



LAND & GENERAL BERHAD (COMPANY NO. 5507-H)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the financial period ended 31 December 2013

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|--------------------|------------|-------------------|------------|
| | 3 months ended | | 9 months ended | |
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 141,213 | 34,593 | 371,174 | 133,148 |
| Operating expenses | (91,975) | (25,998) | (235,972) | (96,680) |
| Other operating income | 2,510 | 13,180 | 5,465 | 15,426 |
| Profit from operations | 51,748 | 21,775 | 140,667 | 51,894 |
| Investment related (expenses)/income (Note A9) | (244) | 29 | (946) | (8,115) |
| Finance costs | (516) | (429) | (1,408) | (1,289) |
| Share of results of jointly controlled entity | (953) | (1,013) | (2,690) | (4,116) |
| Profit before taxation | 50,035 | 20,362 | 135,623 | 38,374 |
| Income tax expense | (13,318) | (4,689) | (36,997) | (9,255) |
| Profit for the period | 36,717 | 15,673 | 98,626 | 29,119 |
| Other Comprehensive Income: | | | | |
| Foreign currency translation differences from foreign operations | 68 | (56) | 47 | 41 |
| Realisation of foreign exchange reserve upon deconsolidation of foreign subsidiaries | - | - | - | 666 |
| Other comprehensive income, net of tax | 68 | (56) | 47 | 707 |
| Total comprehensive income for the period | 36,785 | 15,617 | 98,673 | 29,826 |
| Profit attributable to: | | | | |
| - Owners of the Company | 24,994 | 14,379 | 58,517 | 24,305 |
| - Non-controlling interests | 11,723 | 1,294 | 40,109 | 4,814 |
| | 36,717 | 15,673 | 98,626 | 29,119 |
| Total comprehensive income attributable to: | | | | |
| - Owners of the Company | 25,062 | 14,323 | 58,564 | 25,012 |
| - Non-controlling interests | 11,723 | 1,294 | 40,109 | 4,814 |
| | 36,785 | 15,617 | 98,673 | 29,826 |
| Earnings per share attributable to Owners of the Company (sen): | | | | |
| - Basic | 4.04 | 2.40 | 9.47 | 4.06 |
| - Diluted | 3.32 | N/A | 7.59 | N/A |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013.



LAND & GENERAL BERHAD (COMPANY NO. 5507-H)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

| | 31/12/2013 | 31/03/2013 |
|---|-----------------------|-----------------------|
| | RM'000 | RM'000 |
| | | (Audited) |
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 74,910 | 72,306 |
| Land held for property development | 31,963 | 30,954 |
| Investment properties | 92,492 | 34,413 |
| Goodwill | 12 | 12 |
| Land use rights | 57 | 58 |
| Investment in associates | * | * |
| Investment in jointly controlled entity | (10,546) | (12,254) |
| Other investments | 4,173 | 5,118 |
| Deferred tax asset | 664 | - |
| Trade and other receivables | 9,841 | 17,626 |
| | <u>203,566</u> | <u>148,233</u> |
| Current Assets | | |
| Property development costs | 100,038 | 142,246 |
| Inventories | 8,853 | 9,733 |
| Trade and other receivables | 43,071 | 25,322 |
| Other current assets | 157,881 | 50,016 |
| Tax recoverable | 517 | 979 |
| Deposits, cash and bank balances | 195,392 | 172,371 |
| | <u>505,752</u> | <u>400,667</u> |
| Non-current assets classified as held for sale | - | 757 |
| | <u>505,752</u> | <u>401,424</u> |
| TOTAL ASSETS | <u>709,318</u> | <u>549,657</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 126,932 | 119,661 |
| Share premium | 18,239 | 17,036 |
| ICULS –equity portion | 70,941 | - |
| Retained profits | 228,496 | 169,979 |
| Other reserves | 20,389 | 20,342 |
| | <u>464,997</u> | <u>327,018</u> |
| Non-controlling interests | <u>50,529</u> | <u>22,568</u> |
| Total Equity | <u>515,526</u> | <u>349,586</u> |
| Non-Current liabilities | | |
| Provisions | 34,799 | 33,712 |
| Trade and other payables | 22,581 | 15,935 |
| Borrowings | 9,109 | 57,234 |
| Deferred tax liabilities | 2,780 | 3,887 |
| ICULS –liability portion | 2,655 | - |
| | <u>71,924</u> | <u>110,768</u> |
| Current Liabilities | | |
| Provisions | 1,487 | 2,294 |
| Trade and other payables | 82,390 | 73,785 |
| Borrowings | 8,494 | 9,530 |
| Tax payable | 29,497 | 3,694 |
| | <u>121,868</u> | <u>89,303</u> |
| Total Liabilities | <u>193,792</u> | <u>200,071</u> |
| TOTAL EQUITY AND LIABILITIES | <u>709,318</u> | <u>549,657</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 2013



