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CORPORATE INFORMATION

DIRECTORS

Datuk Oh Chong Peng
Chairman

G. Krishnan
Managing Director

Rita a/p Benoy Bushon
Executive Director
(redesignated as Executive Director w.e.f 1.12.2006)

General (Rtd) Tan Sri Borhan Hj Ahmad

Dato' Ir. Dr A. Bakar Jaafar

Dato' Imran Ho Abdullah
(Appointed as Director w.e.f. 1.7.2007)

Mohamad Lotfy Mohamad Noh

Lau Tiang Hua
(Appointed as Director w.e.f. 1.7.2007)

SECRETARY

Lim Fong Een
(MAICSA 0785833)

ASSISTANT SECRETARY

Hayati Aman Hashim
(MIA 20107, MICPA 3067)

EXECUTIVE COMMITTEE

Datuk Oh Chong Peng
Chairman

Rita a/p Benoy Bushon

Dato' Imran Ho Abdullah

Lau Tiang Hua

AUDIT COMMITTEE

General (Rtd) Tan Sri Borhan Hj Ahmad
Chairman

Datuk Oh Chong Peng

Dato' Ir. Dr A. Bakar Jaafar

Lau Tiang Hua
(Appointed as member of Audit Committee w.e.f. 1.7.2007)

NOMINATIONS COMMITTEE

Datuk Oh Chong Peng
Chairman

General (Rtd) Tan Sri Borhan Hj Ahmad

REMUNERATION COMMITTEE

Dato' Ir. Dr A. Bakar Jaafar
Chairman

General (Rtd) Tan Sri Borhan Hj Ahmad

REGISTERED OFFICE

Level 5, Block D
Sri Damansara Business Park
Persiaran Industri
Bandar Sri Damansara
52200 Kuala Lumpur
Tel : 603-6279 8000/8200
Fax : 603-6277 7061

CORPORATE OFFICE

Level 5, Block D
Sri Damansara Business Park
Persiaran Industri
Bandar Sri Damansara
52200 Kuala Lumpur
Tel : 603-6279 8000/8200
Fax : 603-6275 2101
E-mail : lgb@land-general.com
Website : <http://www.land-general.com>

AUDITORS

Ernst & Young
Chartered Accountants

LISTING (ORDINARY SHARES)

Bursa Malaysia Securities Berhad

SHARE REGISTRARS

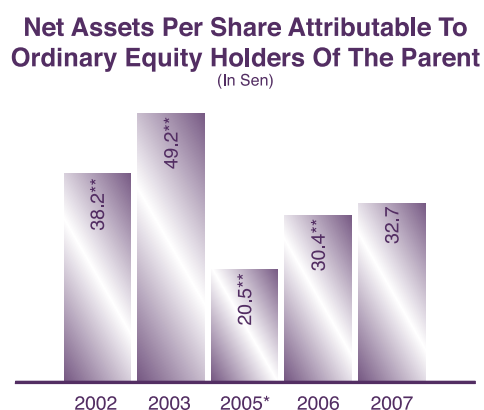
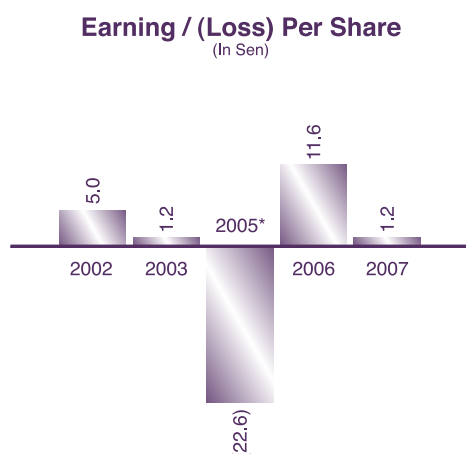
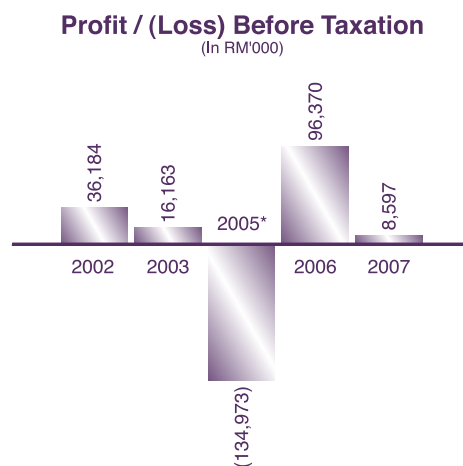
Symphony Share Registrars Sdn Bhd
(Company No. 378993-D)
Level 26 Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 603-2721 2222
Fax : 603-2721 2530/2531

FIVE-YEAR PERFORMANCE HIGHLIGHTS

	2002 RM'000	2003 RM'000	2005* RM'000	2006 RM'000	2007 RM'000
Turnover	268,178	212,897	165,773	283,333	96,086
Profit/(Loss) Before Taxation	36,184	16,163	(134,973)	96,370	8,597
Taxation	(14,690)	(7,800)	5,502	(27,184)	(1,526)
Minority Interests	5,526	(1,659)	(2,371)	(49)	(104)
Net Profit/(Loss) Attributable To Shareholders	27,020	6,704	(131,842)	69,137	6,967
Weighted Average Number Of Shares (‘000)	537,507	560,192	584,054	597,634	598,305
Earnings/(Loss) Per Share (Sen)	5.0	1.2	(22.6)	11.6	1.2
Shareholders’ Fund	205,230**	286,533**	122,172**	181,786**	195,348
Issued and Paid Up Share Capital (‘000)	537,507	582,877	595,623	598,305	598,305
Net Assets Per Share Attributable To Ordinary Equity Holders Of The Parent (Sen)	38.2**	49.2**	20.5**	30.4**	32.7

* Financial period 15 months ended 31 March 2005

** The comparative amounts have been restated to incorporate prior year adjustments affected in 2006 and 2007.



CORPORATE DIARY 2006/2007

2006

12 June 2006

Completion of the disposal of a lease in respect of a piece of land held under PN 9399 Lot 70, Seksyen 59 Bandar Kuala Lumpur by Landgen Property Management Sdn Bhd, a wholly-owned subsidiary of the Company, to Auto Parking Inc Sdn Bhd for a total cash consideration of RM7.4 million

22 September 2006

43rd Annual General Meeting

13 October 2006

Completion of the disposal by Sri Damansara Sdn Bhd, a wholly-owned subsidiary of the Company, of a parcel of vacant freehold land situated in Bandar Sri Damansara, Daerah Petaling, Negeri Selangor to Greater Heights Development Sdn Bhd for a total cash consideration of RM24.5 million

1 December 2006

Redesignation of Puan Rita Benoy Bushon, a nominee Director of the Employees Provident Fund ("EPF") who was seconded by the EPF, as the Executive Director of the Company

2007

15 February 2007

Extraordinary Meeting of holders of the RM320,962,637 5% Redeemable Convertible Secured Loan Stocks ("RCSLS") of RM1 each where the RCSLS holders approved the Prepayment Scheme that involved the full and final settlement of RM14,785,526 5% RCSLS (out of a total of RM214,728,955 5% RCSLS)

16 February 2007

Completion of the disposal by Syarikat Trimal Sdn Bhd, a wholly-owned subsidiary of the Company, of a parcel of vacant freehold land situated in Daerah Kuala Lumpur, Negeri Wilayah Persekutuan to Profit View Sdn Bhd for a total cash consideration of RM28.0 million

1 July 2007

Appointment of Dato' Imran Ho Abdullah, a nominee of a major shareholder as a non-independent non-executive director and Mr Lau Tiang Hua, as an independent non-executive director

11 September 2007

44th Annual General Meeting

DIRECTORS' PROFILE

DATUK OH CHONG PENG

Chairman

Independent Non-Executive Director

Datuk Oh Chong Peng, a Malaysian aged 63, was appointed non-Executive Director of Land & General on 18 October 1999 and was appointed Chairman in 2002. He undertook his accountancy training in London and qualified as a Chartered Accountant in 1969. He is a Fellow of the Institute of Chartered Accountants in England and Wales. Datuk Oh joined Coopers & Lybrand in London in 1969 and in Malaysia in 1971. He was a partner at Coopers & Lybrand Malaysia from 1974 until his retirement in 1997.

Datuk Oh is currently also the Chairman of Malaysian Plantations Berhad (2006). He is also a non-Executive Director of Star Publications (Malaysia) Berhad (1987), British American Tobacco (Malaysia) Berhad (1998), IJM Corporation Berhad (2002), IJM Plantations Berhad (2003) and Rohas-Euco Industries Berhad (2007).

He is a Government-appointed Member of the Labuan Offshore Financial Services Authority (LOFSA) (1996) and the Malaysian Accounting Standard Board (MASB) (2003). He is also a Trustee of the Huaren Education Foundation (1993) and the UTAR Education Foundation (2002).

His past appointments include being a Government-appointed Member of the Kuala Lumpur Stock Exchange (1990-1996); a Council Member (1981-2002) and a past President (1994-1996) of the Malaysian Institute of Certified Public Accountants (MICPA); a Director of the Rashid Hussain Berhad Group of Companies (1998-2003); Renong Berhad (2001-2003); Powertek Berhad (1997-2003); and Nanyang Press Holdings Berhad (2001-2005).

- (a) Details of any board committee to which he belongs:
- Executive Committee (Chairman)**
 - Audit Committee**
 - Nominations Committee (Chairman)**
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or major shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None



MR. G. KRISHNAN

Managing Director

Non-Independent Executive Director

Mr. G. Krishnan, a Malaysian aged 67, was appointed Managing Director of Land & General on 1 September 2001. Prior to that, Mr Krishnan served as Executive Director of Antah Holdings Berhad ("Antah") from April 1990 until his retirement from Antah on 31 October 2000.

He commenced his career at ICI Malaysia Sdn Bhd ("ICI") in 1963 and was appointed Director of ICI as well as that of Chemical Company of Malaysia Berhad in 1984. His last position at the ICI Group of Companies was as Managing Director of ICI Fertilizers Malaysia Sdn Bhd and ICI Industrial Chemicals Malaysia Sdn Bhd and Executive Director of Chemical Company of Malaysia Berhad.

Mr. Krishnan is a graduate of the Advanced Management Programme, Harvard Business School and also a Fellow of CPA Australia (FCPA) and has been its member since 1966.

Currently, a member of the Malaysia Australia Business Council, Mr. Krishnan was one of its founding council members. In addition, he is a Council Member of the Federation of Malaysian Manufacturers (FMM) where he is Chairman of the Ethical Business Practice Committee. Mr. Krishnan is also the current President of the Malaysian International Chamber of Commerce and Industry (MICCI). On 7 February 2007, Mr. Krishnan was appointed member of PEMUDAHA (Pasukan Petugas Khas Pemudahcara Perniagaan), the Government Special Task Force to facilitate businesses.

- (a) Details of any board committee to which he belongs:
None
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or major shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None



PUAN RITA A/P BENOY BUSHON

Executive Director

Non-Independent Executive Director

Puan Rita a/p Benoy Bushon, a Malaysian aged 46, was appointed a Director of Land & General on 14 March 2002. Puan Rita was redesignated as Executive Director on 1 December 2006. She holds a Master in Business Administration from Henley/Brunel University, West London (1993) and an honours degree in Economic Statistics, Universiti Kebangsaan Malaysia (1984).

She joined the Employees Provident Fund Board (EPF) in 1984 and served in several departments in EPF and holds the position of a General Manager. Currently, she is also a Board member of KFC Holdings (Malaysia) Berhad and Silverbird International Sdn Bhd.

