



LAND & GENERAL BERHAD (COMPANY NO. 5507-H)
Condensed Consolidated Statement of Comprehensive Income
for the financial period ended 30 June 2018

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 months ended		3 months ended	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
		(restated)		(restated)
Revenue	22,076	22,008	22,076	22,008
Operating expenses	(22,096)	(19,632)	(22,096)	(19,632)
Other operating income	5,146	26,800	5,146	26,800
Profit from operations	5,126	29,176	5,126	29,176
Investment related income	(272)	2,277	(272)	2,277
Finance costs	(1,051)	(994)	(1,051)	(994)
Share of results of jointly controlled entity	-	-	-	-
Share of results of associate	(842)	-	(842)	-
Profit before taxation	2,961	30,459	2,961	30,459
Income tax expense	(452)	(8,384)	(452)	(8,384)
Profit for the period	2,509	22,075	2,509	22,075
Other comprehensive income that will be subsequently reclassified to profit or loss :				
Foreign currency translation differences from foreign operations	745	28	745	28
	745	28	745	28
Total comprehensive income for the period	3,254	22,103	3,254	22,103
Profit attributable to:				
- Owners of the Company	1,793	23,671	1,793	23,671
- Non-controlling interests	716	(1,596)	716	(1,596)
	2,509	22,075	2,509	22,075
Total comprehensive income attributable to:				
- Owners of the Company	2,538	23,699	2,538	23,699
- Non-controlling interests	716	(1,596)	716	(1,596)
	3,254	22,103	3,254	22,103
Earnings per share attributable to Owners of the Company (sen):				
- Basic	0.06	1.15	0.06	1.15
- Diluted	0.06	1.13	0.06	1.13

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018.



LAND & GENERAL BERHAD (COMPANY NO. 5507-H)
Condensed Consolidated statement of financial position
as at 30 June 2018

	(Unaudited) 30/6/2018 RM'000	(Unaudited) 31/03/2018 RM'000 (restated)
ASSETS		
Non-current Assets		
Property, plant and equipment	76,709	76,199
Land held for property development	494,872	493,347
Investment properties	85,952	86,353
Goodwill	12	12
Biological asset	6,354	6,422
Right of use assets	2,428	-
Land use rights	47	47
Investment in associates	10,435	11,278
Investment in jointly controlled entity	*	*
Other investments	11,628	11,900
Deferred tax assets	7,881	7,867
Trade and other receivables	145,521	143,512
	<u>841,839</u>	<u>836,937</u>
Current Assets		
Property development costs	232,623	226,069
Inventories	38,461	39,732
Trade and other receivables	43,252	38,358
Contract asset	24,275	17,756
Other current assets	13,072	14,770
Tax recoverable	5,239	4,615
Short term funds	905	1,454
Deposits, cash and bank balances	382,035	385,422
	<u>739,862</u>	<u>728,176</u>
TOTAL ASSETS	<u>1,581,701</u>	<u>1,565,113</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	651,827	651,664
ICULS – equity portion	7,739	7,871
Retained profits	437,228	435,435
Other reserves	13,134	12,389
	<u>1,109,928</u>	<u>1,107,359</u>
Non-controlling interests	<u>17,925</u>	<u>17,209</u>
Total Equity	<u>1,127,853</u>	<u>1,124,568</u>
Non-current Liabilities		
Provisions	41,611	41,611
Trade and other payables	62,356	63,187
Lease liabilities	2,441	-
Borrowings	170,037	169,842
Deferred tax liabilities	43,504	43,504
ICULS –liability portion	63	-
	<u>320,012</u>	<u>318,144</u>
Current Liabilities		
Provisions	28,719	27,737
Trade and other payables	70,453	63,986
Borrowings	19,706	15,777
ICULS –liability portion	21	81
Tax payable	535	418
Contract liabilities	14,402	14,402
	<u>133,836</u>	<u>122,401</u>
Total Liabilities	<u>453,848</u>	<u>440,545</u>
TOTAL EQUITY AND LIABILITIES	<u>1,581,701</u>	<u>1,565,113</u>

* The costs of investment in the jointly controlled entity have been fully impaired

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018.



