

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**For the 9 months financial period ended 31 December 2008**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/2008 RM'000	Preceding Year Corresponding Quarter 31/12/2007 RM'000	Current Year To Date 31/12/2008 RM'000	Preceding Year Corresponding Period 31/12/2007 RM'000
Revenue	6,010	10,170	20,387	30,109
Operating expenses	(7,281)	(12,159)	(55,960)	(39,201)
Other operating income/(expenses)	3,959	(6,357)	16,733	39,244
Net gain on deconsolidation of a subsidiary	-	-	30,326	-
<b>Profit/(loss) from operations</b>	<b>2,688</b>	<b>(8,346)</b>	<b>11,486</b>	<b>30,152</b>
Finance costs	(917)	(3,406)	(5,150)	(11,257)
Share of profit/(loss) of jointly controlled entity	384	683	736	(588)
<b>Profit/(loss) before taxation</b>	<b>2,155</b>	<b>(11,069)</b>	<b>7,072</b>	<b>18,307</b>
Tax expense	(1,238)	(1,295)	(3,175)	(2,757)
<b>Profit/(loss) for the period</b>	<b>917</b>	<b>(12,364)</b>	<b>3,897</b>	<b>15,550</b>
<b>Attributable to:</b>				
- equity holders of the Company	917	(12,364)	3,897	15,550
- minority interests	-	-	-	-
	<b>917</b>	<b>(12,364)</b>	<b>3,897</b>	<b>15,550</b>
<b>Earnings/(loss) per share:</b>				
- basic	0.15 sen	(2.07) sen	0.65 sen	2.60 sen
- diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial statements for the year ended 31 March 2008.

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**As at 31 December 2008**

	As at 31/12/2008 RM'000	As at 31/03/2008 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	65,070	65,608
Land held for property development	34,205	80,997
Investment properties	16,974	16,582
Prepaid land lease payments	59	59
Investment in associates	*	*
Investment in jointly controlled entity	(5,447)	(6,183)
Other investments	3,433	3,430
Deferred tax assets	491	491
	<u>114,785</u>	<u>160,984</u>
<b>Current Assets</b>		
Inventories	32,975	38,538
Trade and other receivables	27,858	41,117
Tax recoverable	3,716	4,196
Deposits, cash and bank balances	169,928	199,451
	<u>234,477</u>	<u>283,302</u>
Non-current assets classified as held for sale	1,862	6,133
	<u>236,339</u>	<u>289,435</u>
<b>TOTAL ASSETS</b>	<b><u>351,124</u></b>	<b><u>450,419</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Company</b>		
Share capital	598,305	598,305
Share premium	133,003	133,003
Reserves	11,059	31,392
Accumulated losses	(556,876)	(560,814)
<b>Total Equity</b>	<u>185,491</u>	<u>201,886</u>
<b>Non-Current Liabilities</b>		
Borrowings	5,412	84,241
Deferred tax liabilities	224	72
	<u>5,636</u>	<u>84,313</u>
<b>Current Liabilities</b>		
Provisions	79,244	27,842
Trade and other payables	12,776	76,930
Borrowings	66,887	54,840
Taxation	1,090	4,608
	<u>159,997</u>	<u>164,220</u>
<b>Total Liabilities</b>	<u>165,633</u>	<u>248,533</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>351,124</u></b>	<b><u>450,419</u></b>
<b>Net Assets Per Share Attributable To Ordinary Equity Holders Of The Company</b>	<b>31.00 sen</b>	<b>33.74 sen</b>

\* The costs of investment in the associates have been fully impaired

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008.

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the 9 months financial period ended 31 December 2008**

	Attributable to equity holders of the Company							
	Non-distributable					Total	Minority interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Foreign exchange reserve	Accumulated loss			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2008	598,305	133,003	4,674	26,718	(560,814)	201,886	-	201,886
Foreign exchange differences not recognised in income statement	-	-	-	(20,292)	-	(20,292)	-	(20,292)
Deconsolidation of a subsidiary	-	-	(41)	-	41	-	-	-
Net profit for the financial period	-	-	-	-	3,897	3,897	-	3,897
<b>At 31 December 2008</b>	<b>598,305</b>	<b>133,003</b>	<b>4,633</b>	<b>6,426</b>	<b>(556,876)</b>	<b>185,491</b>	<b>-</b>	<b>185,491</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the 9 months financial period ended 31 December 2007**

