



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

**Condensed Consolidated Statement of Comprehensive Income  
for the financial period ended 30 September 2022**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	3 months ended		6 months ended	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	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
<b>Profit from operations</b>	15,354	15,403	18,645	21,892
Fair value changes through profit and loss	(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 associate	1,108	(678)	798	(848)
<b>Profit before taxation</b>	12,653	14,522	14,262	23,865
Income tax expense	(5,015)	(3,276)	(5,145)	(5,655)
<b>Profit for the period</b>	7,638	11,246	9,117	18,210
<b>Other comprehensive income that will be subsequently reclassified to profit or loss :</b>				
Foreign currency translation differences from foreign operations	(182)	(926)	(661)	(1,412)
	(182)	(926)	(661)	(1,412)
<b>Total comprehensive income for the period</b>	7,456	10,320	8,456	16,798
<b>Profit attributable to:</b>				
- Owners of the Company	7,320	11,205	8,899	18,202
- Non-controlling interests	318	41	218	8
	7,638	11,246	9,117	18,210
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	7,138	10,279	8,238	16,790
- Non-controlling interests	318	41	218	8
	7,456	10,320	8,456	16,798
<b>Earnings per share attributable to Owners of the Company (sen):</b>				
- Basic	0.25	0.38	0.30	0.61

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022.*



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

**Condensed Consolidated Statement of Financial Position**

**as at 30 September 2022**

		(Unaudited) 30/09/2022 RM'000	(Audited) 31/03/2022 RM'000
<b>ASSETS</b>	<b>Note</b>		
<b>Non-current Assets</b>			
Property, plant and equipment		131,532	132,200
Investment properties		93,819	90,923
Inventories	A15	570,250	568,711
Investment in joint ventures		19,969	15,150
Investment in associate		138,289	137,391
Other investments	A14	-	6,338
Deferred tax assets		14,350	13,236
Other non-current assets		261	273
		<u>968,470</u>	<u>964,222</u>
<b>Current Assets</b>			
Inventories	A15	393,228	423,588
Trade and other receivables		54,680	67,607
Other current assets		1,034	1,468
Contract asset		45,945	31,179
Contract cost		3,526	2,934
Tax recoverable		1,848	1,520
Short term funds		36,679	76,323
Deposits, cash and bank balances		82,890	41,618
		<u>619,830</u>	<u>646,237</u>
<b>TOTAL ASSETS</b>		<b><u>1,588,300</u></b>	<b><u>1,610,459</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		660,232	660,232
Retained profits		437,224	443,191
Other reserves		12,620	13,281
		<u>1,110,076</u>	<u>1,116,704</u>
<b>Non-controlling interests</b>		89,851	89,633
		<u>1,199,927</u>	<u>1,206,337</u>
<b>Non-current Liabilities</b>			
Provisions		3,639	3,639
Trade and other payables		192	192
Borrowings	B7	165,272	169,813
Deferred tax liabilities		24,326	24,195
		<u>193,429</u>	<u>197,839</u>
<b>Current Liabilities</b>			
Provisions		28,163	28,640
Trade and other payables		113,211	130,541
Contract liabilities		11,163	12,196
Borrowings	B7	23,599	31,244
Tax payable		3,865	3,577
Lease Liabilities		77	85
Dividend payable		14,866	-
		<u>194,944</u>	<u>206,283</u>
<b>Total Liabilities</b>		<u>388,373</u>	<u>404,122</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,588,300</u></b>	<b><u>1,610,459</u></b>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022.*



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

Condensed Consolidated Statement of Changes in Equity

for the financial period ended 30 September 2022

	Attributable to owners of the Company							Non-Controlling interests RM'000	Total equity RM'000
	Non-distributable					Total RM'000			
	Share capital RM'000	Redeemable Preference Shares RM'000	Capital reserve RM'000	Foreign Exchange Reserve RM'000	Retained profits RM'000				
<b>At 1 April 2022</b>	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)	
<b>At 30 September 2022</b>	<b>660,232</b>	<b>-</b>	<b>12,133</b>	<b>487</b>	<b>437,224</b>	<b>1,110,076</b>	<b>89,851</b>	<b>1,199,927</b>	