- (a) Details of any board committee to which she belongs:
Executive Committee (appointed w.e.f. 1.12.2006)
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or major shareholder of Land & General:
As Nominee Director seconded from EPF, a substantial shareholder of Land & General
- (d) Any conflict of interest that she has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None



GENERAL (RTD) TAN SRI BORHAN HJ AHMAD

Independent Non-Executive Director

General (Rtd) Tan Sri Borhan Hj Ahmad, a Malaysian aged 67, was appointed a Director of Land & General on 27 March 1995. He gained experience with various government authorities throughout his 37 years of service with the Civil Service.

He is also the Chairman of Perbadanan Hal Ehwal Bekas Angkatan Tentera, Baiduri Auto Sdn Bhd, Baiduri Auto Care Sdn Bhd, Fattuah Group of Companies and Kristal Security Sdn Bhd. He is currently the Deputy-President of Persekutuan Tinju Amatur Malaysia.

- (a) Details of any board committee to which he belongs:
 1. **Audit Committee** (Chairman)
 2. **Nominations Committee**
 3. **Remuneration Committee**
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or major shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None



DATO' IR. DR A. BAKAR JAAFAR

Independent Non-Executive Director

Dato' Ir. Dr A. Bakar Jaafar, a Malaysian aged 57, was appointed a Director of Land & General on 18 October 1999. He is an engineer by profession and holds a Bachelor of Engineering (Honours) degree in Mechanical Engineering from the University of Newcastle, Australia, a Master of Environmental Science from Miami University and a Doctorate in Marine Geography from the University of Hawaii@Manoa.

He served in the Malaysian Civil Service for over 22 years in various positions including as the Director-General of the Department of Environment from 1990 to 1995. He continues to serve the Malaysian Government as the Elected-Member to the Commission on the Limits of Continental Shelf, UN HQ, New York (1997-2002)(2002-2007)(2007-2012). He is also an Adjunct Senior Fellow of the Maritime Institute of Malaysia and an Advisor to the National Technical Committee on Continental Shelf.

- (a) Details of any board committee to which he belongs:
 - 1. **Audit Committee**
 - 2. **Remuneration Committee (Chairman)**
- (b) Any securities holdings in Land & General and its subsidiaries:
Direct interest - 160,000 ordinary shares in Land & General
- (c) Any family relationship with any director and/or major shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None



DATO' IMRAN HO ABDULLAH

Non-Independent Non-Executive Director

Dato' Imran Ho Abdullah, a Malaysian aged 48, was appointed a Director of Land & General on 1 July 2007. Currently, he is an associate member of Chartered Institute of Management Accountants (ACMA), Institute of Chartered Secretaries and Administrators (ACIS) and a member of Malaysia Institute of Accountants (MIA).

In his previous appointments, he was the Senior Accountant of Hong Leong Group (1981-1986), Chief Accountant of Lion Group (1987-1991), Executive Director of Gamuda Berhad (1991-1994), Director of Gamuda Hicom Land (1993-1994), Director of Kemas Sdn Bhd (Shah Alam Expressway) (1993-1994), Chief Executive Officer of Parit Perak Berhad (1994-1996), Managing Director of Perstima Berhad (1998) and Executive Director of Indah Water Konsortium Sdn Bhd (1998-2002).

Currently, he does not hold any directorships in other public-listed companies.

- (a) Details of any board committee to which he belongs:
Executive Committee (appointed w.e.f. 6.7.2007)
- (b) Any securities holdings in Land & General and its subsidiaries:
Indirect interest of 69,312,100 (11.58%) ordinary shares in Land & General held through Unioncity Enterprises Limited ("Unioncity")
- (c) Any family relationship with any director and/or major shareholder of Land & General:
As Nominee Director representing Unioncity, a major shareholder of Land & General
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None



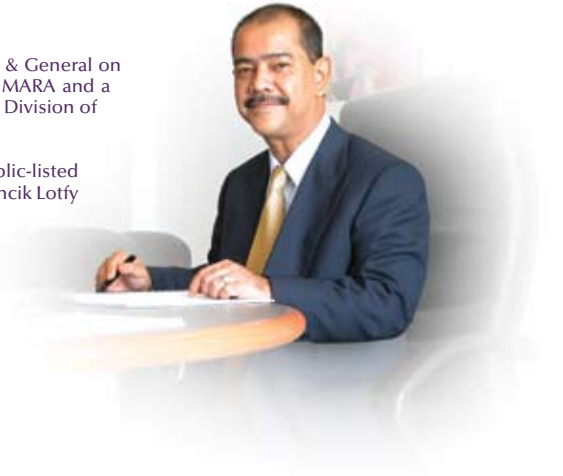
ENCIK MOHAMAD LOTFY MOHAMAD NOH

Non-Independent Non-Executive Director

Encik Mohamad Lotfy Mohamad Noh, a Malaysian aged 47, was appointed a Director of Land & General on 1 October 2005. He holds an Advanced Diploma in Business from the Universiti Teknologi MARA and a Diploma in Marketing (UK). Currently, he is the General Manager of the Property Investment Division of Employees Provident Fund Board.

He has 15 years of experience in the property development industry having served three public-listed property companies. He has also worked for about 5 years in a couple of financial institutions. Encik Lotfy is also a Board member of Malaysian Resources Corporation Berhad.

- (a) Details of any board committee to which he belongs:
None
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or major shareholder of Land & General:
As Nominee Director representing EPF, a substantial shareholder of Land & General
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None



MR. LAU TIANG HUA

Independent Non-Executive Director

Mr. Lau Tiang Hua, a Malaysian aged 54, was appointed a Director of Land & General on 1 July 2007. He is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

Mr. Lau began his articleship with Peat, Marwick, Mitchell & Co (now known as KPMG) in 1974 and qualified as a Certified Public Accountant in 1979. In 1980, he joined Arthur Young & Company (now known as Ernst & Young) as the Audit Manager overseeing Kuching office, Sarawak. Mr. Lau was engaged in all the essential aspects of the accountancy profession while he was working with the two international firms of chartered accountants.

Subsequently, in 1982, Mr. Lau joined Star Publications Berhad as the Finance Manager and when he left the company in 1985, he was the General Manager of the finance and administration department.

Currently, Mr. Lau is the Managing Partner of his own business, JB Lau & Associates, and he is also an Independent Non-Executive director of Nanyang Press Holdings Berhad (2002), PanGlobal Berhad (2001), Malaysia Building Society Berhad (2001), Tomei Consolidated Berhad (2006) and Scanwolf Corporation Berhad (2007).

Mr Lau was conferred the title of Darjah Johan Negeri by the Governor of Penang in conjunction with His Excellency's 69th birthday on 14 July 2007.

- (a) Details of any board committee to which he belongs:
1. Executive Committee (appointed w.e.f. 6.7.2007)
2. Audit Committee (appointed w.e.f. 1.7.2007)
- (b) Any securities holdings in Land & General and its subsidiaries:
None
- (c) Any family relationship with any director and/or major shareholder of Land & General:
None
- (d) Any conflict of interest that he has with Land & General:
None
- (e) List of convictions for offences within the past 10 years other than traffic offences:
None



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Land & General Berhad ("L&G" or "the Company"), I am pleased to present the Annual Report and the Audited Financial Statements of the Group for the financial year ended 31 March 2007.

A number of significant developments had taken place during the financial year under review, both regarding the operating environment as well as the progress achieved by the Group in respect of efforts taken to rationalise its operations and position itself for sustainable profitability and growth.

The Group was able to fulfill all its obligations pertaining to the Composite Debt Restructuring Scheme ("CDRS") in a timely fashion. This has resulted in the total amount owed under the CDRS being pared down by 31%, during the year to 31 March 2007, to RM199.9 million from RM290.2 million. At the Extraordinary Meeting for holders of the RM320,962,637 5% Redeemable Convertible Secured Loan Stocks ("RCSLS") of RM1 each on 15 February 2007, approval was received for the Prepayment Scheme involving the full and final settlement of RM14,785,526 5% RCSLS, or 6.9% of the outstanding RM214,728,955 5% RCSLS, leading to a gain of RM4.1 million for the Company.

In addition, the process to dispose of several assets, which was started in the previous year, was successfully completed. This includes Sri Damansara Sdn Bhd's sale of a parcel of land for RM24.5 million. With all the proceeds duly received, this is significant for the cash flow that has thus been generated to allow for the financing of future development plans by the said subsidiary.

Also completed were Syarikat Trimal Sdn Bhd's sale of a parcel of land for RM28.0 million cash as well as the sale of the property, Plaza Putra, by subsidiary Landgen Property Management Sdn Bhd for RM7.4 million, also in cash. As such, the Group's asset disposal programme, undertaken in conjunction with the CDRS, is well on track.

OPERATING ENVIRONMENT

In the year 2006, strong domestic demand and increased public expenditure contributed to the Malaysian economy recording a 5.9% growth in Gross Domestic Product. For the property sector, total transactions reached RM58.8 billion with the primary market remaining stable and property overhangs manageable.

This robust performance extended into the new year, with the economy posting an expansion of 5.3% in the first quarter of 2007 while the property sector built on the momentum gained in the previous quarters. According to figures announced by the Second Finance Minister Tan Sri Nor Mohamed Yacop in June 2007, all the real estate sub-sectors – commercial and residential – grew during the first three months of the year, where total transactions amounted to about RM15 billion.

Several factors underpin the sector's outlook, chief among which are the relaxation of government regulations relating to foreign ownership of Malaysian properties worth more than RM250,000; the increasing marketing of the "Malaysia My Second Home" programme; as well as the abolition of Real Property Gains Tax after April 1, 2007 on sales of Malaysian property. In addition, property purchase financing remains readily available, especially for foreign purchasers, for whom Bank Negara Malaysia has removed the limit on the number of loans previously restricted to three.

Overall Performance of the Group

For the financial year under review, the Group posted a pre-tax profit of RM8.6 million on a turnover of RM96.1 million, down sharply from RM96.4 million on a turnover of RM283.3 million the year before. The Property Division, which reported a pre-tax profit of RM24.5 million from a turnover of RM84.4 million, remains the biggest contributor to the Group's bottom line. It is followed by the Education Division that brought in a pre-tax profit of RM2.1 million from a turnover of RM6.2 million.

Bandar Sungai Buaya Sdn Bhd ("BSB") continues to be a loss-making subsidiary in the Group. The Board has reviewed the accounts of BSB and deemed it appropriate to provide RM12.6 million for further impairment losses for the financial year ended 31 March 2007. Various parcels of land under auction at BSB have been written down in accordance to the latest valuation carried out by a professional valuer, after taking into account the numerous unsuccessful auctions conducted over the years. As at 31 March 2007, the total losses of BSB consolidated by the Group are approximately RM266.0 million, compared to the cost of investment of about RM101.3 million and advances of about RM117.7 million, all of which have been provided for by the Company. This is in accordance with the prevailing accounting standards where the Group is required to continue to include the losses of BSB in the consolidated results of the Group even though the total losses have exceeded the Group's investment costs in BSB.

KEY CONCERNS

Among the key concerns faced by the Group are to make sure that the debt obligations are met on time and that the asset disposal programme is on schedule. And, of course, the situation at loss-making subsidiary BSB has to be addressed.

PROPERTY DIVISION

Bandar Sri Damansara remains the focus of the Group's operations, where development and other opportunities continue to be actively pursued. The township's *Tropika II* Condominium project has been completed with all 256 units sold, vacant possession of which has been handed over to all purchasers.