	Attributable to equity holders of the Company							
	Non-distributable					Total	Minority interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Foreign exchange reserve	Accumulated loss			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2007	598,305	133,003	4,674	22,773	(563,407)	195,348	-	195,348
Foreign exchange differences not recognised in income statement	-	-	-	2,859	-	2,859	-	2,859
Net profit for the financial period	-	-	-	-	15,550	15,550	-	15,550
<b>At 31 December 2007</b>	<b>598,305</b>	<b>133,003</b>	<b>4,674</b>	<b>25,632</b>	<b>(547,857)</b>	<b>213,757</b>	<b>-</b>	<b>213,757</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008.

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**For the 9 months financial period ended 31 December 2008**

	<b>Current Year To Date 31/12/2008 RM'000</b>	<b>Preceding Year Corresponding Period 31/12/2007 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Cash receipts from customers	24,111	26,440
Cash payments to suppliers and employees	(20,171)	(23,559)
Tax paid	(1,823)	(3,887)
Tax refunded	-	1,772
Other operating receipts	2,197	-
Other operating payments	(96)	(264)
<b>Net cash inflow from operating activities</b>	<u>4,218</u>	<u>502</u>
<b>Cash Flows From Investing Activities</b>		
Deconsolidation of a subsidiary	(387)	-
Proceeds from disposal of investment in jointly controlled entity	-	38,280
Proceeds from disposal of other investment	-	100
Interest received	7,235	7,360
Purchase of property, plant and equipment	(645)	(321)
Proceeds from disposal of property, plant and equipment	216	232
Balance of net proceeds from disposal of non-current assets held for sale	6,549	-
Others	(530)	177
<b>Net cash inflow from investing activities</b>	<u>12,438</u>	<u>45,828</u>
<b>Cash Flows From Financing Activities</b>		
Redemption of RCSLS	(12,018)	(56,481)
Interest payments	(2,109)	(4,958)
Payment of hire purchase obligations	(367)	(172)
Redemption of charged land previously secured for borrowings of a former subsidiary	(17,441)	-
<b>Net cash outflow from financing activities</b>	<u>(31,935)</u>	<u>(61,611)</u>
<b>Net change in cash &amp; cash equivalents</b>	(15,279)	(15,281)
<b>Effects of exchange rate changes</b>	(14,244)	(1,764)
	(29,523)	(17,045)
<b>Cash &amp; cash equivalents at beginning of financial period</b>	<u>199,451</u>	<u>273,659</u>
<b>Cash &amp; cash equivalents at end of financial period</b>	<u>169,928</u>	<u>256,614</u>
<b>Cash &amp; cash equivalents at end of period comprise:</b>		
Cash on hand and at banks	5,459	15,777
Deposits with licensed banks	164,469	240,837
	<u>169,928</u>	<u>256,614</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2008.

**Notes to the Interim Financial Report****A1. Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2008.

The significant accounting policies and methods of computation and basis of consolidation applied in these interim financial statements are consistent with those used in the preparation of the Group's 31 March 2008 audited financial statements except for the adoption of the following revised Financial Reporting Standards (FRSs) that are relevant to the Group's operations and effective for financial periods beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

At the date of these financial statements, the Group has not early adopted the deferred FRS 139 - Financial Instruments: Recognition and Measurement. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

**A2. Audit Qualification**

The audit report of the Group's audited financial statements for the financial year ended 31 March 2008 was not subjected to any qualification.

**A3. Seasonality and Cyclicity Factors**

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

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### A4. Nature and Amounts of Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

(a) Nature and amounts of unusual items affecting net income are as follows:

	Current Quarter RM'000	Cumulative Period RM'000
Net gain on deconsolidation of a subsidiary	-	30,326
Provision for foreseeable loss of charged land	-	(23,000)
Gain on disposal of non-current assets classified as held for sale	-	3,018

(b) Nature and amounts of unusual items affecting assets, liabilities, equity and cashflow are as disclosed in note A11(a).

(c) As at 31 December 2008, the Group has fully settled the redemption sum of RM9.0 million and RM8.4 million owing to CIMB Bank Berhad and Gale Force Sdn. Bhd. respectively for charged land previously secured for a former subsidiary's borrowings.

### A5. Changes in Estimates of Amounts Reported in Prior Interim Periods of the Current Financial Year or in Prior Financial Years

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that have any material effect in the current quarter and financial year to date results.