LAND & GENERAL BERHAD (COMPANY NO. 5507-H)
Condensed Consolidated Statement of Changes in Equity
for the financial period ended 30 June 2018

	Attributable to owners of the Company							Total equity RM'000
	Non-distributable					Total RM'000	Non-Controlling interests RM'000	
	Share capital RM'000	ICULS -equity portion RM'000	Capital reserve RM'000	Foreign Exchange Reserve RM'000	Retained profits RM'000			
At 1 April 2018	651,664	7,871	12,133	256	435,435	1,107,359	17,209	1,124,568
Total comprehensive income for the financial year	-	-	-	745	1,793	2,538	716	3,254
Conversion of ICULS	163	(132)	-	-	-	31	-	31
At 30 June 2018	651,827	7,739	12,133	1,001	437,228	1,109,928	17,925	1,127,853

Condensed Consolidated Statement of Changes in Equity
for the financial period ended 30 June 2018

	Attributable to owners of the Company							Total equity RM'000
	Non-distributable					Total RM'000	Non-Controlling interests RM'000	
	Share capital RM'000	ICULS -equity portion RM'000	Capital reserve RM'000	Foreign Exchange Reserve RM'000	Retained profits RM'000			
At 1 April 2017	272,032	9,036	12,133	8,859	353,814	655,874	16,553	672,427
Total comprehensive income for the financial year	-	-	-	28	23,671	23,699	(1,596)	22,103
Conversion of ICULS	379,711	(1,313)	-	-	-	378,398	-	378,398
Transitioning of MFRS	-	-	-	(8,859)	8,859	-	-	-
At 30 June 2017	651,743	7,723	12,133	28	386,344	1,057,971	14,957	1,072,928

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018.



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

**Condensed Consolidated Statement of Cash Flows
for the financial period ended 30 June 2018**

	CUMULATIVE PERIOD	
	3 months ended	
	30/6/2018	30/6/2017
	RM'000	RM'000
Cash Flows From Operating Activities		
Cash receipts from customers	26,336	8,422
Cash payments to suppliers and employees	(32,347)	(28,538)
Interest received	935	2,835
Dividend on money market funds	2,323	434
Tax paid	(972)	(5,725)
Tax refund	-	28
Other operating receipts	436	34,694
Other operating payments	(900)	(84)
Net cash inflow from operating activities	(4,189)	12,066
Cash Flows From Investing Activities		
Purchase of property, plant & equipment	(517)	(100)
Expenditure on biological asset	(1)	(35)
Proceeds from disposal of property, plant and equipment	97	-
Part payment and other related cost for acquisition of companies	(3,725)	(273,744)
Placement of deposits with period more than 3 months	(20,836)	(175,380)
Placement of money market funds	586	-
Net cash outflow from investing activities	(24,396)	(449,259)
Cash Flows From Financing Activities		
Proceeds from issuance for rights issue shares	-	377,760
ICULS issuance proceeds	31	626
Drawdown of term loan	10,354	-
Repayment of term loan	(3,764)	(4,759)
Payment of hire purchase obligations	(21)	(21)
Repayment from a jointly controlled entity	-	161
Dividend paid to shareholders	-	(58,577)
Interest payments	(2,501)	(2)
Placements of deposits held in trust	(1)	-
Placement of deposits pledged as security for bank guarantee facility	(84)	(57)
Net cash inflow/(outflow) from financing activities	4,014	315,131
Net change in cash & cash equivalents	(24,571)	(122,062)
Effects of foreign exchange rate changes	263	(246)
Cash & cash equivalents at beginning of financial period	342,099	390,419
Cash & cash equivalents at end of financial period	317,791	268,111
Cash & cash equivalents at end of financial period comprise:		
Cash on hand and at banks	135,085	167,252
Deposits with financial institutions	246,950	272,205
Short term funds	-	9,978
Deposits, cash and bank balances	382,035	449,435
Less:		
Deposits pledged as security for bank guarantees	(8,099)	(7,869)
Deposits held in trust	(33)	-
Deposits placements for periods exceeding 90 days	(56,112)	(173,455)
	317,791	268,111

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018.

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134 – PARAGRAPH 16

Notes to the Interim Financial Report

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 2018.

A1. Basis of Preparation under MFRS Framework

The financial statements of the Group for the three months period ended 30 June 2018 are the first set of interim financial statements prepared in accordance with the MFRS Framework, hence MFRS1 – First-time Adoption of Malaysian Financial Reporting Standards has been applied. The MFRS Framework is effective for the Group from 1 April 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant interim financial report is 1 April 2017.