LAND & GENERAL BERHAD (COMPANY NO. 5507-H)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial period ended 31 December 2013

| | Attributable to owners of the Company | | | | | | | | |
|--|---------------------------------------|---------------|-----------------------|-----------------|--------------------------|------------------|----------------|---------------------------|----------------|
| | Non-distributable | | | | | | Total | Non-Controlling Interests | Total equity |
| | Share capital | Share premium | ICULS -equity Portion | Capital reserve | Foreign exchange reserve | Retained profits | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| At 1 April 2013 | 119,661 | 17,036 | - | 12,133 | 8,209 | 169,979 | 327,018 | 22,568 | 349,586 |
| Issuance of ICULS | - | - | 75,569 | - | - | - | 75,569 | - | 75,569 |
| Conversion of ICULS | 7,271 | 2,181 | (4,628) | - | - | - | 4,824 | - | 4,824 |
| ICULS issuance expenses | - | (978) | - | - | - | - | (978) | - | (978) |
| Total comprehensive income for the financial period | - | - | - | - | 47 | 58,517 | 58,564 | 40,109 | 98,673 |
| Dividend payable to a non-controlling interest of a subsidiary company | - | - | - | - | - | - | - | (12,148) | (12,148) |
| At 31 December 2013 | 126,932 | 18,239 | 70,941 | 12,133 | 8,256 | 228,496 | 464,997 | 50,529 | 515,526 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial period ended 31 December 2012

| | Attributable to owners of the Company | | | | | | | | |
|---|---------------------------------------|---------------|----------------------------|--------------------------|------------------|----------------|---------------|---------------------------|--------------|
| | Non-distributable | | | | | | Total | Non-controlling interests | Total equity |
| | Share capital | Share premium | Capital redemption reserve | Foreign exchange reserve | Retained profits | | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| 1 April 2012 | 119,661 | 17,036 | 12,133 | 7,611 | 126,010 | 282,451 | 9,360 | 291,811 | |
| Total comprehensive income for the financial period | - | - | - | 707 | 24,305 | 25,012 | 4,814 | 29,826 | |
| 31 December 2013 | 119,661 | 17,036 | 12,133 | 8,318 | 150,315 | 307,463 | 14,174 | 321,637 | |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013.



LAND & GENERAL BERHAD (COMPANY NO. 5507-H)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial period ended 31 December 2013