### A6. Issuance and Repayment of Debt and Equity Securities

On 30 July 2003, the Company issued 16,883,720 nominal value of 5% redeemable convertible secured loan stocks A series ("RCSLS A") of RM1.00 each and issued 304,078,917 nominal value of 5% redeemable convertible secured loan stocks B series ("RCSLS B") of RM1.00 each. The main features of these financial instruments are described in note B9.

The movements of the loan stocks during the financial period ended 31 December 2008 were as follows:

	Current Quarter RM'000	Cumulative Period RM'000
Redemption of RCSLS A	-	279
Redemption of RCSLS B	-	11,739
	-	12,018

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)****A7. Dividend**

There was no payment of dividend during the financial period under review.

**A8. Segmental Reporting**

Segment information is presented in respect of the Group's business segments.

	Revenue Cumulative Period		Profit/(Loss) Before Tax Cumulative Period	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
Properties	13,911	23,271	17,210	(13,883)
Education	5,562	4,873	1,957	1,695
Others	914	1,965	(12,095)	30,495
	20,387	30,109	7,072	18,307

**A9. Valuations of Property, Plant, and Equipment**

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

**A10. Material Events Subsequent to the End of the Financial Period**

Other than the disclosure in note B11, there were no other material events subsequent to the balance sheet date that requires disclosure or adjustments to the interim financial report.

**A11. Changes in the Composition of the Group**

Changes in the composition of the Group for the financial period ended 31 December 2008 are as follows:

- (a) On 31 July 2008, the High Court of Malaya had granted the Winding-up Petition served on Bandar Sungai Buaya Sdn Bhd ("BSB"), a wholly-owned subsidiary of the Company, and appointed liquidators to manage the affairs of BSB. Based on the unaudited financial results as at 31 July 2008, the net gain to the Group on deconsolidation of BSB is RM30.3 million.

The deconsolidation of BSB had the following effects on the financial results of the Group:

	<b>01/04/08 up to date of deconsolidation RM'000</b>
Revenue	-
Operating expense	(1,077)
Other operating income	338
Loss from operations	(739)
Finance costs	(2,195)
Loss before tax	(2,934)
Tax expense	-
Net loss for the period	(2,934)

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The deconsolidation of BSB had the following effects on the financial position of the Group:

	<b>As at date of deconsolidation RM'000</b>
Property, plant and equipment	-
Land held for property development	47,593
Current assets	1,763
Current liabilities	<u>(237,957)</u>
Net liabilities deconsolidated	(188,601)
Inter-company balance fully provided as doubtful debts	<u>117,575</u>
	(71,026)
Provision relating to financial obligation arising from the deconsolidation	40,700
Net gain on deconsolidation to the Group	<u>(30,326)</u>
Cash outflow arising on deconsolidation:	
Cash and cash equivalents of the deconsolidated subsidiary	<u>387</u>

- (b) On 6 August 2008, the Company announced the acquisition of a shelf company, Synergy Score Sdn Bhd ("SSSB"). Currently, SSSB has not commenced business operation.

### A12. Contingent Liabilities

	31/12/2008 RM'000	31/03/2008 RM'000
<b>Secured</b>		
Contingent liabilities arising from land charged for credit facilities granted to a former subsidiary	-	<u>48,146</u>

### A13. Capital Commitments

Authorised capital commitments not provided for in the financial statements as at 31 December 2008 are as follows:

	31/12/2008 RM'000	31/03/2008 RM'000
Capital expenditure:		
Approved but not contracted for		
- property, plant and equipment	109	<u>543</u>



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

The Group recorded a profit before tax of RM7.1 million for the current financial period, 61.2% lower compared to a profit before tax of RM18.3 million in preceding year corresponding period. This is mainly due to a lower sales contribution from the property division. However, the interest expense of RCSLS was reduced by RM3.4 million as compared to the preceding year corresponding period due to repayment of RCSLS during the financial period.

The better performance in the preceding year corresponding period is also attributed to the gain on disposal of investment in a jointly controlled entity of RM39.9 million.

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

The Group recorded a profit before tax of RM2.2 million in the current quarter as compared to a profit before tax of RM1.8 million in the preceding quarter ended 31 December 2008. The higher profit in the current quarter was mainly due to better financial results from the jointly controlled entity.