A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations

The significant accounting policies, methods of computation and basis of consolidation applied in these interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 March 2018, except for the adoption of MFRS framework effective for the financial period beginning on 1 April 2018, including MFRS1 – First-time Adoption of Malaysian Financial Reporting Standards, MFRS 141 – Agriculture, MFRS 15 – Revenue from contract with Customers and MFRS 9 – Financial Instruments and the early adoption of MFRS16: Leases.

The effects on the adoption of the abovementioned are described below.

(i) Transition from Financial Reporting Standards (FRSs) to MFRS

Since the previous annual audited financial statements as at 31 March 2018 were issued, the Group has adopted the Malaysian Financial Reporting Standards (“MFRS”) framework issued by the Malaysian Accounting Standard Board (“MASB”). This MFRS framework was introduced by the MASB in order to fully converge Malaysia’s existing Financial Reporting Standard (“FRS”) framework with the International Financial Reporting Standard (“IFRS”) framework issued by the International Accounting Standards Board.

In presenting its first MFRS financial statements for the year ending 31 March 2019, the Group is required to restate the comparative financial statements to amounts reflecting the application of MFRS framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits. The consolidated financial years ended March 2017 and 2018 are different under the MFRS framework.

These consolidated condensed interim financial statements are part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 March 2019 and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied. Comparative figures, where applicable, have been restated as result of transition to MFRS framework.

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A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont'd.)

As provided in MFRS1, first-time adopter of MFRS can elect optional exemptions from full retrospective applications of MFRSs.

The Group has elected the following exemptions:-

a. Exemption from MFRS 3 – Business Combination and MFRS10 Consolidated Financial Statements

The Group have elected not to apply MFRS 3 – Business Combination and MFRS10 Consolidated Financial Statements retrospectively, that is not to restate any of its business combinations that occurred before the date of transition to MFRSs.

b. Exemption for cumulative translation differences

The Group have elected to reset the exchange reserve to zero. The exchange reserve of RM8,859,000 as at 1 April 2017 was reclassified to retained earnings.

(ii) Amendment to MFRS116 and MFRS141 Agriculture: Bearer Plants

Prior to the adoption of MFRS141 and Amendments to MFRS 116 and MFRS141 Agriculture: Bearer Plants, produce growing on bearer plants were not recognised and livestock were stated at costs. Following the adoption, these biological assets are measured at fair value less cost to sell. Changes in fair value less costs to sell are recognised in profit and loss.

The Group has assessed the impact of the adoption of the above and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.

(iii) MFRS 9: Financial Instruments (“MFRS 9”)

MFRS 9 introduce amongst others, a single forward looking “expected loss” impairment model which require entities to recognise loss allowance in anticipation of future losses rather than based on incurred basis.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.

(iii) MFRS 15: Revenue from Contracts with Customers (“MFRS 15”)

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

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

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

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont'd.)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset. The Group recognises revenue over time using the input method, which is based on the level of completion in proportion of cost incurred to date against the expected total construction costs.

The Group adopts the new standards on the required effective date using the full retrospective method. The affected areas upon the application of the new standards are as follows:

a. Multiple promises from the sale of development properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. Under the previous FRS, the Group accounted for the bundled sales as one deliverable and recognises revenue over time. Under the current MFRS 15, revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. The sale of development properties and the multiple promises are separate deliverables of bundled sales. The transaction price will be allocated to each performance obligation based on the standalone selling prices. If these are not directly observable, they are estimated based on expected cost plus margin.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

b. Cost incurred in fulfilling a contract

Under the previous FRS, the Group expensed off sales commissions and free legal fees as these costs do not qualify for recognition as an asset under any of the other accounting standards. However, the sales commissions and free legal fees relate directly to contracts and are expected to be recovered through future fees for the services to be provided. Accordingly, under the current MFRS 15, these costs are eligible for capitalisation and recognised as property development costs and contract assets respectively.

The Group has substantially completed its assessment on the adoption of MFRS 15, except for impact of provision for foreseeable losses for low cost housing pursuant to the clarification issued by MIA on 7 March 2018. The Group expects to fully comply with the requirements of the MFRS framework for the financial year ending 31 March 2019.

