

**5507-H**

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

<b>CONTENTS</b>	<b>PAGE</b>
Directors' Report	1 - 6
Statement by Directors	7
Statutory Declaration	7
Independent Auditors' Report	8 - 10
Income Statements	11
Balance Sheets	12 - 13
Consolidated Statement of Changes in Equity	14 - 15
Company Statement of Changes in Equity	16
Cash Flow Statements	17 - 18
Notes to the Financial Statements	19 - 110

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2010.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company are investment holding and leasing of assets. The principal activities of the subsidiaries are set out in Note 15 to the financial statements.

There have been no significant changes to the activities of the Group and of the Company during the financial year.

**RESULTS**

	<b>Group</b> <b>RM'000</b>	<b>Company</b> <b>RM'000</b>
Profit for the year	29,682	28,219
Attributable to:		
Equity holders of the Company	29,682	28,219
Minority interests	-	-
	<u>29,682</u>	<u>28,219</u>

There were no material transfers to or from reserves and provisions during the financial year other than the effects arising from a capital reduction exercise incorporating the cancellation of RM0.80 of the par value of each existing ordinary share of RM1.00 each resulting in a credit of RM478,644,000 and a partial reduction of the share premium account of the Company of RM115,967,000. The total credit of RM594,611,000 arising was utilised to set-off against the accumulated losses of the Company. Further details of this exercise are disclosed in Note 29 to the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than:

- (i) the effects arising from the capital distributions of a foreign subsidiary resulting in a realised foreign exchange gain to the Group and to the Company of RM11,049,000 and RM9,612,000 respectively, as disclosed in Note 15(i) to the financial statements; and
- (ii) the effects arising from the write back of impairment loss on other investments of the Group and of the Company of RM8,810,000 as disclosed in Note 4 to the financial statements.

**5507-H**

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

**DIVIDENDS**

No dividend was paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any payment of dividend in respect of the current financial year ended 31 March 2010.

**DIRECTORS**

The Directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Hj Zainal Abidin Putih (Chairman)	(Appointed on 01.06.2010)
Low Gay Teck (Managing Director)	
Ferdaus Mahmood (Executive Director)	
General (R) Tan Sri Borhan Hj Ahmad	
Dato' Ir Dr A Bakar Jaafar	
Lau Tiang Hua	
Dato' Muhammad Khairun Aseh	
Dato' Hj Ikhwan Salim Dato' Hj Sujak	
YM Tengku Maruan Tengku Ariff	
Wing Kwan Winnie Chiu	
Hoong Cheong Thard	(Appointed on 01.06.2010)
Dato' Imran Ho Abdullah	(Retired on 16.09.2009)

In accordance with Article 93 of the Articles of Association of the Company, Low Gay Teck, Dato' Ir Dr A Bakar Jaafar and Dato' Hj Ikhwan Salim Dato' Hj Sujak retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

In accordance with Article 98 of the Articles of Association of the Company, Dato' Hj Zainal Abidin Putih and Hoong Cheong Thard, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for election.

General (R) Tan Sri Borhan Hj Ahmad, having already attained the age of seventy, retires pursuant to Section 129(2) of the Companies Act, 1965 and will not seek re-appointment as Director at the forthcoming Annual General Meeting of the Company.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**DIRECTORS' BENEFITS**

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 6 to the financial statements or the fixed salaries of full-time employees of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

**DIRECTORS' INTERESTS**

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	<b>Number of Ordinary Shares of RM1.00 each / RM0.20 * each</b>		
	<b>1 April 2009</b>	<b>Acquired</b>	<b>Disposed 31 March 2010</b>
<b>The Company</b>			
Direct Interest			
YM Tengku Maruan Tengku Ariff	2,000	-	2,000
Indirect Interest			
Wing Kwan Winnie Chiu	101,380,000	-	101,380,000

\* The par value of each ordinary share was reduced from RM1.00 each to RM0.20 each during the year as disclosed in Note 29 to the financial statements.

Wing Kwan Winnie Chiu, by virtue of her indirect interest in shares in the Company, is also deemed interested in shares in all the Company's subsidiaries to the extent the Company has an interest.

No other Director in office at the end of the financial year had any interest in shares or in debentures of the Company and its related corporations during the financial year.

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

**CAPITAL REDUCTION**

During the financial year, the Company undertook the following capital reduction exercise:

- (i) the Memorandum of Association of the Company was amended to reflect the reduction of par value of the authorised share capital of the Company from RM1.00 per ordinary share to RM0.20 per ordinary share; thereby increasing the number of authorised shares from 1,000,000,000 to 5,000,000,000; and
- (ii) the issued and paid-up share capital of the Company was reduced from RM598,305,000 comprising 598,305,000 ordinary shares of RM1.00 each to RM119,661,000 comprising 598,305,000 ordinary shares of RM0.20 each by the cancellation of RM0.80 of the par value of each ordinary share. The credits of RM478,644,000 and RM115,967,000 arising from the aforementioned share capital reduction exercise and the reduction in share premium of the Company respectively were applied to eliminate the accumulated losses of the Company.

**OTHER STATUTORY INFORMATION**

- (a) Before the income statements and balance sheets of the Group and of the Company were drawn out, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
  - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in these financial statements inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**OTHER STATUTORY INFORMATION (CONTD.)**

- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year, other than for a corporate guarantee of RM19,250,000 granted to a joint venture entity by the Company, in proportion to its shareholdings, as disclosed in Note 37 to the financial statements.
- (f) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

**SIGNIFICANT EVENTS**

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 36 to the financial statements.

**SUBSEQUENT EVENTS**

Details of subsequent events are disclosed in Note 37 to the financial statements.

**5507-H**

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

**AUDITORS**

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 20 July 2010.

Low Gay Teck

Ferdaus Mahmood

**5507-H**

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

**STATEMENT BY DIRECTORS**  
**PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965**

We, Low Gay Teck and Ferdaus Mahmood, being two of the Directors of Land & General Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 11 to 110 are drawn up in accordance with the Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2010 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 20 July 2010.

Low Gay Teck

Ferdaus Mahmood

**STATUTORY DECLARATION**  
**PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965**

I, Hayati Aman Hashim, being the officer primarily responsible for the financial management of Land & General Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 110 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Hayati Aman Hashim at Kuala Lumpur in the Federal Territory on 20 July 2010.

Hayati Aman Hashim

Before me,

5507-H

**Independent auditors' report to the members of  
Land & General Berhad  
(Incorporated in Malaysia)**

**Report on the financial statements**

We have audited the financial statements of Land & General Berhad, which comprise the balance sheets as at 31 March 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 11 to 110.

*Directors' responsibility for the financial statements*

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5507-H

**Independent auditors' report to the members of  
Land & General Berhad (cont'd.)  
(Incorporated in Malaysia)**

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2010 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

**Report on other legal and regulatory requirements**

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of the subsidiary of which we have not acted as auditors, which are indicated in Note 15 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any material qualification and in respect of subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.

5507-H

Independent auditors' report to the members of  
Land & General Berhad (cont'd.)  
(Incorporated in Malaysia)

**Other matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young  
AF: 0039  
Chartered Accountants

Low Khung Leong  
No. 2697/01/11(J)  
Chartered Accountant

Kuala Lumpur, Malaysia  
20 July 2010

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**INCOME STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	3	30,214	37,611	27,536	18,038
Other income	4	31,154	17,872	19,504	31,803
Raw materials and consumables used		(513)	(388)	-	-
Property development expenditure recognised as expense	12(b)	(2,078)	-	-	-
Changes in inventories		(3,320)	(7,088)	-	-
Staff costs	5	(12,193)	(13,290)	(2,713)	(3,250)
Depreciation and amortisation		(1,654)	(2,156)	(905)	(1,031)
Impairment losses		(65)	(344)	(35)	(25,391)
Other expenses		(11,173)	(38,889)	(8,088)	(11,026)
Provision for financial obligation arising from liquidation of a former subsidiary	24	-	(41,611)	-	(41,611)
Gain on deconsolidation of a subsidiary	15(b)(ii)	-	71,167	-	-
Operating profit/(loss)		30,372	22,884	35,299	(32,468)
Finance costs	7	(911)	(6,026)	(911)	(3,830)
Share of net profit of jointly controlled entities	17	1,489	856	-	-
Profit/(loss) before tax	8	30,950	17,714	34,388	(36,298)
Income tax expense	9	(1,268)	(2,399)	(6,169)	(367)
Profit/(loss) for the year		<u>29,682</u>	<u>15,315</u>	<u>28,219</u>	<u>(36,665)</u>
Attributable to:					
Equity holders of the Company		29,682	15,315	28,219	(36,665)
Minority interests		-	-	-	-
		<u>29,682</u>	<u>15,315</u>	<u>28,219</u>	<u>(36,665)</u>
<b>Earnings per share attributable to equity holders of the Company (sen)</b>					
Basic, for profit for the year	10	<u>4.96</u>	<u>2.56</u>		

The accompanying notes form an integral part of the financial statements.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**BALANCE SHEETS AS AT 31 MARCH 2010**

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	64,204	64,815	870	1,278
Land held for property development	12(a)	26,115	34,362	-	-
Investment properties	13	16,182	14,383	20,917	21,331
Prepaid land lease payments	14	1,769	96	57	58
Investments in subsidiaries	15	-	-	202,390	268,262
Investments in associates	16	-	-	-	-
Investments in jointly controlled entities	17	(4,771)	(5,327)	-	-
Other investments	18	12,127	3,435	12,017	3,292
Deferred tax assets	32	3	84	-	-
		<u>115,629</u>	<u>111,848</u>	<u>236,251</u>	<u>294,221</u>
<b>Current assets</b>					
Property development costs	12(b)	10,028	-	-	-
Inventories	19	26,601	30,093	-	-
Trade and other receivables	20	34,114	26,588	25,691	30,111
Marketable securities	21	-	51,280	-	-
Tax recoverable		1,990	4,200	2,914	6,755
Deposits, cash and bank balances	22	136,694	123,520	77,356	38,050
		<u>209,427</u>	<u>235,681</u>	<u>105,961</u>	<u>74,916</u>
Non-current assets classified as held for sale	23	514	4,043	-	-
		<u>209,941</u>	<u>239,724</u>	<u>105,961</u>	<u>74,916</u>
<b>TOTAL ASSETS</b>		<u>325,570</u>	<u>351,572</u>	<u>342,212</u>	<u>369,137</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**BALANCE SHEETS AS AT 31 MARCH 2010 (CONTD.)**

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	29	119,661	598,305	119,661	598,305
Share premium		17,036	133,003	17,036	133,003
Reserves	30	20,310	16,318	-	-
Retained earnings /(accumulated losses)	31	74,835	(547,458)	28,834	(593,996)
		<u>231,842</u>	<u>200,168</u>	<u>165,531</u>	<u>137,312</u>
Minority interests		-	-	-	-
<b>Total equity</b>		<u>231,842</u>	<u>200,168</u>	<u>165,531</u>	<u>137,312</u>
<b>Non-current liabilities</b>					
Provisions	24	1,489	-	-	-
Borrowings	26	330	5,377	330	5,377
Deferred tax liabilities	32	209	-	-	-
		<u>2,028</u>	<u>5,377</u>	<u>330</u>	<u>5,377</u>
<b>Current liabilities</b>					
Provisions	24	67,339	65,378	41,611	41,611
Trade and other payables	25	23,862	13,207	134,586	117,950
Borrowings	26	154	66,887	154	66,887
Taxation		345	555	-	-
		<u>91,700</u>	<u>146,027</u>	<u>176,351</u>	<u>226,448</u>
<b>Total liabilities</b>		<u>93,728</u>	<u>151,404</u>	<u>176,681</u>	<u>231,825</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>325,570</u>	<u>351,572</u>	<u>342,212</u>	<u>369,137</u>

The accompanying notes form an integral part of the financial statements.

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	-----Attributable to equity holders of the Company-----							
	-----Non-distributable-----							
Note	Share capital RM'000 (Note 29)	Share premium RM'000	Capital reserve RM'000 (Note 30)	Foreign exchange reserve RM'000 (Note 30)	Accumulated losses RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
At 1 April 2008	598,305	133,003	4,674	26,718	(560,814)	201,886	-	201,886
Foreign exchange differences not recognised in income statement	-	-	-	(17,033)	-	(17,033)	-	(17,033)
Redemption of preference shares in a subsidiary	-	-	2,000	-	(2,000)	-	-	-
Effect of deconsolidation of a subsidiary	15(b)	-	(41)	-	41	-	-	-
Net profit for the financial year	-	-	-	-	15,315	15,315	-	15,315
At 31 March 2009	598,305	133,003	6,633	9,685	(547,458)	200,168	-	200,168

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2010 (CONTD.)**

	-----Attributable to equity holders of the Company-----								
	-----Non-distributable-----								
	Note	Share capital RM'000 (Note 29)	Share premium RM'000	Capital reserve RM'000 (Note 30)	Foreign exchange reserve RM'000 (Note 30)	(Accumulated losses)/ retained earnings RM'000 (Note 31)	Total RM'000	Minority interests RM'000	Total equity RM'000
At 1 April 2009		598,305	133,003	6,633	9,685	(547,458)	200,168	-	200,168
Effect of capital reduction	29	(478,644)	(115,967)	-	-	594,611	-	-	-
Foreign exchange differences not recognised in income statement		-	-	-	3,429	-	3,429	-	3,429
Effect of capital distributions from a foreign subsidiary	15(i)	-	-	-	(1,437)	-	(1,437)	-	(1,437)
Redemption of preference shares in a subsidiary		-	-	2,000	-	(2,000)	-	-	-
Net profit for the financial year		-	-	-	-	29,682	29,682	-	29,682
At 31 March 2010		119,661	17,036	8,633	11,677	74,835	231,842	-	231,842

The accompanying notes form an integral part of the financial statements.

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2010**

		Non- (Accumulated distributable losses)		
	Share capital RM'000 (Note 29)	Share premium RM'000	/ retained earnings RM'000 (Note 31)	Total equity RM'000
<b>At 1 April 2008</b>	598,305	133,003	(557,331)	173,977
Loss for the financial year	-	-	(36,665)	(36,665)
<b>At 31 March 2009</b>	<u>598,305</u>	<u>133,003</u>	<u>(593,996)</u>	<u>137,312</u>
<b>At 1 April 2009</b>	598,305	133,003	(593,996)	137,312
Effect of capital reduction	29 (478,644)	(115,967)	594,611	-
Profit for the financial year	-	-	28,219	28,219
<b>At 31 March 2010</b>	<u>119,661</u>	<u>17,036</u>	<u>28,834</u>	<u>165,531</u>

The accompanying notes form an integral part of the financial statements.