**B3. Prospects**

Amidst the challenges and uncertainties facing the global and local economy, the Group remains focused and will continue to pursue property development and other opportunities locally and abroad. Barring any unforeseen circumstances, the Board is of the view that the Group's performance for the financial year ending 31 March 2009 will remain satisfactory.

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

Not applicable.

**B5. Tax expense**

	Individual Quarter		Cumulative Period	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
Current year taxation	801	1,327	2,271	2,543
Under/(over) provision in prior years	1	(35)	(1)	217
Adjustment to tax recoverable	-	-	406	-
Deferred taxation	436	3	499	(3)
	1,238	1,295	3,175	2,757

The effective tax rate of the Group for the current financial period was higher than the statutory tax rate due to certain expenses not deductible for tax purposes.

The effect of group relief, if any, are not reflected in the financial results as group relief will only be finalised after the completion of the tax returns for year of assessment 2009.

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### B6. Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties, other than those in the ordinary course of business during the current quarter and financial year to date, other than as disclosed in note B8 and as follows:

	Current Quarter RM'000	Cumulative Period RM'000
Gain on disposal of investment properties	-	159
Gain on disposal of non-current assets held for sale	-	<u>3,018</u>

### B7. Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter.

### B8. Status of Corporate Proposals

The Company entered into a Debt Restructuring Agreement ("DRA") on 28 February 2002, for the settlement of the amount owing by the Company and certain of its subsidiary companies to their financial institution lenders and EURO Convertible Bondholders. On 30 July 2003, the Company announced the completion of Composite Debt Restructuring Scheme and accordingly, the Company has fully settled its total scheme borrowings of RM450.5 million as at that date thereof with the listing of the Company new shares on 29 July 2003 and the issuance of RCSLS A and RCSLS B on 30 July 2003.

Pursuant to the DRA, the Company has undertaken an asset disposal programme to repay/redeem RCSLS.

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Status of the asset disposal programme is as follows:

	Asset disposed	Stage	Gross proceeds RM'000	Forecasted proceeds RM'000	Net proceeds RM'000	Cash received in current		Cash received in prior years RM'000
						Qtr RM'000	Ytd RM'000	
1.	Bumi Armada Share swap to settle RM207.4 mil debts	Completed Sep 2002	207,439	207,439	207,439	n/a	n/a	n/a
2.	Perlis Consolidated Sdn Bhd	Completed Sep 2002	Note 1	Note 1	Note 1	n/a	n/a	Note 1
3.	Industrial Resin (Malaysia) Bhd	Completed Oct 2002	30,000	27,000	28,250	n/a	n/a	28,250
4.	Factory lot in Temerloh - PT 481 (Lot 82)	Completed Jun 2004	725	449	725	-	-	725
5.	Semi-detached factories in Bangi - Lots 5 & 7 Semi-detached factories in Bangi - Lot 9	Completed Sep 2003 Completed Dec 2003	2,750 1,500	2,500 1,500	2,531 1,425	- -	- -	2,531 1,425
6.	51% equity interest in Lojing Group via cash (RM0.9 mil) and RCSLS B swap (RM3.6 mil)	Completed Dec 2003	4,500	1,714	4,500	-	-	900
7.	30% equity interest in Intercontinental (M) Sdn Bhd	Completed Dec 2003	4,300	3,000	4,300	-	-	4,300
8.	Factory lot in Kuantan - PT 16403 (Lot 77A)	Completed Mar 2005	4,500	4,380	4,406	-	-	4,406
9.	Villa Puteri Condominiums	Note 2	Note 2	Note 2	Note 2	Note 2	Note 2	Note 2
10.	70% equity interest in Twintech Holdings Sdn Bhd (formerly known as L&G Twintech Sdn Bhd)	Completed Dec 2004	Note 3	14,000	Note 3	-	-	5,003
11.	OGL Convertible Bonds (AUD15 mil)	Completed Apr 2004	Note 4	28,945	Note 4	-	-	15,860
12.	World Trade Centre Melbourne ("WTCM") (AUD112 mil)	Completed Jul 2005	338,100	92,000 (net)	Note 5	-	-	326,859
13.	Flinders Wharf Apartments	Note 6	Note 6	Note 6	Note 6	-	-	31,561
14.	2 parcels of land in Bandar Sri Damansara (21.5 acres)	Completed Mar 2006	79,658	59,000	70,260	-	-	70,260
15.	Plaza Putra at Dataran Merdeka	Completed Jun 2006	7,400	7,980	7,444	-	-	7,444
16.	7 parcels of land in Bandar Sri Damansara (26.1 acres)	Completed Mar 2006	107,833	98,870	95,125	-	-	95,125
17.	Sector 3 land in Kuala Lumpur	Completed Feb 2007	28,000	21,600	24,310	-	-	24,310
18.	36% equity interest in CCT	Completed Jun 2007	100	15,000	100	-	-	100
19.	17.15% equity interest in APJV	Completed Aug 2007	38,280	15,000	38,280	-	-	38,280
20.	Commercial land with incomplete 7 storey office building	Completed May 2008	7,400	3,480	7,289	-	6,660	740
21.	Factory land & buildings in Temerloh - PT No. 269 & 378	SPA signed Mar 2008	5,250	7,633	5,250	-	-	1,425