(v) Early adoption of MFRS 16: Leases (“MFRS 16”)

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. MFRS 16 requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to pay rental (i.e., the lease liability) with a corresponding asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

With the adoption of MFRS 16, the Group will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset for those lease contracts where they are lessees. The Group have elected to apply the standard using a modified retrospective transition approach from 1 April 2018.

The impact from the adoption of MFRS1 and MFRS15 on the condensed consolidated statement of financial position as at 1 April 2017 (date of transition) and 31 March 2018 are disclosed in Appendix I to Appendix III.

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A3. Audit Qualification

The audit report of the Group's audited financial statements for the financial year ended 31 March 2018 was not subjected to any qualification.

A4. 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.

A5. 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.

A6. Changes in Estimates of Amounts Reported in Prior Interim Periods of the Current Financial Period or Prior Financial Periods

There were no changes in estimates of amounts reported in prior financial years that have any material effects in the current quarter/financial period.

A7. 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 period and financial year-to-date except for the following:-

Share capital

During the financial year ended 30 June 2018, the number of issued and paid-up share capital of the Company increased from 2,930,294,167 ordinary shares to 2,930,977,267 ordinary shares, by the issuance of 683,100 new ordinary shares each pursuant to the following:-

(i) ICULS conversion:-

- The cash conversion of 440,000 into 440,000 new ordinary shares following the receipt of cash proceeds of RM30,800 at the conversion price of RM0.20 for conversions; and
- The non-cash conversion of 374,000 ICULS into 243,100 new ordinary shares at conversion prices prevalent at the point of conversion.

As at 30 June 2018, the balance of outstanding ICULS in issue was 63,759,558 and the total share capital inclusive of share premium of RM47,315,010.80, stood at RM651,800,722.60 represented by 2,930,977,267 ordinary shares.

A8. Dividends Paid/Payable

No dividend was paid or declared by the Company during the current quarter/financial period under review.

LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**A9. Segmental Reporting**

The operating segment information for the financial period ended 30 June 2018 is as follows:

Revenue for the 3 months period ended 30 June 2018

	Properties RM'000	Education RM'000	Others RM'000	Elimination RM'000	Total RM'000
Sales to external customers	15,450	3,614	1,398	-	20,462
Interest & returns of short term funds	-	-	1,614	-	1,614
	15,450	3,614	3,012	-	22,076
Inter-segment sales	43	-	1,330	(1,373)	-
Total revenue	15,493	3,614	4,342	(1,373)	22,076

Segment results for 3 months period ended 30 June 2018

	Properties RM'000	Education RM'000	Others RM'000	Total RM'000
Segment results	2,038	1,051	2,037	5,126
Share of results of jointly controlled entity				-
Share of results of associates				(842)
Gain on fair value changes on financial assets at fair value through profit or loss				(272)
Finance costs				(1,051)
Profit before taxation				2,961

Segment assets as at 30 June 2018

	Properties RM'000	Education RM'000	Others RM'000	Total RM'000
Segment assets	1,086,077	38,613	433,456	1,558,146
Investment in jointly controlled entity				-
Investment in associates				10,435
Deferred tax assets				7,881
Tax recoverable				5,239
Total assets				1,581,701

Segment liabilities as at 30 June 2018

	Properties RM'000	Education RM'000	Others RM'000	Total RM'000
Segment liabilities	328,632	9,619	71,495	409,746
Tax payable				535
Deferred tax liabilities				43,504
ICULS – liability portion				63
Total liabilities				453,848

LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**A10. Other operating income**

	Current Quarter RM'000	Cumulative Year RM'000
Rental income	149	149
Gain on disposal of fixed assets	97	97
Unwinding of discount on loan to:-		
- An associate	2,010	2,010
- A joint venture	294	294
Interest income	423	423
Returns of short term funds	1,538	1,538
Write back of impairment loss on debtors	328	328
Deposits forfeited	183	183
Others	124	124
	5,146	5,146

Included in the corresponding quarter of the preceding year of RM26.8 million was the gain from MRT land acquisition of RM23.0 million.