Condensed Consolidated Statement of Changes in Equity  
for the financial period ended 30 September 2021

	Attributable to owners of the Company							Non-Controlling interests RM'000	Total equity RM'000
	Non-distributable					Total RM'000			
	Share capital RM'000	Redeemable Preference Shares RM'000	Capital reserve RM'000	Foreign Exchange Reserve RM'000	Retained profits RM'000				
<b>At 1 April 2021</b>	660,232	-	12,133	2,183	438,385	1,112,933	90,054	1,202,987	
Total comprehensive income for the financial period	-	-	-	(1,412)	18,202	16,790	8	16,798	
Dividend paid to a non-controlling interest	-	-	-	-	-	-	(500)	(500)	
Equity injection from non-controlling interest	-	-	-	-	-	-	500	500	
Dividend for the financial year ended 31 March 2021	-	-	-	-	(14,866)	(14,866)	-	(14,866)	
<b>At 30 September 2021</b>	<b>660,232</b>	<b>-</b>	<b>12,133</b>	<b>771</b>	<b>441,721</b>	<b>1,114,857</b>	<b>90,062</b>	<b>1,204,919</b>	

The Condensed Consolidated Statement of Change In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022.



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

Condensed Consolidated Statement of Cash Flows

for the financial period ended 30 September 2022

	CUMULATIVE PERIOD	
	(Unaudited)	
	30/09/2022	30/09/2021
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Cash receipts from customers	95,770	71,511
Cash payments to suppliers and employees	(59,034)	(64,872)
Interest received	599	245
Dividend on short term funds	615	396
Tax paid, net	(6,163)	(4,256)
Other operating payments, net	(12,169)	(8,228)
<b>Net cash inflow from operating activities</b>	<b>19,618</b>	<b>(5,204)</b>
<b>Cash Flows From Investing Activities</b>		
Additional investment in joint venture	(900)	-
Purchase of property, plant & equipment	(561)	(658)
Withdrawal of deposits with period more than 3 months	403	890
(Placement)/ Withdrawal of deposits pledged as security for bank guarantee facility	(24)	20,724
Withdrawal/(Placement) of short term funds	39,361	(12,900)
Dividend received from investment	19	38
Distribution of profit from a joint venture	-	1,561
<b>Net cash outflow from investing activities</b>	<b>38,298</b>	<b>9,655</b>
<b>Cash Flows From Financing Activities</b>		
Drawdown of bank borrowings	-	15,192
Repayment of bank borrowings	(14,039)	(22,410)
Additional equity contribution from non-controlling interest	-	500
Dividend paid to a non-controlling interest of a subsidiary company	-	(500)
Interest payments	(3,992)	(4,061)
<b>Net cash outflow from financing activities</b>	<b>(18,031)</b>	<b>(11,279)</b>
<b>Net change in cash &amp; cash equivalents</b>	<b>39,885</b>	<b>(6,828)</b>
Effects of foreign exchange rate changes	(87)	(339)
Cash & cash equivalents at beginning of financial period	37,000	87,606
<b>Cash &amp; cash equivalents at end of financial period</b>	<b>76,798</b>	<b>80,439</b>
<b>Cash &amp; cash equivalents at end of financial period comprise:</b>		
Cash on hand and at banks	78,500	80,627
Deposits with financial institutions	4,390	8,478
<b>Deposits, cash and bank balances</b>	<b>82,890</b>	<b>89,105</b>
<b>Less:</b>		
Deposits pledged as security for bank guarantee	(2,648)	(2,653)
Deposits placements for periods exceeding 90 days	(1,592)	(6,013)
Bank overdraft	(1,852)	-
	<b>76,798</b>	<b>80,439</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022.

**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 2022.

**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 2022, except for the adoption of the following Amendments to MFRS that are effective for the Group’s financial year beginning 1 April 2022:-

- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)

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 2022 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 2022, 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 current financial quarter/period under review.

The single tier final dividend proposed in respect of the financial year ended 31 March 2022 of 0.5 Sen per ordinary share was approved on 15 September 2022 and paid on 18 October 2022.

