



LAND & GENERAL BERHAD (COMPANY NO. 5507-H)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period ended 31 December 2010

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 months ended		9 months ended	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	RM'000	RM'000	RM'000	RM'000
Continuing Operations:				
Revenue	14,079	9,739	28,421	24,108
Operating expenses	(10,970)	(9,212)	(25,201)	(23,605)
Other operating income	5,736	6,112	12,681	19,318
Profit from operations	8,845	6,639	15,901	19,821
Finance costs	(5)	(5)	(469)	(906)
Share of profits of jointly controlled entities	50	721	(14)	135
Profit before taxation	8,890	7,355	15,418	19,050
Income tax expense	(1,503)	(1,975)	(1,984)	(2,283)
Profit from continuing operations, net of tax	7,387	5,380	13,434	16,767
Other Comprehensive Income:				
Foreign currency translation differences from foreign operations	609	(543)	612	2,716
Other comprehensive income, net of tax	609	(543)	612	2,716
Total comprehensive income for the period	7,996	4,837	14,046	19,483
Profit attributable to:				
- Owners of the Company	7,387	5,380	13,434	16,767
- Minority interests	-	-	-	-
	7,387	5,380	13,434	16,767
Total comprehensive income attributable to:				
- Owners of the Company	7,996	4,837	14,046	19,483
- Minority interests	-	-	-	-
	7,996	4,837	14,046	19,483
Earnings per share attributable to Owners of the Company (sen):				
- Basic	1.23	0.90	2.25	2.80
- Diluted	1.23	0.80	2.25	2.64

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010.



LAND & GENERAL BERHAD (COMPANY NO. 5507-H)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	31/12/2010 RM'000	31/03/2010 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	63,570	64,204
Land held for property development	26,143	26,115
Investment properties	18,532	16,182
Prepaid land lease payments	219	1,769
Investment in associates	*	*
Investment in jointly controlled entities	1,110	(4,771)
Other investments	251	12,127
Financial assets at fair value through profit and loss	24,036	-
Long term receivables	18,304	-
Deferred tax assets	3	3
	<u>152,168</u>	<u>115,629</u>
Current Assets		
Property development costs	11,135	10,028
Inventories	24,440	26,601
Trade and other receivables	13,821	34,114
Tax recoverable	3,407	1,990
Deposits, cash and bank balances	141,421	136,694
	<u>194,224</u>	<u>209,427</u>
Non-current assets classified as held for sale	2,069	514
	<u>196,293</u>	<u>209,941</u>
TOTAL ASSETS	<u>348,461</u>	<u>325,570</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	119,661	119,661
Share premium	17,036	17,036
Reserves	20,922	20,310
Retained earnings	90,622	74,835
	<u>248,241</u>	<u>231,842</u>
Minority interests	-	-
Total Equity	<u>248,241</u>	<u>231,842</u>
Non-Current Liabilities		
Provisions	887	1,489
Other payable	1,262	-
Hire purchase and finance lease liabilities	214	330
Deferred tax liabilities	210	209
	<u>2,573</u>	<u>2,028</u>
Current Liabilities		
Provisions	64,356	67,339
Trade and other payables	32,727	23,862
Hire purchase and finance lease liabilities	154	154
Taxation	410	345
	<u>97,647</u>	<u>91,700</u>
Total Liabilities	<u>100,220</u>	<u>93,728</u>
TOTAL EQUITY AND LIABILITIES	<u>348,461</u>	<u>325,570</u>

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

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 December 2010

	Attributable to owners of the Company							Total equity RM'000
	Non-distributable				Retained earnings RM'000	Total RM'000	Minority interests RM'000	
	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Foreign exchange reserve RM'000				
At 1 April 2010	119,661	17,036	8,633	11,677	74,835	231,842	-	231,842
Effect of adopting FRS 139	-	-	-	-	2,353	2,353	-	2,353
At 1 April 2010, restated	119,661	17,036	8,633	11,677	77,188	234,195	-	234,195
Total comprehensive income for the period	-	-	-	612	13,434	14,046	-	14,046
At 31 December 2010	119,661	17,036	8,633	12,289	90,622	248,241	-	248,241

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period ended 31 December 2009 (Restated)

	Attributable to owners of the Company							Total equity RM'000
	Non-distributable				Retained earnings RM'000	Total RM'000	Minority interests RM'000	
	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Foreign exchange reserve RM'000				
At 1 April 2009	598,305	133,003	6,633	9,685	(547,458)	200,168	-	200,168
Effect of capital reduction	(478,644)	(115,967)	-	-	594,611	-	-	-
	119,661	17,036	6,633	9,685	47,153	200,168	-	200,168
Total comprehensive income for the period	-	-	-	2,716	16,767	19,483	-	19,483
At 31 December 2009	119,661	17,036	6,633	12,401	63,920	219,651	-	219,651

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010.