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**CASH FLOW STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Cash Flows From Operating Activities</b>				
Cash receipts from customers	42,236	33,081	2	3
Cash payments to suppliers and employees	(25,989)	(27,211)	(3,724)	(5,239)
Interest received	2,876	8,988	1,276	860
Taxation paid	(3,380)	(2,238)	-	-
Tax refunded	2,358	261	2,328	-
Other operating receipts	8,486	2,162	1,196	113
Other operating payments	(211)	(68)	(83)	(9)
Net cash inflow/(outflow) from operating activities	<u>26,376</u>	<u>14,975</u>	<u>995</u>	<u>(4,272)</u>
<b>Cash Flows From Investing Activities</b>				
Net cash from deconsolidation of a subsidiary (Note 15(b))	-	(387)	-	-
Capital distributions from a foreign subsidiary (Note 15(i))	-	-	83,484	-
Purchase of property, plant and equipment	(741)	(778)	(8)	(28)
Purchase of marketable securities	(7,220)	(51,280)	-	-
Proceeds from disposal of non-current assets held for sale	5,381	6,549	-	-
Proceeds from disposal of property, plant and equipment	21	243	20	203
Proceeds from disposal of investment property	407	371	-	-
Proceeds from disposal of marketable securities	59,021	-	-	-
Payments made to redeem charges on land secured for borrowings of a former subsidiary	-	(17,441)	-	-
Advance paid for land acquired under a joint venture	(7,398)	-	-	-
Dividend received	-	-	18,625	14,269
Others	(87)	(523)	(1)	-
Net cash inflow/(outflow) from investing activities	<u>49,384</u>	<u>(63,246)</u>	<u>102,120</u>	<u>14,444</u>

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**CASH FLOW STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010 (CONTD.)**

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Financing Activities</b>				
Payment of hire purchase obligations	(147)	(405)	(147)	(392)
Repayment of Redeemable Convertible Secured Loan Stocks ("RCSLs")	(71,710)	(12,019)	(71,710)	(12,019)
Interest payments	(1,483)	(3,915)	(1,483)	(3,915)
Net advances from subsidiaries	-	-	9,531	20,249
Net cash (outflow)/inflow from financing activities	<u>(73,340)</u>	<u>(16,339)</u>	<u>(63,809)</u>	<u>3,923</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,420	(64,610)	39,306	14,095
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	123,520	199,451	38,050	23,955
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	10,754	(11,321)	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 22)</b>	<u>136,694</u>	<u>123,520</u>	<u>77,356</u>	<u>38,050</u>

The accompanying notes form an integral part of the financial statements.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010**

**1. CORPORATE INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is Level 5, Block D, Sri Damansara Business Park, Persiaran Industri, Bandar Sri Damansara, 52200 Kuala Lumpur, Malaysia.

The principal activities of the Company are investment holding and leasing of assets.

The principal activities of the subsidiaries are set out in Note 15. There have been no significant changes to the activities of the Group and of the Company during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of Directors on 20 July 2010.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation**

The financial statements comply with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRSs") in Malaysia. At the beginning of the current financial year, the Group had adopted the new and revised FRS as described in Note 2.3.

The financial statements of the Group and of the Company have also been prepared under the historical basis.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies**

**(a) Subsidiaries and Basis of Consolidation**

**(i) Subsidiaries**

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

**(ii) Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statement.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(a) Subsidiaries and Basis of Consolidation (Contd.)**

**(ii) Basis of Consolidation (Contd.)**

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

**(iii) Associates**

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(a) Subsidiaries and Basis of Consolidation (Contd.)**

**(iii) Associates (Contd.)**

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

**(iv) Jointly Controlled Entities**

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting based on the audited or management financial statements of the jointly controlled entities. Under the equity method of accounting, the Group's share of profits or losses of jointly controlled entities during the financial year is included in the consolidated income statement. Equity accounting is discontinued when the carrying amount of the investment in a jointly controlled entity reaches zero, unless the Group has incurred obligation to make payments on behalf of the jointly controlled entity.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in income statement.

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(b) Property, Plant and Equipment, and Depreciation**

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to initial recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% - 10%
Plant and machinery	5% - 30%
Motor vehicles	20%
Furniture, fittings and equipment	7.5% - 30%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(c) Investment Properties**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated. Investment properties carried at cost are depreciated over the estimated economic useful life ranging from 20 to 50 years.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in income statement in the year in which they arise.

The Group has opted to early adopt the amendments to FRS 140 thus, investment property under construction is now classified as investment property. This is further explained in Note 2.3 to the financial statements.

**(d) Land Held for Property Development and Property Development Costs**

**(i) Land Held for Property Development**

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(d) Land Held for Property Development and Property Development Costs (Contd.)**

**(i) Land Held for Property Development (Contd.)**

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

**(ii) Property Development Costs**

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(e) Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method. The costs of goods comprise the cost of purchase plus the cost of bringing the goods to its present condition. The cost of completed properties held for sale comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**(f) Financial Instruments**

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

**(i) Cash and Cash Equivalents**

For the purposes of the cash flow statements, cash and cash equivalents include cash in hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(f) Financial Instruments (Contd.)**

**(ii) Other Non-current Investments**

Non-current investments other than investments in subsidiaries, associates and jointly controlled entities are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in income statement.

**(iii) Marketable Securities**

Marketable Securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are credited or charged to the income statement. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is charged or credited to the income statement.

**(iv) Trade Receivables**

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

**(v) Trade Payables**

Trade payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

**(vi) Interest Bearing Loans and Borrowings**

All loans and borrowings are recognised at the fair value of the consideration received. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(f) Financial Instruments (Contd.)**

**(vii) Redeemable Convertible Secured Loan Stocks ("RCSLS")**

The RCSLS are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible loan stock. The difference between the proceeds of issue of the RCSLS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or redemption, whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible bond to the instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying amount of the convertible bond.

As the equity portion of the RCSLS is insignificant, the entire RCSLS has been classified as liability.

**(viii) Equity Instruments**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

**(ix) Derivatives Financial Instruments**

Derivative financial instruments are not recognised in the financial statements.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(g) Leases**

**(i) Classification**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exception:

- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

**(ii) Finance Leases - the Group as Lessee**

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct cost are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(b).

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(g) Leases (Contd.)**

**(iii) Operating Leases - the Group as Lessee**

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

**(iv) Operating Lease - the Group as Lessor**

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**(h) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be incurred in order to settle the obligation.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(h) Provisions, Contingent Liabilities and Contingent Assets (Contd.)**

The Group does not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent asset but discloses its existence when inflows of economic benefits are probable, but not virtually certain.

**(i) Income Tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(i) Income Tax (Contd.)**

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or expense in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity. In the case of a business combination that is an acquisition, deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

**(j) Employee Benefits**

**(i) Short Term Benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Such short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**(ii) Defined Contribution Plans**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries make contributions to their respective countries' statutory pension schemes.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(k) Revenue Recognition**

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

**(i) Sale of Properties**

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.2(d)(ii).

Revenue from completed property units and land is recognised when the risks and rewards associated to ownership have been transferred to purchasers and substantial contractual obligations have been completed.

**(ii) Interest Income**

Interest is recognised on an accrual basis using the effective interest method.

**(iii) Dividend Income**

Dividend income is recognised when the right to receive payment is established.

**(iv) Rental Income**

Rental income is recognised on a straight line basis over the term of the lease or in accordance with the substance of the relevant agreements.

**(v) Management Fees**

Management fees are recognised when services are rendered.

**(vi) Education Fees**

Revenue from tuition fees are recognised over the period of instruction whereas non-refundable registration and enrolment fees are recognised on a receipt basis.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(k) Revenue Recognition (Contd.)**

**(vii) Sale of Goods**

Revenue is recognised upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

**(viii) Club operations**

Revenue from membership fee is recognised upon acceptance of club membership by the club. Revenue from subscription fees is recognised on an accrual basis. Revenue from sale of food and beverage and from letting of club facilities are recognised upon invoicing of the services.

**(l) Foreign Currencies**

**(i) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

**(ii) Foreign Currency Transactions**

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(I) Foreign Currencies (Contd.)**

**(ii) Foreign Currency Transactions (Contd.)**

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in income statement for the year except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in income statement. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in income statement in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in income statement for the year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

**(iii) Foreign Operations**

The results and financial position of foreign operations that have a functional currency different from the presentation currency (i.e. RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(l) Foreign Currencies (Contd.)**

**(iii) Foreign Operations (Contd.)**

The principal exchange rates used for each respective unit of foreign currency ruling at the balance sheet date are as follows:

	<b>2010</b>	<b>2009</b>
	<b>RM</b>	<b>RM</b>
Australian Dollars	2.97	2.47
British Pound Sterling	4.88	5.19
Singapore Dollars	2.32	2.39
US Dollars	3.26	3.65

**(m) Impairment of Non-financial Assets**

At each balance sheet date the Group reviews the carrying amounts of its assets, other than property development costs, inventories, deferred tax assets and non-current assets held for sale, to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(m) Impairment of Non-financial Assets (Contd.)**

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment loss for an asset is reversed only when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset, other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in the previous years.

A reversal of impairment loss is recognised in income statement, unless the asset is carried at revalued amount, in which case it shall be treated as a revaluation surplus.

**(n) Non-current Assets Held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in the income statement.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.2 Summary of Significant Accounting Policies (Contd.)**

**(o) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the weighted average of the borrowing costs applicable to the Group's borrowings that is outstanding during the financial period, other than borrowings made specially for the purpose of acquiring another qualifying asset.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

**2.3 Changes in Accounting Policy and Effects Arising from Early Adoption of Amendment to FRS.**

*Amendment to FRS 140 Investment Property* is effective for financial periods beginning on or after 1 January 2010. However, the Group has early adopted this amendment to FRS 140 on 1 April 2009.

The effects of this early adoption is that property whilst under construction will be classified as investment property. No comparatives are presented as there was no investment property under construction in the preceding financial year. As required by the Amendment to FRS 140 Investment Property, the Group has also applied the amendments to paragraph 5 and 81E of FRS 116 Property, Plant and Equipment, although these amendments have no financial or disclosure impact to these financial statements.

**2.4 Standards and Interpretations Issued but Not Yet Effective**

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

**Effective for financial periods beginning on or after 1 July 2009**

FRS 8 Operating Segments

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.4 Standards and Interpretations Issued but Not Yet Effective (Contd.)**

**Effective for financial periods beginning on or after 1 January 2010**

FRS 4 Insurance Contracts  
FRS 7 Financial Instruments: Disclosures  
FRS 101 Presentation of Financial Statements (revised)  
FRS 123 Borrowing Costs  
FRS 139 Financial Instruments: Recognition and Measurement  
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and  
FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment,  
Investment in a Subsidiary, Jointly Controlled Entity or Associate  
Amendments to FRS 2 Share-based Payment - Vesting Conditions and Cancellation  
Amendments to FRS 132 Financial Instruments: Presentation  
Amendments to FRS 139 Financial Instruments: Recognition and Measurement,  
FRS 7 Financial Instruments: Disclosures and IC Interpretation 9: Reassessment  
of Embedded Derivatives  
Amendments to FRSs "Improvements to FRSs (2009)"  
IC Interpretation 9 Reassessment of Embedded Derivatives  
IC Interpretation 10 Interim Financial Reporting and Impairment  
IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions  
IC Interpretation 13 Customer Loyalty Programmes  
IC Interpretation 14 FRS 119 - The Limit on a Defined Benefit Asset, Minimum  
Funding Requirements and their Interaction  
TR i-3 - Presentation of Financial Statements of Islamic Financial Institutions

**Effective for financial periods beginning on or after 1 July 2010**

FRS 1 First-time Adoption of Financial Reporting Standards  
FRS 3 Business Combinations (revised)  
FRS 127 Consolidated and Separate Financial Statements (amended)  
Amendments to FRS 2 Share-based Payment  
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued  
Operations  
Amendments to FRS 138 Intangible Assets  
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives  
IC Interpretation 12 Service Concession Arrangements  
IC Interpretation 15 Agreements for the Construction of Real Estate  
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation  
IC Interpretation 17 Distributions of Non-cash Assets to Owners

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.4 Standards and Interpretations Issued but Not Yet Effective (Contd.)**

**Effective for financial periods beginning on or after 1 January 2011**

Amendments to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for  
First-time Adopters  
Amendments to FRS 7 Improving Disclosures about Financial Instruments

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

**(a) FRS 3 Business Combinations (revised) and FRS 127 Consolidated and Separate Financial Statements (amended)**

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.4 Standards and Interpretations Issued but Not Yet Effective (Contd.)**

**(b) FRS 8 Operating Segment**

FRS 8 replaces FRS 114<sub>2004</sub>: *Segment Reporting* and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

**(c) FRS 101 Presentation of Financial Statements (revised)**

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

**(d) FRS 123 Borrowing Costs**

This Standard supersedes FRS 123<sub>2004</sub>: *Borrowing Costs* that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense. In accordance with the transitional provisions of the Standard, the Group will apply the change in accounting policy prospectively for which the commencement date for capitalisation of borrowing cost on qualifying assets is on or after the financial period 1 January 2010.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.4 Standards and Interpretations Issued but Not Yet Effective (Contd.)**

**(e) FRS 139 *Financial Instruments: Recognition and Measurement*, FRS 7 *Financial Instruments: Disclosures and Amendments to FRS 139 Financial Instruments: Recognition and Measurement*, FRS 7 *Financial Instruments: Disclosures***

The new Standard on FRS 139 *Financial Instruments: Recognition and Measurement* establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132 *Financial Instruments: Presentation* and the requirements for disclosing information about financial instruments are in FRS 7 *Financial Instruments: Disclosures*.

FRS 7 *Financial Instruments: Disclosures* is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

**(f) Amendments to FRSs 'Improvements to FRSs (2009)'**

- (i) FRS 7 *Financial Instruments: Disclosures*: Clarifies on the presentation of finance costs whereby interest income is not a component of finance costs.
- (ii) FRS 8 *Operating Segments*: Clarifies that segment information with respect to total asset is required only if they are included in measures of segment profit or loss that are used by the 'chief operating decision maker'.
- (iii) FRS 107 *Statement of Cash Flows* (formerly known as Cash Flow Statements): Clarifies that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.
- (iv) FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*: Clarifies that only implementation guidance that is an integral part of an FRS is mandatory when selecting accounting policies.
- (v) FRS 110 *Events after the Reporting Period* (formerly known as *Events After the Balance Sheet Date*): Clarifies that dividends declared after the end of the reporting period are not liabilities as at the balance sheet date.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.4 Standards and Interpretations Issued but Not Yet Effective (Contd.)**

**(f) Amendments to FRSs 'Improvements to FRSs (2009)' (Contd.)**

- (vi) FRS 116 *Property, Plant and Equipment*: The amendment replaces the term "net selling price" with "fair value less costs to sell". It also clarifies that items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.
- (vii) FRS 118 *Revenue*: The amendment provides additional guidance on whether an entity is acting as a principal or an agent. It also aligns the definition of costs incurred in originating a financial asset that should be deferred and recognised as an adjustment to the effective interest by replacing the term 'direct costs' with 'transaction costs' as defined in FRS 139.
- (viii) FRS 119 *Employee Benefits*: The amendment revises the definition of 'past service costs', 'return on plan assets' and 'short term' and 'other long-term' employee benefits. It clarifies that the costs of administering the plan may be either recognised in the rate of return on plan assets or included in the actuarial assumptions used to measure the defined benefit obligation. The amendment further clarifies that amendment to plans that result in a reduction in benefits related to future services are curtailments. It also deleted the reference to the recognition of contingent liabilities to ensure consistency with FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*.
- (ix) FRS 123 *Borrowing Costs*: The definition of borrowing costs is aligned with FRS 139 by referring to the use of effective interest rate as a component of borrowing cost.
- (x) FRS 127 *Consolidated and Separate Financial Statements*: The amendment clarifies that when a parent entity accounts for a subsidiary at fair value in accordance with FRS 139 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.
- (xi) FRS 136 *Impairment of Assets*: Clarifies that when discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'. The amendment further clarifies that the largest cash-generating unit for group of units to which goodwill should be allocated for purposes of impairment testing is an operating segment as defined in FRS 8.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.4 Standards and Interpretations Issued but Not Yet Effective (Contd.)**

**(f) Amendments to FRSs 'Improvements to FRSs (2009)' (Contd.)**

- (xii) FRS 139 *Financial Instruments: Recognition and Measurement*: Clarifies that changes in circumstances relating to derivatives are not reclassifications and therefore may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. It also clarifies on the scope exemption for business combination contracts. The amendments remove the reference in FRS 139 to a 'segment' when determining whether an instrument qualifies as a hedge and requires the use of the revised effective interest rate when remeasuring a debt instrument on the cessation of fair value hedge accounting. It also provides additional guidance on determining whether loan prepayment penalties result in an embedded derivatives that needs to be separated. In addition, the amendments state that the gains or losses on a hedged instrument should be reclassified from equity to profit or loss during the period that the hedged forecast cash flows impact profit or loss.