### Remarks:

n/a - not applicable

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### Notes

1. The equity interest in Perlis Consolidated Sdn Bhd was disposed off for a nominal sum of RM1.00
2. To date, 36 units of the condominiums had been sold for a total sale value of RM12.2 million.
3. Total proceed as per the S&P is RM33.3 million, including 50 acres of land payable via tendering of RCSLS (RM28.3 million) and cash (RM5.0 million). The sale of land is not included in the DRA.
4. The cancellation of the Convertible Bonds is via (i) early redemption of AUD4.5 million bonds, (ii) cancellation of AUD6.2 million bonds via transfer of certain assets of OGL under a bank guarantee in favour of the Company.
5. Gross proceed is based on exchange rate of AUD1.00:RM3.19, while at cash received date the prevailing exchange rate was AUD1.00:RM2.918. Forecasted proceed is net of payment of mortgage holders of WTCM, estimated tax payable on the sale and allowable direct sales expenses. Utilisation of the proceeds for repayment of debts under DRA is pending the finalisation of tax payable to authorities.
6. All 302 units of apartments have been sold. The Group has received its share of the net proceeds of RM31.5 million, which has been deposited into the Escrow Account.

All proceeds from the asset disposal programme have been/will be used to settle the indebtedness pursuant to the DRA.

### **B9. Group Borrowings and Debt Securities**

#### Financial instruments recognised on the balance sheets

As mentioned in note A6, the Company issued 16,883,720 nominal value of RCSLS A of RM1.00 each and issued 304,078,917 nominal value of RCSLS B of RM1.00 each.

The main features of the RCSLS A and RCSLS B are as follows:

#### 1. Tenure

##### RCSLS A:

Series 1 – 5 years from the date of issue

Series 2 – 7 years from the date of issue

##### RCSLS B:

Series 1 – 6 years from the date of issue (inclusive) of the RCSLS B Series 2 & 3

Series 2 – 3 years from date of issue

Series 3 – 7 years from the date of issue

#### 2. Maturity date

##### RCSLS A

Series 1 – date falling on the 5<sup>th</sup> anniversary from the date of issue

Series 2 – date falling on the 7<sup>th</sup> anniversary from the date of issue

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### RCSLS B

Series 1 – date falling on the 6<sup>th</sup> anniversary from the date of issue

Series 2 – date falling on the 3<sup>rd</sup> anniversary from the date of issue

Series 3 – date falling on the 7<sup>th</sup> anniversary from the date of issue

3. The RCSLS bear interest at 5% per annum payable semi-annually in arrears in each year calculated from the date of issue on 30 July 2003.
4. The RCSLS are convertible into the new shares in the Company at the conversion price of RM1.00 nominal amount of the RCSLS for every one ordinary shares of RM1.00 each, at anytime on or after its issuance date up to the trading day immediately preceding the maturity date.
5. On or any time after the date of issue of the RCSLS but before the maturity date, if the closing market price of the shares of the Company for 40 consecutive trading days is at least 180% of the conversion price during the conversion period, all outstanding RCSLS will be converted into the shares of the Company at the conversion price.
6. The new ordinary shares issued from the conversion of RCSLS will be deemed fully paid and rank pari passu with all existing ordinary shares of the Company.

The Group's total borrowings as at 31 December 2008 are as follows:

	RM'000
<b>Short Term Borrowings</b>	
Secured:	
RCSLS	66,748
Hire purchase and finance lease	139
	<u>66,887</u>
<b>Long Term Borrowings</b>	
Secured:	
RCSLS	4,962
Hire purchase and finance lease	450
	<u>5,412</u>
<b>Total Borrowings</b>	
Secured:	
RCSLS	71,710
Hire purchase and finance lease	589
	<u>72,299</u>

The above borrowings are all denominated in the local currency.

