u>	<u>1,545</u>	<u>1,391</u>
Deferred tax (Note 34):				
Relating to origination and reversal of temporary differences	(491)	(916)	19	138
(Over)/under provision in prior years	(914)	129	(1)	-
	<u>(1,405)</u>	<u>(787)</u>	<u>18</u>	<u>138</u>
Income tax expense recognised in profit or loss	<u>35,580</u>	<u>48,924</u>	<u>1,563</u>	<u>1,529</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

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Land & General Berhad
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9. Income tax expense (cont'd.)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2016 RM'000	2015 RM'000
Group		
Profit before tax	127,172	192,338
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	30,521	48,085
Effect of:		
- Income not subject to tax	(1,244)	(3,412)
- Expenses not deductible for tax purposes	3,832	5,316
- Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	188	-
(Over)/under provision of deferred tax in prior years	(914)	129
Under/(over) provision of tax expense in prior years	3,197	(1,194)
Income tax expense recognised in profit or loss	35,580	48,924
Company		
Profit before tax	35,632	25,862
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	8,552	6,466
Effect of:		
- Income not subject to tax	(7,998)	(7,011)
- Expenses not deductible for tax purposes	987	2,075
Over provision of deferred tax in prior years	(1)	-
Under/(over) provision of tax expense in prior years	23	(1)
Income tax expense recognised in profit or loss	1,563	1,529

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10. Earnings per share
(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2016	2015
Profit attributable to owners of the Company (RM'000)	95,002	105,428
Weighted average number of ordinary shares in issue ('000)	1,086,509	883,555
Basic earnings per share (sen)	<u>8.74</u>	<u>11.93</u>

(b) Diluted

Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares.

	Group	
	2016	2015
	RM'000	RM'000
Profit attributable to owners of the Company	95,002	105,428
Interest expense on ICULS	<u>102</u>	<u>120</u>
Profit attributable to owners of the Company used in the computation of diluted earnings per share	<u>95,104</u>	<u>105,548</u>

	Group	
	2016	2015
	'000	'000
Weighted average number of ordinary shares in issue	1,086,509	883,555
Adjustment for potential dilutive shares under ICULS conversion	<u>103,231</u>	<u>123,330</u>
Weighted average number of ordinary shares in issue used in the computation of diluted earnings per share	<u>1,189,740</u>	<u>1,006,885</u>
Diluted earnings per share (sen)	<u>7.99</u>	<u>10.48</u>

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11. Property, plant and equipment

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Plant, machinery and others RM'000	Total RM'000
At 31 March 2016							
Cost							
At 1 April 2015	51,909	150	36,630	15,697	1,623	6,683	112,692
Reclassified to biological assets	-	-	-	-	-	(5,948)	(5,948)
Additions	51,909	150	36,630	15,697	1,623	735	106,744
Disposals	-	-	4	546	-	53	603
Written off	-	-	-	(14)	(243)	-	(257)
At 31 March 2016	-	-	-	(111)	-	-	(111)
	51,909	150	36,634	16,118	1,380	788	106,979

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**Land & General Berhad
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11. Property, plant and equipment (cont'd.)

Group (cont'd.)	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Plant, machinery and others RM'000	Total RM'000
Accumulated depreciation and impairment At 1 April 2015	-	7	18,145	10,339	1,169	781	30,441
Accumulated depreciation Reclassified to biological assets	-	-	-	-	-	(102)	(102)
Depreciation charge for the year	-	7	18,145	10,339	1,169	679	30,339
Disposals	-	1	529	1,144	178	62	1,914
Written off	-	-	-	(14)	(243)	-	(257)
At 31 March 2016	-	-	-	(108)	-	-	(108)
	-	8	18,674	11,361	1,104	741	31,888
Represented by: Accumulated depreciation	-	8	18,674	11,361	1,104	741	31,888
Net carrying amount	51,909	142	17,960	4,757	276	47	75,091

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**Land & General Berhad
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11. Property, plant and equipment (cont'd.)