**(g) IC Interpretation 15 Agreements for the construction of real estate**

In applying IC Interpretation 15, the Group is required to recognise the revenue from property development activities on a completion basis. The impact of IC Interpretation 15 cannot be reasonably estimated, due to the uncertainties surrounding the expectation of future sales and fluctuation of development cost.

**2.5 Significant Accounting Estimates and Judgements**

**(a) Critical Judgements Made in Applying Accounting Policies**

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

**(i) Revenue recognition on property development activities**

The Group recognises property development activities based on the percentage of completion method. The stage of completion of the property development activities is measured in accordance with the accounting policies set out in Note 2.2(d)(ii).

Significant judgement is required in determining the percentage of completion, the extent of the development project costs incurred, the estimated total revenue and total costs and the recoverability of the development project. In making these judgements, management relies on past experience and the work of specialists.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.5 Significant Accounting Estimates and Judgements (Contd.)**

**(a) Critical Judgements Made in Applying Accounting Policies (Contd.)**

**(ii) Classification between investment properties and inventories**

The Group has developed certain criteria based on *FRS 140 Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The Group has temporarily sub-let some completed unsold properties but has decided not to treat these properties as investment properties as it is not the Group's intention to hold these properties in the long term for capital appreciation or rental income but rather for sale. Accordingly, these properties are still classified as inventories.

**(iii) Operating lease commitments – the Group as lessor**

The Group has entered into various commercial property leases on its completed unsold properties and investment properties portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out as operating leases.

**(iv) Allowances for bad and doubtful debts**

The policy for allowance for bad and doubtful debts of the Group is based on management's judgement and the evaluation of collectibility and ageing analysis of the receivables inclusive of trade and other receivables, retention sum and advances to sub-contractors. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, additional allowances may be required.

**(v) Ownership of property**

As disclosed in Note 11(b) and Note 13(c), the Group and the Company currently owns a school building complex which is situated on State Government's land. The Group and the Company is in the midst of negotiation to acquire the land from the State Government.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.5 Significant Accounting Estimates and Judgements (Contd.)**

**(b) Key Sources of Estimation Uncertainty**

There are no material key assumptions concerning the future that are uncertain and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, except than the following:

**(i) Impairment of property, plant and equipment and investment properties**

The Group determines whether property, plant and equipment and investment properties are impaired whenever there is an indication of impairment.

The best evidence of impairment test is current prices in an active market for similar properties or valuation carried out by independent firms of valuers annually.

In the absence of current prices in an active market, the management carried out the impairment test based on value-in-use of these cash generating units ("CGU") to which the assets were allocated and determines if the carrying value of the CGU is in excess of the value-in-use. This requires management to make an estimate of the expected cash flows from the CGU, supported by the terms of any existing lease and other contracts, and to choose suitable discount rates that reflect current market assessment of the uncertainty in the carrying amount and timing in order to calculate the present value of those cash flows. Changes in estimates and assumptions may result in revisions in the carrying amount of these assets.

**(ii) Write-down of inventories**

A review is made periodically by management on inventory for inventory obsolescence and declines in net realisable value. These reviews require judgement and estimates. Possible changes in these estimates would result in revisions to the valuation of inventory.

**(iii) Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.5 Significant Accounting Estimates and Judgements (Contd.)**

**(b) Key Sources of Estimation Uncertainty (Contd.)**

**(iv) Income tax**

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that have been initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**(v) Material litigations**

The Group determines whether a present obligation in relation to a material litigation exists at the balance sheet date by taking into account all available evidence, including the opinion of its solicitors and subsequent events after the balance sheet date. On the basis of such evidence, the Group evaluates if a provision needs to be recognised in the financial statements. Further details of the material litigations involving the Group are disclosed in Note 34.

**(vi) Impairment of investments**

Management determines whether the carrying amounts of its investments are impaired at balance sheet date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flow analysis and in some cases, are based on current market indicators and estimates that provide reasonable approximations to the detailed computation.

Management determined the recoverable amount of these investments based on the individual asset's value in use. The present value of the future cash flows to be generated by these assets is the asset's value in use. An impairment loss is recognised immediately in the income statement if the recoverable amount is less than the carrying amount.

It is the opinion of the Directors that adequate impairment losses have been recognised in the income statement and the management's assumptions are reasonable.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

**2.5 Significant Accounting Estimates and Judgements (Contd.)**

**(b) Key Sources of Estimation Uncertainty (Contd.)**

**(vii) Provisions**

Previously adequate provisions were made in respect of financial obligations arising from the winding up of former subsidiaries of the Group. Annual review of estimates are performed based on latest available information and these provisions are appropriately revised as necessary.

**(viii) Amounts due from subsidiaries**

The Company determines the recoverability of the amounts due from certain subsidiaries when these debts exceed their capital investments. The Directors are of the opinion that adequate allowances for doubtful debts have been made for the debts due from these subsidiaries to the extent the Company is able to realise these debts through internal group restructuring including possible offsets against debts owed by the Company to certain other subsidiaries, should such need arises.

**3. REVENUE**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Property development	7,953	9,185	-	-
Education	9,754	7,950	-	-
Club operations and building maintenance	5,397	6,152	-	-
Interest income	2,829	8,721	1,378	1,226
Dividends from:				
- unquoted Malaysian subsidiaries	-	-	24,500	15,147
- marketable securities	494	274	-	-
Rental income:				
- subsidiaries	-	-	1,416	1,422
- third parties	177	155	2	3
Management fee				
- subsidiaries	-	-	240	240
- jointly controlled entity	227	107	-	-
Others	3,383	5,067	-	-
	<u>30,214</u>	<u>37,611</u>	<u>27,536</u>	<u>18,038</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**4. OTHER INCOME**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Rental income	2,277	2,269	-	-
Gain on disposal of property, plant and equipment	20	9	19	1
Interest income	373	540	303	-
Bad debt recovered	14	3	-	-
Gain on disposal of investment property	207	159	-	-
Gain on disposal of non-current assets classified as held for sale (Note 23(ii))	3,252	3,018	-	-
Gain on disposal of marketable securities	27	-	-	-
Write back of allowance for doubtful debts:				
- subsidiaries	-	-	93	7,547
- others	2,097	401	-	74
Write back of provision for:				
- liquidated ascertained damages (Note 24)	1	6,176	-	-
- property development expenditure (Note 24)	799	1,121	-	-
Write back of impairment loss on investment in a subsidiary (Note 15(a))	-	-	-	20,487
Write back of impairment loss on other investments	8,810	-	8,810	-
Amount received as settlement of litigation cases	-	449	-	-
Deposits forfeited	466	262	-	-
Realised foreign exchange gain:				
- capital distribution by a foreign subsidiary	11,049	-	9,612	-
- others	427	195	427	-
Unrealised foreign exchange gain	-	1,952	-	3,574
Others	1,335	1,318	240	120
	<u>31,154</u>	<u>17,872</u>	<u>19,504</u>	<u>31,803</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**5. STAFF COSTS**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Wages, salaries and bonus	10,488	10,773	2,316	2,803
Defined contribution retirement plan	1,128	1,117	275	277
Retrenchment benefits	-	652	-	-
Other employment benefits	577	748	122	170
	<u>12,193</u>	<u>13,290</u>	<u>2,713</u>	<u>3,250</u>

Included in staff costs of the Group and of the Company are remunerations (excluding benefits-in-kind) of Executive Directors of the Company amounting to RM1,042,000 (2009: RM1,593,000) and RM650,000 (2009: RM1,098,000) respectively as further disclosed in Note 6 below.

**6. DIRECTORS' REMUNERATION**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Executive directors' remuneration (Note 5):				
Other emoluments	1,042	1,593	650	1,098
	<u>1,042</u>	<u>1,593</u>	<u>650</u>	<u>1,098</u>
Non-executive directors' remuneration (Note 8):				
Fees	338	350	338	350
Other emoluments	39	35	39	35
	<u>377</u>	<u>385</u>	<u>377</u>	<u>385</u>
Total directors' remuneration	1,419	1,978	1,027	1,483
Estimated money value of benefits-in-kind	71	85	44	47
Total directors' remuneration including benefits-in-kind	<u>1,490</u>	<u>2,063</u>	<u>1,071</u>	<u>1,530</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**6. DIRECTORS' REMUNERATION (CONTD.)**

Details of fees receivable by non-executive directors of the Company during the year are as follows:

	<b>Group/Company</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Non-Executive: Fees	338	350

The number of directors of the Group and of the Company whose total remuneration during the year fell within the following bands is analysed below:

	<b>Group</b>		<b>Company</b>	
	<b>Number of Directors</b>		<b>Number of Directors</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Executive directors:</b>				
RM300,001 - RM400,000	-	1	-	-
RM400,001 - RM500,000	1	-	-	-
RM500,001 - RM600,000	-	-	-	1
RM600,001 - RM700,000	1	2	1	1
<b>Non-Executive directors:</b>				
RM10,001 - RM50,000	5	4	5	4
RM50,001 - RM100,000	3	4	3	4

**7. FINANCE COSTS**

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Redeemable Convertible Secured Loan Stocks ("RCSLS")	894	3,795	894	3,795
Term loans	-	2,194	-	-
Hire purchase and finance lease liabilities	17	37	17	35
	911	6,026	911	3,830

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**8. PROFIT/(LOSS) BEFORE TAX**

The following amounts have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-executive directors' remuneration (Note 6)	377	385	377	385
Auditors' remuneration:				
- Audit fees	176	207	50	57
- Overprovision of prior year audit fees	(41)	(1)	(15)	(2)
- Non-audit fees	34	10	32	6
Impairment losses:				
- Investment in subsidiaries	-	-	-	25,391
- Investment properties	-	344	-	-
- Other investments	65	-	35	-
Property inventories written off	-	222	-	-
Other investment written off	40	-	40	-
Allowance for doubtful debts				
- Subsidiaries	-	-	556	2,312
- Jointly controlled entity	-	1,000	-	-
- Third parties	685	8,490	84	6,857
Bad debts written off	39	710	-	-
Property, plant and equipment written off	2	4	-	-
Provision for foreseeable loss of charged land (Note 24)	-	16,641	-	-
Realised foreign exchange loss	-	-	-	19
Unrealised foreign exchange loss	200	-	5,323	-
Office rental	24	71	178	176
Other rental expenses	129	160	29	36

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**9. INCOME TAX EXPENSE**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Income tax:				
Malaysian income tax	1,194	852	5,379	731
Foreign income tax	-	1,389	-	-
(Over)/underprovided in prior years	(217)	(194)	790	(364)
	<u>977</u>	<u>2,047</u>	<u>6,169</u>	<u>367</u>
Deferred tax (Note 32):				
Relating to origination and reversal of temporary differences	324	367	-	-
Overprovided in prior years	(33)	(15)	-	-
	<u>291</u>	<u>352</u>	<u>-</u>	<u>-</u>
	<u>1,268</u>	<u>2,399</u>	<u>6,169</u>	<u>367</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. During the current financial year, the income tax rate applicable to subsidiaries in Australia was 30% (2009: 30%).

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**9. INCOME TAX EXPENSE (CONTD.)**

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Profit before tax	<u>30,950</u>	<u>17,714</u>
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	7,738	4,429
Effect of:		
- Tax expense arising from differential tax rates in foreign countries	11	245
- Income not subject to tax	(5,654)	(18,235)
- Expenses not deductible for tax purposes	296	15,636
- Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and deductible temporary differences	(899)	(122)
- Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	26	655
- Overprovision of deferred tax in prior years	(33)	(15)
- Overprovision of tax expense in prior years	(217)	(194)
Tax expense for the year	<u>1,268</u>	<u>2,399</u>
<b>Company</b>		
Profit/(loss) before tax	<u>34,388</u>	<u>(36,298)</u>
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	8,597	(9,075)
Effect of:		
- Income not subject to tax	(4,886)	(7,039)
- Expenses not deductible for tax purposes	1,925	16,871
- Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(257)	(26)
Under/(over) provision of tax expense in prior years	790	(364)
Tax expense for the year	<u>6,169</u>	<u>367</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**10. EARNINGS PER SHARE**

**(a) Basic**

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
Profit attributable to ordinary equity holders of the Company (RM'000)	29,682	15,315
Weighted average number of ordinary shares in issue ('000)	598,305	598,305
Basic earnings per share (sen)	4.96	2.56

**(b) Diluted**

The Company does not have any potential dilutive ordinary shares as at balance sheet date.

In the previous financial year, no diluted earnings per share was presented as the effect of the Redeemable Convertible Secured Loan Stocks on earnings per share was anti dilutive.

There have been no other transactions involving ordinary shares between the balance sheet date and the reporting date.