| | CUMULATIVE PERIOD | |
|---|--------------------------|-------------------|
| | 9 months ended | |
| | 31/12/2013 | 31/12/2012 |
| | RM'000 | RM'000 |
| Cash Flows From Operating Activities | | |
| Cash receipts from customers | 248,355 | 120,237 |
| Cash payments to suppliers and employees | (178,867) | (80,625) |
| Interest received | 3,274 | 2,630 |
| Dividend income | - | 2,590 |
| Returns of short term funds | 296 | 430 |
| Tax paid | (11,883) | (9,651) |
| Tax refund | 72 | 670 |
| Other operating receipts | 639 | 313 |
| Other operating payments | (3,387) | (1,100) |
| Net cash inflow from operating activities | <u>58,499</u> | <u>35,494</u> |
| Cash Flows From Investing Activities | | |
| Additions of property, plant and equipment | (3,012) | (2,795) |
| Proceeds from disposal of property, plant and equipment | 103 | 8 |
| Part payment for an acquisition of office building (Note B6) | (57,988) | - |
| Payment made to redeem charges on land secured for borrowing of a former subsidiary | - | (4,000) |
| Deposit paid to purchase a piece of land | (5,926) | (2,985) |
| Partial sales proceeds from disposal of assets held for sale | 1,127 | 476 |
| Subsequent expenditure on investment properties | - | (4,303) |
| Net cash used in investing activities | <u>(65,696)</u> | <u>(13,599)</u> |
| Cash Flows From Financing Activities | | |
| ICULS issuance proceeds | 77,780 | - |
| ICULS conversion proceeds | 4,689 | - |
| Drawdown of bridging loan | 15,723 | 24,962 |
| Repayment of term loan | (92) | (7,949) |
| Repayment of bridging loan | (55,869) | - |
| Advances to a jointly controlled entity | (1,050) | (1,983) |
| Payment of hire purchase obligations | (91) | (138) |
| Interest payments | (1,542) | (2,348) |
| Net cash inflow from financing activities | <u>39,548</u> | <u>12,544</u> |
| Net change in cash & cash equivalents | 32,351 | 34,439 |
| Effects of foreign exchange rate changes | 48 | 14 |
| | <u>32,399</u> | <u>34,453</u> |
| Cash & cash equivalents at beginning of financial year | <u>162,993</u> | <u>116,631</u> |
| Cash & cash equivalents at end of financial period | <u>195,392</u> | <u>151,084</u> |
| Cash & cash equivalents at end of financial period comprise: | | |
| Cash on hand and at banks | 46,476 | 42,600 |
| Short term funds with financial institutions | 14,059 | 21,198 |
| Deposits with financial institutions | 134,857 | 95,272 |
| | <u>195,392</u> | <u>159,070</u> |
| Bank overdraft | - | (7,986) |
| | <u>195,392</u> | <u>151,084</u> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013.

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 2013. 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 2013 audited financial statements, except for the adoption of the following:

| | |
|-----------------------------|--|
| FRS 10 | Consolidated Financial Statements |
| FRS 11 | Joint Arrangements |
| FRS 12 | Disclosure of Interests in Other Entities |
| FRS 13 | Fair Value Measurement |
| FRS 119 | Employee Benefits |
| FRS 127 | Separate Financial Statements |
| FRS 128 | Investment in Associates and Joint Ventures |
| IC Interpretation 20 | Stripping Costs in the Production Phase of a Surface Mine |
| Amendments to FRS 1 | First time Adoption of Malaysian Financial Reporting Standards - Government loans |
| Amendments to FRS 1 | First time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012)) |
| Amendments to FRS 7 | Disclosure - Offsetting Financial Assets and Financial Liabilities |
| Amendments to FRS 10 | Consolidated Financial Statement |
| Amendments to FRS 11 | Joint Arrangements |
| Amendments to FRS 12 | Disclosure of Interest in Other Entities |
| Amendments to FRS 101 | Presentation of Items of Other Comprehensive income |
| Improvements to FRSs (2012) | 2009-2011 Cycle (effective from 1 January 2013) |

Standards and interpretations issued but not yet effective

At the date of authorisation of these interim financial statements, the following new and amended FRSs were issued but not yet effective and have not been applied by the Group:

Effective for financial periods beginning on or after 1 January 2014

| |
|--|
| Malaysian Financial Reporting Standards |
| Amendment to FRS 10, FRS 12 and FRS 127 : Investment Entities |
| Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities |

Effective for financial periods beginning on or after 1 January 2015

| |
|-------------------------------|
| FRS 9 : Financial Instruments |
|-------------------------------|

A2. Audit Qualification

The audit report of the Group’s audited financial statements for the financial year ended 31 March 2013 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.

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

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 flow during the financial period under review except for impairment loss on loans granted to a jointly controlled entity amounted to RM4.4 million, as disclosed in Note B8(b).

A5. Changes in Estimates of Amounts Reported in Prior Interim Periods of the Current Financial Period or 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/financial period.