As for the *D'sara Villas* bungalow lots officially launched in February 2006, the sales have been reasonably good.

The Group continued to focus its Australian operations on sales at Hidden Valley during the financial year ended 31 March 2007.

EDUCATION DIVISION

The Education Division's Sekolah Sri Bestari continues to perform satisfactorily.

PROSPECTS AND OUTLOOK

L&G remains fully committed to its shareholders, investors and customers in respect of its efforts to deliver quality projects not least so that it may generate profits and grow shareholder value.

It is the intention of the Group to further pursue property development and other opportunities locally and abroad, meaning the way forward shall be to explore viable projects overseas while staying focused at home.

Looking forward, I am confident the Group will continue to fully meet its CDRS obligations while the stabilised cash position will allow it to bolster existing operations as well as tap viable opportunities as these arise. The Group is encouraged by the fact that, apart from the various measures having been introduced by the Government, the medium-term outlook for the real estate sector is bright in light of the country's rapidly expanding workforce. According to a recent study by an international real estate agency, Malaysia will see a 27.9% expansion in its workforce during the 10 years from 2003 through 2013, which is the fastest rate of growth in Asia. This will translate into a steady demand for homes, particularly high quality yet affordable ones.

REMAINING SOCIALLY RESPONSIBLE

With regards to Corporate Social Responsibility (CSR), the Group is guided in every aspect of its operations by recognising that respect and fair regard are best earned by always conducting our affairs in a responsible manner and recognising that the Group's stakeholders comprise not only customers, employees and business associates, but also the communities in which the Group operates. It follows that L&G has and will continue to look after the environment and respond to those in need, as well as support causes related to education and personal development of the young and under-privileged.

APPRECIATION AND VALUED SUPPORT

Barring unforeseen circumstances, the Group expects to perform satisfactorily in the coming financial year. With further consolidation of operations, amidst an improved operating environment and the Malaysian economy's 6% growth expected for 2007, L&G hopes to further prove that the confidence and support offered by our customers, business partners, the authorities, the Group's family of employees, fellow Board members and the shareholders – all of whom I offer my sincere thanks – are not misplaced.

The Board also looks forward to the continued valued contribution from Puan Rita Benoy Bushon upon her re-designation as Executive Director with effect from 1 December 2006. Puan Rita is seconded from the Employees Provident Fund. The Board also welcomes Dato' Imran Ho Abdullah, as a non-independent non-executive director and Mr John Lau Tiang Hua, as an independent non-executive director, both of whom were appointed on 1 July 2007.

Finally, on behalf of the Board, I extend my gratitude to all the stakeholders, particularly our shareholders, customers, business associates and relevant authorities, for your patience and confidence in the Company as we work to overcome the various difficulties we have faced.

Datuk Oh Chong Peng
Chairman

31 July 2007

CORPORATE GOVERNANCE STATEMENT

The Board of Land & General Berhad is fully committed to the principles and best practices of the Malaysian Code of Corporate Governance. The Board constantly strives to ensure that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Company.

The Board of Directors

The Board currently comprises eight (8) directors; six (6) non-executive Directors and two (2) executive Directors.

The Board's composition is well balanced with four (4) independent non-executive Directors, two (2) non-independent non-executive Directors and two (2) executive Directors. The Company is led and controlled by an experienced Board made up of professionals and entrepreneurs who have a diverse range of business, financial and technical skills and experience. This mix of skills and experience is essential for the successful attainment of the corporate plans and objectives of the Group. A brief profile of each Director is presented on pages 6 to 9 of this Annual Report.

The roles of the non-executive Chairman and the Managing Director are clearly defined, with each carrying out his duties and responsibilities within the Company. The Chairman heads the Board and is responsible for ensuring the effectiveness of the Board. The Managing Director has overall executive responsibility for the day-to-day business operations and the implementation of the Board's decisions. In addition, Tan Sri Borhan is the Senior Independent Non-executive Director of the Company to whom concerns or queries regarding the Group can be directed.

All the Directors have an equal responsibility for the Group's operations and corporate accountability. The independent non-executive Directors play a vital supporting role by contributing their knowledge and experience towards the development of the Company's objectives. They also provide a broader and independent view in the decision-making process.

In the furtherance of their duties, all Directors have access to the advice and service of the Company Secretary, the internal auditors and, if so required, independent professional advisors, at the Company's expense.

Board Meetings

Board meetings are scheduled every quarter and additional meetings are convened as and when necessary. During the financial year ended 31 March 2007, a total of six (6) Board meetings were held.

The following is a record of attendance of the Board meetings by the Board of Directors:

Directors	No. of Meetings Attended
Datuk Oh Chong Peng	6/6
G. Krishnan	6/6
Rita a/p Benoy Bushon	6/6
General (Rtd) Tan Sri Borhan Hj Ahmad	6/6
Dato' Ir. Dr A. Bakar Jaafar	4/6
Dato' Imran Ho Abdullah*	Not applicable
Mohd Lotfy Mohd Noh	5/6
Lau Tiang Hua*	Not applicable

* appointed with effect 1 July 2007

Board papers providing updates on operations, financial and corporate proposals and minutes of the Board Committees are circulated prior to each meeting. This is to give the Directors sufficient time to enable them to participate in the deliberations of the issues to be raised at the meetings and to make informed decisions.

Board Committees

To assist the Board in the discharge of its duties effectively, the Board has delegated certain functions to the following Committees, each operating within clearly defined terms of reference:

i) Executive Committee

Currently, the Executive Committee ("Exco") comprises four (4) Board members; the Chairman, an executive Director and two (2) non-executive Directors. The Exco deals with a wide range of matters involving inter alia corporate development proposals and major operational activities and issues before bringing such matters to the attention of the Board at the Board Meetings and/or, where appropriate, seeking approval from the Board as a whole. For the financial year ended 31 March 2007, the Exco met six (6) times.

ii) Audit Committee

The Audit Committee, comprising wholly independent non-executive directors, is responsible for reviewing and monitoring the work of the Group's internal audit function as well as ensuring that an objective professional relationship is maintained with the external auditors. Further details of the Audit Committee are contained in the Audit Committee's Report in the next section of this Annual Report.

iii) Remuneration Committee

The Remuneration Committee, consisting exclusively of independent non-executive directors, is authorised to review, assess and recommend to the Board the remuneration of the executive and non-executive Directors in all forms, using other independent professional advice as necessary. The Remuneration Committee met three (3) times during the financial year under review.

iv) Nominations Committee

The Nominations Committee comprises entirely independent non-executive directors. The Nominations Committee is authorised to identify and recommend the appointment of new directors to the Board. However, decisions on the appointment of new directors are made by the Board of the Company. The Nominations Committee met four (4) times during the financial year under review.

Re-election of Directors

In accordance with the Articles of Association of the Company, all Directors who are appointed by the Board are subject to election by shareholders of the Company at the first Annual General Meeting after their appointment. The Articles also provide that one-third of all the remaining Directors be subject to re-election by rotation at each Annual General Meeting.

Directors' Training

All Directors of the Company have attended the Mandatory Accreditation Programme. Pursuant to the amendments to the Listing Requirements in relation to the Continuing Training Programme which came into effect on 1 January 2005, the Directors had decided that they shall continue to attend relevant training programmes conducted by external experts and in addition to this, internal management shall, from time to time, provide updates regarding any latest amendments pertaining to the Listing Requirements and statutory provisions or new regulations and accounting standards imposed by the relevant authorities. During the current financial year, the Directors have attended appropriate training programmes conducted by external experts as well as those by internal management to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast of developments in the marketplace.

Directors' Remuneration

The executive directors' remuneration comprises basic salary and allowances including other customary benefits made available to the Group. Any salary review takes into account market rates and the performance of the individual and the Group.

The non-executive Directors' remuneration comprises fees, which are linked to their expected roles and level of responsibilities. The Directors' annual fees, which are determined by the Board as a whole, are approved by shareholders of the Company at each Annual General Meeting.

The aggregate remuneration of the Directors of the Company categorised into appropriate components for the financial year ended 31 March 2007 is as follows:

Directors	Fees RM	Salaries RM	Benefits in kind RM	Total RM
Executive	20,000	760,500	35,089	815,589
Non-executive	250,000	–	–	250,000

The number of Directors of the Company whose total remuneration falls within the respective bands for the financial year ended 31 March 2007 is as follows:

Band	Number of Directors		Total
	Executive	Non-executive	
RM50,000 and below		3	3
RM50,001 to RM100,000		1	1
RM100,001 to RM150,000	1	1	2
RM650,001 to RM700,000	1		1

Note : Puan Rita Benoy was a non-executive Director up to 30 November 2006 and redesignated as Executive Director with effect from 1 December 2006

Financial Reporting

The Board aims to present a balanced and understandable assessment of the Group's financial position and prospects in all their reports to shareholders, investors and regulatory authorities. The assessment is achieved primarily through the quarterly financial results and by the Chairman's Statement in the Annual Report. The quarterly financial results are reviewed by the Audit Committee and approved by the Board before being released to the Bursa Malaysia.

The Directors are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group, and for ensuring that the financial statements comply with the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

Internal Controls

The Directors acknowledge their responsibility to maintain a sound system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent review by the internal and external auditors.

To enhance risk management, the Company set up a Risk Management Committee in April 2002, which completed formalising the Risk Management Policy and Framework for the Group by March 2003. Details of the role and function of the Risk Management Committee are disclosed in the Statement on Internal Control in the following section of this Annual Report.

Relationship with External Auditors

The Group has established a transparent and professional relationship with the external auditors. The Audit Committee recommends the appointment of the external auditors and their remuneration. The appointment of the external auditors is subject to the approval of the shareholders at the general meeting of the Company whilst the Board determines their remuneration.

Relationship with Shareholders and Investors

The Board recognises the importance of timely dissemination of information to shareholders and investors to ensure that they are well informed of all major developments of the Company and the Group. Such information is communicated to shareholders and investors through various disclosures and announcements to the Bursa Malaysia, including the quarterly financial results, annual reports and where appropriate, circulars and press releases.

The Annual General Meeting represents the principal forum for dialogue and interaction with shareholders. At the Annual General Meeting, the Board encourages and welcomes participation from shareholders to ask questions regarding the resolutions being proposed at the meeting and also other matters pertaining to the business activities of the Group. The Directors are present during these meetings to respond to questions raised by shareholders.

Apart from the mandatory announcements through the Bursa Malaysia, the Company also provides the Group's corporate, financial and non-financial information at its website: www.land-general.com

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

Directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company of the financial year then ended.

In preparing the financial statements for the year ended 31 March 2007, the Directors have:

- adopted suitable accounting policies and then to applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable Financial Reporting Standards in Malaysia have been followed, subject to any material departures and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

• MATERIAL CONTRACTS

There were no material contracts subsisting at the end of the financial year entered into since the end of the previous financial year by the Company and its subsidiaries which involve the interests of directors and major shareholders.

• SANCTIONS AND/OR PENALTIES IMPOSED

There were no fines or sanctions imposed on the Company and its subsidiaries, directors or management by the relevant regulatory authorities.

• NON-AUDIT FEE

The amount of non-audit fee payable to the external auditors for the financial year ended 31 March 2007 has been reflected under Note 8 to the Financial Statements.

AUDIT COMMITTEE REPORT

The Audit Committee was established on 8 August 1991 to act as a Committee of the Board to fulfil its fiduciary responsibilities relating primarily to business ethics, policies and practices, and financial management and controls.