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**11. PROPERTY, PLANT AND EQUIPMENT**

	<b>Freehold land RM'000</b>	<b>Buildings RM'000</b>	<b>Plant and machinery RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Furniture, fittings and equipment RM'000</b>	<b>Total RM'000</b>
<b>Group</b>						
<b>At 31 March 2010</b>						
<b>Cost</b>						
At 1 April 2009	51,897	31,207	599	1,856	10,492	96,051
Additions	-	-	22	105	691	818
Disposals	-	-	-	(96)	(7)	(103)
Assets written off	-	-	-	-	(79)	(79)
Adjustment	-	-	-	(1)	-	(1)
At 31 March 2010	<u>51,897</u>	<u>31,207</u>	<u>621</u>	<u>1,864</u>	<u>11,097</u>	<u>96,686</u>

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
<b>Group (Contd.)</b>						
<b>Accumulated depreciation and impairment</b>						
At 1 April 2009						
Accumulated depreciation	-	15,166	525	1,224	7,852	24,767
Accumulated impairment	-	6,469	-	-	-	6,469
	-	21,635	525	1,224	7,852	31,236
Depreciation charge for the year	-	469	41	175	740	1,425
Disposals	-	-	-	(96)	(6)	(102)
Assets written off	-	-	-	-	(77)	(77)
At 31 March 2010	-	22,104	566	1,303	8,509	32,482
Represented by:						
Accumulated depreciation	-	15,635	566	1,303	8,509	26,013
Accumulated impairment	-	6,469	-	-	-	6,469
	-	22,104	566	1,303	8,509	32,482
<b>Net carrying amount</b>	<b>51,897</b>	<b>9,103</b>	<b>55</b>	<b>561</b>	<b>2,588</b>	<b>64,204</b>

5507-H

**LAND & GENERAL BERHAD**

(Incorporated in Malaysia)

**11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

	<b>Freehold land RM'000</b>	<b>Buildings RM'000</b>	<b>Plant and machinery RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Furniture, fittings and equipment RM'000</b>	<b>Total RM'000</b>
<b>Group</b>						
<b>At 31 March 2009</b>						
<b>Cost</b>						
At 1 April 2008	51,897	31,163	597	2,102	10,244	96,003
Additions	-	44	2	245	707	998
Disposals	-	-	-	(486)	(56)	(542)
Assets written off	-	-	-	-	(226)	(226)
Effects of deconsolidation of a subsidiary (Note 15(b))	-	-	-	(5)	(171)	(176)
Exchange rate differences	-	-	-	-	(6)	(6)
At 31 March 2009	<u>51,897</u>	<u>31,207</u>	<u>599</u>	<u>1,856</u>	<u>10,492</u>	<u>96,051</u>

5507-H

**LAND & GENERAL BERHAD**

(Incorporated in Malaysia)

**11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
<b>Group (Contd.)</b>						
<b>Accumulated depreciation and impairment</b>						
At 1 April 2008						
Accumulated depreciation	-	14,684	483	1,232	7,527	23,926
Accumulated impairment	-	6,469	-	-	-	6,469
	-	21,153	483	1,232	7,527	30,395
Depreciation charge for the year	-	482	42	283	742	1,549
Disposals	-	-	-	(286)	(22)	(308)
Assets written off	-	-	-	-	(222)	(222)
Effects of deconsolidation of a subsidiary (Note 15(b))	-	-	-	(5)	(171)	(176)
Exchange rate differences	-	-	-	-	(2)	(2)
At 31 March 2009	-	21,635	525	1,224	7,852	31,236
Represented by:						
Accumulated depreciation	-	15,166	525	1,224	7,852	24,767
Accumulated impairment	-	6,469	-	-	-	6,469
	-	21,635	525	1,224	7,852	31,236
<b>Net carrying amount</b>	<b>51,897</b>	<b>9,572</b>	<b>74</b>	<b>632</b>	<b>2,640</b>	<b>64,815</b>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

<b>Company</b>	<b>Motor vehicles RM'000</b>	<b>Furniture, fittings and equipment RM'000</b>	<b>Total RM'000</b>
<b>At 31 March 2010</b>			
<b>Cost</b>			
At 1 April 2009	1,541	3,580	5,121
Additions	85	-	85
Disposals	(96)	(1)	(97)
Adjustment	(2)	-	(2)
At 31 March 2010	<u>1,528</u>	<u>3,579</u>	<u>5,107</u>
<b>Accumulated depreciation</b>			
At 1 April 2009	933	2,910	3,843
Depreciation charge for the year	163	327	490
Disposals	(96)	-	(96)
At 31 March 2010	<u>1,000</u>	<u>3,237</u>	<u>4,237</u>
<b>Net carrying amount</b>	<u>528</u>	<u>342</u>	<u>870</u>
<b>At 31 March 2009</b>			
<b>Cost</b>			
At 1 April 2008	1,684	3,589	5,273
Additions	245	3	248
Disposals	(388)	(5)	(393)
Assets written off	-	(7)	(7)
At 31 March 2009	<u>1,541</u>	<u>3,580</u>	<u>5,121</u>
<b>Accumulated depreciation</b>			
At 1 April 2008	877	2,548	3,425
Depreciation charge for the year	245	371	616
Disposals	(189)	(2)	(191)
Assets written off	-	(7)	(7)
At 31 March 2009	<u>933</u>	<u>2,910</u>	<u>3,843</u>
<b>Net carrying amount</b>	<u>608</u>	<u>670</u>	<u>1,278</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

- (a) Acquisitions of property, plant and equipment during the financial year were by way of the following:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash	741	778	8	28
Hire purchase arrangement	77	220	77	220
	<u>818</u>	<u>998</u>	<u>85</u>	<u>248</u>

Net carrying amounts of property, plant and equipment of the Group and of the Company held under hire purchase and finance lease arrangements as at balance sheet date are RM527,000 (2009: RM607,000) and RM527,000 (2009: RM607,000) respectively.

- (b) Certain freehold land and building have been pledged as security for borrowings as follows:

	Group	
	2010 RM'000	2009 RM'000
<b>Charged for borrowings of the Group</b>		
Freehold land	-	14,644
Building	-	9,342
<b>Charged for borrowings of a former subsidiary</b>		
Freehold land	16,641	16,641
	<u>16,641</u>	<u>40,627</u>

The building represents a school building complex situated on a State Government's land. Further information is provided in Note 2.5(a)(v).

Full provision for loss has been made for the freehold land charged for borrowings of a former subsidiary as disclosed in Note 24.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**12. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS**

**(a) Land held for property development**

	<b>Freehold Land RM'000</b>	<b>Development Costs RM'000</b>	<b>Total RM'000</b>
<b>Group</b>			
<b>At 31 March 2010</b>			
<b>Cost</b>			
At 1 April 2009	12,841	21,521	34,362
Additions	-	250	250
Transferred to property development costs (Note 12(b))	(1,883)	(5,890)	(7,773)
Transferred to investment properties (Note 13)	(137)	(587)	(724)
At 31 March 2010	<u>10,821</u>	<u>15,294</u>	<u>26,115</u>

	<b>Freehold Land RM'000</b>	<b>Leasehold Land RM'000</b>	<b>Development Costs RM'000</b>	<b>Total RM'000</b>
<b>Group</b>				
<b>At 31 March 2009</b>				
<b>Cost</b>				
At 1 April 2008	12,841	116,033	146,186	275,060
Additions	-	-	959	959
Effects of deconsolidation of a subsidiary (Note 15(b))	-	(116,033)	(125,624)	(241,657)
At 31 March 2009	<u>12,841</u>	<u>-</u>	<u>21,521</u>	<u>34,362</u>
<b>Accumulated impairment losses</b>				
At 1 April 2008	-	68,439	125,624	194,063
Effects of deconsolidation of a subsidiary (Note 15(b))	-	(68,439)	(125,624)	(194,063)
At 31 March 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net carrying amount</b>	<u>12,841</u>	<u>-</u>	<u>21,521</u>	<u>34,362</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**12. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTD.)**

**(a) Land held for property development (Contd.)**

In the previous financial year, freehold land together with development were pledged as securities for borrowings granted to the Group as disclosed in Note 26.

**(b) Property development costs**

	<b>Freehold Land RM'000</b>	<b>Development Cost RM'000</b>	<b>Total RM'000</b>
<b>Group</b>			
<b>At 31 March 2010</b>			
<b>Cumulative property development cost</b>			
At 1 April 2009	-	-	-
Cost incurred during the year	-	4,333	4,333
Transferred from land held for property development (Note 12(a))	1,883	5,890	7,773
At 31 March 2010	<u>1,883</u>	<u>10,223</u>	<u>12,106</u>
<b>Cumulative cost recognised in income statement</b>			
At 1 April 2009	-	-	-
Recognised during the year	-	(2,078)	(2,078)
At 31 March 2010	<u>-</u>	<u>(2,078)</u>	<u>(2,078)</u>
<b>Property development costs at 31 March 2010</b>	<u>1,883</u>	<u>8,145</u>	<u>10,028</u>
<b>Property development costs at 31 March 2009</b>	<u>-</u>	<u>-</u>	<u>-</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**13. INVESTMENT PROPERTIES**

	<b>Freehold land RM'000</b>	<b>Freehold buildings RM'000</b>	<b>Leasehold buildings RM'000</b>	<b>Assets under construction RM'000</b>	<b>Total RM'000</b>
<b>Group</b>					
<b>At 31 March 2010</b>					
<b>Cost</b>					
At 1 April 2009	11,988	2,692	1,144	-	15,824
Disposal	-	(309)	-	-	(309)
Transferred from land held for property development (Note 12(a))	137	-	-	587	724
Additions	-	-	-	1,837	1,837
Reclassified as non-current assets held for sale (Note 23)	-	-	(696)	-	(696)
At 31 March 2010	<u>12,125</u>	<u>2,383</u>	<u>448</u>	<u>2,424</u>	<u>17,380</u>
<b>Accumulated depreciation and impairment</b>					
At 1 April 2009					
Accumulated depreciation	-	877	23	-	900
Accumulated impairment	-	197	344	-	541
	-	1,074	367	-	1,441
Depreciation charge for the year	-	48	16	-	64
Disposals	-	(101)	-	-	(101)
Reclassified as non-current assets held for sale (Note 23)	-	-	(206)	-	(206)
At 31 March 2010	<u>-</u>	<u>1,021</u>	<u>177</u>	<u>-</u>	<u>1,198</u>
Represented by:					
Accumulated depreciation	-	824	15	-	839
Accumulated impairment	-	197	162	-	359
	-	1,021	177	-	1,198
<b>Net carrying amount</b>	<u>12,125</u>	<u>1,362</u>	<u>271</u>	<u>2,424</u>	<u>16,182</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**13. INVESTMENT PROPERTIES (CONTD.)**

	Freehold land RM'000	Freehold buildings RM'000	Leasehold buildings RM'000	Total RM'000
<b>Group (Contd.)</b>				
<b>At 31 March 2009</b>				
<b>Cost</b>				
At 1 April 2008	13,086	8,268	-	21,354
Acquired from a former subsidiary which went into liquidation during the year	-	-	1,144	1,144
Disposals	-	(307)	-	(307)
Reclassified as non-current assets held for sale (Note 23)	(1,098)	(5,269)	-	(6,367)
At 31 March 2009	<u>11,988</u>	<u>2,692</u>	<u>1,144</u>	<u>15,824</u>
<b>Accumulated depreciation and impairment</b>				
At 1 April 2008				
Accumulated depreciation	-	4,575	-	4,575
Accumulated impairment	-	197	-	197
	<u>-</u>	<u>4,772</u>	<u>-</u>	<u>4,772</u>
Depreciation charge for the year	-	583	23	606
Impairment loss recognised in income statement	-	-	344	344
Disposals	-	(95)	-	(95)
Reclassified as non-current assets held for sale (Note 23)	-	(4,186)	-	(4,186)
At 31 March 2009	<u>-</u>	<u>1,074</u>	<u>367</u>	<u>1,441</u>
Represented by:				
Accumulated depreciation	-	877	23	900
Accumulated impairment	-	197	344	541
	<u>-</u>	<u>1,074</u>	<u>367</u>	<u>1,441</u>
<b>Net carrying amount</b>	<u>11,988</u>	<u>1,618</u>	<u>777</u>	<u>14,383</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**13. INVESTMENT PROPERTIES (CONTD.)**

<b>Company</b>	<b>Freehold land RM'000</b>	<b>Freehold buildings RM'000</b>	<b>Total RM'000</b>
<b>At 31 March 2010</b>			
<b>Cost</b>			
At 1 April 2009/31 March 2010	<u>11,988</u>	<u>20,720</u>	<u>32,708</u>
<b>Accumulated depreciation and impairment</b>			
At 1 April 2009			
Accumulated depreciation	-	4,908	4,908
Accumulated impairment	-	6,469	6,469
	<u>-</u>	<u>11,377</u>	<u>11,377</u>
Depreciation charge for the year	-	414	414
At 31 March 2010	<u>-</u>	<u>11,791</u>	<u>11,791</u>
<b>Net carrying amount</b>	<u>11,988</u>	<u>8,929</u>	<u>20,917</u>
<b>At 31 March 2009</b>			
<b>Cost</b>			
At 1 April 2008/31 March 2009	<u>11,988</u>	<u>20,720</u>	<u>32,708</u>
<b>Accumulated depreciation and impairment</b>			
At 1 April 2008			
Accumulated depreciation	-	4,494	4,494
Accumulated impairment	-	6,469	6,469
	<u>-</u>	<u>10,963</u>	<u>10,963</u>
Depreciation charge for the year	-	414	414
At 31 March 2009	<u>-</u>	<u>11,377</u>	<u>11,377</u>
<b>Net carrying amount</b>	<u>11,988</u>	<u>9,343</u>	<u>21,331</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**13. INVESTMENT PROPERTIES (CONTD.)**

- (a) In the previous financial year, certain land and buildings of the subsidiaries were pledged as securities for borrowings obtained. The net book value of these land and buildings were as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Freehold land	-	11,988	-	11,988
Freehold buildings	-	849	-	9,343
	<u>-</u>	<u>12,837</u>	<u>-</u>	<u>21,331</u>

- (b) The fair value of investment properties of the Group and of the Company are RM16,471,000 (2009: RM15,016,000) and RM21,350,000 (2009: RM23,000,000) respectively. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. In the absence of current prices in an active market of the kind described above for certain investment properties, fair value is arrived at by reference to the value-in-use of those investment properties.

- (c) In respect of the Company, freehold buildings refers to a school building complex with an aggregate carrying value of RM8,929,000 (2009: RM9,343,000) situated on a State Government's land. Further information is provided in Note 2.5(a)(v).