A6. Issuance and Repayment of Debt and Equity Securities

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

(i) 1% 5 year Irredeemable Convertible Loan Stocks (ICULS)

The 5 year ICULS was completed with the issuance of RM77,779,589 ICULS in nominal value of RM0.13 each on 30 September 2013; and

(ii) Share capital

During the period ended 31 December 2013, the issued and paid-up share capital of the Company increased from 598,304,530 ordinary shares of RM0.20 each to 634,659,430 ordinary shares of RM0.20 each by the issuance of 36,354,900 new ordinary shares of RM0.20 each pursuant to the conversion of ICULS as follow:

- a) The non cash conversion of 569,000 ICULS into 284,500 new ordinary shares of RM0.20 each; and
- b) The conversion of 36,070,400 ICULS into 36,481,000 new ordinary shares of RM0.20 each following the receipt of cash proceeds of RM4,689,152.

As at 31 December 2013, the balance of outstanding ICULS in issue was 561,665,130.

A7. Dividend

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

A8. Segmental Reporting

The operating segment information for the financial period ended 31 December 2013 is as follows:

Revenue for the 9 months period ended 31 December 2013

| | Properties RM'000 | Education RM'000 | Others RM'000 | Elimination RM'000 | Total RM'000 |
|--|----------------------|---------------------|------------------|-----------------------|-----------------|
| Sales to external customers | 354,291 | 9,757 | 4,604 | - | 368,652 |
| Interest & returns of short term funds | - | - | 2,522 | - | 2,522 |
| | <u>354,291</u> | <u>9,757</u> | <u>7,126</u> | <u>-</u> | <u>371,174</u> |
| Inter-segment sales | 2,365 | - | 4,173 | (6,538) | - |
| Total revenue | <u>356,656</u> | <u>9,757</u> | <u>11,299</u> | <u>(6,538)</u> | <u>371,174</u> |

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

Segment results for the 9 months period ended 31 December 2013

| | Properties | Education | Others | Total |
|---|-------------------|------------------|---------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment results | 140,643 | 4,591 | (4,567) | 140,667 |
| Share of results of jointly controlled entity | | | | (946) |
| Loss on fair value changes on financial assets at fair value through profit or loss | | | | (1,408) |
| Finance costs | | | | (2,690) |
| Profit before taxation | | | | <u>135,623</u> |

Segment assets as at 31 December 2013

| | Properties | Education | Others | Total |
|--|-------------------|------------------|---------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment assets | 466,241 | 20,873 | 225,401 | 712,515 |
| Fair value surplus of a landed property arising from acquisition of a subsidiary | | | | 6,168 |
| Investment in jointly controlled entity | | | | (10,546) |
| Investment in associates | | | | - |
| Deferred tax asset | | | | 664 |
| Tax recoverable | | | | 517 |
| Total assets | | | | <u>709,318</u> |

Segment liabilities as at 31 December 2013

| | Properties | Education | Others | Total |
|---------------------------|-------------------|------------------|---------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment liabilities | 105,622 | 2,956 | 38,134 | 14,712 |
| Tax payable | | | | 29,497 |
| Deferred tax liabilities | | | | 2,780 |
| ICULS – liability portion | | | | 2,655 |
| Total liabilities | | | | <u>181,644</u> |

A9. Profit Before Taxation

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

| | Current Quarter | Cumulative Period |
|---|------------------------|--------------------------|
| | RM'000 | RM'000 |
| Interest income | 1,408 | 3,598 |
| Returns of short term funds | 93 | 289 |
| Gain on disposal of asset held for sale | 393 | 393 |
| Realised foreign exchange loss | (2) | (2) |
| Unrealised foreign exchange loss | (71) | (313) |
| Impairment loss on re-measurement of loan to a jointly controlled entity (Note B8) | (222) | (4,419) |
| Bad and doubtful debts | (63) | (63) |
| Investment related expenses: | | |
| Loss on fair value changes on financial assets at fair value through profit or loss | (243) | (945) |
| Interest expense | (74) | (81) |
| Depreciation and amortisation | (566) | (1,598) |

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

A10. Valuations of Property, Plant, and Equipment

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

A11. Material Events Subsequent to the End of the Financial Period

There are no other material events subsequent to the end of the financial period ended 31 December 2013 that have not been reflected in this interim financial report.

A12. Changes in the Composition of the Group

On 7 August 2013, the Company acquired the entire issued and paid up share capital comprising 2 ordinary shares of RM1.00 each in Pillar Quest Sdn Bhd ("PQSB"). Consequently, PQSB became a wholly-owned subsidiary of the Company.

