



NEWS RELEASE
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Land & General Berhad
Building Value for Tomorrow

L&G records revenue of RM95.3 million and a profit before tax of RM14.3 million for its unaudited financial period ended 30 September 2022.

	2 nd Quarter ended		Financial year to-date	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	68,848	47,705	95,287	78,343
Operating expenses	(54,121)	(36,277)	(77,924)	(63,082)
Other operating income	627	3,975	1,282	6,631
Profit from operations	15,354	15,403	18,645	21,892
Fair value change	(6,445)	(887)	(6,982)	(1,620)
Finance costs	(2,017)	(2)	(2,673)	(4)
Share of results of joint ventures	4,653	686	4,474	4,445
Share of results of associates	1,108	(678)	798	(848)
Profit before taxation	12,653	14,522	14,262	23,865

2nd Quarter Results

- The Group recorded revenues for the 2nd quarter of RM68.8 million which represented an increase of 44.3% against the corresponding quarter of the preceding year of RM47.7 million driven by increased sales from its Property and Education division.

- The higher revenue from its Property division was contributed by sales and construction progress of its Seresta, Sena Parc 1C and Astoria Phase 2 projects coupled with sales of completed units for Sena Parc 1A and Astoria Ampang Phase 1 project and other existing completed properties. Education division saw an increase in revenue mainly contributed by higher student enrolment and fees from its international school.
- Operating profit for the Group for the 2nd quarter of RM15.3 million was in-line with the corresponding period in the preceding year. The lower operating margin for the quarter was mainly due to the loss recorded by its investment property and lower exceptional income as compared with previous quarter of the corresponding period.
- The Group recorded a profit before tax of RM12.6 million for the 2nd quarter which was lower compared with the corresponding period last year of RM14.5 million mainly due to provision for impairment on its investment in Vietnam Industrial Investments Ltd (“VII”) of RM6.1 million and higher finance costs. This was partially set off by higher profit from share of its results in Hidden Valley and Country Garden (Malaysia) Properties Sdn Bhd of RM4.39 million and RM1.1 million respectively for the period.

Financial Year to-date

- The Group recorded revenue of RM95.3 million for the financial period ended 30 September 2022 representing a 21.6% increase against the preceding financial period ended 30 September 2021 of RM78.3 million.
- The Group recorded higher revenue contribution across all its subsidiaries for the financial period mainly driven by the construction progress and sales mainly from its Property division and Education division as mentioned above.
- Operating profit for the Group for the financial period of RM18.6 million decreased by 14.8% against the corresponding period mainly due to the operating loss recorded by its investment property and no exceptional income compared with the previous period.
- Profit before tax for the financial period ended 30 September 2022 was lower at RM14.2 million compared with the corresponding period last year due mainly to the full provision for impairment of VII and higher finance costs against higher profit contribution from its joint ventures and associates as mentioned above.

Future Prospects

- While the Malaysian gross domestic product grew strongly by 14.2% in the 3rd quarter of 2022, driven by robust domestic demand, against the corresponding quarter last year, the political uncertainties, continuing supply chain disruptions, inflationary pressures and hike in Overnight Policy Rate continues to present headwinds on the economy and property sector.
- Against this backdrop, the Group will focus on completing its existing Seresta, Astoria Phase 2 and Sena Parc 1C projects and clearing its inventories. The Group will also focus on launching new projects based on market demand and deliver quality projects to ensure continued value to our shareholders.

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