MEMBERS AND MEETINGS

The Audit Committee held five (5) meetings during the financial year ended 31 March 2007. The members of the Audit Committee and the record of their attendance are as follows:

Directors/Members	Position on the Board	No. of Meetings Attended
1 General (Rtd) Tan Sri Borhan Hj Ahmad	<i>Chairman of Audit Committee, Independent Non-Executive Director</i>	5/5
2 Datuk Oh Chong Peng	<i>Independent Non-Executive Director</i>	5/5
3 Dato' Ir. Dr A. Bakar Jaafar	<i>Independent Non-Executive Director</i>	4/5
4 Lau Tiang Hua*	<i>Independent Non-Executive Director</i>	N/a

* appointed with effect 1 July 2007

TERMS OF REFERENCE

The terms of reference of the Audit Committee are as follows:

Membership

1. The Audit Committee shall be appointed by the Board from amongst their number and shall consist of at least three members, with the majority being independent directors.
2. At least one member of the Committee shall be a member of the Malaysian Institute of Accountants or one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
3. The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director.
4. In the event of any vacancy in the Audit Committee, within three months of that event, the Board shall appoint new members to make up the minimum number of three members.
5. No alternate director shall be appointed as a member of the Audit Committee.
6. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three years.

Authority

The Audit Committee is authorised by the Board:

1. To investigate any activity within its terms of reference;
2. To have the resources required to perform its duties;
3. To have full and unrestricted access to information about the Company and the Group;
4. To have unrestricted access to both the internal and external auditors and to all employees of the Group; and
5. To obtain external legal or other independent professional advice as necessary.

TERMS OF REFERENCE (CONT'D)

Functions

The functions of the Audit Committee shall be:

1. To review with the external auditors:
 - the audit plan
 - their evaluation of the system of internal controls
 - their audit reports, to ensure that their recommendations regarding management weaknesses are implemented
 - the annual financial statements and recommend the adoption of the financial statements
 - the audit fees
2. To review:
 - the Group's internal control procedures, including organisational and operational controls
 - the internal audit department's scope of work and functions
 - the Annual Audit Plan
 - the results of audit findings and other relevant reports
 - the assistance given by the Company's officers to the internal auditors
 - the regular management information and to ensure that audit recommendations regarding management weaknesses are effectively implemented
 - any related party transactions that may arise within the Company and the Group
 - the Group's quarterly financial results, in conjunction with the Group's announcement to the Bursa Malaysia Securities Berhad
3. To review and recommend the appointment of the external auditors.
4. To undertake such other functions as may be agreed to by the Audit Committee and the Board.

Meetings

1. Meetings shall be held not less than four times a year.
2. The quorum for each meeting shall be two members present and a majority must be independent directors.
3. The Managing Director, the Executive Director, the Head of Group Finance and Accounts, and the Head of Internal Audit shall normally attend the meetings. Other Board members and employees may attend the meetings upon the invitation of the Audit Committee.
4. At least once a year, the Audit Committee shall meet with the external auditors without any executive directors present.
5. The Company Secretary shall be the Secretary of the Audit Committee. Minutes of each meeting shall be kept and distributed to each member of the Audit Committee and of the Board.
6. The Chairman of the Audit Committee shall report on each meeting to the Board.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION AND THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2007

Internal Audit Function

The Company has an Internal Audit Department whose principal responsibility is to undertake regular and systematic reviews of the systems of internal controls, so as to provide reasonable assurance that such systems continue to operate effectively and efficiently.

During the financial year, the following activities were carried out by the Internal Audit Department: -

1. Reviewed and appraised the soundness, adequacy and application of accounting, financial and other controls, and promoted effective control in the Company and the Group;
2. Ascertained the extent of compliance with established policies, procedures and statutory requirements;
3. Ascertained the extent to which the Company's and the Group's assets are accounted for and safeguarded from losses of all kinds;
4. Carried out ad hoc audit assignments and special reviews;
5. Recommended improvements to the existing system of controls; and
6. Identified opportunities to improve the operations of and processes within the Group.

Summary of Activities of the Audit Committee

During the financial year ended 31 March 2007, the Audit Committee performed its duties as set out in its terms of reference.

The main activities undertaken by the Audit Committee were as follows:-

1. Reviewed the audit plans for the Group prepared by the internal auditor;
2. Reviewed the external auditors' scope of work and audit plans for the year;
3. Reviewed the internal audit reports, recommendations and management's response, and discussed actions taken with Management to improve the internal controls system based on internal audit findings;
4. Reviewed the quarterly Risk Assessment exercise to assist the Board in identifying and managing the Group's risks;
5. Reviewed the quarterly unaudited financial results announcements with the Managing Director and Head of Group Finance & Accounts before recommending it for the Board's approval; and
6. Reviewed the audited financial statements of the Company and the Group prior to the submission to the Board for their consideration and approval (to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia).

GENERAL (RTD) TAN SRI BORHAN HJ AHMAD
Chairman of Audit Committee
(Independent Non-Executive Director)

27 July 2007

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Land & General Berhad is committed to maintaining a sound system of internal controls for the Group and is therefore pleased to provide the Statement on Internal Control, which outlines the key elements of this system within the Group.

BOARD'S RESPONSIBILITY

System of Internal Control

The Board of Directors recognises the importance of sound internal controls and risk management practices for good corporate governance. The Board has the overall responsibility for the Group's system of internal controls and risk management practices, which are reviewed continuously for their adequacy and integrity. However it should be noted that such systems are designed to manage rather than eliminate risks that may impede the achievement of the Group's business objectives. The systems can therefore only provide reasonable, and not absolute, assurance against any material misstatement or losses.

The Group has in place an on-going process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of business objectives throughout the year under review and up to the date of this report. This process is regularly reviewed by the Board through its Audit Committee, which dedicates separate time for discussion of this matter.

Risk Management Policy and Framework

The Risk Management Committee, comprising members of senior management, was established in April 2002. The Committee has developed a Risk Management Policy and Framework for the Group. The Board approved and accepted this risk policy, which now forms an integral part of good management practice for the Group. The purpose of this policy is to foster a proactive risk management culture within the Group's companies and departments. Compliance to the risk policy is mandatory and is subjected to close monitoring by the Board via the Internal Audit Department.

The Board has delegated the responsibility of reviewing the effectiveness of risk management to the Risk Management Committee. The effectiveness of the risk management system is monitored and evaluated by all levels of management, i.e. the Chief Risk Officers, on an ongoing basis. All employees are encouraged to identify weaknesses so as to improve efficiency and effectiveness within the Group.

In embedding the risk management policy into the Group's management system, each Chief Operating Officer and/or the Head of Department acts as the Chief Risk Officer for his business unit and/or department. As such it is his responsibility for promoting and managing risk management and control systems within his unit and/or department.

Control Self-Assessment or Risk Assessment

Central to the Group's internal control and risk management systems is its Control Self-Assessment or Risk Assessment process. The Internal Audit Department has the task of monitoring, assessing and reporting on the compliance and effectiveness of these systems. A key Internal Control checklist has been developed, setting out the various key controls and process requirements across all business functions. This is updated regularly after taking into consideration changing risk profiles resulting from changes in the business environment, business strategies and functional activities. Significant business units, comprising the subsidiaries and relevant departments within the Group, are required to respond to the given internal control checklist on a quarterly basis. Summary results of the assessment are reported by the Internal Audit Department to the Board via the Audit Committee.

BOARD'S RESPONSIBILITY (CONT'D)

Internal Audit Function

The internal audit function of the Group is carried out by an adequately resourced internal audit department, which provides the Board with much of the assurance it requires regarding the adequacy and effectiveness of the Group's system of controls, procedures and operations.

Internal audits are undertaken to provide independent assessments of the adequacy, efficiency and effectiveness of the Group's internal controls systems, and reports are made to the Audit Committee on a quarterly basis. The Audit Committee also has full access to both internal and external auditors and receives reports on all audits performed.

The internal audit function reviews the internal controls in the key activities of the Group's business based on the annual internal audit plan, which is presented to the Audit Committee for approval. Since the adoption of the Risk Management Policy and Framework, the internal audit function has taken on a risk-based approach when preparing its audit strategy and plans, after having considered the risk profiles of the operating companies and divisions of the Group.

The audit reports are reviewed by the Audit Committee on a quarterly basis and are then forwarded to Management, so that any recommended corrective actions can be undertaken. The Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame. The Audit Committee presents its findings regularly to the Board.

Other key elements of internal control

The other key elements of the Group's internal control systems are described below:

- Defined delegation of responsibilities to committees of the Board and to Management, including organisational structures and appropriate authority levels
- Documented internal policies and procedures set out in the Group Procedures & Authorities (GPA) Manual, which are continuously reviewed and improved upon to reflect changes in business structures and processes
- The Board receives and reviews regular reports including key operating statistics from the Management on the performance of operating units
- A detailed budgeting process requires all business units to prepare budgets annually which are reviewed and approved by the Board
- The Board receives and reviews the quarterly financial information, which includes key performance and risk indicators
- In respect of material joint ventures and associated companies, there is Board level representations from the Group to oversee the administration, operation, performance and executive management of these companies. Financial and operational information of these companies is provided regularly to the Management of the Group.

In addition, one of the Group's subsidiaries had been accorded the ISO 9001:2000 accreditation for its operational process.

PROGRESS DURING THE FINANCIAL YEAR

The year has seen much progress since the establishment of the risk management policy. Resources were put in place to ensure that the objectives of this policy were met. In its efforts to achieve these objectives, the Risk Management Committee carried out the following activities:

- Undertook the fourth revision of the Risk Management Policy in November 2006 which was duly completed in March 2007. This policy which was originally issued in March 2003 will undergo revision on an annual basis. The next revision (i.e. the fifth revision) is expected to be completed by March 2008
- Developed appropriate risk policies and procedures. As the Group faces a variety of risks in conducting its businesses, policies and procedures have been developed to enable it to respond to these risks. Formal procedures now exist to ensure that critical success factors are identified as part of the planning process. The risk profiles of each aspect of operations, and changes in risk factors, are taken into consideration during the budgeting and planning process
- Reviewed the key business risks facing the Group including operational, legal, regulatory, financial, human resources, tax, technology and market risks identified in the revised Risk Management Policy. The monitoring, reviewing and reporting framework will give reasonable assurance that there is an acceptable level of risks throughout the Group's business
- An on-going risk management process has been instituted at all levels of management within the organisation to identify and manage existing and new significant risks faced by the Group

CONCLUSION

The Board is of the view that the system of internal controls being instituted throughout the Group is sound and effective. Notwithstanding this, reviews of all control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the systems of internal control, so as to safeguard shareholders' investments and the Group's assets.

Financial Statements

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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 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and renting 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 the Company during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	7,071	42,398
Attributable to:		
Equity holders of the Company	6,967	42,398
Minority interests	104	–
	7,071	42,398

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in 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.

DIVIDENDS

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

The directors do not recommend the payment of any dividend for the financial year ended 31 March 2007.

DIRECTORS

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

Datuk Oh Chong Peng	(Chairman)
M.R Gopala Krishnan C.R.K Pillai	(Managing Director)
Rita a/p Benoy Bushon	(Redesignated as Executive Director w.e.f 01.12.2006)
General (R) Tan Sri Borhan Hj Ahmad	
Dato' Ir. Dr A. Bakar Jaafar	
Mohamad Lotfy Mohamad Noh	
Dato' Imran Ho Abdullah	(Appointed w.e.f 01.07.2007)
Lau Tiang Hua	(Appointed w.e.f 01.07.2007)

In accordance with Article 93 of the Articles of Association of the Company, Datuk Oh Chong Peng and Rita a/p Benoy Bushon 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' Imran Ho Abdullah and Lau Tiang Hua who were appointed to the Board during the year, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for election.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangements 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 salary of a full-time employee 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 he is a member, or with a company in which he 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:

	Number of Ordinary Shares of RM1 Each			
	1.4.2006	Acquired	Disposed	31.3.2007
The Company				
Dato' Ir. Dr A. Bakar Jaafar	110,000	50,000	–	160,000

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.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value 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 provision for doubtful debts in the financial statements of the Group and of the Company 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.
- (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.