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Plant, machinery and others RM'000	Total RM'000
At 31 March 2015							
Cost							
At 1 April 2014	51,909	150	36,630	15,665	1,608	5,455	111,417
Reclassified to biological assets	-	-	-	-	-	(4,727)	(4,727)
Additions	51,909	150	36,630	15,665	1,608	728	106,690
Disposal of subsidiary	-	-	-	675	24	1,228	1,927
Disposals	-	-	-	(126)	-	-	(126)
Reclassified to biological assets	-	-	-	(517)	(9)	-	(526)
At 31 March 2015	-	-	-	-	-	(1,221)	(1,221)
	51,909	150	36,630	15,697	1,623	735	106,744

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

	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Plant, machinery and others RM'000	Total RM'000
Group (cont'd.)							
Accumulated depreciation and impairment							
At 1 April 2014	-	5	17,612	9,740	986	673	29,016
Accumulated depreciation	-	-	-	-	-	(51)	(51)
Reclassified to biological assets	-	5	17,612	9,740	986	622	28,965
Disposal of subsidiary	-	-	-	(79)	-	-	(79)
Depreciation charge for the year	-	2	533	1,182	192	108	2,017
Reclassified to biological assets	-	-	-	-	-	(51)	(51)
Disposals	-	-	-	(504)	(9)	-	(513)
At 31 March 2015	-	7	18,145	10,339	1,169	679	30,339
Represented by:							
Accumulated depreciation	-	7	18,145	10,339	1,169	679	30,339
Net carrying amount	51,909	143	18,485	5,358	454	56	76,405

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

	Long term leasehold land RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Company				
At 31 March 2016				
Cost				
At 1 April 2015	150	1,116	1,119	2,385
Additions	-	-	18	18
Disposals	-	(243)	(3)	(246)
Written off	-	-	(111)	(111)
At 31 March 2016	150	873	1,023	2,046
Accumulated depreciation				
At 1 April 2015	7	741	994	1,742
Depreciation charge for the year	1	139	44	184
Disposals	-	(243)	(3)	(246)
Written off	-	-	(108)	(108)
At 31 March 2016	8	637	927	1,572
Net carrying amount	142	236	96	474
At 31 March 2015				
Cost				
At 1 April 2014	150	1,116	1,388	2,654
Additions	-	-	20	20
Disposals	-	-	(289)	(289)
At 31 March 2015	150	1,116	1,119	2,385
Accumulated depreciation				
At 1 April 2014	5	595	1,208	1,808
Depreciation charge for the year	2	146	69	217
Disposals	-	-	(283)	(283)
At 31 March 2015	7	741	994	1,742
Net carrying amount	143	375	125	643

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Land & General Berhad
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11. Property, plant and equipment (cont'd.)

Net carrying amounts of property, plant and equipment of the Group and of the Company held under hire purchase and finance lease arrangements as at reporting date are RM237,000 (2015: RM375,000) and RM237,000 (2015: RM375,000) respectively.

12. Land held for property development and property development costs
(a) Land held for property development

	Land RM'000	Development costs RM'000	Total RM'000
Group			
At 31 March 2016			
Cost			
At 1 April 2015	9,835	16,288	26,123
Additions	-	202	202
Transfer from/(to) property development costs (Note 12(b))	15,111	(2,462)	12,649
At 31 March 2016	<u>24,946</u>	<u>14,028</u>	<u>38,974</u>
Cost			
At 1 April 2014	10,140	16,675	26,815
Additions	-	98	98
Reversal of development cost	-	(464)	(464)
Transfer to property development costs (Note 12(b))	(305)	(21)	(326)
At 31 March 2015	<u>9,835</u>	<u>16,288</u>	<u>26,123</u>

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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12. Land held for property development and property development costs (cont'd.)

(b) Property development costs

Group	Land RM'000	Development costs RM'000	Total RM'000
At 31 March 2016			
Cumulative property development cost			
At 1 April 2015	151,053	260,272	411,325
Cost incurred during the financial year	-	200,279	200,279
Transfer (to)/from land held for property development (Note 12(a))	(15,111)	2,462	(12,649)
Reversal of completed project	(2,019)	(402,489)	(404,508)
Unsold completed units transferred to inventories	(32)	(6,477)	(6,509)
At 31 March 2016	<u>133,891</u>	<u>54,047</u>	<u>187,938</u>
Cumulative cost recognised in profit or loss			
At 1 April 2015	(1,156)	(227,824)	(228,980)
Recognised during the financial year	-	(175,528)	(175,528)
Reclassification	(863)	863	-
Reversal of completed project	2,019	402,489	404,508
At 31 March 2016	<u>-</u>	<u>-</u>	<u>-</u>
Property development costs at 31 March 2016	<u>133,891</u>	<u>54,047</u>	<u>187,938</u>