A13. Capital Commitments

| | 31/12/2013 RM'000 | 31/3/2013 RM'000 |
|---------------------------------|----------------------|---------------------|
| Capital expenditure: | | |
| Approved and contracted for | | |
| - property, plant and equipment | 278 | 2,011 |
| - investment property | 14,497 | - |
| | <hr/> 14,775 | <hr/> 2,011 |
| Approved but not contracted for | | |
| - property, plant and equipment | 1,199 | 1,412 |
| | <hr/> 15,974 | <hr/> 3,423 |

A14. Contingent Liabilities

There were no contingent liabilities as at end of the financial period under review.

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

For the quarter ended on 31 December 2013

| Quarter | Revenue | | Operating profit | |
|---|------------------|------------------|------------------|------------------|
| | 3Q2014 RM'000 | 3Q2013 RM'000 | 3Q2014 RM'000 | 3Q2013 RM'000 |
| Property | 135,300 | 29,343 | 50,021 | 8,394 |
| Education | 3,368 | 2,770 | 1,764 | 1,153 |
| Others | 2,545 | 2,480 | (37) | 12,228 |
| Total | 141,213 | 34,593 | 51,748 | 21,775 |
| Investment related (expenses)/income | | | (244) | 29 |
| Finance costs | | | (516) | (429) |
| Share of results of jointly controlled entity | | | (953) | (1,013) |
| Profit Before Tax | | | 50,035 | 20,362 |

The Group posted a revenue of RM141.2 million for the quarter under review, compared to the corresponding quarter of the preceding year of RM34.6 million. The Group's operating profit rose from RM21.8 million to RM51.7 million for the quarter ended 31 December 2013. The main contributor to the escalated results was the property division.

Property division

With development reaching 60% and cumulative sales locked in at almost 90%, Elite Forward through its project namely, the Elements@Ampang contributed a total revenue and an operating profit of RM 90.6 million and RM31.7 million for the quarter. Sri Damansara Sdn Bhd through its Damansara Foresta project also rendered a revenue of RM44.5 million and an operating profit of RM 18.3 million to the division as its construction reached 25% with cumulative sales locked in at almost 90% at the end of the quarter ended 31 December 2013.

The combined contributions from the said projects have escalated the property division's revenue and operating profit to RM135.3 million (3Q2013: RM29.3 million) and RM50.0 million (3Q2013: RM8.4 million) respectively compared to the corresponding quarter of the preceding year.

Education division

The education division registered a slight increase in both revenue and operating profit to RM3.4 million (3Q2013: RM2.8 million) and RM1.8 million (3Q2013: RM1.2 million) respectively compared to the corresponding quarter of the preceding year, following the revision in fees for the academic year 2013.

Others

Other divisions however, suffered an operating loss of RM0.03 million (3Q2013: operating profit of RM12.2 million) on the back of a revenue of RM2.5 million (3Q2013: RM2.5 million). The significant operating profit registered in the corresponding quarter of the preceding year arose mainly due to the exceptional gain of RM12.3 million derived from the write back of provision no longer required following the redemption of plantation land.

Consequently, the Group's pre-tax profit stood at RM50.0 million for the quarter, RM1.7 million lower than its operating profit mainly due to share of losses from its jointly controlled entity in Australia of RM1.0 million.

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

For the 9 months period ended on 31 December 2013

| Year-to-date | Revenue | | Operating profit | |
|---|------------------|------------------|------------------|------------------|
| | 3Q2014 RM'000 | 3Q2013 RM'000 | 3Q2014 RM'000 | 3Q2013 RM'000 |
| Property | 354,291 | 113,904 | 140,643 | 33,367 |
| Education | 9,758 | 8,531 | 4,591 | 3,688 |
| Others | 7,125 | 10,713 | (4,567) | 14,839 |
| Total | 371,174 | 133,148 | 140,667 | 51,894 |
| Investment related expenses | | | (946) | (8,115) |
| Finance costs | | | (1,408) | (1,289) |
| Share of results of jointly controlled entity | | | (2,690) | (4,116) |
| Profit Before Tax | | | 135,623 | 38,374 |

For the 9 months period under review, the Group's revenue and operating profit peaked at RM371.2 million (3Q2013: RM133.1 million) and RM140.7 million (3Q2013: RM51.9 million) respectively compared to the corresponding period of the preceding year.