**14. PREPAID LAND LEASE PAYMENTS**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At beginning of year	96	59	58	59
Transferred from non-current assets classified as held for sale (Note 23)	1,862	-	-	-
Acquired from a former subsidiary which went into liquidation during the year	-	38	-	-
Transferred to non-current assets classified as held for sale (Note 23)	(24)	-	-	-
Amortisation for the year	<u>(165)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
At end of year	<u>1,769</u>	<u>96</u>	<u>57</u>	<u>58</u>
Analysed as:				
Long term leasehold	12	38	-	-
Short term leasehold	<u>1,757</u>	<u>58</u>	<u>57</u>	<u>58</u>
	<u>1,769</u>	<u>96</u>	<u>57</u>	<u>58</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**15. INVESTMENTS IN SUBSIDIARIES**

	Company	
	2010 RM'000	2009 RM'000
Unquoted shares, at cost	341,679	407,551
Less: Accumulated impairment losses	(139,289)	(139,289)
	202,390	268,262

Details of the subsidiaries are as follows:

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2010 %	2009 %
Associated Commercial Incorporated	Dormant	British Virgin Islands	100.0	100.0
Banjara Marketing Services Ltd	Dormant	British Virgin Islands	100.0	100.0
Bestform Limited	Investment holding	Isle of Man	100.0	100.0
Bright Term Sdn Bhd	Property development	Malaysia	100.0	-
Clarity Crest Sdn Bhd	Cultivation of rubber and oil palm	Malaysia	100.0	100.0
Jade Commercial Ventures Ltd	Dormant	British Virgin Islands	100.0	100.0
L&G Resources (1994), Inc.	Investment holding	USA	100.0	100.0
Land & General Properties Sdn Bhd	Property development	Malaysia	100.0	100.0
Land & General Australia (Holdings) Pty Ltd	Investment holding	Australia	100.0	100.0
Landgen Property Management Sdn Bhd	Property management	Malaysia	100.0	100.0
Lang Education Holdings Sdn Bhd	Investment holding	Malaysia	100.0	100.0

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**15. INVESTMENTS IN SUBSIDIARIES (CONTD.)**

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2010 %	2009 %
Lang Furniture (Pahang) Sdn Bhd	Dormant	Malaysia	100.0	100.0
Nexus Investments International Limited	Dormant	British Virgin Islands	100.0	100.0
Premier Link Resources Ltd	Dormant	British Virgin Islands	100.0	100.0
Sri Damansara Sdn Bhd	Property development	Malaysia	100.0	100.0
Syarikat Trimal Sdn Bhd	Property development	Malaysia	100.0	100.0
Synergy Score Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Winlink Pte Ltd*	Dormant	Singapore	100.0	100.0
<b>Subsidiary of L&amp;G Resources (1994), Inc.:</b>				
L&G Display Technologies, Inc.	Dormant	USA	100.0	100.0
<b>Subsidiaries of Land &amp; General Australia (Holdings) Pty Ltd:</b>				
Lang Melbourne Pty Ltd	Dormant	Australia	100.0	100.0
World Trade Centre Holdings Pty Ltd	Dormant	Australia	100.0	100.0
Flinders Wharf Pty Ltd	Dormant	Australia	100.0	100.0
Flinders Wharf One Pty Ltd	Dormant	Australia	100.0	100.0
Flinders Wharf Two Pty Ltd	Dormant	Australia	100.0	100.0

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**15. INVESTMENTS IN SUBSIDIARIES (CONTD.)**

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2010 %	2009 %
<b>Subsidiaries of Land &amp; General Australia (Holdings) Pty Ltd (Contd.):</b>				
Flinders Wharf Land Pty Ltd	Dormant	Australia	100.0	100.0
PLR Mayfields Pty Ltd	Dormant	Australia	100.0	100.0
<b>Subsidiary of Lang Education Holdings Sdn Bhd:</b>				
Lang Education Sdn Bhd	Education services	Malaysia	100.0	100.0
<b>Subsidiary of Sri Damansara Sdn Bhd:</b>				
Sri Damansara Club Bhd	Management of club activities	Malaysia	100.0	100.0
<b>Subsidiaries of Syarikat Trimal Sdn Bhd:</b>				
Mentari Unggul Sdn Bhd	Dormant	Malaysia	70.0	70.0
Tinvein Nominees Sdn Bhd	Investment holding	Malaysia	100.0	100.0
<b>Subsidiary of World Trade Centre Holdings Pty Ltd:</b>				
Lang Australia Pty Ltd	Dormant	Australia	100.0	100.0
<b>Subsidiary of Tinvein Nominees Sdn Bhd:</b>				
Navistar Sdn Bhd	Property development	Malaysia	100.0	100.0

\* Audited by a firm of auditors other than member firms of Ernst & Young Global.

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

**15. INVESTMENTS IN SUBSIDIARIES (CONTD.)**

- (i) Land & General Australia ( Holdings) Pty Ltd ("LGAH"), a wholly-owned subsidiary of the Company, had on 12 June 2009, 31 July 2009 and 17 November 2009 made capital distributions of 27,132,000 ordinary shares, 1,065,000 ordinary shares and 1,132,000 ordinary shares of AUD1 each respectively, to the Company resulting in an aggregate reduction in LGAH's share capital from 40,000,000 shares to 10,671,000 shares. The capital distributions amounting to AUD29,329,000 or RM83,484,000 have resulted in an aggregate realised foreign exchange gains of RM9,612,000 to the Company and a realisation of foreign exchange reserve of RM1,437,000 to the Group.
- (ii) On 5 March 2010, Clarity Crest Sdn Bhd ("CCSB"), a wholly-owned subsidiary of the Company, issued 1,000,000 ordinary shares of RM1.00 each and 7,000,000 Class B redeemable preference shares of RM1.00 each. The issuance of the ordinary shares and Class B redeemable preference shares were affected via the capitalisation of loans and advances made by the Company to CCSB.

**(a) Key assumptions used in impairment calculations**

Management determined the recoverable amount of these investments in subsidiaries based on the individual assets' value in use and the probability of the realisation of the assets. The present value of the future cash flows to be generated by the asset is the asset's value in use, and it is assumed to be the same as the net worth of the asset as at balance sheet date. An impairment loss is recognised immediately in the income statement if the recoverable amount is less than the carrying amount.

Resulting from the above, the Company recognised impairment losses of RM25,391,000 in the previous financial year. The Company also wrote back impairment loss of RM20,487,000 in the previous year primarily due to the revision in the estimate of the timing of receipt of net cash from the relevant subsidiary in the computation of value-in-use.

**(b) Liquidation of a subsidiary**

On 31 July 2008, the High Court of Malaya granted a Winding-up Petition served on Bandar Sungai Buaya Sdn Bhd ("BSB"). Effective from that date, the financial position and results of BSB ceased to be consolidated with the Group.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**15. INVESTMENTS IN SUBSIDIARIES (CONTD.)**

**(b) Liquidation of a subsidiary (Contd.)**

- (i) The following results of BSB were consolidated into the Group's financial results for the financial year ended 31 March 2009:

	<b>1 April 2008 to 31 July 2008 (date of cessation of control) RM'000</b>
Revenue	-
Other income	338
Other expenses	(1,077)
Operating loss	<u>(739)</u>
Finance costs	(2,195)
Loss before tax	<u>(2,934)</u>
Income tax expense	-
Loss for the period	<u><u>(2,934)</u></u>

- (ii) The gain on deconsolidation of BSB was derived as follows:

	<b>31 July 2008 (date of cessation of control) RM'000</b>
Property, plant and equipment (Note 11)	-
Land held for property development (Note 12(a))	47,594
Current assets	1,762
Current liabilities	<u>(237,957)</u>
Net liabilities deconsolidated	(188,601)
Inter-company balance fully provided as doubtful debts	117,575
Realisation of profits on sales of property inventories	<u>(141)</u>
Gain on deconsolidation to the Group	<u><u>(71,167)</u></u>

- (iii) The cash and cash equivalents of BSB excluded from Group's cash position as at the date the liquidation proceedings commenced are as follows:

	<b>As at date of deconsolidation RM'000</b>
Cash at banks ( includes current accounts held under Housing Development (Control and Licensing) Act 1966)	<u>387</u>

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

**15. INVESTMENTS IN SUBSIDIARIES (CONTD.)**

**(b) Liquidation of a subsidiary (Contd.)**

Due to the financial obligations provided to the financial institutions of this former subsidiary, the Company has provided RM41,611,000 as financial obligation during the financial year ended 31 March 2009 as disclosed in Note 24.

BSB's material litigations at the end of the previous financial year were as follows:

- (1) On 28 August 2001, Citibank Malaysia Berhad ("Citibank") served an Originating Summons on BSB, claiming for the term loan of RM29.0 million, seeking among others, that the land held under H.S.(D) No. 10778, PT No. 10452, Mukim Serendah and H.S.(D) No. 10779, PT No. 10453, Mukim Serendah charged to Citibank, be sold by public auction pursuant to Sections 256 and 257 of the National Land Code to satisfy the sum secured under the charge being RM12.0 million under the Syndicated Revolving Credit Facility (Facility B) and RM5.0 million under the Revolving Secured Credit Facility (Facility C), excluding all interest, costs and expenses incurred.

On 23 October 2002, the Court granted Order in Terms of the Originating Summons whereby the lands be sold by public auction pursuant to Sections 256 and 257 of the National Land Code to satisfy the sum secured under the charge including all interest, costs and expenses incurred. Eight (8) attempts to auction off the lands were conducted on 14 February 2004, 28 April 2004, 5 August 2004, 15 December 2004, 9 March 2005, 6 June 2005, 6 September 2005 and 16 January 2007 with the reserve price being set at RM124.5 million, RM103.0 million, RM92.7 million, RM72.1 million, RM64.9 million, RM58.4 million, RM52.6 million and RM43.3 million respectively. All were unsuccessful.

Citibank and OCBC Bank Berhad ("OCBC") had on 17 September 2007 issued the Notices under Section 218 of the Companies Act, 1965. Citibank is demanding RM23,316,000 being sums due as at 1 August 2007 and OCBC is demanding RM16,382,000 being sums due as at 1 August 2007.

On 27 May 2008, BSB was served with a Winding-up Petition by Citibank and OCBC which was presented to the High Court of Malaya on 9 May 2008. On 31 July 2008, the High Court granted the Winding-up Petition served on BSB.

- (2) On 7 October 2005, BSB was served a Writ of Summons by RHB Bank Berhad ("RHB") claiming the following:
  - (i) the sum of RM12.4 million owing under the Overdraft Facility as at 30 June 2005 together with interest at the rate of 3.50% per annum above the Base Lending Rate of RHB (prevailing at 6.00% per annum as at 30 June 2005) on a monthly rest from 1 July 2005 until date of full payment; and

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

**15. INVESTMENTS IN SUBSIDIARIES (CONTD.)**

**(b) Liquidation of a subsidiary (Contd.)**

BSB's material litigations at the end of the previous financial year were as follows:  
(Contd.)

(2) (Contd.)

- (ii) the sum of RM22.4 million owing under the Term Loan Facility as at 30 June 2005 together with interest at the rate of 3.50% per annum above the Base Lending Rate of RHB (prevailing at 6.00% per annum as at 30 June 2005) on a monthly rest from 1 July 2005 until the date of full payment plus cost and other relief.

Judgement has been granted in favour of RHB. BSB has been served with a Letter of Demand on 17 January 2006 for the judgement sum.

- (3) On 27 March 2006, RHB commenced an action against BSB by way of Originating Summons for an order for sale of the charged property over the land known as HS (D) No 10785, Lot 10460, Mukim Serendah, Daerah Hulu Selangor.

On 29 March 2007, the Court granted Order in Terms of the Originating Summons whereby the lands be sold by public auction pursuant to Sections 256 and 257 of the National Land Code to satisfy the sum secured under the charge being RM10.0 million under the Overdraft Facility and RM15.7 million under the Term Loan Facility, excluding all interest, costs and expenses incurred. On 11 December 2007 the Court granted the Order for Sale and fixed 27 March 2008 as the auction date with a reserve price of RM23.2 million. On the said date there were no bidders. RHB has since filed an application for a new auction date and reserve price and on 29 July 2008, the Court fixed the auction reserve price at RM20.9 million and the auction date to be held on 2 September 2008.

At the end of previous financial year, BSB had delivered all relevant documents pertaining to the suits above to the Liquidators. Any subsequent monitoring and updates of these legal suits above should be undertaken by the Liquidators.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**16. INVESTMENT IN ASSOCIATES**

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost:				
- In Malaysia	535	535	500	500
- Outside Malaysia ^	-	-	-	-
Share of post-acquisition profit	940	940	-	-
	<u>1,475</u>	<u>1,475</u>	<u>500</u>	<u>500</u>
Less: Accumulated impairment losses	(1,475)	(1,475)	(500)	(500)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

^ The cost of the investment is less than RM1,000

Details of the associates are as follows:

<b>Name of Associates</b>	<b>Principal Activity</b>	<b>Country of Incorporation</b>	<b>Proportion of Ownership Interest</b>	
			<b>2010</b>	<b>2009</b>
			<b>%</b>	<b>%</b>
C.I. Damansara Quarry Sdn Bhd	Dormant	Malaysia	35.0	35.0
Projass Langbuilt Sdn Bhd	Dormant	Malaysia	50.0	50.0
FW Financing Solutions Pty Ltd	Dormant	Australia	50.0	50.0

The Group's interests in the associates is analysed as follows:

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Share of net assets	<u>-</u>	<u>-</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**16. INVESTMENT IN ASSOCIATES (CONTD.)**

The summarised financial information of the associates is as follows:

	Group	
	2010 RM'000	2009 RM'000
<b>Assets and liabilities</b>		
Current assets	2,862	2,865
Total assets	<u>2,862</u>	<u>2,865</u>
Current liabilities	(35)	(36)
Total liabilities	<u>(35)</u>	<u>(36)</u>
<b>Results</b>		
Revenue	-	-
Loss for the year	<u>(2)</u>	<u>(1)</u>

**17. INVESTMENT IN JOINTLY CONTROLLED ENTITIES**

	Group	
	2010 RM'000	2009 RM'000
Unquoted shares at cost *	-	-
Share of post-acquisition reserves	(4,771)	(5,327)
	<u>(4,771)</u>	<u>(5,327)</u>

\* The costs of these investments are less than RM1,000

Details of the jointly controlled entities are as follows:

Name of Jointly Controlled Entities	Principal Activity	Country of Incorporation	Proportion of Ownership Interest	
			2010 %	2009 %
Hidden Valley Australia Pty Ltd	Property development	Australia	50.0	50.0
Elite Forward Sdn Bhd	Property development	Malaysia	50.0	-

The Group together with its joint venture partners have undertaken to support financially their investments in the jointly controlled entities of Hidden Valley Australia Pty Ltd and Elite Forward Sdn Bhd, for the next twelve months up to 31 March 2011.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**17. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (CONTD.)**

The following amounts represent the Group's share of assets, liabilities, revenue and expenses of the jointly controlled entities:

	Group	
	2010 RM'000	2009 RM'000
Non-current assets	12,085	7,309
Current assets	18,774	12,314
Non-current liabilities	(22,810)	(19,567)
Current liabilities	(12,820)	(5,383)
Net liabilities	<u>(4,771)</u>	<u>(5,327)</u>
Revenue	10,107	9,023
Expenses	(8,618)	(8,167)
Profit before tax	1,489	856
Income tax expense	-	-
Profit for the year	<u>1,489</u>	<u>856</u>

**18. OTHER INVESTMENTS**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Non-current</b>				
Unquoted shares, at cost				
- former subsidiaries *	232,155	234,955	208,555	208,555
- third parties	10,454	10,454	8,636	8,636
Quoted shares, at cost				
- outside Malaysia	11,876	11,879	11,846	11,846
Investment in transferable club memberships	533	601	250	318
	<u>255,018</u>	<u>257,889</u>	<u>229,287</u>	<u>229,355</u>
Less: Accumulated impairment losses	(242,891)	(254,454)	(217,270)	(226,063)
	<u>12,127</u>	<u>3,435</u>	<u>12,017</u>	<u>3,292</u>
Market values of quoted shares:				
- outside Malaysia	<u>15,764</u>	<u>4,265</u>	<u>15,074</u>	<u>3,211</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**18. OTHER INVESTMENTS (CONTD.)**

- \* Included in unquoted shares at cost are the following former subsidiaries currently in liquidation:

<b>Name of Company</b>	<b>Classification</b>
Exotic Acres Sdn. Bhd.	Members voluntary winding up
US Furniture Industries, Inc.	Deregistered
L&G Resort Sdn Bhd	Court winding up
Lang Furniture (Selangor) Sdn Bhd	Court winding up
Bandar Sungai Buaya Sdn Bhd	Court winding up
Lembah Beringin Sdn Bhd	Receivers and Managers appointed and under court winding up

During the current financial year, the Group and Company recognised a write back of impairment loss from a quoted foreign investment of RM8,685,000 based on the quoted market price as at balance sheet date. The Group and the Company also wrote back impairment losses for investments in club membership of RM125,000 based on indicative market value.