### B10. Financial Instruments with Off Balance Sheet Risk

There were no financial instruments with off balance sheet risk within 7 days before the date of issue of this report.

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

### B11. Material Litigations

- (a) On 20 March 2003, Bumiputra-Commerce Bank Berhad (now known as CIMB Bank Berhad ("CIMB")) commenced an action against Clarity Crest Sdn Bhd ("CCSB"), a wholly-owned subsidiary of the Company, in relation to a facility granted to Lembah Beringin Sdn Bhd (Receiver and Managers Appointed) (In Liquidation) ("LBSB"), a former subsidiary of the Company, by way of Originating Summons for an order for sale of the charged property over the land known as Grant Land No. 7555, Lot No 430 Mukim Kerling and Geran 39994, Lot 501, Mukim Kerling, to satisfy the sum secured under the charge being RM17.0 million under the Term Loan Facility and RM3.0 million under the Overdraft Facility, excluding all interests, costs and expenses incurred.

Four (4) attempts to auction off the lands were conducted on 22 December 2004, 8 August 2005, 3 May 2006 and 5 February 2008 with the reserve price being set at RM13.8 million, RM12.4 million RM11.1 million and RM10.0 million respectively. All were unsuccessful. CIMB has since applied for a new auction date at a reserve price of RM9.0 million. As to date no auction date has been fixed.

On 18 July 2008, CCSB entered into a Deed of Settlement with CIMB to redeem the charged land at a redemption sum of RM9.0 million. According to the redemption agreement, CCSB is liable to the full extent of the charge unless and until the full redemption sum is received by CIMB. Upon receipt by CIMB of the redemption sum, CIMB will withdraw or discontinue all existing legal proceedings initiated against CCSB in respect of the credit facilities and discharge all legal charges created in favour of CIMB over the charged land. CCSB had since complied with the terms of the Deed of Settlement and in accordance with the Deed of Settlement CIMB has instructed its solicitors to withdraw the action and the hearing of the Notice of Discontinuance of the suit is fixed on 18 February 2009.

- (b) On 10 May 2006, CCSB was served a Letter of Demand by Malayan Banking Berhad ("MBB"), in relation to a facility granted to LBSB, for alleged failure to make payment on its obligations under the Overdraft and Short Term Revolving Credit Facilities granted by MBB to LBSB. The said facilities are secured by a charge on three (3) pieces of land registered in the name of CCSB, and held under titles numbers GRN 53296 (formerly Grant for Land No. 8813) P.T No 678, GRN 53297 (formerly Grant for Land No. 8814) P.T 679 and GRN 50819 (formerly Certificate of Title No. 25258) Lot No. 487. MBB is claiming RM10.0 million under the Overdraft Facility and RM20.0 million under the Short Term Revolving Credit Facility.

On 4 June 2007, CCSB was notified that pursuant to a vesting order made on 30 May 2007 by the High Court, the debt owing to MBB has been transferred to and vested in Gale Force Sdn Bhd ("GFSB"). On 12 November 2007, the Court granted the Order for Sale and fixed 24 January 2008 as the auction date. On the said date there were no bidders. On an application by GFSB, the Court fixed 26 August 2008 as the new auction date with the reserve price set at RM9.2 Million.

On 18 July 2008, CCSB entered into a redemption agreement with GFSB to redeem the charged land at a redemption sum of RM8.4 million. The Group has paid RM0.8 million, being 10% non-refundable payment for the redemption on 18 July 2008 and the balance redemption sum on 21 October 2008. GFSB is amenable to accept these payments as full and final settlement of the liabilities owing by LBSB and release CCSB from any and all obligations to GFSB.

The relevant discharge of charge has been presented to the Land Registry at Shah Alam for registration on 3 December 2008 and is pending endorsement by the Land Registry.