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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12. Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

Group (cont'd.)	Land RM'000	Development costs RM'000	Total RM'000
At 31 March 2015			
Cumulative property development cost			
At 1 April 2014	98,673	355,824	454,497
Cost incurred during the financial year	122,075	226,686	348,761
Transfer from land held for property development (Note 12(a))	305	21	326
Reversal of completed project	(64,253)	(305,606)	(369,859)
Unsold completed units transferred to inventories	(5,747)	(16,653)	(22,400)
At 31 March 2015	<u>151,053</u>	<u>260,272</u>	<u>411,325</u>
Cumulative cost recognised in profit or loss			
At 1 April 2014	(43,253)	(315,015)	(358,268)
Recognised during the financial year	(22,156)	(218,415)	(240,571)
Reversal of completed project	64,253	305,606	369,859
At 31 March 2015	<u>(1,156)</u>	<u>(227,824)</u>	<u>(228,980)</u>
Property development costs at 31 March 2015	<u>149,897</u>	<u>32,448</u>	<u>182,345</u>

(i) Included in property development costs incurred during the financial year are:

	Group	
	2016 RM'000	2015 RM'000
Interest expenses capitalised (Note 7)	<u>4,511</u>	<u>4,405</u>

(ii) The land together with development costs with a carrying value of RM189,025,000 (2015: RM170,975,000) are pledged as securities for bank borrowings as disclosed in Note 27.

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13. Investment properties

	Freehold land RM'000	Buildings RM'000	Buildings on leasehold land RM'000	Assets under construction RM'000	Total RM'000
Group					
At 31 March 2016					
Cost					
At 1 April 2015	12,113	22,635	65	65,236	100,049
Transfer	-	65,236	-	(65,236)	-
Additions	-	7,248	-	-	7,248
Adjustment	-	(7,248)	-	-	(7,248)
At 31 March 2016	12,113	87,871	65	-	100,049
Accumulated depreciation and impairment					
At 1 April 2015					
Accumulated depreciation	-	1,167	7	-	1,174
Accumulated impairment	-	3,000	19	-	3,019
	-	4,167	26	-	4,193
Depreciation charge for the year	-	453	1	-	454
Impairment loss recognised in profit or loss (Note 8)	-	4,747	-	-	4,747
At 31 March 2016	-	9,367	27	-	9,394
Represented by:					
Accumulated depreciation	-	1,620	8	-	1,628
Accumulated impairment	-	7,747	19	-	7,766
	-	9,367	27	-	9,394
Net carrying amount	12,113	78,504	38	-	90,655

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Land & General Berhad
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13. Investment properties (cont'd.)

	Freehold land RM'000	Buildings RM'000	Buildings on leasehold land RM'000	Assets under construction RM'000	Total RM'000
Group					
At 31 March 2015					
Cost					
At 1 April 2014	12,113	22,591	65	65,236	100,005
Additions	-	44	-	-	44
At 31 March 2015	12,113	22,635	65	65,236	100,049
Accumulated depreciation and impairment					
At 1 April 2014					
Accumulated depreciation	-	714	6	-	720
Accumulated impairment	-	3,000	19	-	3,019
	-	3,714	25	-	3,739
Depreciation charge for the year	-	453	1	-	454
At 31 March 2015	-	4,167	26	-	4,193
Represented by:					
Accumulated depreciation	-	1,167	7	-	1,174
Accumulated impairment	-	3,000	19	-	3,019
	-	4,167	26	-	4,193
Net carrying amount	12,113	18,468	39	65,236	95,856

Asset under construction of RM65,236,000 was reclassified upon completion and vacant position at year end. The amount disclosed is the acquisition cost, net of estimated rental guarantee receivable from the vendor.