**19. INVENTORIES**

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cost:</b>		
Properties held for sale	25,338	27,272
Consumables	15	183
	<u>25,353</u>	<u>27,455</u>
<b>Net realisable value:</b>		
Properties held for sale	1,248	2,633
Agricultural produce	-	5
	<u>1,248</u>	<u>2,638</u>
	<u><u>26,601</u></u>	<u><u>30,093</u></u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**19. INVENTORIES (CONTD.)**

The carrying value of the inventories pledged as security for borrowings granted to the Group are as follows:

	Group	
	2010 RM'000	2009 RM'000
Properties held for sale	-	25,010

As at balance sheet date, carrying amounts of property inventories in excess of a year amounted to RM26,586,000 (2009: RM29,905,000).

Although the directors acknowledged that certain of these properties held for sale are slow-moving, the Directors believe that the Group will be able to realise all of its properties held for sale above their costs in the ordinary course of business.

**20. TRADE AND OTHER RECEIVABLES**

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Current</b>					
<b>Trade receivables</b>					
Third parties		7,134	5,613	-	-
Stakeholders sum		80	80	-	-
Accrued billings		-	750	-	-
Less: Allowance for doubtful debts		(810)	(1,717)	-	-
Trade receivables, net		<u>6,404</u>	<u>4,726</u>	<u>-</u>	<u>-</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**20. TRADE AND OTHER RECEIVABLES (CONTD.)**

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Other receivables</b>					
Amounts due from related parties:					
Subsidiaries	(b)	-	-	103,737	106,773
Jointly controlled entities	(c)	23,908	13,588	-	-
Associates		1,193	1,193	1,119	1,119
		<u>25,101</u>	<u>14,781</u>	<u>104,856</u>	<u>107,892</u>
Deposits		1,149	1,315	325	326
Prepayments		469	516	122	147
Other receivables					
Former subsidiaries	(d)	449,708	449,685	423,227	423,143
Others	(e)	12,696	17,355	214	1,109
		<u>489,123</u>	<u>483,652</u>	<u>528,744</u>	<u>532,617</u>
Less: Allowance for doubtful debts		<u>(461,413)</u>	<u>(461,790)</u>	<u>(503,053)</u>	<u>(502,506)</u>
Other receivables, net		<u>27,710</u>	<u>21,862</u>	<u>25,691</u>	<u>30,111</u>
		<u>34,114</u>	<u>26,588</u>	<u>25,691</u>	<u>30,111</u>

**(a) Credit risk**

The Group controls its credit risk by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade receivables are monitored on an ongoing basis.

Generally, the Group does not require collateral in respect of its financial assets.

Other than the amounts due from joint venture entities, the Group is not duly exposed to any individual customer or counter party nor does it have any major concentration of credit risk related to any financial instrument asset.

**(b) Amounts due from related parties**

Amounts due from all related parties are non-interest bearing and repayable on demand. All related parties receivables are unsecured and are to be settled in cash.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**20. TRADE AND OTHER RECEIVABLES (CONTD.)**

**(c) Amounts due from joint venture entities**

The non-trade amounts due from joint venture entities are in respect of capital contribution and the amounts are unsecured, non-interest bearing and repayable on demand.

The Directors assessed the recoverability of the amounts owing based on their assessment of the discounted cash flow analysis from the joint ventures' operations. In the previous financial year, the Group made an allowance for doubtful debts of RM1,000,000 as disclosed in Note 8.

**(d) Amounts due from former subsidiaries**

Included in amounts due from former subsidiaries of the Group and of the Company are RM434,804,000 (2009: RM434,820,000) and RM408,883,000 (2009: RM408,798,000) respectively from companies which are currently in liquidation. The recoverability of these amounts are dependent on the abilities of the respective liquidators to fetch the best prices for the underlying assets of the companies. Notwithstanding this, the Company has fully provided for the amounts due from these former subsidiaries.

Included in the amount due from a former subsidiary is a debt of RM14,344,000 (2009 : RM14,344,000) which is secured by partially completed buildings belonging to the said former subsidiary. These buildings are situated on a piece of land which does not belong to the said former subsidiary. The said debt was previously subjected to interest of 7.5% per annum. Additional interest of 10% per annum was imposed on defaulted payments.

The former subsidiary is currently disputing this debt owing to the Group and the Company. The Directors of the Company have obtained legal opinion on this subject matter and their solicitors were of the view that the subject matter in dispute may need to be referred to and interpreted by the Court. Notwithstanding the uncertainty arising from the outcome of this dispute, the Directors of the Company will endeavour to recover the full amount due from the former subsidiary although full allowance for doubtful debts have been made in respect of this debt.

- (e)** In the previous year, included in other receivables is an amount of RM4,192,000 held under a trust account pursuant to the Group's Debt Restructuring Agreement. Pursuant to the redemption of all outstanding Redeemable Convertible Secured Loan Stocks ("RCSLS") by the Company during the year, the trust account has been dissolved and the Group has received the money held under the trust account together with interest income earned therein.

Further details on related party transactions are disclosed in Note 35.

Other information on financial risks of other receivables are disclosed in Note 38.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**21. MARKETABLE SECURITIES**

	Group	
	2010	2009
	RM'000	RM'000
Quoted, at cost	-	51,280
Analysed as:		
At market value	-	51,240

Investment in marketable securities represents fund placements in various unit trust funds in Malaysia.

During the year, the Group earned dividend income of RM494,000 (2009: RM274,000) and made a total gain of disposal from its marketable securities of RM27,000 (2009: RM Nil), as disclosed in Notes 3 and 4.

In the opinion of the Directors, the difference between the carrying amount of the marketable securities and market value for marketable securities in the previous financial year was due to short term market fluctuations in the value of these investments. All investments have been fully disposed of during the financial year.

**22. DEPOSITS, CASH AND BANK BALANCES**

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	3,549	4,574	307	407
Deposits with financial institutions	133,145	118,946	77,049	37,643
Cash and cash equivalents	136,694	123,520	77,356	38,050

- (i) Included in cash at banks of the Group are amounts of RM28,000 (2009: RM1,127,000) held under the Housing Development Accounts ("HDA Account") pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 (Act 118) and therefore restricted from use in other operations.
- (ii) In the previous financial year, the following amounts were held in Escrow Accounts pursuant to a Debt Restructuring Agreement ("DRA"), as disclosed in Notes 26 and 27.
- (a) cash at banks of the Group and of the Company of RM3,000 respectively.
- (b) deposits with financial institutions of the Group and of the Company of RM43,125,000 and RM2,719,000 respectively.

The application of the monies was governed by the DRA.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**22. DEPOSITS, CASH AND BANK BALANCES (CONTD.)**

- (iii) Deposits of the Group and of the Company amounting to RM121,000 (2009: RM120,000) and RM59,000 (2009: RM57,000) respectively, are pledged to banks as security deposits for bank guarantees.
- (iv) Included in cash at bank and deposits with financial institutions of the Group are amounts of RM1,000 (2009: RM1,000) and RM1,255,000 (2009: RM1,223,000) respectively held under a trust account pursuant to a Trust Deed dated 11 September 1994 in relation to a membership scheme of a subsidiary, Sri Damansara Club Berhad. The application of the monies is governed by the Trust Deed Agreement.
- (v) Included in cash at bank and deposits with financial institutions of the Group are sinking funds of RM26,000 (2009: RM19,000) and RM1,432,000 (2009: RM1,227,000) respectively maintained by a subsidiary, Sri Damansara Club Berhad, for the purpose of repair and maintenance of properties.

Other information on financial risks of cash and cash equivalents are disclosed in Note 38.

The weighted average effective interest rates of deposits at the balance sheet date were as follows:

	Group		Company	
	2010 % per annum	2009 % per annum	2010 % per annum	2009 % per annum
Licensed banks	2.36	3.11	2.33	2.45

The average maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2010 Days	2009 Days	2010 Days	2009 Days
Licensed banks	107	123	186	91

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**23. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

		Group	
	Note	2010 RM'000	2009 RM'000
<b>At carrying value:</b>			
Leasehold land and building	(i)	514	-
Freehold land and building	(ii)	-	2,181
Leasehold land	(iii)	-	1,862
		514	4,043

- (i) On 21 July 2009 and 25 March 2010, Sri Damansara Sdn Bhd, a wholly-owned subsidiary of the Company, entered into Sale and Purchase Agreements with three (3) individual buyers for the disposal of 2 units of terrace houses and a double storey shop-office for an aggregate consideration of RM580,000. As the conditions precedents of these transactions have not been completed, any gain or loss on disposals of these properties is only expected to be reflected in the financial year ending 31 March 2011.
- (ii) On 30 March 2009, SDSB entered into a Sale and Purchase Agreement with Isu Nagasari Sdn Bhd, to dispose of a parcel of freehold land together with the building erected on the said land, for a cash consideration of RM5,500,000. The disposal was completed on 28 October 2009 and resulted in a net gain of RM3,252,000 to the Group as disclosed in Note 4.
- (iii) On 11 March 2008, Lang Furniture (Pahang) Sdn Bhd ("LFPSB"), a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Waras Wijaya Sdn Bhd ("WWSB") for the disposal of two parcels of leasehold land for a total cash consideration of RM4,250,000. On 16 April 2009, LFPSB obtained consent to transfer the said properties to WWSB from the state land office. However, WWSB failed to settle the balance purchase price and on 24 August 2009, the SPA was terminated. Deposits received of RM425,000 was recognised as income as disclosed in Note 4. Consequently the assets were reclassified to prepaid land lease payments as disclosed in Note 14.

In the previous financial year, the leasehold land in item (iii) above were pledged as securities for borrowings granted to the Group.

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**24. PROVISIONS**

	<b>Property Development Expenditure RM'000</b>	<b>Liquidated Ascertained Damages RM'000</b>	<b>Provision for Promotional Costs RM'000</b>	<b>Provision for Litigation Claims RM'000</b>	<b>Provision for Financial Obligation RM'000</b>	<b>Foreseeable Loss of Charged Land RM'000</b>	<b>Total RM'000</b>
<b>Group</b>							
At 1 April 2009	5,797	1,306	-	23	41,611	16,641	65,378
Additional provisions	2,587	-	1,908	-	-	-	4,495
Utilisation of provisions	(237)	(8)	-	-	-	-	(245)
Write back (Note 4)	(799)	(1)	-	-	-	-	(800)
At 31 March 2010	<u>7,348</u>	<u>1,297</u>	<u>1,908</u>	<u>23</u>	<u>41,611</u>	<u>16,641</u>	<u>68,828</u>
<b>At 31 March 2010</b>							
Non-current	-	-	1,489	-	-	-	1,489
Current	7,348	1,297	419	23	41,611	16,641	67,339
	<u>7,348</u>	<u>1,297</u>	<u>1,908</u>	<u>23</u>	<u>41,611</u>	<u>16,641</u>	<u>68,828</u>

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**24. PROVISIONS (CONTD.)**

	<b>Property Development Expenditure RM'000</b>	<b>Liquidated Ascertained Damages RM'000</b>	<b>Provision for Litigation Claims RM'000</b>	<b>Provision for Financial Obligation RM'000</b>	<b>Foreseeable Loss of Charged Land RM'000</b>	<b>Total RM'000</b>
<b>Group</b>						
At 1 April 2008	20,233	7,534	136	-	-	27,903
Additional provisions	-	-	-	41,611	16,641	58,252
Utilisation of provisions	(518)	(12)	(66)	-	-	(596)
Write back (Note 4)	(1,121)	(6,176)	-	-	-	(7,297)
Effects of deconsolidation of a subsidiary (Note 15(b))	(12,797)	(40)	(47)	-	-	(12,884)
At 31 March 2009	<u>5,797</u>	<u>1,306</u>	<u>23</u>	<u>41,611</u>	<u>16,641</u>	<u>65,378</u>
<b>At 31 March 2009</b>						
Non-current	-	-	-	-	-	-
Current	<u>5,797</u>	<u>1,306</u>	<u>23</u>	<u>41,611</u>	<u>16,641</u>	<u>65,378</u>
	<u>5,797</u>	<u>1,306</u>	<u>23</u>	<u>41,611</u>	<u>16,641</u>	<u>65,378</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**24. PROVISIONS (CONTD.)**

<b>Company</b>	<b>Provision for Financial Obligation</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year	41,611	-
Additional provisions	-	41,611
At end of year	<u>41,611</u>	<u>41,611</u>

**(a) Property development expenditure**

Provision for property development expenditure is the estimated costs to be incurred for completed projects and project in progress.

This provision is provided based on the total estimated development costs to be incurred as at year end for all the property development projects.

**(b) Liquidated ascertained damages**

Provision for liquidated ascertained damages is in respect of property development projects undertaken by the Group. The provision is recognised for expected liquidated ascertained damages claims based on the terms of the applicable sale and purchase agreements.

**(c) Provision for promotional costs**

Provision for promotional costs are costs incurred that are associated with the sale of development units. These amounts are estimates of the obligations to be undertaken by the property development company.

The provision is based on the estimates of the obligations to be undertaken by a subsidiary for each relevant purchase, the terms and the respective sale agreement for each purchaser.

**(d) Provision for litigation claims**

Provision for litigation claims is the estimated litigation claims to be incurred in relation to various litigations currently undertaken by the companies within the Group with the assistance of the solicitors in charge of the relevant cases.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**24. PROVISIONS (CONTD.)**

**(e) Provision for financial obligation**

This is the estimated financial liability, as assessed by the Directors, arising from the liquidation of a subsidiary in the previous financial year. Further details on liquidation of the subsidiary are disclosed in Note 15(b).

The provision is based on the total amount owing by the former subsidiary to the financial institutions.

**(f) Foreseeable loss of charged land**

This is the estimated loss as provided for several parcels of freehold land pledged as securities for borrowings granted to a former subsidiary.

The provision is based on the aggregated carrying value of the pledged freehold land.

**25. TRADE AND OTHER PAYABLES**

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Current</b>					
<b>Trade payables</b>					
Third parties	(a)	3,836	2,739	-	-
Progress billings in respect of property development costs		10,330	-	-	-
		<u>14,166</u>	<u>2,739</u>	<u>-</u>	<u>-</u>
<b>Other payables</b>					
Amount due to related parties:					
Subsidiaries	(b)	-	-	132,810	116,132
Other payables	(c)	8,603	8,477	1,273	668
Accruals		1,093	1,991	503	1,150
		<u>9,696</u>	<u>10,468</u>	<u>134,586</u>	<u>117,950</u>
		<u>23,862</u>	<u>13,207</u>	<u>134,586</u>	<u>117,950</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**25. TRADE AND OTHER PAYABLES (CONTD.)**

**(a) Trade payables**

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group is 30 days.

**(b) Amounts due to related parties**

Amounts due to related parties are non-interest bearing and are repayable on demand. The amounts are unsecured and are to be settled in cash.