A11. Profit Before Taxation

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

	Current Quarter RM'000	Cumulative Year RM'000
Interest income	3,326	3,326
Returns of short term funds	3,008	3,008
Gain on disposal of fixed assets	97	97
Unwinding of discount on loan to:-		
- An associate	2,010	2,010
- A joint venture	294	294
Write back of impairment loss on debtors	328	328
Unrealised foreign exchange gain	327	327
Investment related expenses:		
- Loss on fair value changes on financial assets at fair value through profit or loss	(272)	(272)
Impairment loss on loan granted to a joint venture entity	(294)	(294)
Depreciation and amortisation	(931)	(931)
Interest expenses	(595)	(595)
Unwinding of discount on contingent consideration	(456)	(456)
	(456)	(456)

A12. Valuations of Property, Plant, and Equipment

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

A13. Material Events Subsequent to the End of the Financial Year

There are no material events subsequent to the end of the financial period ended 30 June 2018 that have not been reflected in this interim financial report except for the disclosure in Note B6.

A14. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 30 June 2018.

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

A15. Capital Commitments

	30/06/2018	31/3/2018
	RM'000	(Audited)
		RM'000
Approved and contracted for - school building	51,146	51,700
Approved but not contracted for - property, plant and equipment	603	529
Other commitments	37,486	41,211
	<u>89,235</u>	<u>93,441</u>

The other commitments for 30 June 2018 relate to the acquisition of Soho Prestige Sdn. Bhd. (“SPSB”), which is pending completion, as mentioned in note B6.

A16. Contingent Liabilities

The Company has provided the following corporate guarantee to financial institution for credit facilities granted to:-

	30/06/2018	31/3/2018
	RM'000	(Audited)
		RM'000
- Associate company	128,295	121,095

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

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

For the quarter ended 30 June 2018

Quarter	Revenue		Operating profit	
	1Q2019 RM'000	1Q2018 (Restated) RM'000	1Q2019 RM'000	1Q2018 (Restated) RM'000
Property	15,450	16,326	2,038	29,536
Education	3,614	3,313	1,051	1,355
Others	3,012	2,369	2,037	(1,715)
Total	22,076	22,008	5,126	29,176
Investment related income			(272)	2,277
Finance costs			(1,051)	(994)
Share of results of jointly controlled entity			-	-
Share of results of associated company			(842)	-
Profit Before Tax			2,961	30,459

For the quarter under review, the Group registered a revenue of RM22.08 million (1Q2018 (restated): RM22.01 million) and a pre-tax profit of RM2.96 million (1Q2018 (restated): a pre-tax profit of RM30.46 million) as compared to the corresponding quarter of the preceding year. The performance for the quarter was mainly contributed by both the property and education divisions.

Property division

The property division recorded an operating profit of RM2.04 million (1Q2018 (restated): RM29.54 million) on the back of a revenue of RM15.45 million (1Q2018 (restated): RM16.33 million) following further progress billings and construction progress from its Astoria project. The lower operating profit this quarter compared to the corresponding quarter of the preceding year was mainly because there was a one-off gain arising from the disposal of MRT land of RM33.61 million in 1Q2018.

Education division

The education division reported a revenue of RM3.61 million (1Q2018: RM3.31 million) mainly due to fees increase for its private school coupled with the students' intake for its international school since its launch in September 2017. However, the division's operating profit stood at RM1.05 million (1Q2018: RM1.36 million). The lower operating profit was due to higher overheads following the launch of its international school.

Other division

Other division also recorded an operating profit of RM2.04 million (1Q2018: an operating loss of RM1.72 million) on the back of a revenue of RM3.01 million (1Q2018: RM2.37 million) for the quarter mainly due to MFRS9 interest recognition on its amount due from its associate, Country Garden Properties (M) Sdn Bhd ("CGPM") of RM2.01 million.

Also affecting this quarter's performance are the following:

- (i) Losses arising from fair value changes on its quoted investment based on share price changes and foreign exchange fluctuation of RM0.27 million (1Q2018: RM2.28 million profit); and
- (ii) Share of losses from its associate, Country Garden Properties (M) Sdn Bhd, of RM0.84 million (1Q2018: RM Nil).

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

Quarter	Revenue		Operating profit	
	1Q2019 RM'000	4Q2018 (Restated) RM'000	1Q2019 RM'000	4Q2018 (Restated) RM'000
Property	16,339	33,328	2,038	19,717
Education	3,614	3,420	1,051	1,063
Others	3,012	2,064	2,037	2,322
Total	22,965	38,812	5,126	23,102
Investment related income			(272)	(1,606)
Finance costs			(1,051)	(1,373)
Share of results of jointly controlled entity			-	-
Share of results of associated company			(842)	(3,301)
Profit Before Tax			2,961	16,822

The Group's revenue stood at RM22.97 million (4Q2018 (restated): RM38.81 million) and pre-tax profit at RM2.96 million (4Q2018(restated): an operating profit of RM16.82 million). The higher operating profit for the preceding quarter of previous year was mainly due to the writeback of RM7.54 million in respect of Damansara Foresta and the writeback of provision no longer required of RM11.72 million in the property division.

