



LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))

**Condensed Consolidated Statement of Comprehensive Income
for the financial period ended 30 September 2023**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 months ended		6 months ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Revenue	93,352	68,848	132,895	95,287
Operating expenses	(63,282)	(54,121)	(97,557)	(77,924)
Other operating income	925	627	1,695	1,282
Profit from operations	30,995	15,354	37,033	18,645
Fair value changes through profit and loss	(344)	(6,445)	(677)	(6,982)
Finance costs	(2,324)	(2,017)	(4,923)	(2,673)
Share of results of joint ventures	(72)	4,653	(251)	4,474
Share of results of associate	(405)	1,108	(910)	798
Profit before taxation	27,850	12,653	30,272	14,262
Income tax expense	(8,053)	(5,015)	(9,757)	(5,145)
Profit for the period	19,797	7,638	20,515	9,117
Other comprehensive income that will be subsequently reclassified to profit or loss :				
Foreign currency translation differences from foreign operations	(197)	(182)	375	(661)
	(197)	(182)	375	(661)
Total comprehensive income for the period	19,600	7,456	20,890	8,456
Profit attributable to:				
- Owners of the Company	20,298	7,320	20,784	8,899
- Non-controlling interests	(501)	318	(269)	218
	19,797	7,638	20,515	9,117
Total comprehensive income attributable to:				
- Owners of the Company	20,101	7,138	21,159	8,238
- Non-controlling interests	(501)	318	(269)	218
	19,600	7,456	20,890	8,456
Earnings per share attributable to Owners of the Company (sen):				
- Basic	0.68	0.25	0.70	0.30

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2023.



LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))

Condensed Consolidated Statement of Financial Position

as at 30 September 2023

		(Unaudited) 30/09/2023 RM'000	(Audited) 31/03/2023 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment		136,256	135,954
Investment properties		94,072	94,662
Inventories	A14	674,501	662,250
Investment in joint ventures		16,629	16,370
Investment in associate		132,616	132,072
Deferred tax assets		16,656	15,535
Right-of-use assets		984	1,086
Other non-current assets		183	184
		<u>1,071,897</u>	<u>1,058,113</u>
Current Assets			
Inventories	A14	293,287	327,147
Trade and other receivables		149,540	55,086
Other current assets		1,526	1,400
Contract asset		30,883	94,973
Contract cost		14,059	12,001
Tax recoverable		1,176	1,158
Short term funds		67,656	44,188
Cash and bank balances		72,557	68,544
		<u>630,684</u>	<u>604,497</u>
TOTAL ASSETS		<u>1,702,581</u>	<u>1,662,610</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		660,232	660,232
Retained profits		457,991	455,046
Other reserves		11,867	11,492
		<u>1,130,090</u>	<u>1,126,770</u>
Non-controlling interests		87,898	89,417
		<u>1,217,988</u>	<u>1,216,187</u>
Non-current Liabilities			
Provisions		26,376	26,376
Trade and other payables		199	199
Borrowings	B7	222,167	197,862
Deferred tax liabilities		24,937	24,439
Lease Liabilities		910	52
		<u>274,589</u>	<u>248,928</u>
Current Liabilities			
Provisions		5,312	5,624
Trade and other payables		155,737	142,270
Contract liabilities		12,300	13,894
Borrowings	B7	9,120	30,386
Tax payable		9,545	4,234
Lease Liabilities		151	1,087
Dividend payable		17,839	-
		<u>210,004</u>	<u>197,495</u>
Total Liabilities		<u>484,593</u>	<u>446,423</u>
TOTAL EQUITY AND LIABILITIES		<u>1,702,581</u>	<u>1,662,610</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2023.



LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))

Condensed Consolidated Statement of Changes in Equity

for the financial period ended 30 September 2023

	Attributable to owners of the Company						Total equity RM'000
	Non-distributable					Non-Controlling interests RM'000	
	Share capital RM'000	Capital reserve RM'000	Foreign Exchange Reserve RM'000	Retained profits RM'000	Total RM'000		
At 1 April 2023	660,232	12,133	(641)	455,046	1,126,770	89,417	1,216,187
Total comprehensive income for the financial period	-	-	375	20,784	21,159	(269)	20,890
Dividend paid to a non-controlling interest	-	-	-	-	-	(1,250)	(1,250)
Dividend for the financial year ended 31 March 2023	-	-	-	(17,839)	(17,839)	-	(17,839)
At 30 September 2023	660,232	12,133	(266)	457,991	1,130,090	87,898	1,217,988

Condensed Consolidated Statement of Changes in Equity

for the financial period ended 30 September 2022

	Attributable to owners of the Company						Total equity RM'000
	Non-distributable					Non-Controlling interests RM'000	
	Share capital RM'000	Capital reserve RM'000	Foreign Exchange Reserve RM'000	Retained profits RM'000	Total RM'000		
At 1 April 2022	660,232	12,133	1,148	443,191	1,116,704	89,633	1,206,337
Total comprehensive income for the financial period	-	-	(661)	8,899	8,238	218	8,456
Dividend for the financial year ended 31 March 2022	-	-	-	(14,866)	(14,866)	-	(14,866)
At 30 September 2022	660,232	12,133	487	437,224	1,110,076	89,851	1,199,927

The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2023.



LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))

Condensed Consolidated Statement of Cash Flows

for the financial period ended 30 September 2023

	CUMULATIVE PERIOD	
	(Unaudited) 30/09/2023 RM'000	30/09/2022 RM'000
Cash Flows From Operating Activities		
Cash receipts from customers	123,561	95,770
Cash payments to suppliers and employees	(70,863)	(59,034)
Interest received	508	599
Dividend on short term funds	643	615
Tax paid, net	(5,086)	(6,163)
Other operating payments, net	(13,989)	(12,169)
Net cash inflow from operating activities	34,774	19,618
Cash Flows From Investing Activities		
Additional investment in joint venture	(720)	(900)
Purchase of property, plant & equipment	(3,804)	(561)
(Placement)/Withdrawal of deposits with period more than 3 months	(162)	403
(Placement)of deposits pledged as security for bank guarantee facility	(731)	(24)
(Placement)/Withdrawal of short term funds	(22,392)	39,361
Dividend received from investment	13	19
Distribution of profit from a joint venture	537	-
Net cash outflow from investing activities	(27,259)	38,298
Cash Flows From Financing Activities		
Drawdown of bank borrowings	30,130	-
Repayment of bank borrowings	(26,714)	(14,039)
Dividend paid to a non-controlling interest of a subsidiary company	(1,250)	-
Interest payments	(5,721)	(3,992)
Net cash outflow from financing activities	(3,555)	(18,031)
Net change in cash & bank balances	3,960	39,885
Effects of foreign exchange rate changes	53	(87)
Cash & bank balances at beginning of financial period	68,544	37,000
Cash & bank balance at end of financial period	72,557	76,798

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2023.

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

Notes to the Interim Financial Report

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 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 2023.

A1. Basis of Preparation

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 2023, except for the adoption of the following Amendments to MFRS that are effective for the Group’s financial year beginning 1 April 2023:-

- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules*
- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

The adoption of the abovementioned amendments does not have any material financial impact on the interim financial statements of the Group.

A2. Audit Qualification

The audit report of the Group’s audited financial statements for the financial year ended 31 March 2023 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.

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.

LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))

A5. 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 interim periods of the current financial period or prior financial periods that has any material effect in the current 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 period under review.

As at 30 September 2023, the number of ordinary shares in issue is 2,973,135,003.

A7. Dividends Paid

No dividend was paid nor declared by the Company during the financial quarter under review.

The single tier final dividend proposed in respect of the financial year ended 31 March 2023 of 0.6 Sen per ordinary share was approved on 19 September 2023 and paid on 18 October 2023.

A8. Segmental Reporting

The operating segment information for the financial period ended 30 September 2023 is as follows:

Revenue for the 6 months ended 30 September 2023

	Properties RM'000	Education RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue from third parties	114,058	16,539	2,121	-	132,718
Interest & returns of short term funds and others	-	-	177	-	177
	<u>114,058</u>	<u>16,539</u>	<u>2,298</u>	<u>-</u>	<u>132,895</u>
Inter-segment Revenue	55	-	27,918	(27,973)	-
Total revenue	<u>114,113</u>	<u>16,539</u>	<u>30,216</u>	<u>(27,973)</u>	<u>132,895</u>

Segment results for the 6 months ended 30 September 2023

	Properties RM'000	Education RM'000	Others RM'000	Total RM'000
Segment results	35,108	6,536	(891)	40,753
Non-reportable segment*				(3,720)
Loss on fair value changes through profit or loss				(677)
Finance costs				(4,923)
Share of results of joint ventures				(251)
Share of results of associate				(910)
Profit before taxation				<u>30,272</u>

*Refers to investment holding and dormant companies.

LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))**Segment assets as at 30 September 2023**

	Properties RM'000	Education RM'000	Others RM'000	Total RM'000
Segment assets	1,302,677	82,047	114,212	1,498,936
Non-reportable segment*				36,568
Investment in joint ventures				16,629
Investment in associate				132,616
Deferred tax assets				16,656
Tax recoverable				1,176
Total assets				<u>1,702,581</u>

Segment liabilities as at 30 September 2023

	Properties RM'000	Education RM'000	Others RM'000	Total RM'000
Segment liabilities	359,178	39,021	1,534	399,733
Non-reportable segment*				50,378
Deferred tax liabilities				24,937
Tax payable				9,545
Total liabilities				<u>484,593</u>

*Refers to investment holding and dormant companies

A9. Other operating income

	Current Quarter RM'000	Cumulative Period RM'000
Interest income	316	479
Dividends from short term funds	307	705
Others	302	511
	<u>925</u>	<u>1,695</u>

LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))

A10. Profit Before Taxation

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

	Current Quarter RM'000	Cumulative Period RM'000
Interest income	337	529
Dividends from short term funds	402	833
Loss on fair value changes through profit or loss on -contingent consideration	(344)	(677)
Depreciation and amortisation	(1,660)	(3,344)
Interest expenses #	(2,324)	(4,923)
	<hr/>	<hr/>

Interest expenses incurred is as follows:

	Current Quarter RM'000	Cumulative Period RM'000
Interest expense on:		
- Bank borrowings	2,944	5,721
- Lease liabilities	13	416
	<hr/>	<hr/>
	2,957	6,137
Less:		
Interest expenses capitalised into qualifying asset	(633)	(1,214)
Interest expenses	<hr/>	<hr/>
	2,324	4,923
	<hr/>	<hr/>

A11. Valuations of Property, Plant, and Equipment

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

A12. Material Events Subsequent to the End of the Financial Period

There are no known material subsequent events up-till the date of this report which may affect the Group's financial position.

LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))

A13. Changes in the Composition of the Group

There were no other significant changes in the composition of the Group for the current financial period ended 30 September 2023.

A14. Inventories

	30/09/2023	31/03/2023
	RM'000	(Audited) RM'000
Non-current		
- Land held for property development	674,501	662,250
Current		
- Property development units in progress	199,389	262,032
- Completed development units	93,733	64,952
- Others	165	163
	<u>293,287</u>	<u>327,147</u>
	<u>966,788</u>	<u>989,397</u>

A15. Capital Commitments

	30/09/2023	31/03/2023
	RM'000	(Audited) RM'000
Approved and contracted for		
- Investment in joint venture	1,155	1,875
Approved but not contracted for		
- property, plant and equipment	252	252
	<u>1,407</u>	<u>2,127</u>

A16. Others

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

	30/09/2023	31/03/2023
	RM'000	RM'000
- Associate company	9,597	13,258

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

(a) For the quarter ended 30 September 2023

Quarter	Revenue		Operating profit	
	2QFY2024 RM'000	2QFY2023 RM'000	2QFY2024 RM'000	2QFY2023 RM'000
Property	83,434	59,645	30,082	13,812
Education	8,421	7,578	3,403	3,297
Others	1,497	1,625	(2,490)	(1,755)
Total	93,352	68,848	30,995	15,354
Loss on fair value changes			(344)	(6,445)
Finance costs			(2,324)	(2,017)
Share of results of joint ventures			(72)	4,653
Share of results of associated company			(405)	1,108
Profit Before Tax			27,850	12,653

For the quarter under review, the Group recorded a revenue of RM93.35 million (2QFY2023: RM68.85 million) and operating profit of RM31.00 million (2QFY2023: RM15.35 million). The Group's higher revenue and pre-tax profit were mainly contributed by its property and education division.