OTHER STATUTORY INFORMATION (CONT'D)

- (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.
- (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 35 to the financial statements.

SUBSEQUENT EVENT

Details of a subsequent event are disclosed in Note 36 to the financial statements.

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 27 July 2007.

Datuk Oh Chong Peng

M.R. Gopala Krishnan C.R.K. Pillai



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

We, Datuk Oh Chong Peng and M.R Gopala Krishnan C.R.K. Pillai, 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 29 to 90 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards 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 2007 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 27 July 2007.

Datuk Oh Chong Peng

M.R. Gopala Krishnan C.R.K. Pillai



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

I, M.R. Gopala Krishnan C.R.K. Pillai, being the director primarily responsible for the financial management of Land & General Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 29 to 90 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 M.R Gopala Krishnan
C.R.K Pillai at Kuala Lumpur in the
Federal Territory on 27 July 2007

M.R. Gopala Krishnan C.R.K. Pillai

Before me,
PESURUHJAYA SUMPAH MALAYSIA
NO. W181
MAISHARAH BINTI ABU HASAN

Kuala Lumpur
27 July 2007

REPORT OF THE AUDITORS TO THE MEMBERS OF LAND & GENERAL BERHAD

We have audited the financial statements set out on pages 29 to 90. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purposes. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 March 2007 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 15 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements 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.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young
AF: 0039
Chartered Accountants

Kua Choo Kai
No. 2030/03/08 (J)
Partner

Kuala Lumpur, Malaysia
27 July 2007

INCOME STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue	3	96,086	283,333	62,364	180,643
Other income	4	28,173	107,116	16,104	25,530
Raw materials and consumables used		(2,339)	(2,178)	–	–
Property development expenditure recognised as expense		(30,713)	(113,126)	–	–
Staff costs	5	(13,101)	(13,681)	(3,413)	(2,775)
Depreciation		(2,442)	(6,976)	(1,145)	(1,036)
Impairment losses		(17,119)	(20,917)	(7,542)	(5,024)
Other expenses		(25,535)	(58,993)	(6,538)	(19,125)
Loss on deconsolidation of subsidiaries	10	–	(38,259)	–	(63,147)
Operating profit		33,010	136,319	59,830	115,066
Finance costs	7	(18,131)	(38,797)	(12,403)	(17,079)
Share of loss of associates		(3,970)	(626)	–	–
Share of loss of jointly controlled entities		(2,312)	(526)	–	–
Profit before tax	8	8,597	96,370	47,427	97,987
Income tax expense	9	(1,526)	(27,184)	(5,029)	(13,247)
Profit for the year		7,071	69,186	42,398	84,740
Attributable to:					
Equity holders of the Company		6,967	69,137	42,398	84,740
Minority interests		104	49	–	–
		7,071	69,186	42,398	84,740
Earnings per share attributable to equity holders of the company (sen):					
Basic, for profit for the year	11	1.16	11.57		
Diluted, for profit for the year	11	N/A	9.66		

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

BALANCE SHEETS AS AT 31 MARCH 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000 (Restated)
ASSETS					
Non-current assets					
Property, plant and equipment	12	66,388	78,735	2,045	2,526
Land held for property development	13(a)	90,000	96,830	–	–
Investment properties	14	21,440	22,097	22,159	22,574
Investments in subsidiaries	15	–	–	321,619	321,619
Investment in associates	16	794	8,574	794	8,336
Investment in jointly controlled entities	17	(8,313)	(6,001)	–	–
Other investments	18	3,363	2,929	3,292	2,856
Long term receivable	20	5,568	8,543	5,568	8,543
Deferred tax assets	30	4,889	2,445	–	–
		184,129	214,152	355,477	366,454
Current assets					
Property development costs	13(b)	8,313	33,436	–	–
Inventories	19	41,318	45,610	–	–
Trade and other receivables	20	44,336	52,894	34,966	56,880
Tax recoverable		5,552	2,409	5,552	2,409
Deposits, cash and bank balances	21	269,754	317,427	101,378	165,699
		369,273	451,776	141,896	224,988
Non-current assets classified as held for sale	22	5,400	6,014	–	–
		374,673	457,790	141,896	224,988
TOTAL ASSETS		558,802	671,942	497,373	591,442
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	28	598,305	598,305	598,305	598,305
Share premium		133,003	133,003	133,003	133,003
Reserves	29	27,447	20,852	–	–
Accumulated losses		(563,407)	(570,374)	(536,648)	(579,046)
		195,348	181,786	194,660	152,262
Minority interests		–	176	–	–
Total equity		195,348	181,962	194,660	152,262

Balance Sheets As At 31 March 2007 (cont'd)

	Note	Group		Company	
		2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000 (Restated)
Non-current liabilities					
Borrowings	25	143,525	240,360	143,512	240,321
Deferred tax liabilities	30	5,715	8,523	–	–
		149,240	248,883	143,512	240,321
Current liabilities					
Provisions	23	38,338	45,327	–	–
Trade and other payables	24	56,167	59,689	102,604	148,680
Borrowings	25	111,267	108,537	56,597	50,179
Taxation		8,442	27,544	–	–
		214,214	241,097	159,201	198,859
Total liabilities		363,454	489,980	302,713	439,180
TOTAL EQUITY AND LIABILITIES		558,802	671,942	497,373	591,442

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2007

Group	Note	← Attributable to equity holders of the Company →					Total RM'000	Minority interests RM'000	Total equity RM'000
		Share capital RM'000 (Note 28)	Share premium RM'000	Capital redemption reserve RM'000 (Note 29)	Foreign exchange reserve RM'000 (Note 29)	Accumulated losses RM'000			
At 1 April 2005									
- as previously stated		595,623	133,003	74	28,383	(642,072)	115,011	4,727	119,738
- prior year adjustment	39(b)	-	-	4,600	-	2,561	7,161	(4,600)	2,561
At 1 April 2005 (restated)		595,623	133,003	4,674	28,383	(639,511)	122,172	127	122,299
Foreign exchange differences not recognised in income statement		-	-	-	(12,205)	-	(12,205)	-	(12,205)
Issue of shares		2,682	-	-	-	-	2,682	-	2,682
Net profit for the financial year		-	-	-	-	69,137	69,137	49	69,186
At 31 March 2006		598,305	133,003	4,674	16,178	(570,374)	181,786	176	181,962
At 1 April 2006		598,305	133,003	4,674	16,178	(570,374)	181,786	176	181,962
Foreign exchange differences not recognised in income statement		-	-	-	6,595	-	6,595	-	6,595
Effect of acquisition of shares from minority interest		-	-	-	-	-	-	(280)	(280)
Net profit for the financial year		-	-	-	-	6,967	6,967	104	7,071
At 31 March 2007		598,305	133,003	4,674	22,773	(563,407)	195,348	-	195,348

Company	← Non-distributable →			
	Share capital RM'000 (Note 28)	Share premium RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 April 2005	595,623	133,003	(663,786)	64,840
Issue of shares	2,682	-	-	2,682
Profit for the financial year	-	-	84,740	84,740
At 1 April 2006	598,305	133,003	(579,046)	152,262
Profit for the financial year	-	-	42,398	42,398
At 31 March 2007	598,305	133,003	(536,648)	194,660

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

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cash Flows From Operating Activities				
Cash receipts from customers	99,886	293,783	4,507	1,163
Cash paid to suppliers and employees	(39,931)	(87,627)	(13,270)	(16,198)
Taxation paid	(31,320)	(40,917)	–	–
Tax refunded	1,172	16,361	705	16,361
Other operating receipts	–	3,726	–	3,711
Other operating payments	(830)	(1,691)	–	(4)
Net cash inflow/(outflow) from operating activities	28,977	183,635	(8,058)	5,033
Cash Flows From Investing Activities				
Purchase of investment from minority interests	(100)	–	–	–
Net cash movement from deconsolidation of subsidiaries (Note 10)	–	65,349	–	–
Net cash movement from disposal of subsidiaries	1	–	1	–
Proceeds from disposal of other investments	764	–	–	–
Interest received	11,593	6,103	–	–
Purchase of property, plant and equipment	(852)	(3,315)	(277)	(1,378)
Proceeds from disposal of property, plant and equipment	7,520	315,684	77	71
Others	680	(931)	(249)	240
Net cash inflow/(outflow) from investing activities	19,606	382,890	(448)	(1,067)
Cash Flows From Financing Activities				
Repayment of hire purchase obligations	(197)	(186)	(170)	(166)
Repayment of term loans	(35,251)	(255,942)	(34,751)	(44,372)
Repayment of Redeemable Convertible Secured Loan Stocks (“RCSLS”)	(51,135)	(24,314)	(51,135)	(24,314)
Overdrafts reclassified as term loan	14,122	–	–	–
Interest payments	(13,897)	(22,540)	(12,960)	(15,088)
Loan from subsidiaries	–	–	43,201	184,800
Net cash (outflow)/inflow from financing activities	(86,358)	(302,982)	(55,815)	100,860
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(37,775)	263,543	(64,321)	104,826
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	304,235	46,144	165,699	60,873
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	3,294	(5,452)	–	–
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 21)	269,754	304,235	101,378	165,699

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2007

1. CORPORATE INFORMATION

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

The address of the registered office 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 renting 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 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 27 July 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRS") in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2006 and described in full in Note 2.3.

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(a) Subsidiaries and Basis of Consolidation (Cont'd)

(ii) Basis of Consolidation (Cont'd)

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 the 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.

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.

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 polices 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(a) Subsidiaries and Basis of Consolidation (Cont'd)

(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.

(b) Intangible Assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(c) Property, Plant and Equipment

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 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. Buildings-in-progress 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:

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(c) Property, Plant and Equipment (Cont'd)

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 profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(d) 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. Buildings-in-progress are also not depreciated as these assets are not available for use. Investment properties carried at cost are depreciated over the estimated economic useful life ranging from 20 to 50 years. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(n).

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.

(e) 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. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(n).

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 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 of 2 to 4 years.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(e) Land Held for Property Development and Property Development Costs (Cont'd)

(ii) Property Development Costs (Cont'd)

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 losses 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.

(f) 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 comprises 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.

(g) 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.

(ii) Other Non-current Investment

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(g) Financial Instruments (Cont'd)

(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 recognised in income statement. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in 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.

(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 bond. 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.

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.

(h) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(h) Leases (Cont'd)

(i) Finance Leases

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 Company's incremental borrowing rate is used. Any initial direct costs 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 as an expense in the income statement 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(c).

(ii) Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

(i) 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 required to settle the obligation.

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.

(j) Income Tax

Income tax on the profit or loss for the period 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(j) Income Tax (Cont'd)

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.

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.

(k) 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.

(l) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise 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(e)(ii).

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(l) Revenue Recognition (Cont'd)

(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 an accrual basis in accordance with the substance of the relevant agreements.

(v) Management Fees

Management fees are recognised on an accrual basis.

(vi) Tuition Fees

Revenue from tuition and registration fees are recognised over the period of instruction.