B3. Prospects

The property market has remained subdued in the first half of 2018 as market continues to correct imbalances between supply and demand. There is however, some optimism that there will more enquiries and investment activities as consumer confidence returns with the formation of the new government.

Against this backdrop, the Group has recently soft launched its Seresta project which is located at Sri Damansara, and Sena Parc project which is located at Senawang. The Group believes that there will be a progressive steady take up of its Seresta project due to its product offering and choice location. The Group also expects a similar steady take up of its Sena Parc project owing to the attractively priced landed properties on offer in a mature neighbourhood. As for its existing Astoria @ Ampang project, the Group has to-date achieved a take-up rate of approximately 70% based on its Phase 1 launch of 506 units. Plans are afoot to launch Phase 2 of another 506 units by the end of this year.

In line with its plan to expand its education division, the Group is currently constructing new building and facilities for its international school which is expected to be completed by the middle of next year.

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

Not applicable.

LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**B5. Tax expense**

	Individual Quarter		Cumulative Year	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	465	8,492	465	8,492
Deferred tax	(14)	(26)	(14)	(26)
	452	8,466	452	8,466

The domestic income tax is calculated at the Malaysian statutory tax rate of 24% 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 (excluding share of gain/loss from jointly controlled entity) of the Group is lower than the statutory tax rate in the current financial year due to certain income being non-taxable for tax purposes.

B6. Corporate Development / Post Balance Sheet Events

On 30 April 2018, the Company exercised its Option pursuant to the Soho Prestige Sdn Bhd Options ("SPSB Option") as mentioned in previous financial year. Upon exercising the Option, the Company had on the even date entered into SPSB Share Sale Agreement with Mayland and had subsequently paid a deposit of RM3.725 million, being 10% of the purchase consideration.

As at the date of this report, the completion of the acquisition of SPSB is pending satisfaction of certain condition in the Sale & Purchase Agreement.

B7. Utilisation of proceeds from funds arising from the Proposed Rights Issues

As at 20 August 2018, the total proceeds of RM377,759,526.48 arising from the above Proposed Rights Issues were utilised as follows:-

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Intended timeframe for utilisation from completion date
Settlement of Balance of Purchase Consideration and Outstanding Balances of RM8.6 million	314,348	276,862	37,486	Within 18 months
Working capital requirements	60,912	22,688	38,224	Within 36 months
Estimated expenses for the Proposals	2,500	2,500	-	Within 6 months
Total	377,760	302,050	75,710	

Except as disclosed above, there are no other corporate proposals which have been announced but not completed as at 20 August 2018, being the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report.

LAND & GENERAL BERHAD (COMPANY NO. 5507-H)**B8. Borrowings and debt securities**

The Group's total borrowings and debt securities as at 30 June 2018 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:			
Hire purchase and finance lease liabilities	75	302	377
Term loan	19,631	169,735	189,366
	<u>19,706</u>	<u>170,037</u>	<u>189,743</u>
Unsecured:			
ICULS –liability portion	21	63	84
	<u>19,727</u>	<u>170,100</u>	<u>189,827</u>

All denominated in the local currency.

B9. Material Litigation

The Group has not engaged in any material litigation as at 20 August 2018, being the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report.

B10. Dividend Proposed

The Board is pleased to recommend a final single tier dividend payment of 1.5 sen per ordinary share (2017: 2 sen) in respect of the financial year ended 31 March 2018, for shareholders' approval at the forthcoming Annual General Meeting. The entitlement date and payment date for this proposed dividend are 8 October 2018 and 26 October 2018 respectively.

Apart from the above, no dividend has been proposed for the current quarter/financial period.