Property division

The property division registered a revenue of RM83.43 million (2QFY2023: RM59.65 million) and an operating profit of RM30.08 million (2QFY2023: RM13.81 million) during the quarter.

The division's higher revenue and operating profit was mainly due to the completion of Seresta's construction during the quarter together with further sales in the quarter. Also contributing to the increase were the sales and construction progress for Astoria Phase 2 and Sena Parc 1D for the quarter.

Education division

The education division recorded a revenue of RM8.42 million (2QFY2023: RM7.58 million) and operating profit of RM3.40 million (2QFY2023: RM3.30 million). The improved revenue and profit were mainly due to the fees increase for both its private and international schools coupled with increase in international schools' student enrolment, against the corresponding quarter.

Other divisions

Other divisions recorded an operating loss of RM2.49 million (2QFY2023: RM1.76 million) on the back of a revenue of RM1.50 million (2QFY2023: RM1.63 million). The division operating loss was due to the decline in palm oil prices despite slight increase in production volume for plantation during the quarter coupled with increased fixed overhead costs.

For the quarter under review, the Group recorded a higher pre-tax profit of RM27.85 million (2QFY2023: RM12.65 million) mainly due to the following:-

- completion of Seresta;
- lower fair value losses since VII investment was fully impaired in 2Q2023; and
- loss in share of results in joint venture of RM0.07 million (2QFY2023: profit of RM4.65 million) arising from no settlement in Hidden Valley Pty Ltd ("HVA") during the quarter.

LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))(b) For the 6 months period ended 30 September 2023

Quarter	Revenue		Operating profit	
	YTD 2Q2024 RM'000	YTD 2Q2023 RM'000	YTD 2Q2024 RM'000	YTD 2Q2023 RM'000
Property	114,058	77,207	35,108	16,235
Education	16,539	14,634	6,536	5,797
Others	2,298	3,446	(4,611)	(3,387)
Total	132,895	95,287	37,033	18,645
Loss on fair value changes			(677)	(6,982)
Finance costs			(4,923)	(2,673)
Share of results of joint ventures			(251)	4,474
Share of results of associated company			(910)	798
Profit Before Tax			30,272	14,262

For the 6 months period under review, the Group registered a revenue of RM132.90 million (YTD2Q2023: RM95.29 million) and an operating profit of RM37.03 million (YTD2Q2023: RM18.65 million), an increase from the corresponding period of preceding year. The increase was mainly due to higher contribution from both property and education divisions.

Property division

The property division recorded a revenue of RM114.06 million (YTD2Q2023: RM77.21 million) and an operating profit of RM35.11 million (YTD2Q2023: RM16.24 million) for the period. The higher revenue and operating profit for the period was mainly due to sales and construction progress for Seresta, Astoria Phase 2 and Sena Parc Phase 1D during the period as mentioned in (a).

Education division

The education division posted a revenue of RM16.54 million (YTD2Q2023: RM14.63 million) and an operating profit of RM6.54 million (YTD2Q2023: RM5.80 million) mainly due to the increased in fees and student enrolment as mentioned in (a).

Other division

Other divisions recorded a revenue of RM2.30 million (YTD2Q2023: RM3.45 million) and operating loss of RM4.61 million (YTD2Q2023: RM3.39 million), as compared to the corresponding period of the preceding year. The increase in operating losses was due to the decline in FFB prices and production volume for plantation and also the increase in fixed overheads.

The Group's pre-tax profit stood at RM30.27 million (YTD2Q2023: RM14.26 million), contributed by:

- improved results for property division arising from completion of Seresta;
- loss in joint venture due to no settlement in HVA during the period; and
- lower loss on fair value changes during the period since investment in Vietnam Industrial Investments Ltd ("VII") was fully impaired in the corresponding period of the preceding year.

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

Quarter	Revenue		Operating profit	
	2QFY2024 RM'000	1QFY2024 RM'000	2QFY2024 RM'000	1QFY2024 RM'000
Property	83,434	30,624	30,082	5,026
Education	8,421	8,118	3,403	3,133
Others	1,497	801	(2,490)	(2,121)
Total	93,352	39,543	30,995	6,038
Loss on fair value changes			(344)	(333)
Finance costs			(2,324)	(2,599)
Share of results of joint ventures			(72)	(179)
Share of results of associated company			(405)	(505)
Profit Before Tax			27,850	2,422

The Group's revenue and pre-tax profit stood at RM93.35 million (1QFY2024: RM39.54 million) and RM27.85 million (1QFY2024: RM2.42 million) respectively, for the quarter as compared to the preceding quarter. The higher revenue and pre-tax profit were mainly from property division with the completion of Seresta.