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13. Investment properties (cont'd.)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Company			
At 31 March 2016			
Cost			
At 1 April 2015/31 March 2016	11,988	20,720	32,708
Accumulated depreciation and impairment			
At 1 April 2015			
Accumulated depreciation	-	7,395	7,395
	-	7,395	7,395
Depreciation charge for the year	-	414	414
At 31 March 2016	-	7,809	7,809
Net carrying amount	11,988	12,911	24,899
At 31 March 2015			
Cost			
At 1 April 2014/31 March 2015	11,988	20,720	32,708
Accumulated depreciation and impairment			
At 1 April 2014			
Accumulated depreciation	-	6,981	6,981
	-	6,981	6,981
Depreciation charge for the year	-	414	414
At 31 March 2015	-	7,395	7,395
Net carrying amount	11,988	13,325	25,313

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13. Investment properties (cont'd.)

- (a) The fair value of investment properties of the Group and the Company are categorised as follows:

	Level 3	Total
	RM'000	RM'000
Group		
2016		
Land and buildings	<u>176,084</u>	<u>176,084</u>
2015		
Land and buildings	<u>165,021</u>	<u>165,021</u>
Company		
2016		
Land and buildings	<u>77,667</u>	<u>77,667</u>
2015		
Land and buildings	<u>67,503</u>	<u>67,503</u>

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 March 2016 and 31 March 2015.
- (ii) The fair value of the investment properties of the Group and of the Company categorised at Level 3 were estimated by the directors based on appraisals of fair values of comparable properties obtained from Malaysia Property Market Report, recent sales transactions or valuation report. In the absence of current prices in an active market of the kind described above for certain investment properties, fair value is arrived at by reference to the value-in-use of those investment properties.
- (b) Buildings of the Company refers to school buildings which have been leased to a subsidiary with an aggregate carrying value of RM12,911,000 (2015: RM13,325,000).

14. Goodwill

	Group	
	2016	2015
	RM'000	RM'000
At 1 April/31 March	<u>12</u>	<u>12</u>

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15. Biological assets

	Group	
	2016	2015
	RM'000	RM'000
Cost		
At 1 April	-	-
Reclassified from property, plant and equipment	5,948	4,727
Additions	622	1,221
Written off	(12)	-
At 31 March	<u>6,558</u>	<u>5,948</u>
Accumulated amortisation		
At 1 April	102	51
Amortisation charge for the year	154	51
At 31 March	<u>256</u>	<u>102</u>
Net carrying amount	<u>6,302</u>	<u>5,846</u>

16. Land use rights

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
At 1 April	56	57	51	52
Amortisation for the year	(1)	(1)	(1)	(1)
At 31 March	<u>55</u>	<u>56</u>	<u>50</u>	<u>51</u>
Analysed as:				
Short term leasehold	50	51	50	51
Long term leasehold	5	5	-	-
	<u>55</u>	<u>56</u>	<u>50</u>	<u>51</u>
Amount to be amortised:				
- Not later than one year	1	1	1	1
- Later than one year but not later than five years	5	5	5	5
- Later than five years	49	50	44	45
	<u>55</u>	<u>56</u>	<u>50</u>	<u>51</u>

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16. Land use rights (cont'd.)

The Group has a land use right over two plots of land, one of which is situated in Temerloh Pahang and the other at Bandar Sungai Buaya Rawang. The land use rights are not transferable and have remaining tenures of 39 years and 79 years (2015: 40 years and 80 years) respectively.

17. Investments in subsidiaries

	Company	
	2016	2015
	RM'000	RM'000
Unquoted shares, at cost	285,915	285,915
Discount on loans to subsidiaries	11,041	11,041
	<u>296,956</u>	<u>296,956</u>
Less: Accumulated impairment losses	(96,729)	(96,729)
	<u>200,227</u>	<u>200,227</u>

Details of the subsidiaries are as follows:

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2016	2015
			%	%
Bestform Limited	Investment holding	Isle of Man	100.00	100.00
Bright Term Sdn Bhd	Property development	Malaysia	100.00	100.00
Clarity Crest Sdn Bhd	Cultivation of rubber and oil palm	Malaysia	100.00	100.00
L&G Resources (1994), Inc.	Investment holding	USA	100.00	100.00
Land & General Properties Sdn Bhd	Property development	Malaysia	100.00	100.00
Land & General Australia (Holdings) Pty Ltd	Investment holding	Australia	100.00	100.00
Lang Education Holdings Sdn Bhd	Investment holding	Malaysia	100.00	100.00

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17. Investments in subsidiaries (cont'd.)