**A8. Segmental Reporting**

The operating segment information for the financial period ended 30 September 2022 is as follows:

**Revenue for the 6 months ended September 2022**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
Revenue from third parties	77,207	14,634	3,220	-	95,061
Interest & returns of short term funds	-	-	226	-	226
	<u>77,207</u>	<u>14,634</u>	<u>3,446</u>	<u>-</u>	<u>95,287</u>
Inter-segment Revenue	55	-	3,320	(3,375)	-
Total revenue	<u>77,262</u>	<u>14,634</u>	<u>6,766</u>	<u>(3,375)</u>	<u>95,287</u>

**Segment results for the 6 months ended 30 September 2022**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Segment results	16,235	5,797	(466)	21,566
Non-reportable segment*				(2,921)
Loss on fair value changes through profit or loss				(6,982)
Finance costs				(2,673)
Share of results of joint ventures				4,474
Share of results of associate				798
Profit before taxation				<u>14,262</u>

\*Refers to investment holding and dormant companies.

**LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))****Segment assets as at 30 September 2022**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Segment assets	1,167,381	80,749	115,591	1,363,721
Non-reportable segment*				50,123
Investment in joint ventures				19,969
Investment in associate				138,289
Deferred tax assets				14,350
Tax recoverable				1,848
Total assets				<u>1,588,300</u>

**Segment liabilities as at 30 September 2022**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Segment liabilities	270,802	42,753	874	314,429
Non-reportable segment*				30,887
Deferred tax liabilities				24,326
Tax payable				3,865
Dividend payable				14,866
Total liabilities				<u>388,373</u>

\*Refers to investment holding and dormant companies

**A9. Other operating income**

	<b>Current Quarter RM'000</b>	<b>Cumulative Period RM'000</b>
Interest income	111	166
Dividends from short term funds	254	599
Others	262	512
	<u>627</u>	<u>1,282</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:

	<b>Current Quarter RM'000</b>	<b>Cumulative Period RM'000</b>
Interest income	127	187
Dividends from short term funds	422	806
Loss on fair value changes through profit or loss on		
-other investments	(6,445)	(6,377)
-contingent consideration	(328)	(645)
Depreciation and amortisation	(1,584)	(3,170)
Interest expenses #	(2,017)	(2,673)
	<hr/>	<hr/>

# Interest expenses incurred is as follows:

	<b>Current Quarter RM'000</b>	<b>Cumulative Period RM'000</b>
Interest expense on:		
- Bank borrowings	2,016	4,029
- Lease liabilities	1	2
	<hr/>	<hr/>
	2,017	4,031
Less:		
Interest expenses capitalised into qualifying asset	-	(1,358)
Interest expenses	<hr/>	<hr/>
	2,017	2,673
	<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**

On 2 November 2021, the Group incorporated Forward Victory Sdn Bhd ("FVSB") (formerly known as Billion Megastar Sdn Bhd) via its existing wholly-owned subsidiary, Brilliant Forward Sdn Bhd (formerly known as Sri Damansara Club Bhd).

On 10 January 2022, the Group announced the proposed acquisition of a parcel of leasehold commercial land held under Pajakan Negeri 117584 Lot 5240, Pekan Desa Puchong, Daerah Petaling, Negeri Selangor, measuring approximately 14,366.353 square metres (or approximately 3.55 acres) for a total cash consideration of RM68,041,000 via FVSB. As of 31 March 2022, a deposit of RM6,804,000 was paid for the said acquisition.

To date, the Group has paid RM17,010,180 being 25% of the purchase price and the acquisition is deemed completed on 27 October 2022.

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 2022.

On 1 July 2022, Land & General Berhad together with Malaysia Land Properties Sdn. Bhd. (“Mayland”) and Land Pacific Development Sdn. Bhd. (“LPDSB”) jointly agreed to invest in a customer referral mobile application that serves primarily to market corporate partners’ properties, which will be managed by Unitland Sdn. Bhd. (“ULSB”). Accordingly, the Group subscribed to 1 ordinary share at RM1.00 per share in ULSB, representing 33.33% equity in ULSB, with Mayland and LPDSB each holding 33.33%.

### A14. Other Investments

This refers to the Company’s investment in Vietnam Industrial Investments Ltd (“VII”) which was previously a quoted investment on the Australian Securities Exchange (ASX).