B3. Prospects

The Malaysian economy expanded by 3.3% in the third quarter of 2023 (2Q 2023: 2.9%). Growth was anchored by resilient domestic demand. Household spending remained supported by continued growth in employment and wages.

Despite the challenging global environment, the Malaysian economy is projected to expand by around 4% in 2023 and 4% – 5% in 2024. Growth will continue to be driven by the expansion in domestic demand amid steady employment and income prospects, particularly in domestic-oriented sectors. The growth outlook however, remains subject to downside risks stemming primarily from weaker- than-expected external demand as well as larger and more protracted declines in commodity production.

As expected, both headline and core inflation have been declining throughout the year, mainly due to milder cost conditions. This would likely continue for the remainder of 2023. Overall, headline inflation is expected to average between 2.5% and 3% in 2023. Going forward, risks to the inflation outlook remain highly subjective to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments. [Source: BNM Malaysian report on Malaysian economy outlook for 2Q2023].

Amid this, the fluctuations in the construction material costs remain an ongoing challenge to the property and construction industry and rising living expenses remain significant bottlenecks to homeownership.

Nevertheless, the Group remained focused on its upcoming launches of Wyn Residence at Puchong and Livista@Sri Damansara in the coming quarters. Strategically located within well connected highways, public transportation and mature township, the Group is optimistic that these two launches will achieve good take up rates.

LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))

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

Not applicable.

B5. Tax expense

	Individual Quarter		Cumulative Period	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Malaysian income tax	8,496	3,858	10,233	4,971
- Foreign jurisdiction income tax	146	1,157	146	1,157
- (Over)/Under provision in prior years	-	-	-	-
	8,642	5,015	10,379	6,128
Deferred tax				
- Current year	(589)	-	(589)	-
- Over provision in prior years	-	-	(33)	(983)
	8,053	5,015	9,757	5,145

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 its joint venture, Hidden Valley Australia Pty Ltd is calculated at 30% being the prevailing statutory tax rate in that jurisdiction.

The effective tax rate (excluding share of results of associate and joint ventures) of the Group is higher than the statutory tax rate in the current financial year mainly due to certain expenses being non-deductible.

B6. Corporate Development

On 31 March 2023, the Company announced a business venture and shareholders' agreement ("BVSA") between Brilliant Forward Sdn Bhd, its' wholly owned subsidiary and Low Gay Teck ("LGT"), Managing Director of the Company, to develop a parcel of leasehold land held under Pajakan Negeri 117,584, Lot 5240, Pekan Desa Puchong, Daerah Petaling, Negeri Selangor held by Forward Victory Sdn Bhd ("FVSB"). Subject to fulfilment of all conditional precedent, under the BVSA, LGT shall subscribe to a 10% equity stake in FVSB. As LGT is a director of the Company, the entry into the BVSA is a related party transaction and shareholders' approval was sought and passed at the Extraordinary General Meeting on 19 September 2023.

There was no other corporate proposal announced for the current quarter.

B7. Borrowings and Lease Liabilities

The Group's total borrowings as at 30 September 2023 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:			
Term loans	3,996	194,277	198,273
Bridging loan	5,106	28,230	33,336
Hire purchase	18	34	52
	9,120	222,541	231,661
Less:			
Cost to obtain borrowings	-	(374)	(374)
Total borrowings	9,120	222,167	231,287

All denominated in the local currency.

B8. Material Litigation

On 11 March 2021, Sri Damansara Sdn Bhd (“SDSB”), a wholly-owned subsidiary of the Company received a Notice of Additional Assessment (Form JA) from Inland Revenue Board (“IRB”) in respect of Year of Assessment (“YA”) 2018, wherein a sum of RM6.69 million of additional taxes and penalties was sought by IRB in relation to the sale of a piece of land in the previous year where IRB is of the view that the sale is subject to income tax instead of real property gain tax.