**(c) Other payables**

(i) Included in other payables of the Group are refundable deposits amounting to RM1,168,000 (2009:RM1,201,000) and RM1,118,000 (2009:RM1,035,000) in relation to club membership deposits in a subsidiary, Sri Damansara Club Berhad, and student enrolment deposits in a subsidiary, Lang Education Sdn Bhd ("LESB"), respectively.

(ii) Included in other payables of the Group are student fees received in advance by LESB amounting to RM1,959,000 (2009: RM1,827,000).

Further details on related party transactions are disclosed in Note 35.

Other information on financial risks of other payables are disclosed in Note 38.

**26. BORROWINGS**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Short term borrowings</b>				
Secured:				
Redeemable Convertible Secured Loan Stocks ("RCSLS") (Note 27)	-	66,748	-	66,748
Hire purchase and finance lease liabilities (Note 28)	154	139	154	139
	<u>154</u>	<u>66,887</u>	<u>154</u>	<u>66,887</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**26. BORROWINGS (CONTD.)**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Long term borrowings</b>				
Secured:				
Redeemable Convertible Secured Loan Stocks ("RCSLS") (Note 27)	-	4,962	-	4,962
Hire purchase and finance lease liabilities (Note 28)	330	415	330	415
	<u>330</u>	<u>5,377</u>	<u>330</u>	<u>5,377</u>
<b>Total borrowings</b>				
Redeemable Convertible Secured Loan Stocks ("RCSLS") (Note 27)	-	71,710	-	71,710
Hire purchase and finance lease liabilities (Note 28)	484	554	484	554
	<u>484</u>	<u>72,264</u>	<u>484</u>	<u>72,264</u>
Maturity of borrowings:				
Within one year	154	66,887	154	66,887
More than 1 year and less than 2 years	154	5,101	154	5,101
More than 2 years and less than 5 years	176	276	176	276
	<u>484</u>	<u>72,264</u>	<u>484</u>	<u>72,264</u>

The weighted average effective interest rates at the balance sheet date for borrowings, excluding hire purchase and finance lease liabilities, were as follows:

	Group		Company	
	2010 % per annum	2009 % per annum	2010 % per annum	2009 % per annum
Redeemable Convertible Secured Loan Stocks ("RCSLS")	<u>N/A</u>	<u>5.00</u>	<u>N/A</u>	<u>5.00</u>

The RCSLS were previously secured by certain assets of the Group and of the Company as disclosed in Notes 11(b), 12(a), 13(a), 19 and 23. Proceeds from sale of these assets are deposited in Escrow Accounts as disclosed in Notes 20(e) and 22(ii).

Other information on financial risks of borrowings are disclosed in Note 38.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**27. REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("RCSLS")**

The Company entered into a Debt Restructuring Agreement ("DRA") on 28 February 2002, for the settlement of the amount owing by the Company and certain of its subsidiary companies to their financial institution lenders and Euro Convertible Bondholders. Pursuant to the DRA, on 30 July 2003 the Company issued 16,883,720 nominal value of RCSLS A of RM1.00 each and issued 304,078,917 nominal value of RCSLS B of RM1.00 each. The details of the RCSLS A and RCSLS B are as follows:

	<b>RCSLS A</b> <b>at RM1.00</b> <b>each</b> <b>nominal</b> <b>value</b> <b>'000</b>	<b>RCSLS B</b> <b>at RM1.00</b> <b>each</b> <b>nominal</b> <b>value</b> <b>'000</b>	<b>Total</b> <b>nominal</b> <b>value</b> <b>'000</b>	<b>Group/Company</b>	
				<b>2010</b> <b>Total</b> <b>RM'000</b>	<b>2009</b> <b>Total</b> <b>RM'000</b>
At beginning of year	1,664	70,046	71,710	71,710	83,729
Repayment	(1,664)	(70,046)	(71,710)	(71,710)	(12,019)
At end of year	-	-	-	-	71,710

The main features and tenure for the various RCSLS are stated below:

**RCSLS A:**

- Series 1 - 5 years from the date of issue
- Series 2 - 7 years from the date of issue

**RCSLS B:**

- Series 1 - 6 years from the date of issue (inclusive) of the RCSLS B Series 2 & 3
- Series 2 - 3 years from the date of issue
- Series 3 - 7 years from the date of issue

The maturity date for the various RCSLS are as follows:

**RCSLS A:**

- Series 1 - date falling on the 5th anniversary from the date of issue
- Series 2 - date falling on the 7th anniversary from the date of issue

**RCSLS B:**

- Series 1 - date falling on the 6th anniversary from the date of issue
- Series 2 - date falling on the 3rd anniversary from the date of issue
- Series 3 - date falling on the 7th anniversary from the date of issue

During the tenure of the RCSLS, unless previously redeemed, converted or repurchased, the RCSLS shall be redeemed in seven annual instalments.

The RCSLS bore interest at 5% per annum payable semi-annually in arrears in each year calculated from the date of issue on 30 July 2003.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**27. REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("RCSLS") (CONTD.)**

The RCSLS were convertible into new shares in the Company at the conversion price, the higher of the weighted average market price of the 5 preceding days or RM1.00 nominal amount of the RCSLS, for every one ordinary shares of RM1.00 each, at the option of the holder anytime on or after its issuance date up to the trading day immediately preceding the maturity date.

On or any time after the date of issue of the RCSLS but before the maturity date, if the closing market price of the shares of the Company for 40 consecutive trading days is at least 180% of the conversion price of RM1.00 during the conversion period, all outstanding RCSLS can be converted into shares in the Company at the conversion price.

The new ordinary shares issued from the conversion of RCSLS may be deemed fully paid and rank pari passu with all existing ordinary shares of the Company.

The RCSLS were secured by way of fixed charges over specific assets of the Group, as disclosed in Notes 11(b), 12(a), 13(a), 19 and 23.

On 30 June 2009, the Company redeemed all outstanding RCSLS of RM71,710,000.

**28. HIRE PURCHASE AND FINANCE LEASE LIABILITIES**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Future minimum lease payments:</b>				
Not later than 1 year	172	154	172	154
Later than 1 year and not later than 5 years	370	462	370	462
	<u>542</u>	<u>616</u>	<u>542</u>	<u>616</u>
Less: Future finance charges	<u>(58)</u>	<u>(62)</u>	<u>(58)</u>	<u>(62)</u>
Present value of finance lease liabilities (Note 26)	<u>484</u>	<u>554</u>	<u>484</u>	<u>554</u>
<b>Analysis of present value of finance lease liabilities:</b>				
Not later than 1 year	154	139	154	139
Later than 1 year and not later than 5 years	330	415	330	415
	<u>484</u>	<u>554</u>	<u>484</u>	<u>554</u>
Less: Amount due within 12 months (Note 26)	<u>(154)</u>	<u>(139)</u>	<u>(154)</u>	<u>(139)</u>
Amount due after 12 months (Note 26)	<u>330</u>	<u>415</u>	<u>330</u>	<u>415</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**28. HIRE PURCHASE AND FINANCE LEASE LIABILITIES (CONTD.)**

The hire purchase and finance lease liabilities bore interest rates ranging 2.2% to 3.2% (2009: 2.2% to 3.2%) per annum.

Other information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 38.

**29. SHARE CAPITAL**

	Number of Ordinary Shares '000	Amount RM'000
<b>Authorised:</b>		
Ordinary shares of RM1 each		
At 1 April 2008/31 March 2009	1,000,000	1,000,000
Adjustment due to par value reduction to RM0.20 each	4,000,000	-
At 31 March 2010	<u>5,000,000</u>	<u>1,000,000</u>
Ordinary shares of RM0.20 each	<u>5,000,000</u>	<u>1,000,000</u>

	Number of Ordinary Shares		Amount	
	2010 '000	2009 '000	2010 RM'000	2009 RM'000
<b>Issued and fully paid:</b>				
At beginning of year				
Ordinary shares of RM1 each	598,305	598,305	598,305	598,305
During the year				
Capital reduction exercise	-	-	(478,644)	-
At end of year				
Ordinary shares of RM0.20 each (2009 : RM1.00 each)	<u>598,305</u>	<u>598,305</u>	<u>119,661</u>	<u>598,305</u>

The Company obtained approvals for its capital reduction exercise from the shareholders and the High Court of Malaya on 7 August 2009 and 7 October 2009 respectively. The effects of the capital reduction exercise were as follows :

- (a) The Memorandum of Association of the Company was amended to reflect the reduction of par value of the authorised share capital of the Company from RM1.00 to RM0.20; thereby increasing the number of authorised shares from 1,000,000,000 to 5,000,000,000.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**29. SHARE CAPITAL (CONTD.)**

- (b) the issued and paid-up share capital of the Company was reduced from RM598,305,000 comprising 598,305,000 ordinary shares of RM1.00 each to RM119,661,000 comprising 598,305,000 ordinary shares of RM0.20 each by the cancellation of RM0.80 of the par value of each ordinary share. The credits of RM478,644,000 arising from the aforementioned share capital reduction exercise and a partial reduction of the share premium of the Company of RM115,967,000 were applied to eliminate the accumulated losses of the Company.

**30. RESERVES**

	Note	Group	
		2010 RM'000	2009 RM'000
Capital reserve	(a)	8,633	6,633
Foreign exchange reserve	(b)	11,677	9,685
		<u>20,310</u>	<u>16,318</u>

The movements in each category of reserve were as follows:

**(a) Capital reserve**

	Note	Group	
		2010 RM'000	2009 RM'000
At beginning of year		6,633	4,674
Appropriation of profit to capital reserve for a subsidiary due to redemption of preference shares in a subsidiary		2,000	2,000
Effects of deconsolidation of a subsidiary	15(b)	-	(41)
At end of year		<u>8,633</u>	<u>6,633</u>

This reserve arose from the redemption of redeemable preference shares issued by subsidiaries.

**(b) Foreign exchange reserve**

	Note	Group	
		2010 RM'000	2009 RM'000
At beginning of year		9,685	26,718
Translation difference on net equity of foreign operations		3,429	(17,033)
Effect of capital distributions from a foreign subsidiary	15(i)	(1,437)	-
At end of year		<u>11,677</u>	<u>9,685</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**30. RESERVES (CONTD.)**

**(b) Foreign exchange reserve (Contd.)**

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

**31. RETAINED EARNINGS/ACCUMULATED LOSSES**

Presently, Malaysian companies adopt the full imputation system. In the Budget 2008, the Government announced the proposal to introduce the single tier tax system for companies effective from the year of assessment 2009. Under the proposed single tier system, the Company shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends paid, credited or distributed by the Company will be exempted from tax in the hands of the shareholders. However, there will be a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. This proposed change in the tax law also provides for the Section 108 balance to be locked in as at 31 December 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 March 2010, the Company has sufficient credit in the Section 108 balance and balance in the tax exempt account of RM64,402,000 (2009: RM67,812,000) and RM85,370,000 (2009: RM85,370,000) respectively to pay franked dividends out of its entire retained earnings.

**32. DEFERRED TAX**

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year	84	419
Recognised in income statement (Note 9)	(291)	(352)
Exchange differences	1	17
At end of year	<u>(206)</u>	<u>84</u>
Presented after appropriate offsetting as follows:		
Deferred tax assets	3	84
Deferred tax liabilities:		
- subject to income tax	(209)	-
	<u>(206)</u>	<u>84</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**32. DEFERRED TAX (CONTD.)**

The components of deferred tax liabilities and assets during the financial year prior to set-offs are as follow:

**Deferred tax assets of the Group:**

	<b>Provisions RM'000</b>	<b>Unused tax losses RM'000</b>	<b>Total RM'000</b>
At 1 April 2009	6	78	84
Recognised in income statement	(4)	(78)	(82)
Exchange difference	1	-	1
At 31 March 2010	<u>3</u>	<u>-</u>	<u>3</u>
At 1 April 2008	-	491	491
Recognised in income statement	6	(413)	(407)
At 31 March 2009	<u>6</u>	<u>78</u>	<u>84</u>

**Deferred tax liabilities of the Group:**

	<b>Property, plant and equipment RM'000</b>
At 1 April 2009	-
Recognised in income statement	(209)
At 31 March 2010	<u>(209)</u>
	<b>Others RM'000</b>
At 1 April 2008	72
Recognised in income statement	(55)
Exchange difference	(17)
At 31 March 2009	<u>-</u>

Deferred tax assets have not been recognised in respect of the following items:

	<b>Group</b>		<b>Company</b>	
	<b>2010 RM'000</b>	<b>2009 RM'000</b>	<b>2010 RM'000</b>	<b>2009 RM'000</b>
Unused tax losses	51,465	50,698	-	-
Unabsorbed capital allowances	13,909	15,034	3,579	4,608
Other deductible temporary differences	23,259	26,380	-	-
	<u>88,633</u>	<u>92,112</u>	<u>3,579</u>	<u>4,608</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**32. DEFERRED TAX (CONTD.)**

The unused tax losses and unabsorbed capital allowances of the Group are available indefinitely for set-offs against future taxable profits of the respective subsidiaries, subject to no substantial changes in shareholdings of the respective subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authorities.

**33. CAPITAL COMMITMENTS**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Capital expenditure				
Approved but not contracted for:				
- property, plant and equipment	67	108	-	51
Share of capital commitment of jointly controlled entity	1,855	-	-	-
	<u>1,922</u>	<u>108</u>	<u>-</u>	<u>51</u>

**34. MATERIAL LITIGATIONS**

- (a) Sri Damansara Sdn Bhd (“SDSB”), a wholly-owned subsidiary of the Company, was served with a Section 218 notice dated 11 November 2002 pursuant to the Companies Act, 1965 in respect of the payment of RM2.5 million alleged to be due to Brunfield Engineering Sdn Bhd (“BESB”) for works it has undertaken. Following this notice, the Company and SDSB have served a Writ of Summons dated 30 November 2002 on BESB, pursuant to which the Company and SDSB applied for inter alia, an interim injunction against BESB in order that BESB is restrained from proceeding with a winding-up petition against SDSB until this claim has been arbitrated. SDSB’s application for the injunction was allowed on 12 August 2003. BESB has filed an appeal at the Court of Appeal to set aside the injunction order, but did not take any steps thereafter to prosecute the appeal.

On 23 September 2003, the Court ordered the Company to be struck off as a party to the suit. The court has at the request of BESB’s counsel, granted an adjournment of the hearing on 24 March 2004 to enable BESB to concede to SDSB’s claim and settle the issue of cost. On 11 August 2004, the court dismissed SDSB’s application under Order 14 with cost and proceeded to fix 3 June 2005 as the date for case management wherein the Court is expected to give its decisions. SDSB has instructed its solicitors to proceed to set down the matter for trial.

**LAND & GENERAL BERHAD**  
**(Incorporated in Malaysia)**

**34. MATERIAL LITIGATIONS (CONTD.)**

(a) (Contd.)