(vii) Sale of Goods

Revenue is recognised net of sales taxes and 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.

(m) 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 dominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are dominated 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(m) Foreign Currencies (Cont'd)

(ii) Foreign Currency Transactions (Cont'd)

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 Group's net investment in foreign operations, where the monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in income statement for the year. 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 (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.

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

	2007 RM	2006 RM
Australian Dollars	2.77	2.62
British Pound Sterlings	6.75	6.40
Singapore Dollars	2.27	2.27
US Dollars	3.44	3.67
Indian Rupee	0.08	0.08

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(n) 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.

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.

(o) 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.

On initial classification as held for sale, non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell. Any differences are included in income statement.

(p) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (Cont'd)

(p) Borrowing Costs (Cont'd)

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 Policies and Effects Arising from Adoption of New and Revised FRS

On 1 April 2006, the Group and the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earning Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

At the date of authorisation of these financial statements, the following FRS, amendments to FRS and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

<u>Financial Reporting Standards Amendments to FRS and Interpretations</u>	<u>Effective for financial periods beginning on or after</u>
FRS 117 - Leases	1 October 2006
FRS 124 - Related Party Transactions	1 October 2006
FRS 139- Financial Instruments: Recognition and Measurement	Deferred
FRS 6 - Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119 ₂₀₀₄ - Employees Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendment to FRS 121 - The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRS (Cont'd)

<u>Financial Reporting Standards Amendments to FRS and Interpretations</u>	<u>Effective for financial periods beginning on or after</u>
IC Interpretation 1 - Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretation 2 - Members' Shares in Co-operative Entities and Similar Liabilities	1 July 2007
IC Interpretation 5 - Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6 - Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretation 7 - Applying the Restatement Approach under FRS 129 ₂₀₀₄ - Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8 - Scope of FRS 2	1 July 2007

The adoption of FRS 117, 124, 6, and amendments to FRS 119 and 121 in future periods will not have a material impact on the financial statements of the Group and the Company except for some reclassifications and additional disclosure requirements. The interpretations are not relevant to the Group and the Company's operations.

The application of FRS 139 - Financial Instruments: Recognition and Measurement, has been deferred to a date to be announced by the Malaysian Accounting Standards Board. The directors anticipate that the adoption of FRS 139 in future periods will not have a material impact on the financial statements of the Group and the Company.

The adoptions of FRS 2, 3, 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136 and 138 do not have significant financial impact on the Group and the Company. The principal changes in accounting policies and the effects resulting from the adoption of the other new and revised FRSs are discussed below:

(a) FRS 101 : Presentation of Financial Statements

Minority Interests

Prior to 1 April 2006, minority interests at the balance sheet date were presented on the consolidated balance sheet separately from liabilities and equity. Upon the adoption of the revised FRS 101, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the year. A similar requirement is also applicable to the statement of changes in equity. The revised FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expense for the year, showing separately the amounts attributable to equity holders of the Company and to minority interests.

The change in presentation has been applied retrospectively and as disclosed in Note 2.3(d), certain comparatives have been restated. There were no effects on the consolidated balance sheet and consolidated income statement for the year ended 31 March 2007 and the Company's financial statements.

(b) FRS 140 : Investment Property

Prior to 1 April 2006, investment properties were included within property, plant and equipment. The adoption of FRS 140 has resulted in identification of properties that meets the definition of investment properties. Investment properties are now classified as a separate category on the consolidated balance sheet and stated at cost less accumulated depreciation and impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRS (Cont'd)

(b) FRS 140 : Investment Property (Cont'd)

The Group has applied FRS 140 in accordance with the transitional provisions. The change in accounting policy has had no impact on amounts reported for 2005 or prior periods except for the reclassification from property, plant and equipment to investment properties. The reclassification has been accounted for retrospectively and as disclosed in Note 2.3(d), certain comparatives have been changed.

The effects on the consolidated balance sheet as at 31 March 2007 are set out in Note 2.3(c). There were no effects on the consolidated income statement for the year ended 31 March 2007 and the Company's financial statements.

(c) Summary of Effects of Adopting the New and Revised FRSs on the Current Year's Financial Statements

The following table provides estimates of the extent to which each of the line items in the balance sheets as at 31 March 2007 is higher or lower than it would have been had the previous policies been applied in the current year:

Effects on balance sheets as at 31 March 2007

	Increase/ (Decrease) FRS 140 Note 2.3(b) RM'000
Group	
Property, plant and equipment	(21,440)
Investment properties	21,440
	<hr/>
Company	
Property, plant and equipment	(22,159)
Investment properties	22,159
	<hr/>

(d) Restatement of Comparatives

The following comparative amounts have been restated as a result of adopting the new and revised FRSs:

Description of change	Previously Stated RM'000	Increase/(Decrease)		Restated RM'000
		FRS 101 Note 2.3(a) RM'000	FRS 140 Note 2.3(b) RM'000	
At 31 March 2006				
Group				
Property, plant and equipment	100,832	–	(22,097)	78,735
Investment properties	–	–	22,097	22,097
Total equity	181,786	176	–	181,962
				<hr/>
Company				
Property, plant and equipment	25,100	–	(22,574)	2,526
Investment properties	–	–	22,574	22,574
				<hr/>

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 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) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 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.

During the financial year, 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. Accordingly, these properties are still classified as inventories.

(ii) Non-current assets classified as held for sale

The Group has classified certain land and buildings as non-current assets held for sale. The Group intends to sell these assets in the next financial year. These assets are carried at net realisable value based on the latest valuation carried out by independent firms of valuers.

(iii) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases and 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 on 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 long term receivable, 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 customer. If the financial conditions of customers of the Group were to deteriorate, additional allowances may be required.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future 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 are discussed below.

(i) Property development

The Group recognises property development revenue and expenses in the income statement by using stage of completion method. The stage of completion is determined by the survey of work completed and also the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant Accounting Estimates and Judgements (Cont'd)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(i) Property development (Cont'd)

Significant judgement is required in determining the stage of completion via the survey of work completed, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experiences and by relying on the work of specialists. Details of property development costs are disclosed in Note 13(b).

(ii) Impairment of property, plant and equipment and investment properties

The Group determines whether property, plant and equipment and investment properties are impaired at least on an annual basis.

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 a 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.

(iii) Carrying value of inventories

During the current financial year, the Group effected a prior year adjustment to reinstate the carrying value relating to a number of commercial lots, of a condominium previously constructed by the Group, which were previously carried at zero cost. The costs for these commercial lots were absorbed by the condominium units that were fully sold in previous years. Management assessed the value-in-use of these commercial units based on the expected cash flows from the commercial units and choose a suitable discount rate in order to calculate the present value of those cash flow. The carrying value of the commercial units that are reinstated in the inventories is RM1,181,000.

(iv) Impairment of land held for property development

During the current financial year, the Group has recognised impairment losses in respect of a subsidiary's land bank included within land held for property development. The Group has written down the various parcels of land under auction and uncharged land of the subsidiary to the latest valuation carried out by the professional valuer after taking into consideration of the numerous unsuccessful auctions over the years. The total impairment losses of land held for property development recognised in the income statement in the financial year is RM12,625,000 (2006: RM16,844,000).

(v) 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. Details of deferred tax assets are disclosed in Note 30.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 Significant Accounting Estimates and Judgements (Cont'd)****(b) Key Sources of Estimation Uncertainty (Cont'd)****(vi) 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.

3. REVENUE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Property development	73,415	244,420	–	–
Rendering of services	9,084	7,866	–	–
Dividends from:				
- Unquoted Malaysian subsidiaries	–	–	32,877	114,345
- Unquoted foreign subsidiaries	–	–	23,252	63,104
Interest income:				
- Third parties	5,478	2,404	5,478	2,405
Rental income:				
- Subsidiaries	–	–	517	549
- Third parties	171	15,939	–	–
Others	7,938	12,704	240	240
	96,086	283,333	62,364	180,643

4. OTHER INCOME

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Rental income	1,897	2,112	2	3
Gain on disposal of property, plant and equipment	1,515	85,912	9	13
Interest income	7,712	5,631	–	–
Gain on disposal of other investments	746	–	–	–
Bad debt recovered	32	3,492	–	3,211
Waiver of interest arising from early settlement of Redeemable Convertible Secured Loan Stocks ("RCCLS")	4,136	–	4,136	–
Gain on disposal of subsidiary	1	–	–	–
Gain on liquidation of subsidiaries	1,487	–	–	–
Unrealised foreign exchange gain	–	1,048	–	13,960
Write back of allowance for doubtful debts - subsidiaries	–	–	10,770	–
Write back of allowance for doubtful debts - other debtors	1,262	977	398	8,004
Write back of provision for liquidated ascertained damages	2,579	–	–	–
Others	6,806	7,944	789	339
	28,173	107,116	16,104	25,530

5. STAFF COSTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Wages, salaries and bonus	11,401	11,377	2,977	2,371
Defined contribution retirement plan	1,020	1,053	265	244
Other employment benefits	680	1,251	171	160
	13,101	13,681	3,413	2,775

Included in staff costs of the Group and of the Company are remuneration (including benefits-in-kind) of executive directors of the Company amounting to RM761,000 (2006: RM590,000) and RM648,000 (2006: RM590,000) respectively as further disclosed in Note 6 to the financial statements.

6. DIRECTORS' REMUNERATION

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Executive directors' remuneration:				
Fees	20	–	20	–
Other emoluments (Note 5)	761	590	648	590
	781	590	668	590
Non-executive directors' remuneration (Note 8):				
Fees	250	321	250	321
Total directors' remuneration	1,031	911	918	911
Estimated money value of benefits-in-kind	35	32	33	32
Total directors' remuneration including benefits-in-kind	1,066	943	951	943

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Executive:				
Fees	20	–	20	–
Non-Executive:				
Fees	250	321	250	321
	270	321	270	321

7. FINANCE COSTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Redeemable Convertible Secured Loan Stocks ("RCSLS")	11,282	13,216	11,282	13,216
Term loans and short term borrowings	5,387	19,178	822	2,514
Hire purchases	29	33	25	29
Bank overdrafts	1,433	6,361	-	-
Contractors/consultants	-	9	-	-
Intercompany loans/advances	-	-	274	1,320
	18,131	38,797	12,403	17,079

8. PROFIT BEFORE TAX

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

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Non-executive directors' remuneration (Note 6)	250	321	250	321
Auditors' remuneration:				
- Audit fees	243	250	56	50
- Under provision of prior year audit fees	-	39	-	-
- Non-audit fees	71	30	40	-
Impairment losses:				
- Investments in subsidiaries	-	-	-	1,001
- Investment in associates	3,810	-	7,542	-
- Investment properties	70	127	-	-
- Other investments	-	4,123	-	4,023
- Land held for property development (Note 13(a))	12,625	16,844	-	-
- Property development expenditure	-	(177)	-	-
- Non-current assets classified as held for sale	614	-	-	-
Write down of unsold inventories	331	-	-	-
Write down of properties held for sale	-	499	-	-
Liquidated ascertained damages on property development projects	18	31	-	-
Voluntary Separation Scheme	1,165	-	100	-
Allowance for doubtful debts				
- Intercompany balances	-	-	1,061	2,595
- Third parties	1,844	114	3,161	2
Bad debts written off	1,642	665	-	3,950
Provision for foreseeable loss on disposal of charged land (Note 23)	-	11,087	-	-
Property, plant and equipment written off	2	1	-	-
Realised foreign exchange loss	23	1,987	16	581
Rental of land and buildings	63	1,176	170	241
Unrealised foreign exchange loss	1,725	-	1,393	-

9. INCOME TAX EXPENSE

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Income tax:				
Malaysian income tax	7,926	18,399	5,097	29,607
Foreign income tax	638	14,182	–	–
Overprovided in prior years	(1,786)	(16,376)	(68)	(16,360)
	6,778	16,205	5,029	13,247
Deferred tax (Note 30):				
Relating to origination and reversal of temporary differences	(1,971)	10,979	–	–
Overprovided in prior years	(3,281)	–	–	–
	(5,252)	10,979	–	–
	1,526	27,184	5,029	13,247

Domestic current income tax is calculated at the Malaysian statutory tax rate of 27% (2006: 28%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 26% from the current year's rate of 27%, effective year of assessment 2008. The computation of deferred tax as at 31 March 2007 have reflected these changes.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Taxation for small and medium scale subsidiaries with paid-up capital of RM2,500,000 and below are calculated at the rate of 20% on chargeable income of up to RM500,000 (2006: RM500,000). For chargeable income in excess of RM500,000, the statutory tax rate of 27% (2006: 28%) is applicable.