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- (c) Sri Damansara Sdn Bhd (“SDSB”), a wholly-owned subsidiary of the Company, was served with a Section 218 notice dated 11 November 2002 pursuant to the Companies Act 1965 in respect of the payment of RM2.5 million alleged to be due to Brunsfield Engineering Sdn Bhd (“BESB”) for works it has undertaken. Following this notice, the Company and SDSB have served a Writ of Summons dated 30 November 2002 on BESB, pursuant to which the Company and SDSB applied for inter alia, an interim injunction against BESB in order that BESB is restrained from proceeding with a winding-up petition against SDSB until this claim has been arbitrated. SDSB’s application for the injunction was allowed on 12 August 2003. BESB has filed an appeal at the Court of Appeal to set aside the injunction order, but did not take any steps thereafter to prosecute the appeal.

On 23 September 2003, the Court ordered the Company to be struck off as a party to the suit. The court has at the request of BESB’s counsel, granted an adjournment of the hearing on 24 March 2004 to enable BESB to concede to SDSB’s claim and settle the issue of cost. On 11 August 2004, the court dismissed SDSB’s application under Order 14 with cost and proceeded to fix 3 June 2005 as the date for case management wherein the Court is expected to give its decisions. SDSB has instructed its solicitors to proceed to set down the matter for trial. The Court has set 5 September 2005 to enable the parties to submit their trial documents. The judge has scheduled 5 December 2007 and 6 December 2007 for the case trial. The Judge subsequently postponed the trial of the matter to 14 and 15 September 2009.

- (d) Las Maha Corporation Sdn Bhd (“Las Maha”) entered into a contract with SDSB on 21 January 2000 to carry out construction and completion of building and relevant infrastructure works of the development project in Bandar Sri Damansara for a contract sum of RM11.5 million. Due to late delivery of the project SDSB has imposed liquidated damages on Las Maha for late completion of the project.

On 2 April 2004, Las Maha sent a Notice of Arbitration to SDSB alleging, inter alia, that SDSB was not entitled for any damages for late completion of the project as Las Maha had achieved Practical Completion of works within reasonable time. In view of this SDSB has decided to refer the matter to Arbitration. Las Maha is claiming for the sum of RM2.2 million and SDSB has submitted a counter-claim for the amount of RM4.8 million, being liquidated damages claim of RM2.8 million and other claims totalling RM2.0 million.

SDSB was subsequently informed by its solicitors that Las Maha has been wound up on 15 February 2005. SDSB’s solicitors have filed the proof of debt on 20 February 2006. The Provisional Liquidator has yet to call for a Creditors Meeting.

Apart from the above, the Directors are not aware of any other proceedings pending against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which may materially affect the position of the Company and/or its subsidiaries.

**LAND & GENERAL BERHAD (COMPANY NO. 5507-H)****B12. Dividend**

The Board does not recommend a dividend payment for the financial period under review.

**B13. Earnings per Share**

## a) Basic earnings per share

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

	Individual Quarter		Cumulative Period	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Profit/(loss) attributable to the equity holders of the Company ( RM'000)	917	(12,364)	3,897	15,550
Weighted average number of ordinary shares ('000)	598,305	598,305	598,305	598,305
Basic earnings/(loss) per share	0.15 sen	(2.07) sen	0.65 sen	2.60 sen

## b) Diluted earnings per share

The diluted earnings per share is calculated based on the adjusted net profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the period, adjusted to assume conversion of all dilutive potential ordinary shares.

The adjusted net profit attributable to equity holders of the Company is arrived at by adding notional interest net of tax which would have been saved assuming conversion of the convertible secured loan stocks and is calculated as follows:

	Individual Quarter		Cumulative Period	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) attributable to the equity holders of the Company	917	(12,364)	3,897	15,550
Add: Notional interest net of tax	904	1,808	2,922	6,360
Adjusted profit/(loss) attributable to equity holders of the Company	1,821	(10,556)	6,819	21,910



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The weighted average number of ordinary shares outstanding plus the weighted average number of ordinary shares which would be issued assuming conversion of all dilutive potential ordinary shares into ordinary shares is calculated as follows:

	Individual Quarter		Cumulative Period	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	'000	'000	'000	'000
Weighted average number of ordinary shares issued	598,305	598,305	598,305	598,305
Assuming conversion of convertible secured loan stocks	71,710	143,462	71,710	143,462
Weighted average number of ordinary shares	670,015	741,767	670,015	741,767
Diluted earnings per shares	N/A	N/A	N/A	N/A

N/A - No diluted earnings per share is presented as the effect of the assumed conversion of the loan stocks is anti-dilutive.

**By Order of the Board**

LIM FONG EEN  
SECRETARY (MAICSA 0785833)

Kuala Lumpur  
25 February 2009