LAND & GENERAL BERHAD (COMPANY NO. 5507-H)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period-ended 31 December 2010

	CUMULATIVE PERIOD	
	9 months ended	
	31/12/2010	31/12/2009
	RM'000	RM'000
Cash Flows From Operating Activities		
Cash receipts from customers	38,646	26,797
Cash payments to suppliers and employees	(26,642)	(18,316)
Interest received	2,404	1,944
Dividend income	93	-
Tax paid	(3,661)	(1,329)
Tax refund	323	3,546
Other operating receipts	652	6,872
Other operating payments	(92)	(179)
Net cash inflow from operating activities	<u>11,723</u>	<u>19,335</u>
Cash Flows From Investing Activities		
Increase in investment in a jointly controlled entity	(125)	-
Purchase of property, plant and equipment	(421)	(529)
Proceeds from disposal of property, plant and equipment	-	1
Deposits paid for purchase of land	(2,500)	(4,000)
Balance of purchase price for land acquired under a joint venture	(1,855)	-
Premium paid for acquisition of leasehold land	(150)	-
Partial sales proceeds from disposal of assets held for sale	488	385
Purchase of marketable securities	-	(7,220)
Proceeds from disposal of marketable securities	-	59,020
Balance of proceeds from disposal of investment property	-	407
Others	(217)	(108)
Net cash (outflow)/inflow from investing activities	<u>(4,780)</u>	<u>47,956</u>
Cash Flows From Financing Activities		
Advances to a jointly controlled entity	(1,982)	-
Payment of hire purchase obligations	(129)	(120)
Redemption of Redeemable Convertible Secured Loan Stocks	-	(71,710)
Interest payments	(108)	(1,484)
Net cash outflow from financing activities	<u>(2,219)</u>	<u>(73,314)</u>
Net change in cash & cash equivalents	4,724	(6,023)
Effects of foreign exchange rate changes	3	11,070
	<u>4,727</u>	<u>5,047</u>
Cash & cash equivalents at beginning of financial period	<u>136,694</u>	<u>123,520</u>
Cash & cash equivalents at end of financial period	<u>141,421</u>	<u>128,567</u>
Cash & cash equivalents at end of period comprise:		
Cash on hand and at banks	6,343	4,186
Deposits with financial institutions	135,078	124,381
	<u>141,421</u>	<u>128,567</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2010.

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 (“MASB”) and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2010. 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 2010 audited financial statements, except for the adoption of the following:

- FRS 8: Operating Segments
- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs (revised)
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
- Amendments to FRSS ‘Improvements to FRSS (2009)’
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- TR i – 3: Presentation of Financial Statements of Islamic Financial Institutions

The adoption of the above FRSS, Amendments to FRSS and Interpretations did not have significant impact on the financial statements of the Group, except as describe below:

(a) FRS 8: Operating Segments

FRS 8 replaces *FRS 114²⁰⁰⁴: Segment Reporting* and requires a ‘management approach’, under which segment information is presented on a similar basis to that used for internal reporting purposes, that is available to the “chief operating decision maker” for the purpose of allocating resources to the segments and assessing their performance.

The Group has concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114²⁰⁰⁴. This standard does not have any impact on the financial position and results of the Group.

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(b) FRS 101: Presentation of Financial Statement (revised)

The revised FRS 101 separates owner and non-owner changes in equity. The consolidated statement of changes in equity now includes only details of transactions with owners whilst all non-owner changes in equity are presented as a single line labelled as total comprehensive income in the consolidated statement of changes in equity.

The Standard also introduces the statement of comprehensive income. All items of income and expense previously recognised in the income statement, together with all other gains or losses previously recognised directly in equity are now presented in the statement of comprehensive income which can be presented as a single statement or in two linked statements. The Group has elected to present this statement as one single statement.

Balance sheet is renamed as statement of financial position.

Comparative information had been represented so to conform with current period's presentation. This standard does not have any impact on the financial position and results of the Group.