The matter was set down for trial on 5, 6 and 7 April 2010. The parties agreed to settle the matter wherein both parties were to withdraw their respective claims with no order as to cost. The Court on 5 April 2010, allowed the withdrawal and recorded consent judgment on the following terms :-

- (i) The Section 218 Notice under the Companies Act, 1965 issued by BESB be withdrawn and cancelled;
- (ii) The Writ of Summons filed by the Company and SDSB be withdrawn and struck off;
- (iii) Cost to be borne by each party.
- (iv) No further claims are to be made by each party against the other in relation to this matter.

- (b) Las Maha Corporation Sdn Bhd (“Las Maha”) entered into a contract with SDSB on 21 January 2000 to carry out construction and completion of building and relevant infrastructure works of the development project in Bandar Sri Damansara for a contract sum of RM11.5 million. Due to late delivery of the project SDSB has imposed liquidated damages on Las Maha for late completion of the project.

On 2 April 2004, Las Maha sent a Notice of Arbitration to SDSB alleging, inter alia, that SDSB was not entitled for any damages for late completion of the project as Las Maha had achieved Practical Completion of works within reasonable time. In view of this SDSB decided to refer the matter to Arbitration. Las Maha is claiming for the sum of RM2.2 million and SDSB has submitted a counter-claim for the amount of RM4.8 million, being liquidated damages claim of RM2.8 million and other claims totalling RM2.0 million.

SDSB was subsequently informed by its solicitors that Las Maha had been wound up on 15 February 2005. SDSB’s solicitors have filed the proof of debt on 20 February 2006. The Provisional Liquidator has yet to call for a Creditors Meeting.

- (c) A claim of RM6.7 million was made against Navistar Sdn Bhd (“Navistar”) a wholly-owned subsidiary of the Company, by AK2 Runding Sdn Bhd (“AK2”). The claim is for purported fees due and outstanding for unpaid balance of professional fees for architectural consultancy services rendered for a proposed three stage commercial development then undertaken by Navistar.

AK2 served the Writ of Summons dated 20 August 2008 on Navistar and Navistar had responded. The matter is fixed for fifth case management on 18 August 2010.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**35. RELATED PARTY DISCLOSURES**

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Management fee paid by jointly controlled entity	227	107
Progress billings billed to a member of key management for properties under construction	101	-
	<u>227</u>	<u>107</u>

During the financial year, a member of the key management personnel purchased a property from Sri Damansara Sdn Bhd, a wholly-owned subsidiary of the Company for RM337,000. The transaction was entered into in the ordinary course of business with terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	<b>Company</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Rental income from subsidiaries	1,416	1,422
Gross dividends from subsidiaries	24,500	15,147
Management fees from a subsidiary	240	240
Rental expense paid to a subsidiary	(178)	(176)
	<u>24,778</u>	<u>16,833</u>

- (b) **Compensation of key management personnel**

The remuneration of Directors and other members of key management during the year was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short term employee benefits	1,891	1,939	1,189	1,196
Post-employment benefits:				
Defined contribution plan	224	238	143	145
Other benefits	115	608	77	561
	<u>2,230</u>	<u>2,785</u>	<u>1,409</u>	<u>1,902</u>

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**35. RELATED PARTY DISCLOSURES (CONTD.)**

(b) **Compensation of key management personnel (Contd.)**

Included in the total key management personnel are:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors' remuneration	1,113	1,678	694	1,145

**36. SIGNIFICANT EVENTS**

- (a) On 3 November 2009, Synergy Score Sdn. Bhd, a wholly-owned subsidiary of the Company, entered into a Joint Venture cum Shareholders' Agreement with Forward Splendour Sdn Bhd ("FSSB") to govern a 50:50 jointly controlled entity, Elite Forward Sdn Bhd ("EFSB") which is principally a property development company. FSSB is a related company of Mayland Parkview Sdn Bhd, which in turn is a major shareholder of the Company.

On the same date, EFSB entered into a conditional Sale & Purchase Agreement ("SPA") with Sazean Holdings Sdn Bhd for the proposed acquisition of a freehold land situated in Ampang for a total consideration of RM55,000,000.

Approvals from the Foreign Investment Committee and shareholders of the Company were obtained on 18 November 2009 and 3 February 2010 respectively. On 18 May 2010, the Company announced that the land acquisition had been completed with the fulfilment of all the conditions precedent as set out in the SPA.

The details of the joint venture are disclosed in Note 17.

- (b) On 6 January 2010, the Company acquired the entire issue and paid up share capital comprising 2 ordinary shares of RM1.00 each fully paid in Bright Term Sdn Bhd ("BTBSB"). BTBSB was incorporated in Malaysia under the Companies Act, 1965 on 22 October 2009. The authorised share capital is RM100,000 divided into 100,000 ordinary shares of RM1.00 each. Currently BTBSB has not commenced business operations.

**37. SUBSEQUENT EVENTS**

- (a) On 10 May 2010, Elite Forward Sdn Bhd ("EFSB"), a 50% joint venture entity of the Group, obtained full release of its fixed loan facility of RM38,500,000 for the acquisition of a freehold land situated in Ampang. The Company acts as a joint corporate guarantor, in proportion to its shareholdings in EFSB, for a total sum of RM19,250,000 of the said fixed loan facility.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**37. SUBSEQUENT EVENTS (CONTD.)**

- (b) On 30 April 2010, Bright Term Sdn Bhd ("BTSB") a wholly-owned subsidiary of the Company, submitted a tender with earnest monies amounting to RM1,250,000 to acquire few parcels of land (measuring in aggregate approximately 200 acres) and the related assets on those land located in Seremban, Negeri Sembilan from a company under liquidation. The total purchase consideration amounted to RM25,000,000. Subsequently on 15 June 2010, the Company was notified of its successful bid and was required to pay the balance deposit of RM1,250,000 within 30 days. The Company is in the process of obtaining an extension of time from the said liquidator to comply with the terms of tender.

**38. FINANCIAL INSTRUMENTS**

**(a) Financial risk management objectives and policies**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks, foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is the Group's policy not to engage in speculative transactions.

**(b) Interest rate risk**

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's primary interest rate risk relates to interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

**(c) Foreign currency risk**

The Group is exposed to currency risk as a result of foreign currency transactions entered into by subsidiaries in currencies other than their functional currency. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currency give rise to foreign exchange exposures. Foreign exchange exposures in transactional currencies other than the functional currency of the operating entities are kept to an acceptable level.

The Company has a number of investments in foreign subdiaires whose net assets are exposed to currency translation risk.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**38. FINANCIAL INSTRUMENTS (CONTD.)**

**(c) Foreign currency risk (Contd.)**

The currency exposure profile of financial assets and financial liabilities of the Group and of the Company are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
<b>Functional Currency</b>				
<b>Other Receivables</b>				
Australian Dollar	15,599	17,039	-	973
US Dollar	10	12	-	-
Sterling Pound	1	21	-	-
Singapore Dollar	4	3	-	-
	<u>15,614</u>	<u>17,075</u>	<u>-</u>	<u>973</u>
<b>Cash and Cash Equivalents</b>				
Australian Dollar	3,305	72,927	-	-
Sterling Pound	3,404	3,877	-	-
	<u>6,709</u>	<u>76,804</u>	<u>-</u>	<u>-</u>
<b>Other Payables</b>				
Australian Dollar	204	455	-	-
US Dollar	35	33	-	-
Sterling Pound	1	2	-	-
Singapore Dollar	10	39	-	-
	<u>250</u>	<u>529</u>	<u>-</u>	<u>-</u>

**(d) Liquidity Risk**

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

**(e) Credit risk**

Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's associations to business partners with appropriate creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

Other than the amount due from joint venture entities and amount due from former subsidiaries, the Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**38. FINANCIAL INSTRUMENTS (CONTD.)**

**(f) Fair values**

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximate their fair values except for the followings:

	<b>Group</b>		<b>Company</b>	
	<b>Carrying Amount RM'000</b>	<b>Fair Value RM'000</b>	<b>Carrying Amount RM'000</b>	<b>Fair Value RM'000</b>
<b>At 31 March 2010</b>				
<b>Financial Assets</b>				
Non-current unquoted shares	251	+	171	+
Amounts due from subsidiary companies	-	-	25,250	#
	<u>251</u>	<u>-</u>	<u>25,421</u>	<u>-</u>
<b>Financial Liabilities</b>				
Amounts due to subsidiary companies	-	-	132,810	#
	<u>-</u>	<u>-</u>	<u>132,810</u>	<u>#</u>
<b>At 31 March 2009</b>				
<b>Financial Assets</b>				
Non-current unquoted shares	241	+	131	+
Amounts due from subsidiary companies	-	-	28,750	#
	<u>241</u>	<u>-</u>	<u>28,881</u>	<u>-</u>
<b>Financial Liabilities</b>				
Redeemable Convertible Secured Loan Stocks ("RCSLS")	71,710	71,451	71,710	71,451
Amounts due to subsidiary companies	-	-	116,132	#
	<u>71,710</u>	<u>71,451</u>	<u>187,842</u>	<u>71,451</u>

- + It is not practicable to estimate the fair values of the Group's and the Company's non-current unquoted shares because of the lack of quoted market prices and the inability to estimate their fair value without incurring excessive costs.

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**38. FINANCIAL INSTRUMENTS (CONTD.)**

**(f) Fair values (Contd.)**

- # It is not practical to estimate the fair values of amounts due from/(to) subsidiary companies due to principally the lack of fixed repayment terms entered into by the parties involved and the inability to estimate fair value without incurring excessive cost. However, the Company does not anticipate the carrying amount of these financial instruments to be significantly different from the values that would eventually be settled or received.

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

- (i) Cash and cash equivalents, trade and other receivables/payables and short term borrowings.

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

- (ii) Other investments

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

- (iii) Borrowings

The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates for assets and liabilities with similar risk profiles.

**39. SEGMENT INFORMATION**

**(a) Business segments**

The Group adopts business segment analysis as its primary reporting format and geographical segment as its secondary reporting format.

The Group is organised on a worldwide basis into two major business segments:

- (i) Properties - property development, property investments and land cultivation  
(ii) Education - education services

Other operations of the Group are mainly investment holding and do not constitute a separate reportable segment.

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**39. SEGMENT INFORMATION (CONTD.)**

**(a) Business Segments (Contd.)**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>31 March 2010</b>					
<b>Revenue</b>					
Sales to external customers	17,135	9,754	2	-	26,891
Interest and dividend income	1,780	148	1,395	-	3,323
Inter-segment sales	195	-	26,156	(26,351)	-
Total revenue	<u>19,110</u>	<u>9,902</u>	<u>27,553</u>	<u>(26,351)</u>	<u>30,214</u>
<b>Results</b>					
Segment results	10,010	4,377	5,342	-	19,729
Net unallocated income					10,643
Finance costs					(911)
Share of profit of jointly controlled entities					1,489
Profit before tax					<u>30,950</u>
Income tax expense					(1,268)
Net profit for the year					<u>29,682</u>

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**39. SEGMENT INFORMATION (CONTD.)**

(a) **Business Segments (Contd.)**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>31 March 2010</b>					
<b>Assets</b>					
Segment assets	208,174	3,378	116,796	-	328,348
Unallocated assets					1,993
Share of profit of jointly controlled entities					(4,771)
Total assets					<u>325,570</u>
<b>Liabilities</b>					
Segment liabilities	46,003	3,245	43,926	-	93,174
Unallocated liabilities					554
Total liabilities					<u>93,728</u>
<b>Other segment information</b>					
Capital expenditure	130	605	83	-	818
Depreciation and amortisation	229	356	1,069	-	1,654
Impairment losses	30	35	-	-	65
Net allowance for doubtful debts	(1,471)	14	84	-	(1,373)
Other investment written off	-	-	40	-	40
	<u>-</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>40</u>

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**39. SEGMENT INFORMATION (CONTD.)**

**(a) Business Segments (Contd.)**

	<b>Properties</b>	<b>Education</b>	<b>Others</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31 March 2009</b>					
<b>Revenue</b>					
Sales to external customers	20,663	7,950	3	-	28,616
Interest and dividend income	7,351	146	1,498	-	8,995
Inter-segment sales	1,405	-	16,809	(18,214)	-
Total revenue	<u>29,419</u>	<u>8,096</u>	<u>18,310</u>	<u>(18,214)</u>	<u>37,611</u>
<b>Results</b>					
Segment results	2,128	2,981	(43,968)	-	(38,859)
Net unallocated income					61,743
Finance costs					(6,026)
Share of profit of jointly controlled entity					856
Profit before tax					<u>17,714</u>
Income tax expense					(2,399)
Net profit for the year					<u>15,315</u>

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**39. SEGMENT INFORMATION (CONTD.)**

**(a) Business Segments (Contd.)**

	<b>Properties RM'000</b>	<b>Education RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>31 March 2009</b>					
<b>Assets</b>					
Segment assets	272,336	9,094	71,185	-	352,615
Unallocated assets					4,284
Share of profit of jointly controlled entity					(5,327)
Total assets					<u>351,572</u>
<b>Liabilities</b>					
Segment liabilities	31,679	2,966	116,204	-	150,849
Unallocated liabilities					555
Total liabilities					<u>151,404</u>
<b>Other segment information</b>					
Capital expenditure	57	707	234	-	998
Depreciation and amortisation	820	305	1,031	-	2,156
Impairment losses	344	-	-	-	344
Net allowance for doubtful debts	3,332	11	6,456	-	9,799
Provision for foreseeable loss of charged land	-	-	16,641	-	16,641
Properties inventories written off	222	-	-	-	222
	<u>222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>222</u>

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**39. SEGMENT INFORMATION (CONTD.)**

**(b) Geographical segments**

The Group's business segments operate in the three main geographical areas:

- (i) Malaysia - mainly property development
- (ii) Australia - property development and investment holding
- (iii) United States of America and Others - investment holding

	<b>Malaysia</b>	<b>Australia</b>	<b>United States of America and Others</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31 March 2010</b>				
<b>Revenue</b>				
Sales to external customers	26,891	-	-	26,891
Interest income	2,620	686	17	3,323
Total revenue	<u>29,511</u>	<u>686</u>	<u>17</u>	<u>30,214</u>
<b>Assets</b>				
Segment assets	306,320	18,573	3,455	328,348
Unallocated assets				1,993
Investment in jointly controlled entities				(4,771)
Total assets				<u>325,570</u>
<b>Capital Expenditure</b>	<u>818</u>	<u>-</u>	<u>-</u>	<u>818</u>

5507-H

**LAND & GENERAL BERHAD**  
(Incorporated in Malaysia)

**39. SEGMENT INFORMATION (CONTD.)**

(b) Geographical Segments (Contd.)

	<b>Malaysia RM'000</b>	<b>Australia RM'000</b>	<b>United States of America and Others RM'000</b>	<b>Consolidated RM'000</b>
<b>31 March 2009</b>				
<b>Revenue</b>				
Sales to external customers	28,174	442	-	28,616
Interest income	3,373	5,350	272	8,995
Total revenue	<u>31,547</u>	<u>5,792</u>	<u>272</u>	<u>37,611</u>
<b>Assets</b>				
Segment assets	258,628	90,032	3,955	352,615
Unallocated assets				4,284
Investment in jointly controlled entity				(5,327)
Total assets				<u>351,572</u>
<b>Capital Expenditure</b>	<u>998</u>	<u>-</u>	<u>-</u>	<u>998</u>