Property division

Having cumulative sales locked in at 90% for both the Elements@Ampang and Damansara Foresta and their construction progressing as planned, the property division managed to clinch a combined revenue of RM354.3 million (3Q2013: RM113.9 million) and an operating profit of RM140.6 million (3Q2013: RM33.4 million) for the 9 month period under review. This has resulted in the division being the main contributor to the Group results at almost 99.9%.

Education division

Following the said 2013 fees revision, the education division posted an increase revenue of RM9.8 million (3Q2013: RM8.5 million) and an operating profit of RM4.6 million (3Q2013: RM3.7 million) respectively, compared to the corresponding period of the preceding year.

Others

Other divisions posted an operating loss of RM4.6 million (3Q2013: an operating profit of RM14.8 million) on the back of a revenue of RM7.1 million (3Q2013: RM10.7million). The higher results in the corresponding period of the preceding year were due to the write back of provision of RM12.3 million on redemption of land and the special dividend received from Vietnam Industrial Limited amounting to RM2.6 million.

For the 9 months period ended 31 December 2013, the Group's pre-tax profit stood at RM135.6 million compared to RM38.4 million achieved for the 9 months period ended in the preceding year.

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

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

| Quarter | Revenue | | Operating profit | |
|---|------------------|------------------|------------------|------------------|
| | 3Q2014 RM'000 | 2Q2014 RM'000 | 3Q2014 RM'000 | 2Q2014 RM'000 |
| Property | 135,300 | 134,617 | 50,021 | 56,716 |
| Education | 3,368 | 3,152 | 1,764 | 1,292 |
| Others | 2,545 | 2,278 | (37) | (1,021) |
| Total | 141,213 | 140,047 | 51,748 | 56,987 |
| Investment related expense | | | (244) | (508) |
| Finance costs | | | (516) | (447) |
| Share of results of jointly controlled entity | | | (953) | (164) |
| Profit Before Tax | | | 50,035 | 55,868 |

There was no material changes in the Group's results for the current quarter compared to the results of the preceding quarter.

B3. Prospects

The Group is optimistic of favourable performance for the coming financial year ending 31 March 2014 due to the 95% sales locked in to date for both its Elements@Ampang and Damansara Foresta. Nevertheless, business environment will remain challenging in the wake of the rising costs escalation arising from the restructuring of subsidies by the Government coupled with other government initiatives on foreign labour and minimum wages.

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

Not applicable.

B5. Tax expense

| | Individual Quarter | | Cumulative Period | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 31/12/2013 RM'000 | 31/12/2012 RM'000 | 31/12/2013 RM'000 | 31/12/2012 RM'000 |
| Income tax: | | | | |
| - Malaysian income tax | 13,340 | 4,305 | 37,737 | 8,344 |
| - Under provision in prior years | 343 | 434 | 339 | 297 |
| Deferred tax | (365) | (50) | (1,079) | 614 |
| | 13,318 | 4,689 | 36,997 | 9,255 |

The domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 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 higher than the statutory tax rate in the financial period due to certain expenses not allowed for tax purposes.

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

B6. Status of corporate proposals

- (a) On 9 April 2013, the Company announced that it proposed to undertake the following:-
- (i) Proposed renounceable rights issue of RM77,779,589 nominal value of five (5)-year, 1%, Irredeemable Convertible Unsecured Loan Stocks (“ICULS”) at 100% of the nominal value of RM0.13 each on the basis of RM0.13 nominal value of the ICULS for every one (1) existing share of RM0.20 each in the Company; and
 - (ii) Proposed acquisition of one (1) block of thirteen (13)-storey stratified office floors being constructed over a piece of freehold land held under Geran 825, Lot No. 3, Presint 3, town and district of Putrajaya, state of Wilayah Persekutuan Putrajaya by Maple Domain Sdn Bhd, a wholly-owned subsidiary of the Company, from Mayland Avenue Sdn Bhd (“MASB”) for a total cash consideration of RM72,485,000.