(c) FRS 139: Financial Instruments: Recognition and Measurement

The standard establishes principles for recognising and measuring financial assets and financial liabilities. Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, financial assets available-for-sale or as derivative designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and other financial liabilities, or as derivatives designated as hedging instrument in an effective hedge, as appropriate.

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standard of FRS 139 in the current financial year. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments.

Subsequent to their initial recognition, the financial assets and financial liabilities are measured as follows:-

	Category	Measurement basis
i)	Financial instruments at fair value through profit or loss	At fair value through profit or loss
ii)	Loans and receivables	At amortised cost effective interest method
iii)	Held to maturity investments	At amortised cost effective interest method
iv)	Available for sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
v)	Loans and other financial liabilities	At amortised cost effective interest method

In accordance to the transitional provisions of FRS 139 for first-time adoption, the adjustments arising from remeasuring the financial instruments at the beginning of the financial year were recognised as adjustments of the opening balance of retained earnings or other appropriate reserves. The changes are applied prospectively and comparatives are not restated.

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Financial impact

The effects of changes in the consolidated statement of financial position as at 1 April 2010:

	As at 31 March 2010 RM'000	Effects of FRS 139 RM'000	As at 1 April 2010 RM'000
	(Audited)		
Assets			
Investment in jointly controlled entities	(4,771)	4,027	(744)
Other investments	12,127	(11,876)	251
Financial assets at fair value to profit or loss	-	15,765	15,765
Long term receivables	-	15,339	15,339
Trade and other receivables	34,114	(21,796)	12,318
Liabilities			
Trade and other payables	23,862	(894)	22,968
Equity			
Retained earnings	74,835	2,353	77,188

At the date of authorisation of this interim financial report, the following new FRSS, Amendments to FRS and Interpretations were issued by MASB but not yet effective and have not been applied by the Group:

Effective for financial periods beginning on or after 1 July 2010:

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- FRS 127: Consolidated and Separate Financial Statements (amended)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 15: Agreements for the Construction of Real Estate
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011:

- Amendment to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Amendment to FRS 7: Improving Disclosure about Financial Instruments

The Group plans to adopt the above pronouncements when they become effective in the respective financial period. These pronouncements are expected to have no significant impact to the financial statements of the Group upon their initial application except for IC Interpretation 15. However, Board is not able to quantify the effects of the adoption of IC Interpretation 15 at this point of time.

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A2. Audit Qualification

The audit report of the Group's audited financial statements for the financial year ended 31 March 2010 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 year under review.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review except for the effects arising from the adoption of FRS 139 as disclosed in A1(c) and net gain on fair value changes as disclosed in B7.

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 effects in the current quarter and financial year to date results.

A6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities during the financial period under review.

A7. Dividend

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

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A8. Segmental Reporting

In prior year's audited consolidated financial statements, the basis of segmentation was on a primary format of business segments and a secondary format of geographical segments. In the current quarter ended 31 December 2010 and for the financial year ending 31 March 2011, the basis of segmentation has been changed to operating segments based on information reported internally to the Managing Director and the Board of Directors.

Operating segment information for the financial period ended 31 December 2010 is as follows:

Quarter ended 31 December 2010

	Properties	Education	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Sales to external customers	10,330	2,712	3	-	13,045
Interest and dividend income	470	131	433	-	1,034
Inter-segment sales	9	-	376	(385)	-
Total revenue	10,809	2,843	812	(385)	14,079

Cumulative period ended 31 December 2010

	Properties	Education	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Sales to external customers	18,002	7,818	3	-	25,823
Interest and dividend income	1,096	157	1,345	-	2,598
Inter-segment sales	89	-	3,130	(3,219)	-
Total revenue	19,187	7,975	4,478	(3,219)	28,421

Results

Segment results	4,888	3,920	(2,430)	-	6,378
Net gain on fair value changes on financial assets at fair value through profit or loss					8,273
Share of profits of jointly controlled entities					(14)
Interest income on other financial liabilities					285
Net interest income on loan and receivables					496
Profit before tax					15,418

As at 31 December 2010

	Properties	Education	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Segment assets	213,160	7,131	123,650	-	343,941
Unallocated assets					3,410
Investment in jointly controlled entities					1,110
Total assets					348,461

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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 year

Except for the disclosures in note B12, there were no other material events subsequent to the balance sheet date that require disclosures or adjustments to the interim financial report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period under review.