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:

Group	2007 RM'000	2006 RM'000
Profit before tax	8,597	96,370
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	2,321	26,984
Effect of:		
- Reduction in tax rate of 20% as a subsidiary has paid up capital below RM2,500,000	(20)	(40)
- Different tax rates in other countries	89	880
- Income not subject to tax	(8,056)	(1,213)
- Expenses not deductible for tax purposes	7,975	9,739
- Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,027)	(11,139)
Deferred tax assets recognised during the year	(950)	–
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	6,393	18,349
Changes in tax rates on opening balance of deferred tax	(149)	–
Deferred tax recognised at different tax rates	17	–
Overprovision of deferred tax in prior years	(3,281)	–
Overprovision of tax expense in prior years	(1,786)	(16,376)
Tax expense for the year	1,526	27,184

9. INCOME TAX EXPENSE (CONT'D)

Company	2007 RM'000	2006 RM'000
Profit before tax	47,427	97,987
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	12,805	27,436
Effect of:		
- Income not subject to tax	(10,831)	(19,395)
- Expenses not deductible for tax purposes	2,513	1,632
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	610	19,934
Overprovision of tax expense in prior years	(68)	(16,360)
Tax expense for the year	5,029	13,247

10. DECONSOLIDATION OF SUBSIDIARIES

On 11 November 2005, Lembah Beringin Sdn Bhd ("LBSB") a former wholly-owned subsidiary of the Company, was placed under receivership by a creditor under the exercise of debenture created by LBSB in favour of that creditor. On 17 March 2006, the High Court granted the winding-up petition of another creditor and ordered that LBSB be wound up. The Company then ceased to incorporate the results of LBSB and its subsidiaries.

During the preceding year, the Company has also deregistered a former foreign subsidiary, US Furniture Industries, Inc. ("USFI") and its subsidiary.

The deconsolidation of former subsidiaries had the following effects on the Group's financial results for the preceding year:

	Group 1.4.2005 up to dates of deconsolidation RM'000
Revenue	(1,971)
Other operating income	104
Operating expenses	(1,698)
Loss from operations	(3,565)
Finance costs	(9,545)
Loss before taxation	(13,110)
Taxation	-
Net loss for the year	(13,110)

10. DECONSOLIDATION OF SUBSIDIARIES (CONT'D)

The deconsolidation of former subsidiaries had the following effects on the financial position of the Group as at the end of the preceding year:

	Group As at dates of deconsolidation RM'000
Property, plant and equipment (Note 12)	15,647
Land held for property development	185,400
Current assets	91,170
Current liabilities	(460,686)
	<hr/>
Net assets deconsolidated	(168,469)
Intercompany balances fully provided as doubtful debts	238,879
Realisation of foreign exchange reserve	(1,328)
Realisation of profit on sales of land	(30,823)
	<hr/>
Total deconsolidation proceeds	38,259
	<hr/>
Loss on deconsolidation to the Group	-
	<hr/>
Cash inflow arising on deconsolidation:	
Cash consideration, representing cash inflow of the Group	(250)
Cash and cash equivalents of deconsolidated subsidiaries	65,599
	<hr/>
Net cash movement of the Group	65,349
	<hr/>

The deconsolidation of former subsidiaries had the following effects on the financial results of the Company:

	RM'000
Total deconsolidation proceeds	-
Less: Net carrying amount of investment in subsidiaries	-
Less: Additional provisions for doubtful debts for loans to subsidiaries	(63,147)
	<hr/>
Loss on deconsolidation to the Company	(63,147)
	<hr/>

11. 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.

	Group	
	2007	2006
	RM'000	RM'000
Profit attributable to ordinary equity holders of the Company	6,967	69,137
Weighted average number of ordinary shares in issue ('000)	598,305	597,634
Basic earnings per share (sen)	1.16	11.57
	<hr/>	<hr/>

11. EARNINGS PER SHARE (CONT'D)**(b) Diluted**

For the purpose of calculating diluted earnings per share, the net profit for the year and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e.: Redeemable Convertible Secured Loan Stocks ("RCSLS").

	Group	
	2007 RM'000	2006 RM'000
Profit attributable to ordinary equity holders of the Company	6,967	69,137
After-tax effect of interest on RCSLS	11,282	13,216
Adjusted profit attributable to ordinary equity holders of the Company	18,249	82,353
	2007 '000	2006 '000
Weighted average number of ordinary shares in issue	598,305	597,634
Effect of dilution: RCSLS	199,943	255,213
Adjusted weighted average number of ordinary shares in issue	798,248	852,847
Diluted earnings per share (sen)	N/A	9.66

For the current year there was no diluted earnings per share as the effect of the RCSLS was anti dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Freehold buildings RM'000	Short leasehold land & buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings equipment RM'000	Assets under construction RM'000	Total RM'000
Group								
At 31 March 2007								
Cost								
At 1 April 2006	57,352	31,153	30,243	855	2,306	13,429	-	135,338
Additions	-	10	-	57	52	782	30	931
Disposals	-	-	(30,167)	(206)	(242)	(914)	-	(31,529)
Transfer to land held for property development	(5,455)	-	-	-	-	-	-	(5,455)
Assets written off	-	-	-	-	-	(175)	-	(175)
Exchange rate differences	-	-	-	-	-	1	-	1
At 31 March 2007	51,897	31,163	76	706	2,116	13,123	30	99,111

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Freehold buildings RM'000	Long leasehold Land RM'000	Short leasehold land & buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings equipment RM'000	Assets under construction RM'000	Total RM'000
Group (Cont'd)									
Accumulated depreciation and impairment									
At 1 April 2006									
Accumulated depreciation	-	13,517	-	24,244	719	1,326	10,328	-	50,134
Accumulated impairment	-	6,469	-	-	-	-	-	-	6,469
Depreciation charge for the year	-	606	-	45	60	333	811	-	1,855
Disposals	-	-	-	(24,273)	(204)	(194)	(889)	-	(25,560)
Assets written off	-	-	-	-	-	-	(173)	-	(173)
Exchange rate differences	-	-	-	-	-	-	(2)	-	(2)
At 31 March 2007	-	20,592	-	16	575	1,465	10,075	-	32,723
Net carrying amount	51,897	10,571	-	60	131	651	3,048	30	66,388
At 31 March 2006									
Cost									
At 1 April 2005									
	190,038	134,910	7,719	25,673	158,125	3,621	42,396	-	562,482
Additions	43	53	-	-	54	9	3,156	-	3,315
Deconsolidation of subsidiaries	(12,966)	(3,407)	-	-	(198)	(186)	(1,808)	-	(18,565)
Disposals	(52,467)	(96,926)	-	-	(140,330)	(339)	(29,309)	-	(319,371)
Transfer to property developments costs	(55,012)	-	-	-	-	-	-	-	(55,012)
Assets written off	-	-	-	-	-	-	(8)	-	(8)
Reclassification of assets	(8,563)	-	(7,719)	4,570	(11,745)	(790)	-	-	(24,247)
Exchange rate differences	(3,721)	(3,477)	-	-	(5,051)	(9)	(998)	-	(13,256)
At 31 March 2006	57,352	31,153	-	30,243	855	2,306	13,429	-	135,338
Accumulated depreciation and impairment									
At 1 April 2005									
Accumulated depreciation	-	28,727	-	23,985	81,800	2,085	27,262	-	163,859
Accumulated impairment	-	6,469	-	-	-	-	-	-	6,469
Depreciation charge for the year	-	1,667	-	259	2,510	374	1,577	-	6,387
Deconsolidation of subsidiaries	-	(903)	-	-	(112)	(179)	(1,724)	-	(2,918)
Disposals	-	(13,619)	-	-	(59,750)	(199)	(16,212)	-	(89,780)
Assets written off	-	-	-	-	-	-	(7)	-	(7)
Reclassification of assets	-	(1,877)	-	-	(21,620)	(750)	-	-	(24,247)
Exchange rate differences	-	(478)	-	-	(2,109)	(5)	(568)	-	(3,160)
At 31 March 2006	-	19,986	-	24,244	719	1,326	10,328	-	56,603
Net carrying amount	57,352	11,167	-	5,999	136	980	3,101	-	78,735

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Short leasehold land & buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings equipment RM'000	Total RM'000
At 31 March 2007					
Cost					
At 1 April 2006	76	206	1,586	3,885	5,753
Additions	–	–	52	265	317
Disposals	–	(206)	(228)	(575)	(1,009)
At 31 March 2007	76	–	1,410	3,575	5,061
Accumulated depreciation					
At 1 April 2006	14	196	763	2,254	3,227
Depreciation charge for the year	2	9	276	443	730
Disposals	–	(205)	(185)	(551)	(941)
At 31 March 2007	16	–	854	2,146	3,016
Net carrying amount	60	–	556	1,429	2,045
At 31 March 2006					
Cost					
At 1 April 2005	76	206	1,688	2,571	4,541
Additions	–	–	–	1,378	1,378
Disposals	–	–	(102)	(64)	(166)
At 31 March 2006	76	206	1,586	3,885	5,753
Accumulated depreciation					
At 1 April 2005	13	175	504	2,022	2,714
Depreciation charge for the year	1	21	308	292	622
Disposals	–	–	(49)	(60)	(109)
At 31 March 2006	14	196	763	2,254	3,227
Net carrying amount	62	10	823	1,631	2,526

- (a) During the financial year, the Group acquired property, plant and equipment at aggregate costs of RM931,000 (2006: RM3,315,000) of which RM52,000 (2006: RM9,000) were acquired by means of hire purchase and finance lease arrangements. Net carrying amount of property, plant and equipment of the Group held under hire purchase and finance lease arrangements as at balance sheet date is RM324,000 (2006: RM598,000).
- (b) Certain land and buildings of the subsidiaries have been pledged as security for borrowings granted to the Group. The net book value of these land and buildings are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Freehold land	42,372	42,372	–	–
Freehold buildings	10,171	10,586	–	–
	52,543	52,958	–	–

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS**(a) Land held for property development**

	Freehold Land RM'000	Leasehold Land RM'000	Total RM'000
At 31 March 2007			
Cost			
At 1 April 2006			
- Land	7,386	116,033	123,419
- Development costs	20,047	125,624	145,671
Additions	40	-	40
Transfer from property development cost			
- Development costs	300	-	300
Transfer from property, plant and equipment			
- Land (Note 12)	5,455	-	5,455
At 31 March 2007	33,228	241,657	274,885
Accumulated impairment losses			
At 1 April 2006	-	172,260	172,260
Additions	-	12,625	12,625
At 31 March 2007	-	184,885	184,885
Carrying amount at 31 March 2007	33,228	56,772	90,000
At 31 March 2006			
Cost			
At 1 April 2005			
- Land	60,861	114,110	174,971
- Development costs	209,677	122,614	332,291
Transfer (to)/from property development cost			
- Land	(1,239)	1,923	684
- Development costs	(56,466)	3,914	(52,552)
Adjustment	-	(904)	(904)
Deconsolidation of a subsidiary (Note 10)			
- Land	(52,236)	-	(52,236)
- Development costs	(133,164)	-	(133,164)
At 31 March 2006	27,433	241,657	269,090
Accumulated impairment losses			
At 1 April 2005	-	150,969	150,969
Additions	-	16,844	16,844
Transfer from property development cost			
- Land	-	1,487	1,487
- Development costs	-	2,960	2,960
At 31 March 2006	-	172,260	172,260
Carrying amount at 31 March 2006	27,433	69,397	96,830

13. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D)**(a) Land held for property development (Cont'd)**

Freehold land and leasehold land together with development costs with a carrying value of RM62,423,000 (2006: RM72,050,000) are pledged as security for borrowings granted to the Group (Note 25).