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2016	2015
Lang Furniture (Pahang) Sdn Bhd	Dormant	Malaysia	100.00	100.00
Maple Domain Sdn Bhd	Dormant	Malaysia	100.00	100.00
Pillar Quest Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Sri Damansara Sdn Bhd	Property development	Malaysia	100.00	100.00
Syarikat Trimal Sdn Bhd	Property development	Malaysia	100.00	100.00
Synergy Score Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Victory Vista Sdn Bhd	Investment holding	Malaysia	100.00	-
Winlink Pte Ltd*	Dormant	Singapore	100.00	100.00
Subsidiary of L&G Resources (1994), Inc.:				
L&G Display Technologies, Inc.	Dormant	USA	100.00	100.00
Subsidiaries of Land & General Australia (Holdings) Pty Ltd:				
Lang Melbourne Pty Ltd	Dormant	Australia	100.00	100.00
World Trade Centre Holdings Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf One Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf Two Pty Ltd	Dormant	Australia	100.00	100.00
Flinders Wharf Land Pty Ltd	Dormant	Australia	100.00	100.00
PLR Mayfields Pty Ltd	Dormant	Australia	100.00	100.00

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17. Investments in subsidiaries (cont'd.)

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2016 %	2015 %
Subsidiary of Lang Education Holdings Sdn Bhd				
Lang Education Sdn Bhd	Education services	Malaysia	100.00	100.00
Subsidiary of Pillar Quest Sdn Bhd				
Xtreme Meridian Sdn Bhd	Property development	Malaysia	50.01	50.01
Subsidiary of Sri Damansara Sdn Bhd:				
Sri Damansara Club Bhd	Management of club activities	Malaysia	100.00	100.00
Subsidiaries of Syarikat Trimal Sdn Bhd:				
Mentari Unggul Sdn Bhd	Dormant	Malaysia	100.00	70.00
Tirvein Nominees Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Subsidiary of Synergy Score Sdn Bhd:				
Elite Forward Sdn Bhd	Property development	Malaysia	50.01	50.01
Subsidiary of World Trade Centre Holdings Pty Ltd:				
Lang Australia Pty Ltd	Dormant	Australia	100.00	100.00

* Audited by a firm of auditors other than member firms of Ernst & Young Global

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Land & General Berhad
(Incorporated in Malaysia)**17. Investments in subsidiaries (cont'd.)****(i) Acquisition of non-controlling interest**

On 21 July 2016, the Group's subsidiary company, Syarikat Trimal Sdn. Bhd. ("STSB"), acquired an additional 30% equity interest in Mentari Unggul Sdn. Bhd. ("MUSB") from its non-controlling interest for a cash consideration of RM3,200,000. As a result of this acquisition, MUSB became a wholly-owned subsidiary of STSB.

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17. Investments in subsidiaries (cont'd.)

(ii) Summarised financial information of subsidiaries with material non-controlling interests

The summarised financial information of Elite Forward Sdn Bhd and Xtreme Meridian Sdn Bhd which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(a) Summarised statements of financial positions

	Elite Forward Sdn Bhd		Xtreme Meridian Sdn Bhd		Total	
	2016	2015	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	269	130	4	-	273	130
Current assets	87,966	235,086	161,914	140,571	249,880	375,657
Total assets	88,235	235,216	161,918	140,571	250,153	375,787
Non-current liabilities	-	14,165	113,870	112,370	113,870	126,535
Current liabilities	83,133	93,074	44,903	22,621	128,036	115,695
Total liabilities	83,133	107,239	158,773	134,991	241,906	242,230
Net assets	5,102	127,977	3,145	5,580	8,247	133,557
Equity attributable to the owner of the Company	2,552	64,001	1,573	2,791	4,125	66,792
Non-controlling interests	2,550	63,976	1,572	2,789	4,122	66,765
	5,102	127,977	3,145	5,580	8,247	133,557

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OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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17. Investments in subsidiaries (cont'd.)