VII shares were suspended from trading from 16 September 2019 and the last traded price on 12 September 2019 was AUD0.31 per share. As of 31 March 2021, the Company had written down the fair value of its investment in VII to 50% discount from its last traded price prior to its suspension on 16 September 2019 (AUD0.31 per share). VII shares were removed from ASX official list on 29 October 2021.

VII’s latest publicly available interim audited financial statement for the half year ended 30 June 2020 was issued with a disclaimer of opinion by its auditors with respect to, amongst others, recoverability of VII Group’s loans, advances and receivables from its strategic partner, Nam Thuan Steel Joint Stock Company, and emphasis of matter on the material uncertainties on the going concern of VII Group.

Despite management’s best efforts to obtain updated financial and operations information on VII, there has not been any formal replies to our inquiries and the last available consolidated audited accounts for the VII was 30 June 2020. In light of the above, the Company has taken a prudent measure to make a full provision to impair the remaining investment in VII of RM6.083 million in its books. Management will continue to evaluate available options to recover its investment in VII.

### A15. Inventories

	30/09/2022	31/03/2022
	RM’000	(Audited) RM’000
<b>Non-current</b>		
- Land held for property development	570,250	568,711
<b>Current</b>		
- Property development units in progress	315,224	329,212
- Completed development units	77,622	94,270
- Others	382	106
	<u>393,228</u>	<u>423,588</u>
	<u>963,478</u>	<u>992,299</u>

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

**A16. Capital Commitments**

	<b>30/09/2022</b>	<b>31/03/2022</b>
	<b>RM'000</b>	<b>(Audited) RM'000</b>
Approved and contracted for		
- Investment in joint venture	2,325	3,225
- Investment properties and property, plant and equipment	9,074	13,133
Approved but not contracted for		
- property, plant and equipment	284	284
	<u>11,683</u>	<u>16,642</u>

**A17. Others**

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

	<b>30/09/2022</b>	<b>31/03/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
- Associate company	11,287	21,667
	<u>11,287</u>	<u>21,667</u>

**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 2022

Quarter	Revenue		Operating profit	
	2Q2023 RM'000	2Q2022 RM'000	2Q2023 RM'000	2Q2022 RM'000
Property	59,645	39,836	13,812	10,311
Education	7,578	6,184	3,297	3,150
Others	1,625	1,685	(1,755)	1,942
<b>Total</b>	<b>68,848</b>	<b>47,705</b>	<b>15,354</b>	<b>15,403</b>
Loss on fair value changes			(6,445)	(887)
Finance costs			(2,017)	(2)
Share of results of joint ventures			4,653	686
Share of results of associated company			1,108	(678)
<b>Profit Before Tax</b>			<b>12,653</b>	<b>14,522</b>

For the quarter under review, the Group recorded a revenue of RM68.85 million (2Q2022: RM47.71 million) and pre-tax profit of RM12.65 million (2Q2022: RM14.52 million). The Group's revenue was higher due to higher revenue and operating profit from both its property and education division.

Contrary to the higher revenue, the Group's operating profit stood at RM15.35 million (2Q2022: RM15.40 million), reflecting a decrease from corresponding quarter of preceding year, due to the operating loss suffered by its other division.

**Property division**

The property division registered a revenue of RM59.65 million (2Q2022: RM39.84 million) and an operating profit of RM13.81 million (2Q2022: RM10.31 million) during the quarter.

The division's higher revenue and operating profit was mainly due to higher sales and construction progress of Seresta, Sena Parc Phase 1C and Astoria Phase 2. Also contributing to the increase were the sales of its completed units of Sena Parc Phase 1A and Astoria Ampang Phase 1. The lower increase in operating profit as compared to the rise in revenue is due to higher marketing incentives offered for completed units.

**Education division**

The education division recorded a revenue of RM7.58 million (2Q2022: RM6.18 million) and operating profit of RM3.30 million (2Q2022: RM3.15 million), reflecting an improved revenue and profit with the increase in student enrolment and fees for its international schools against the corresponding period.