SDSB is of the view that the said additional taxes and penalties levied by IRB are open to challenge and has hence, engaged tax solicitors to assist in challenging the said disputed additional taxes and penalties imposed by IRB.

A. Judicial Review Application at the High Court of Malaya

On 15 March 2021, SDSB filed an Application for Judicial Review to the High Court of Kuala Lumpur (“High Court”) in challenging the said notice of additional assessment and the Court had fixed the hearing for leave to commence judicial review on 21 April 2021. Nonetheless, during the hearing for leave to commence judicial review, the Court was informed that the IRB had filed an application to intervene in the judicial review proceedings. Thus, the hearing for the leave application was vacated and Court subsequently fixed the hearing date for the IRB’s application to intervene on 10 June 2021, which is to be disposed of first before the leave application is heard.

Due to the implementation of Full Movement Control Order and upon the Attorney General Chamber’s and the IRB’s requests to adjourn the hearing, the hearing for the IRB’s application to intervene was adjourned to 12 April 2022. However, the court vacated the hearing and the next hearing date was fixed on 18 July 2022. On 18 July 2022, IRB’s application to intervene under Enclosure 17 was struck off with no order as to cost. IRB appealed against the decision by the High Court judge and the matter was fixed at the Court of Appeal on 20 July 2023. However, IRB has withdrawn their appeal and filed a notice of discontinuance.

In the meantime, at the High Court on 8 December 2022, the judge had decided not to grant leave for SDSB to commence judicial review. Pursuant thereto, SDSB had instructed its solicitors to file an Appeal and Motion of Stay. The Motion of Stay at the Court of Appeal was heard and dismissed with cost on 9 February 2023. The judges were of the view that there was no reason to grant a stay as there is no execution proceedings. As for the appeal against the High Court’s decision in dismissing SDSB’s leave application, the Court of Appeal had directed parties to attend the hearing on 19 October 2023. However, the matter did not proceed as SDSB had filed a Notice of Discontinuance on 14 September 2023 in view of the out-of-court settlement between SDSB and the IRB. Both parties had signed the Settlement Agreement pursuant to Sections 101(2), 102(5)(a) and 102(6) of the Income Tax Act 1967 on 12 September 2023. Pursuant to the aforesaid Settlement Agreement, no additional tax liabilities and penalties shall be paid by SDSB relating to the compulsory acquisition of a parcel of land at its former Sri Damansara Club site and that all relevant legal proceedings were withdrawn by parties.

B. Appeal at the Special Commissioners of Income Tax (“SCIT”)

On 9 April 2021, SDSB had filed a notice of appeal (“Form Q”) to the IRB in respect of the Form JA for the YA 2018. On 22 September 2021, the Form Q was registered at the SCIT. Accordingly, the SCIT had fixed 22 October 2021 as the first case mention. Subsequently the Court had ordered parties to proceed with the filing of cause papers and attended the case management on 24 March 2022. Following the case management, the court had fixed the hearing date on 10 April 2023 and 11 April 2023. The examination in chief, cross examination and re- examination of SDSB’s witness was conducted on 10 April 2023. Thereafter SCIT adjourned the matter to 19 June 2023 whereby on this date IRB did not call their witness and closed their case. Pursuant thereto, the SCIT has instructed parties to file written submissions and thereafter parties to attend for clarification or decision on 10 November 2023.

However, on 12 September 2023, SDSB entered into a Settlement Agreement pursuant to Sections 101(2), 102(5)(a) and 102(6) of the Income Tax Act 1967 with the IRB. Pursuant to the aforesaid Settlement Agreement, no additional tax liabilities and penalties shall be paid by SDSB relating to the compulsory acquisition of a parcel of land at its former Sri Damansara Club site and that all relevant legal proceedings were withdrawn by parties.

LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))

B9. Dividend Proposed

No dividend has been proposed for the financial period ended 30 September 2023.

B10. Earnings per Share

Basic

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

	Individual Quarter		Cumulative Period	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Profit attributable to owners of the Company (RM'000)	20,298	7,320	20,784	8,899
Weighted average number of ordinary shares ('000)	2,973,135	2,973,135	2,973,135	2,973,135
Basic earnings per share (sen)	<u>0.68</u>	<u>0.25</u>	<u>0.70</u>	<u>0.30</u>

22 November 2023