B11. Earnings per ShareBasic

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

	Individual Quarter		Cumulative Period	
	30/6/2018	30/6/2017 (Restated)	30/6/2018	30/6/2017 (Restated)
Profit attributable to owners of the Company (RM'000)	1,793	23,671	1,793	23,671
Weighted average number of ordinary shares ('000)	2,930,084	2,055,990	2,930,084	2,055,990
Basic earnings per share (sen)	<u>0.06</u>	<u>1.15</u>	<u>0.06</u>	<u>1.15</u>

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

B11. Earnings per Share (cont'd.)

Diluted

The diluted earnings per share has been calculated by dividing the Group's adjusted net profit for the period 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	
	30/6/2018	30/6/2017 (Restated)	30/6/2018	30/6/2017 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit for the quarter/period	1,793	23,671	1,793	23,671
Add: Notional interest net of tax	16	16	16	16
Adjusted profit for the quarter/period	1,809	23,687	1,809	23,687

Weighted average number of ordinary shares	Individual Quarter		Cumulative Period	
	30/6/2018	30/6/2017 (Restated)	30/6/2018	30/6/2017 (Restated)
	'000	'000	'000	'000
Weighted average number of ordinary shares per basic earnings per share computation	2,930,084	2,055,990	2,930,084	2,055,990
Effects of dilution in ICULS	41,444	42,976	41,444	42,976
As at 30 June 2018	2,971,528	2,098,966	2,971,528	2,098,966

Diluted earnings per share (sen)	0.06	1.13	0.06	1.13
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By Order of the Board

LEE SIW YENG
SECRETARY (MAICSA 7048942)

Kuala Lumpur
27 August 2018

Impact on the condensed consolidated income statement for the 3 months period ended 30 June 2017 arising from the adoption of MFRS as mentioned in Note A2:

	Under FRS 30/06/2017 RM'000	Adoption to MFRS RM'000	Under MFRS 30/6/2017 RM'000
Revenue	22,299	(291)	22,008
Operating expenses	(20,465)	833	(19,632)
Other operating income	26,800	-	26,800
Profit from operations	<u>28,634</u>		<u>29,176</u>
Investment related income	2,277	-	2,277
Finance costs	(994)	-	(994)
Share of results of jointly controlled entity	-	-	-
Share of results of associate	-	-	-
Profit before taxation	<u>29,917</u>		<u>30,459</u>
Income tax expense	(8,466)	82	(8,384)
Profit for the period	<u>21,451</u>		<u>22,075</u>
Other comprehensive income/(expense) that will be subsequently reclassified to profit or loss :			
Foreign currency translation differences from foreign operations	28	-	28
	<u>28</u>		<u>28</u>
Total comprehensive income for the period	<u>21,479</u>		<u>22,103</u>
Profit attributable to:			
- Owners of the Company	23,047	624	23,671
- Non-controlling interests	(1,596)	-	(1,596)
	<u>21,451</u>		<u>22,075</u>
Total comprehensive income attributable to:			
- Owners of the Company	23,075	624	23,699
- Non-controlling interests	(1,596)	-	(1,596)
	<u>21,479</u>		<u>22,103</u>
Earnings per share attributable to Owners of the Company (sen):			
- Basic	1.16	(0.01)	1.15
- Diluted	<u>1.13</u>	-	<u>1.13</u>

Impact on the condensed consolidated statement of financial position as at 1 April 2018 arising from the adoption of MFRS as mentioned in Note A2:-