**Other divisions**

Other divisions recorded a revenue of RM1.63 million (2Q2022: RM1.69 million), a slight decrease in revenue due to the decline in palm oil prices for plantation during the quarter.

However, the division suffered an operating loss of RM1.76 million (2Q2022: operating profit of RM1.94 million) due to low tenancy of its investment property and no exceptional income recognised (2Q2022: RM3.36 million) during the quarter. The exceptional income recognised in 2Q2022 were the write back of provision for financial obligation of RM2.08 million and the one-off income from rubberwood disposal of RM1.28 million.

Despite the increased revenue and improved results from both its joint venture, Hidden Valley Pty Ltd ("HVA") and its associate company, Country Garden (Malaysia) Properties Sdn Bhd ("CGPM) arising from more sales/ settlements of properties/ bungalow lots, the Group incurred a lower pre-tax profit of RM12.65 million (2Q2022: RM 14.53 million) for the quarter.

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

**B1. Review of Performance of the Company and its Principal Subsidiaries (continued)**

(a) For the quarter ended 30 September 2022

The lower pre-tax profit were mainly due to the following:-

- Loss on fair value changes of RM6.08 million arising from the full provision for impairment of investment in Vietnam Industrial Investments Ltd (“VII”);
- Losses suffered by its other divisions due to reasons mentioned; and
- The increase finance costs charged following the launch of Astoria Phase 2 during the quarter.

**LAND & GENERAL BERHAD (COMPANY NO. 196401000184 (5507-H))**(b) For the 6 months period ended 30 September 2022

Quarter	Revenue		Operating profit	
	YTD 2Q2023 RM'000	YTD 2Q2022 RM'000	YTD 2Q2023 RM'000	YTD 2Q2022 RM'000
Property	77,207	62,935	16,235	14,574
Education	14,634	12,245	5,797	4,899
Others	3,446	3,163	(3,387)	2,419
<b>Total</b>	<b>95,287</b>	<b>78,343</b>	<b>18,645</b>	<b>21,892</b>
Loss on fair value changes			(6,982)	(1,620)
Finance costs			(2,673)	(4)
Share of results of joint ventures			4,474	4,445
Share of results of associated company			798	(848)
<b>Profit Before Tax</b>			<b>14,262</b>	<b>23,865</b>

For the 6 months period under review, the Group registered a revenue of RM95.29 million (YTD 2Q2022: RM78.34 million), an increase in revenue from the corresponding period of preceding year. The increase was mainly due to higher contribution from both property and education divisions.

However, the Group's operating profit decreased to RM18.65 million (YTD 2Q2022: RM21.89 million) due to the operating losses suffered by other divisions.

**Property division**

The property division recorded a revenue of RM77.21 million (YTD 2Q2022: RM62.94 million) and an operating profit of RM16.24 million (YTD 2Q2022: RM14.57 million) for the period. The period's revenue and operating profit was higher compared to the corresponding period of the preceding year contributed from the construction progress and further sales of Seresta, Sena Parc Phase 1C and Astoria Phase 2 coupled with the sales of completed units of Sena Parc Phase 1A and Astoria Ampang Phase 1.

**Education division**

The education division posted a revenue of RM14.63 million (YTD 2Q2022: RM12.25 million) and an operating profit of RM5.80 million (YTD 2Q2022: RM4.90 million) mainly due to the increased student enrolment and fees for its international school as mentioned in (a).

**Other division**

On the back of a revenue of RM3.45 million (YTD 2Q2022: RM3.16 million), other division recorded an operating loss of RM3.39 million (YTD 2Q2022: profit of RM2.42 million) for the period ended 30 September 2022.

The division's operating profit for the corresponding period of preceding year included a write back of provision for financial obligation of RM4.16 million and income of RM1.28 million from the disposal of rubberwood.

Despite the increase revenue, the Group recorded a lower pre-tax profit of RM14.26 million (YTD 2Q2022: RM 23.87 million) for the period, mainly due to the following:-

- Loss on fair value changes of RM6.08 million arising mainly from the full provision for impairment of the investment in Vietnam Industrial Investments Ltd ("VII");
- Operating losses suffered by its other division due to reasons mentioned above; and
- Increased in finance costs charged following the launch of Astoria Phase 2 during the period.