MASB is a related company of Mayland Parkview Sdn Bhd, which in turn is a major shareholder of the Company.

The above mentioned proposals were approved by the shareholders on 31 July 2013.

The Trust Deed constituting the terms and conditions of the ICULS has been duly executed on 6 August 2013.

The issuance and listing of the ICULS was completed on 30 September 2013 following the admission of RM77,779,589 nominal value of ICULS to the Official List and the listing of and quotation of the same on the Main Market of Bursa Malaysia Securities Sdn Bhd.

The completion of Acquisition would take place upon full payment of Purchase Consideration in accordance with the terms of the Sales and Purchase Agreement.

Utilisation of proceeds from the above corporate proposal

- (i) ICULS fund raising

As at 19 February 2014, the total proceeds of RM77,779,589 arising from the rights issue of ICULS were utilised as follows:-

| Purposes | Proposed utilisation | Actual utilisation | Balance unutilised | Intended timeframe for utilisation from completion date |
|--|----------------------|--------------------|--------------------|---|
| | RM'000 | RM'000 | RM'000 | |
| Funding for Proposed Acquisition | 67,049 | 52,552 | 14,497 | Within 24 months |
| Working capital | 9,730 | 9,730 | - | Within 12 months |
| Estimated expenses relation to the said corporate exercise | 1,000 | 1,000 | - | Within 6 months |
| Total | 77,779 | 63,282 | 14,497 | |

- (ii) Cash proceeds received from ICULS conversion

As at 19 February 2014, the Company has received cash proceeds of RM4,742,530 in respect of 36,481,000 ICULS for conversion and a non monetary conversion for 569,000 ICULS, which was converted into 36,765,500 ordinary shares of RM0.20 each. The total cash proceeds of RM4,742,530 have been fully utilised for day-to-day operations such as employees remuneration, statutory related expenses and other administrative expenses.

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

(b) On 12 November 2013, the Company announced the following corporate proposals:

- Pillar Quest Sdn Bhd (“PQSB”), a wholly-owned subsidiary of the Company, had on the same date entered into a joint venture & shareholders’ agreement with Positive Valley Sdn Bhd, a wholly-owned subsidiary of Malaysia Land Properties Sdn Bhd (“Mayland”) and a related company of Mayland Parkview Sdn Bhd (“MPSB”), which in turn a major shareholder of the Company, to acquire and develop a parcel of commercial leasehold land in Jalan Ampang, Selangor via Xtreme Meridian Sdn Bhd (“XMSB”) as the joint venture company; and
- XMSB had on the same day entered into a conditional sale and purchase agreement with Bingo’s Golf (Sdn) Bhd for the proposed acquisition of the said land for a total consideration of RM118,493,800.

The abovementioned proposals were approved by the shareholders by way of poll at Extraordinary General Meeting held on 11 February 2014. On 12 February 2014, PQSB subscribed 250,050 ordinary shares of RM1.00 each in XMSB, thereby making XMSB a 50.01% subsidiary.

Except as disclosed above, there are no other corporate proposals which have been announced but not completed as at 19 February 2014, being the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report.

B7. Borrowings and debt securities

The Group’s total borrowings and debt securities as at 31 December 2013 are as follows:

| | Short Term RM'000 | Long Term RM'000 | Total RM'000 |
|---|----------------------|---------------------|-----------------|
| Secured: | | | |
| Hire purchase and finance lease liabilities | 127 | 345 | 472 |
| Term loan | 4,164 | 8,336 | 12,500 |
| Bridging loan | - | 428 | 428 |
| Revolving credit | 4,203 | - | 4,203 |
| | <hr/> | <hr/> | <hr/> |
| | 8,494 | 9,109 | 17,603 |
| Unsecured: | | | |
| ICULS –liability portion | - | 2,655 | 2,655 |
| | <hr/> | <hr/> | <hr/> |
| | 8,494 | 11,764 | 20,258 |

All denominated in the local currency.