(ii) Summarised financial information of subsidiaries with material non-controlling interests (cont'd.)

(b) Summarised statements of comprehensive income

	Elite Forward Sdn Bhd		Xtreme Meridian Sdn Bhd		Total	
	2016	2015	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	655	234,108	262	-	917	234,108
(Loss)/profit for the year	(4,085)	81,664	(2,686)	(2,465)	(6,771)	79,199
(Loss)/profit attributable to:						
- owners of the Company	(2,043)	40,840	(1,343)	(1,233)	(3,386)	39,607
- non-controlling interests	(2,042)	40,824	(1,343)	(1,232)	(3,385)	39,592
	(4,085)	81,664	(2,686)	(2,465)	(6,771)	79,199
Total comprehensive (loss)/income	(4,085)	81,664	(2,686)	(2,465)	(6,771)	79,199
Transaction with non-controlling interests:						
- Dividend payable	(59,388)	(34,993)	-	-	(59,388)	(34,993)

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Land & General Berhad
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17. Investments in subsidiaries (cont'd.)

(ii) Summarised financial information of subsidiaries with material non-controlling interests (cont'd.)

(c) Summarised statements of cash flows

	<u>Elite Forward Sdn Bhd</u>		<u>Xtreme Meridian Sdn Bhd</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from/(used in) operating activities	16,751	195,964	(12,714)	(4,715)	4,037	191,249
Net cash used in investing activities	-	(8)	(4)	(82,950)	(4)	(82,958)
Net cash (used in)/generated from financing activities	(136,989)	(72,615)	16,754	94,007	(120,235)	21,392
Net (decrease)/increase in cash and cash equivalents	(120,238)	123,341	4,036	6,342	(116,202)	129,683
Cash and cash equivalents at beginning of year	145,895	22,554	6,764	422	152,659	22,976
Cash and cash equivalents at end of year	25,657	145,895	10,800	6,764	36,457	152,659

OUR DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2016 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Land & General Berhad
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18. Investment in associates

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost:				
- In Malaysia	535	535	500	500
- Outside Malaysia [^]	-	-	-	-
Share of post-acquisition profit	940	940	-	-
	<u>1,475</u>	<u>1,475</u>	<u>500</u>	<u>500</u>
Less: Accumulated impairment losses	<u>(1,475)</u>	<u>(1,475)</u>	<u>(500)</u>	<u>(500)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

[^] The cost of the investment is less than RM1,000

Details of the associates are as follows:

Name of Associates	Principal Activity	Country of Incorporation	Proportion of Ownership Interest	
			2016	2015
			%	%
C.I. Damansara Quarry Sdn Bhd	Dormant	Malaysia	35.00	35.00
Projass Langbuilt Sdn Bhd	Dormant	Malaysia	50.00	50.00
FW Financing Solutions Pty Ltd	Dormant	Australia	50.00	50.00

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18. Investment in associates (cont'd.)

The summarised financial information of the associates that are not individually material and not adjusted for the proportion of ownership interest held by the Group is as follows:

	Group	
	2016	2015
	RM'000	RM'000
Assets and liabilities		
Current assets, representing total assets	<u>1</u>	<u>2,836</u>
Current liabilities, representing total liabilities	<u>4</u>	<u>(29)</u>
Results		
Revenue	<u>-</u>	<u>-</u>
Loss for the year	<u>(2,809)</u>	<u>(2)</u>

19. Investment in a jointly controlled entity

	Group	
	2016	2015
	RM'000	RM'000
Unquoted shares at cost ^	-	-
Share of post-acquisition reserves	<u>(2,832)</u>	<u>(3,264)</u>
	<u>(2,832)</u>	<u>(3,264)</u>
Exchange differences	<u>(395)</u>	<u>(225)</u>
	<u>(3,227)</u>	<u>(3,489)</u>

^ The cost of the investment is less than RM1,000

(a) Details of the jointly controlled entity are as follows:

Name of Jointly Controlled Entity	Principal Activity	Country of Incorporation	Proportion of Ownership Interest	
			2016	2015
			%	%
Hidden Valley Australia Pty Ltd	Property development	Australia	50.00	50.00

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19. Investment in a jointly controlled entity (cont'd.)