A12. Contingent Liability

	31/12/2010 RM'000	31/03/2010 RM'000
Unsecured:		
Corporate guarantee issued to a bank, for banking facilities granted to a joint venture entity, by the Company in proportion to its shareholdings	19,250	-
	<hr/>	<hr/>

A13. Capital Commitments

Authorised capital commitments not provided for in the financial statements as at 31 December 2010 are as follows:

	31/12/2010 RM'000	31/03/2010 RM'000
Capital expenditure:		
Approved but not contracted for		
- property, plant and equipment	284	67
Share of capital commitment of a jointly controlled entity	-	1,855
	<hr/>	<hr/>
	284	1,922

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

For the current quarter under review, the Group registered a revenue of RM14.1 million and profit before tax ("PBT") of RM8.9 million. This is an increase of 44.6% and 20.9% respectively, compared to revenue of RM9.7 million and PBT of RM7.4 million in the corresponding quarter of the preceding year.

The significant increase in revenue and PBT was mainly due to more revenue and profit recognition from property development as construction for 8trium project progressed further coupled with better results from its education sector.

For the current financial year-to-date, revenue was RM28.4 million, representing an increase of RM4.3 million (17.9%) from the preceding financial year-to-date revenue of RM24.1 million. This is due to the better performance from both the property and education sector. Despite the better performance and the additional net gain of RM8.9 million arising from the implementation of FRS 139, the Group's PBT for the current financial year-to-date stood at RM15.4 million. This is a decrease of RM3.6 million (19.1%) from the preceding financial year-to-date PBT of RM19.1 million.

The higher PBT in the preceding financial year-to-date was mainly due the gains recognized from the sales of asset classified as held for sale of RM3.3 million and the realized foreign exchange gains of RM11.0 million as a result of the capital distributions from a foreign subsidiary.

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

For the current quarter under review, the Group recorded a PBT of RM8.9 million compared to RM4.9 million registered in the immediate preceding quarter. The increase in the current quarter PBT was mainly due to better performance from property and education sector.

B3. Prospects

Barring any unforeseen circumstances, the Group's prospect for the remaining quarter is expected to improve further given the progress of existing projects that include the Group's new launch of its joint venture project known as "The Elements" in Ampang.

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

Not applicable.

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B5. Tax expense

	Individual Quarter		Cumulative Period	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Malaysian income tax	1,416	2,175	1,898	2,428
- Foreign income tax	-	(36)	-	132
- Under/(over) provision in prior year	90	(168)	86	(168)
Deferred tax	(3)	4	-	(109)
	1,503	1,975	1,984	2,283

The domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated chargeable income for the year, while taxation for a foreign jurisdiction is calculated at the rate prevailing in that jurisdiction.

The effective tax rate of the Group is lower than the statutory tax rate in the current financial period mainly due to certain income not subject to tax.

B6. Unquoted Investments and/or Properties

The gains on disposal of unquoted investments and/or properties, other than those in the ordinary course of business, during the financial period under review are as follows:

	Current Quarter RM'000	Cumulative Period RM'000
Gains on disposal of non-current assets held for sale	-	7

B7. Quoted Securities

There was no purchase or disposal of quoted securities during the financial period under review.

The details of investments in quoted securities designated as financial assets at fair value to profit or loss are as follows:

	Current Quarter RM'000	Cumulative Period RM'000
Net gain on fair value changes	3,930	8,273

As at 31 December 2010
RM'000

At cost	11,876
At carrying value	24,036
At market value	24,036

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B8. Status of Corporate Proposals

On 22 December 2010, the Company announced that Bright Term Sdn Bhd, its wholly-owned subsidiary, had on the same date entered into a conditional sale and purchase agreement with Seremban Golf Resort Bhd (Receiver and Manager appointed)(in liquidation) for the proposed acquisition of ten(10) parcels of land improved with 27-hole golf course with a club house and other supporting facilities, five(5) parcels of vacant residential development land, forty-four(44) parcels of vacant bungalow plots, a single storey bungalow house and a parcel of industrial plot designated for TNB substation located within Tuanku Jaafar Golf and Country Resort, Seremban, Negeri Sembilan for a total cash purchase consideration of RM25,000,000.

The proposed acquisition is subject to the approvals from the Company's shareholders at an extraordinary general meeting to be convened, and any other relevant authorities.