B8. Provisions of Financial Assistance

The Group’s total provisions of financial assistance for a jointly controlled entity as of 31 December 2013 are as follows:

| | 31/12/2013 RM'000 | 31/3/2013 RM'000 |
|----------|----------------------|---------------------|
| Advances | <hr/> | <hr/> |
| | 19,723 | 20,689 |

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

(a) Impact to the financial position of the Group

| | 31/12/2013 RM'000 | 31/3/2013 RM'000 |
|----------|----------------------|---------------------|
| Advances | <hr/> | <hr/> |
| | 9,816 | 17,545 |

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

(b) Impact to the results of the Group

| | Current Quarter RM'000 | Cumulative Period RM'000 |
|---|---------------------------|-----------------------------|
| Unwinding of discount on loans | 213 | 350 |
| Impairment loss on re-measurement of loan | (222) | (4,419) |

B9. Retained Profits

| | 31/12/2013 RM'000 | 31/3/2013 RM'000 |
|--|----------------------|---------------------|
| Total retained profits/(accumulated losses) of the Company and its subsidiaries: | | |
| - Realised | 182,668 | 83,730 |
| - Unrealised | (30,393) | (33,778) |
| | 152,275 | 49,952 |
| Total share of retained profits from associated companies: | | |
| - Realised | 940 | 940 |
| Total share of accumulated losses from jointly controlled entity: | | |
| - Realised | (10,430) | (10,999) |
| | 142,785 | 39,893 |
| Add: Consolidation adjustments | 85,711 | 130,086 |
| Total Group's retained profits as per consolidated accounts | 228,496 | 169,979 |

B10. Material Litigation

- (a) On 21 January 2000, Las Maha Corporation Sdn Bhd ("Las Maha") entered into a contract with Sri Damansara Sdn Bhd ("SDSB"), a wholly-owned subsidiary of the Company, 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 notify SDSB of a creditors meeting.

- (b) A claim of RM6.1 million was made against Navistar, a wholly-owned subsidiary of our Group, 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 decision of the trial judge was handed down on 26 March 2013 whereby judgement has been entered against Navistar for the whole sum of RM6,059,573.90 together with the interest on the said judgment principal sum at 5% per annum from 26 March 2013 to the date of full realisation and cost at RM60,000.00. Navistar has filed an appeal to the Court of Appeal against the High Court's decision on 8 April 2013.

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

On 15 May 2013, Navistar had also filed a notice for a stay of execution of the said High Court's judgment ("Stay of Execution"). On 2 July 2013, the High Court had decided in Navistar's favour and granted the Stay of Execution.

As at the reporting date, no provision for the judgment sum was made as the Directors of the Company, after consultation with the solicitors, are of the opinion that Navistar has a strong chance of succeeding in the appeal against the High Court's decision.

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.

B11. Dividend

The Board has not recommended a dividend payment for the financial period under review.

B12. Earnings per Share

Basic

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

| | Individual Quarter | | Cumulative Period | |
|---|--------------------|------------|-------------------|------------|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| Profit attributable to owners of the Company (RM'000) | 24,994 | 14,379 | 58,517 | 24,305 |
| Weighted average number of ordinary shares ('000) | 617,959 | 598,305 | 617,959 | 598,305 |
| Basic earnings per share (sen) | 4.04 | 2.40 | 9.47 | 4.06 |

Diluted

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

| Adjusted profit attributable to the owners of the Company | Individual Quarter | | Cumulative Period | |
|---|--------------------|------------|-------------------|------------|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period | 24,994 | 14,379 | 58,517 | 24,305 |
| Add: Notional interest net of tax | 1,121 | - | 1,131 | - |
| Adjusted profit for the period | 26,115 | 14,379 | 59,648 | 24,305 |

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

| Weighted average number of ordinary shares | Individual Quarter | | Cumulative Period | |
|---|--------------------|------------|-------------------|------------|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| | '000 | '000 | '000 | '000 |
| Weighted average number of ordinary shares per basic earnings per share computation | 617,959 | 598,305 | 617,959 | 598,305 |
| Effects of dilution in ICULS | 167,504 | - | 167,504 | - |
| As at 31 December 2013 | 785,463 | 598,305 | 785,463 | 598,305 |
| Diluted earnings per share (sen) | 3.32 | N/A | 7.59 | N/A |

By Order of the Board

LEE SIW YENG
SECRETARY (MAICSA 7048942)

Kuala Lumpur
26 February 2014