	(Audited) 31/03/2018 RM	Adoption of MFRS RM	Transitioning to MFRS RM	(Unaudited) 31/03/2018 RM (Restated)
ASSETS				
Non-current Assets				
Property, plant and equipment	76,199	-	-	76,199
Land held for property development	493,347	-	-	493,347
Investment properties	86,353	-	-	86,353
Goodwill	12	-	-	12
Biological asset	6,422	-	-	6,422
Land use rights	47	-	-	47
Investment in associates	12,105	(827)	-	11,278
Investment in jointly controlled entity	*	-	-	*
Other investments	11,900	-	-	11,900
Deferred tax assets	7,867	-	-	7,867
Trade and other receivables	143,512	-	-	143,512
	<u>837,764</u>			<u>836,937</u>
Current Assets				
Property development costs	230,798	(4,729)	-	226,069
Inventories	39,732	-	-	39,732
Trade and other receivables	38,358	-	-	38,358
Contract asset	-	17,756	-	17,756
Other current assets	14,770	-	-	14,770
Tax recoverable	4,615	-	-	4,615
Short term funds	1,454	-	-	1,454
Deposits, cash and bank balances	385,422	-	-	385,422
	<u>715,149</u>			<u>728,176</u>
TOTAL ASSETS	<u>1,552,913</u>			<u>1,565,113</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	651,664	-	-	651,664
ICULS – equity portion	7,871	-	-	7,871
Retained profits	428,504	(1,928)	8,859	435,435
Other reserves	21,248	-	(8,859)	12,389
	<u>1,109,287</u>			<u>1,107,359</u>
Non-controlling interests	<u>17,209</u>	-	-	<u>17,209</u>
Total Equity	<u>1,126,496</u>			<u>1,124,568</u>
Non-current Liabilities				
Provisions	41,611	-	-	41,611
Trade and other payables	63,187	-	-	63,187
Borrowings	169,842	-	-	169,842
Deferred tax liabilities	43,504	-	-	43,504
	<u>318,144</u>	-	-	<u>318,144</u>
Current Liabilities				
Provisions	27,737	-	-	27,737
Trade and other payables	64,260	(274)	-	63,986
Borrowings	15,777	-	-	15,777
ICULS –liability portion	81	-	-	81
Tax payable	418	-	-	418
Contract liabilities	-	14,402	-	14,402
	<u>108,273</u>			<u>122,401</u>
Total Liabilities	<u>426,417</u>			<u>440,545</u>
TOTAL EQUITY AND LIABILITIES	<u>1,552,913</u>			<u>1,565,113</u>

* The costs of investment in the jointly controlled entity have been fully impaired

Impact on the condensed consolidated statement of financial position as at 1 April 2017 arising from the adoption of MFRS as mentioned in Note A2:-

	(Audited) 31/03/2017 RM'000	Adoption of MFRS RM	Transitioning to MFRS RM	(Unaudited) 31/03/2017 RM (Restated)
ASSETS				
Non-current Assets				
Property, plant and equipment	76,065	-	-	76,065
Land held for property development	158,740	-	-	158,740
Investment properties	87,829	-	-	87,829
Goodwill	12	-	-	12
Biological asset	6,567	-	-	6,567
Land use rights	48	-	-	48
Investment in associates	-	-	-	-
Investment in jointly controlled entity	*	-	-	*
Other investments	13,092	-	-	13,092
Deferred tax assets	22,144	-	-	22,144
Trade and other receivables	-	-	-	-
	<u>364,497</u>	-	-	<u>364,497</u>
Current Assets				
Property development costs	219,643	(23,210)	-	196,433
Inventories	43,483	-	-	43,483
Trade and other receivables	81,930	-	-	81,930
Contract asset	-	24,720	-	24,720
Other current assets	682	-	-	682
Tax recoverable	421	-	-	421
Short term funds	7,380	-	-	7,380
Deposits, cash and bank balances	390,419	-	-	390,419
	<u>743,958</u>	-	-	<u>745,468</u>
TOTAL ASSETS	<u>1,108,455</u>			<u>1,109,965</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	272,032	-	-	272,032
ICULS – equity portion	9,036	-	-	9,036
Retained profits	354,254	(440)	-	353,814
Other reserves	20,992	-	-	20,992
	<u>656,314</u>	-	-	<u>655,874</u>
Non-controlling interests	16,553	-	-	16,553
Total Equity	<u>672,867</u>			<u>672,427</u>
Non-current Liabilities				
Provisions	39,895	-	-	39,895
Trade and other payables	44,484	-	-	44,484
Borrowings	66,244	-	-	66,244
Deferred tax liabilities	23,323	-	-	23,323
ICULS –liability portion	120	-	-	120
	<u>174,066</u>	-	-	<u>174,066</u>
Current Liabilities				
Provisions	82,900	-	-	82,900
Trade and other payables	50,635	210	-	50,845
Borrowings	25,316	-	-	25,316
ICULS –liability portion	56	-	-	56
Tax payable	44,038	-	-	44,038
Contract liabilities	-	1,740	-	1,740
Dividend payable	58,577	-	-	58,577
	<u>261,522</u>	-	-	<u>263,472</u>
Total Liabilities	<u>435,588</u>			<u>437,538</u>
TOTAL EQUITY AND LIABILITIES	<u>1,108,455</u>			<u>1,109,965</u>

* The costs of investment in the jointly controlled entity have been fully impaired