B9. Hire Purchase and Finance Lease Liabilities

The Group's total hire purchase and finance lease liabilities as at 31 December 2010 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:			
Hire purchase and finance lease liabilities*	154	214	368

* All denominated in the local currency.

B10. Provisions of Financial Assistance

The Group's total provisions of financial assistance for jointly controlled entities as of 31 December 2010 are as follows:

	31/12/2010 RM'000	31/03/2010 RM'000
Advances	27,270	22,796
Corporate guarantee issued to a bank, for banking facilities granted to a joint venture entity, by the Company in proportion to its shareholdings	19,250	-
	<u>46,520</u>	<u>22,796</u>

The financial impacts of the provisions of financial assistance are as follows:

(a) Impact to the financial position of the Group

	31/12/2010 RM'000	31/03/2010 RM'000
Advances	21,125	# 22,796
Financial guarantee liability	<u>(1,466)</u>	<u>-</u>

These advances were subsequently re-measured at fair value on 1 April 2010, resulting in the amounts being restated to RM16,339,000 on that day.

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(b) Impact to the results of the Group

	Current Quarter RM'000	Cumulative Period RM'000
Interest income on advances *	321	952
Interest income on financial guarantee *	63	146
Interest expense on advances arising from initial recognition of the advances at fair value	-	(455)

* Pursuant to FRS 139, interest-free loan and corporate guarantee are subject to interest computed using the amortised cost effective interest method.

B11. Derivative Financial Instruments

There were no derivative financial instruments as at 31 December 2010.

B12. Retained Earnings

	31/12/2010 RM'000	30/09/2010 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(60,124)	(60,262)
- Unrealised	(46,204)	(50,942)
	(106,328)	(111,204)
Total share of retained profits from associated companies:		
- Realised	940	940
- Unrealised	-	-
Total share of accumulated losses from jointly controlled entities:		
- Realised	(759)	(809)
- Unrealised	-	-
	(106,147)	(111,073)
Less: Consolidation adjustments	196,769	194,307
Total Group retained earnings as per consolidated accounts	90,622	83,234

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B13. Material Litigations

- (a) 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 matter was set down for trial on 5, 6 and 7 April 2010. The parties agreed to settle the matter wherein both parties were to withdraw their respective claims with no order as to cost. The Court on 5 April 2010, allowed the withdrawal and recorded consent judgement on the following terms:-

- (i) The Section 218 Notice under the Companies Act, 1965 issued by BESB be withdrawn and cancelled;
 - (ii) The Writ of Summons filed by the Company and BESB be withdrawn and struck off;
 - (iii) Cost to be borne by each party;
 - (iv) No further claims are to be made by each party against the other in relation to this matter.
- (b) 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.

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- (c) A claim of RM6.7 million was made against Navistar Sdn Bhd ("Navistar"), a wholly owned subsidiary of the Company, by AK2 Runding Sdn Bhd ("AK2"). The claim is for purported fees due and outstanding for unpaid balance of professional fees for architectural consultancy services rendered for a proposed three stage commercial development then undertaken by Navistar.

AK2 served the Writ of summons dated 20 August 2008 on Navistar and Navistar had responded. The matter is fixed for further case management on 8 March 2011.

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.

B14. Dividend

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

B15. Earnings per Share

Basic

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	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Profit attributable to owner of the Company (RM'000)	7,387	5,380	13,434	16,767
Weighted average number of ordinary shares ('000)	598,305	598,305	598,305	598,305
Basic earnings per share (sen)	1.23	0.90	2.25	2.80

Diluted

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 financial instruments into 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	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owner of the Company	7,387	5,380	13,434	16,767
Add: Notional interest net of tax	-	-	-	894
Adjusted profit attributable to equity holders the Company	7,387	5,380	13,434	17,661

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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 financial instruments into ordinary shares is calculated as follows:

	Individual Quarter		Cumulative Period	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	'000	'000	'000	'000
Weighted average number of ordinary shares issued	598,305	598,305	598,305	598,305
Assuming conversion of RCSLS	-	71,710	-	71,710
Adjusted weighted average number of ordinary shares	598,305	670,015	598,305	670,015
Diluted earnings per share (sen)	1.23	0.80	2.25	2.64

By Order of the Board

LIM FONG EEN
SECRETARY (MAICSA 0785833)

Kuala Lumpur
24 February 2011