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

Quarter	Revenue		Operating profit	
	2Q2023 RM'000	1Q2023 RM'000	2Q2023 RM'000	1Q2023 RM'000
Property	59,645	17,562	13,812	2,422
Education	7,578	7,056	3,297	2,501
Others	1,625	1,820	(1,755)	(1,632)
<b>Total</b>	<b>68,848</b>	<b>26,438</b>	<b>15,354</b>	<b>3,291</b>
Loss on fair value changes			(6,445)	(537)
Finance costs			(2,017)	(656)
Share of results of joint ventures			4,653	(179)
Share of results of associated company			1,108	(310)
<b>Profit Before Tax</b>			<b>12,653</b>	<b>1,609</b>

The Group's revenue and operating profit for the current quarter stood at RM68.85 million (1Q2023:RM26.44 million) and RM15.35 million (1Q2023: RM3.29 million) respectively. The higher revenue and operating profit were mainly due to improved contributions from both its property division and education division.

Despite the loss on fair value changes of RM6.45 million and the finance costs of RM2.02 million in the quarter as mentioned in (a), the Group recorded a pre-tax profit of RM12.65 million in 2Q2023 (1Q2023: RM1.61 million) due to the following;

- Increase in revenue and operating profit for both property and education division; and
- Improved share of results for both HVA and CGPM arising from more sales/ settlements of properties/ bungalow lots during the current quarter.

**B3. Prospects**

Malaysia's gross domestic product ("GDP") grew by 14.2% in the third quarter of 2022 against the corresponding period of previous year, driven primarily by robust domestic demand (Source: BNM Report on 3<sup>rd</sup> Quarter Malaysian performance). Following the dissolution of Parliament on 10 October 2022 to make way for Malaysia's 15<sup>th</sup> General Election, the implementation of the recent Budget 2023 may be subject to further changes and the continuing supply chain disruptions, inflationary pressures and the hike in Overnight Policy Rate (OPR) will persist to present headwinds on the economy and property sector.

Against this backdrop, the Group remained focus in completing its existing Seresta and Sena Parc Phase 1C and clearing its existing inventories within the financial year. The Group will also continue to focus on the challenges in market demand in its planning for its future launches in an attempt to deliver quality projects and remain relevant to our customers so as to preserve the long-term values to our shareholders.

**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	
	30/09/2022	30/09/2021	30/09/2022	30/09/2021
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Malaysian income tax	3,858	3,246	4,971	4,616
- Foreign jurisdiction income tax	1,157	10	1,157	1,096
	5,015	3,256	6,128	5,712
Deferred tax				
- Current year	-	-	-	-
- Over provision in prior years	-	20	(983)	(57)
	5,015	3,276	5,145	5,655

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-deductable.

**B6. Corporate Development**

There was no corporate proposal announced for the current quarter.

**B7. Borrowings and Lease Liabilities**

The Group's total borrowings as at 30 September 2022 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured:			
Bank overdraft	1,852	-	1,852
Term loans	13,527	124,438	137,965
Bridging loan	4,824	40,822	45,646
Revolving credit	3,265	-	3,265
Hire purchase	131	12	143
<b>Total borrowings</b>	<b>23,599</b>	<b>165,272</b>	<b>188,871</b>

All denominated in the local currency.

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### **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 corporate 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 has appealed against the decision by the High Court judge and the appeal is now fixed at the Court of Appeal on 20 July 2023.

In the meantime, the Court has fixed the leave hearing on 8 December 2022 and also granted an extension of stay to SDSB until 8 December 2022 whereby the additional taxes do not have to be paid until the next hearing.

#### **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.

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**B9. Dividend Proposed**

No dividend has been proposed for the financial period ended 30 September 2022.

**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.

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>30/09/2022</b>	<b>30/09/2021</b>	<b>30/09/2022</b>	<b>30/09/2021</b>
Profit attributable to owners of the Company (RM'000)	7,320	11,205	8,899	18,202
Weighted average number of ordinary shares ('000)	2,973,135	2,973,135	2,973,135	2,973,135
Basic earnings per share (sen)	0.25	0.38	0.30	0.61

23 November 2022