- (b) The summarised information as set out below represents the amounts in the financial statements of the jointly controlled entity and not the Group's share of those amounts.

(i) Summarised statement of financial position

	2016 RM'000	2015 RM'000
Assets and liabilities		
Non-current assets	89	16
Cash and bank balances	1,314	-
Other current assets	25,886	27,692
Total current assets	<u>27,200</u>	<u>27,692</u>
Total assets	<u>27,289</u>	<u>27,708</u>
Other payables	620	9,224
Borrowings	32,833	20,390
Total non-current liabilities	<u>33,453</u>	<u>29,614</u>
Trade and other payables	290	5,072
Total current liabilities	<u>290</u>	<u>5,072</u>
Total liabilities	<u>33,743</u>	<u>34,686</u>
Net liabilities	<u>(6,454)</u>	<u>(6,978)</u>

(ii) Summarised statement of comprehensive income

	2016 RM'000	2015 RM'000
Revenue	14,458	31,732
Depreciation and amortisation	(8)	(49)
Interest expense	(116)	(928)
Profit after tax	864	17,117
Total comprehensive income	<u>864</u>	<u>17,117</u>

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19. Investment in a jointly controlled entity (cont'd.)

(b) The summarised information as set out below represents the amounts in the financial statements of the jointly controlled entity and not the Group's share of those amounts (cont'd.).

(iii) Reconciliation of the summarised financial information presented above to the amount of the Group's interest in the jointly controlled entity

	2016 RM'000	2015 RM'000
Net liabilities at 1 April	(6,978)	(24,670)
Profit for the year	864	17,117
Effects of foreign exchange differences arising from translation of foreign operation at reporting date	(340)	575
Net liabilities at 31 March	<u>(6,454)</u>	<u>(6,978)</u>
Representing carrying value of Group's interest in the jointly controlled entity (50%)	<u>(3,227)</u>	<u>(3,489)</u>

20. Other investments

Group	Quoted shares RM'000	Unquoted shares		Total RM'000
		Former subsidiaries* RM'000	Third parties RM'000	
At 31 March 2016				
Non-current				
Financial assets at fair value through profit or loss	3,473	-	-	3,473
Available-for-sale financial assets	-	207,969	2,118	210,087
Less: Accumulated impairment losses	-	(207,969)	(2,118)	(210,087)
	<u>3,473</u>	<u>-</u>	<u>-</u>	<u>3,473</u>
At 31 March 2015				
Non-current				
Financial assets at fair value through profit or loss	2,919	-	-	2,919
Available-for-sale financial assets	-	207,969	2,118	210,087
Less: Accumulated impairment losses	-	(207,969)	(2,118)	(210,087)
	<u>2,919</u>	<u>-</u>	<u>-</u>	<u>2,919</u>

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Land & General Berhad
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20. Other investments (cont'd.)

Company	-----Unquoted shares-----			Total RM'000
	Quoted shares RM'000	Former subsidiaries* RM'000	Third parties RM'000	
At 31 March 2016				
Non-current				
Financial assets at fair value through profit or loss	3,473	-	-	3,473
Available-for-sale financial assets	-	181,269	300	181,569
Less: Accumulated impairment losses	-	(181,269)	(300)	(181,569)
	-	-	-	-
	<u>3,473</u>	<u>-</u>	<u>-</u>	<u>3,473</u>

At 31 March 2015

Non-current				
Financial assets at fair value through profit or loss	2,919	-	-	2,919
Available-for-sale financial assets	-	181,269	300	181,569
Less: Accumulated impairment losses	-	(181,269)	(300)	(181,569)
	-	-	-	-
	<u>2,919</u>	<u>-</u>	<u>-</u>	<u>2,919</u>

* Included in unquoted shares at cost are the following former subsidiaries currently in liquidation:

Name of Companies	Classification
L&G Resort Sdn Bhd	Court winding up
Lang Furniture (Selangor) Sdn Bhd	Court winding up
Bandar Sungai Buaya Sdn Bhd	Court winding up
Lembah Beringin Sdn Bhd	Receivers and Managers appointed and under court winding up