Included in land held for property development are charged land as disclosed in material litigation in Note 32(a), Note 32(b) and Note 32(c). In view of the litigation in relation to Note 32(a), Note 32(b) and Note 32(c), the land have been impaired based on the latest valuation of external valuers.

(b) Property development costs

	Freehold Land RM'000	Development Cost RM'000	Total RM'000
Cumulative property development cost			
At 1 April 2006	1,405	63,279	64,684
Adjustment	(42)	–	(42)
Cost incurred during the year	–	5,932	5,932
Transfer to land held for property development	–	(300)	(300)
Reversal of completed projects	(301)	(40,128)	(40,429)
Unsold units transfer to inventories	–	(474)	(474)
At 31 March 2007	1,062	28,309	29,371
Cumulative cost recognised in income statement			
At 1 April 2006	–	(31,248)	(31,248)
Recognised during the year	(971)	(29,742)	(30,713)
Reversal of completed projects	–	40,903	40,903
At 31 March 2007	(971)	(20,087)	(21,058)
Property development costs at 31 March 2007	91	8,222	8,313
Cumulative property development cost			
At 1 April 2005	4,808	91,912	96,720
Cost incurred during the year	–	22,610	22,610
Transfer from land held for property development	803	55,512	56,315
Transfer from property, plant and equipment (Note 12)	55,012	–	55,012
Reversal of completed projects	(55,012)	(30,686)	(85,698)
Deconsolidation of a subsidiary	(4,206)	(76,069)	(80,275)
At 31 March 2006	1,405	63,279	64,684
Cumulative cost recognised in income statement			
At 1 April 2005	–	(56,182)	(56,182)
Recognised during the year	–	(113,126)	(113,126)
Deconsolidation of a subsidiary	–	52,362	52,362
Reversal of completed projects	–	85,698	85,698
At 31 March 2006	–	(31,248)	(31,248)
Property development costs at 31 March 2006	1,405	32,031	33,436

14. INVESTMENT PROPERTIES

Group	Freehold land RM'000	Freehold buildings RM'000	Assets under construction RM'000	Total RM'000
At 31 March 2007				
Cost				
At 1 April 2006/31 March 2007	13,420	8,268	3,937	25,625
Accumulated depreciation and impairment				
At 1 April 2006				
Accumulated depreciation	–	3,401	–	3,401
Accumulated impairment	–	127	–	127
Depreciation charge for the year	–	587	–	587
Impairment loss recognised in income statement	–	70	–	70
At 31 March 2007	–	4,185	–	4,185
Net Carrying Amount	13,420	4,083	3,937	21,440
At 31 March 2006				
Cost				
At 1 April 2005	13,420	8,510	3,937	25,867
Disposal	–	(242)	–	(242)
At 31 March 2006	13,420	8,268	3,937	25,625
Accumulated depreciation				
At 1 April 2005				
Depreciation charge for the year	–	589	–	589
Impairment loss recognised in income statement	–	127	–	127
Disposal	–	(61)	–	(61)
At 31 March 2006	–	3,528	–	3,528
Net Carrying Amount	13,420	4,740	3,937	22,097

14. INVESTMENT PROPERTIES (CONT'D)

Company	Freehold land RM'000	Freehold buildings RM'000	Total RM'000
At 31 March 2007			
Cost			
At 1 April 2006/ 31 March 2007	11,988	20,720	32,708
Accumulated depreciation and impairment			
At 1 April 2006			
Accumulated depreciation	–	3,665	3,665
Accumulated impairment	–	6,469	6,469
Depreciation charge for the year	–	415	415
At 31 March 2007	–	10,549	10,549
Net Carrying Amount	11,988	10,171	22,159
At 31 March 2006			
Cost			
At 1 April 2005/ 31 March 2006	11,988	20,720	32,708
Accumulated depreciation and impairment			
At 1 April 2005			
Accumulated depreciation	–	3,251	3,251
Accumulated impairment	–	6,469	6,469
Depreciation charge for the year	–	414	414
At 31 March 2006	–	10,134	10,134
Net Carrying Amount	11,988	10,586	22,574

- (a) The RM70,000 impairment loss in a subsidiary was due to the write down of one unit of condominium to its market value by reference to market evidence of transaction prices for similar properties.
- (b) Certain land and buildings of the subsidiaries have been pledged as security for borrowings granted to the Group. The net book value of these land and buildings are as follows:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Freehold land	12,322	12,322	11,988	11,988
Freehold buildings	900	925	10,171	10,586
Assets under construction	3,937	3,937	–	–
	17,159	17,184	22,159	22,574

- (c) The fair value of investment properties of the Group and the Company on 31 March 2007 are RM30,682,000 and RM31,369,000 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.

15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2007 RM'000	2006 RM'000
Unquoted shares, at cost	508,819	512,344
Less: Accumulated impairment losses	(187,200)	(190,725)
	321,619	321,619

Details of the subsidiaries are as follows:

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2007 %	2006 %
Associated Commercial Incorporated	Investment holding	British Virgin Islands	100.0	100.0
Bandar Sungai Buaya Sdn Bhd	Property development	Malaysia	100.0	100.0
Banjara Marketing Services Ltd	Investment holding	British Virgin Islands	100.0	100.0
Bestform Limited	Investment holding	Isle of Man	100.0	100.0
Clarity Crest Sdn Bhd	Cultivation of rubber and oil palm	Malaysia	100.0	100.0
Jade Commercial Ventures Ltd	Investment holding	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	Managing commercial complex	Malaysia	100.0	100.0
Lang Education Holdings Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Lang Tooling Sdn Bhd	Dormant	Malaysia	–	100.0
Nexus Investments International Limited	Investment holding	British Virgin Islands	100.0	100.0

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2007 %	2006 %
Oasis Frontier Sdn Bhd	Dormant	Malaysia	–	100.0
Premier Link Resources Ltd	Investment holding	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
Vista Raya Sdn Bhd	Dormant	Malaysia	–	100.0
Winlink Pte Ltd*	Dormant	Singapore	100.0	100.0
Lang Furniture (Pahang) Sdn Bhd	Dormant	Malaysia	100.0	100.0
Subsidiary of L&G Resources (1994), Inc.:				
L&G Display Technologies, Inc.	Investment holding	USA	100.0	100.0
Subsidiaries of Land & General Australia (Holdings) Pty Ltd:				
Lang Melbourne Pty Ltd *	Investment holding	Australia	100.0	100.0
World Trade Centre Holdings Pty Ltd*	Dormant	Australia	100.0	100.0
Flinders Wharf Pty Ltd*	Investment holding	Australia	100.0	100.0
Flinders Wharf One Pty Ltd*	Investment holding	Australia	100.0	100.0
Flinders Wharf Two Pty Ltd*	Investment holding	Australia	100.0	100.0
Flinders Wharf Land Pty Ltd*	Property investment	Australia	100.0	100.0
FW Financing Solutions Pty Ltd*	Property financing	Australia	50.0	50.0
PLR Mayfields Pty Ltd *	Investment holding	Australia	100.0	100.0

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2007 %	2006 %
Hidden Valley Australia Pty Ltd*	Property development & investment	Australia	50.0	50.0
Subsidiary of Lang Education Holdings Sdn Bhd:				
Lang Education Sdn Bhd	Education services	Malaysia	100.0	90.0
Subsidiaries of Sri Damansara Sdn Bhd:				
Sri Damansara Club Bhd	Management of club activities	Malaysia	100.0	100.0
Exotic Acres Sdn Bhd	Dormant	Malaysia	100.0	100.0
Subsidiaries of Syarikat Trimal Sdn Bhd:				
Mentari Unggul Sdn Bhd	Dormant	Malaysia	70.0	70.0
Tinvein Nominees Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Subsidiary of World Trade Centre Holdings Pty Ltd:				
Lang Australia Pty Ltd*	Property management	Australia	100.0	100.0
Subsidiary of Flinders Wharf One Pty Ltd and Flinders Wharf Two Pty Ltd (each 25.0%):				
Flinders Wharf Management Pty Ltd*	Property management	Australia	50.0	50.0
Subsidiary of FW Financing Solutions Pty Ltd:				
FW Development Pty Ltd*	Property development	Australia	50.0	50.0
Subsidiary of Tinvein Nominees Sdn Bhd:				
Navistar Sdn Bhd	Property development	Malaysia	100.0	100.0

* Audited by affiliate of Ernst & Young.

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Disposal of a subsidiary

On 30 January 2007, the Company has completed the disposal of the entire and paid up share capital comprising 5,000,000 ordinary shares of RM1.00 each in its dormant subsidiary, Lang Tooling Sdn Bhd for a total cash consideration of RM750.

The revenue, results and cash flow of the subsidiary was as follows:

Other than the net assets of the subsidiary to disclose as below, the subsidiary does not have any revenue or cash flow.

	30.1.2007 RM'000
Current liabilities	(2)
Net assets disposed	(2)
Intercompany balances written off	2
	<hr/>
Total disposal proceeds	1
	<hr/>
Gain on disposal to the Group	1
	<hr/>
Cash inflow arising on disposals:	
Cash consideration, representing cash inflow of the Group	1
Cash and cash equivalents of subsidiary disposed	-
	<hr/>
Net cash inflow of the Group	1
	<hr/>

The disposal of a subsidiary had the following effects on the financial results of the Company:

	30.1.2007 RM'000
Total disposal proceeds	1
Less: Net carrying amount of investment in subsidiary	-
Less: Additional provision for doubtful debts for loan to subsidiary	(1)
	<hr/>
Gain on disposal to the Company	-
	<hr/>

(b) Liquidation of subsidiaries

On 6 October 2006 and 7 February 2007, two dormant subsidiaries, Oasis Frontier Sdn Bhd and Vista Raya Sdn Bhd have been placed under Creditors' Voluntary Winding-Up pursuant to Section 255(1) of the Companies Act, 1965.

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Liquidation of subsidiaries (Cont'd)

The revenue, results and cash flow of the two subsidiaries were as follows:

	1.4.2006 up to dates of liquidation RM'000
Revenue	–
Other operating income	2,857
Operating expenses	(1,485)
	<hr/>
Profit from operations	1,372
Finance costs	–
	<hr/>
Profit before taxation	1,372
Income tax expense	–
	<hr/>
Profit for the year	<u>1,372</u>

The net assets of the subsidiaries were as follows:

	Group As at dates of liquidation RM'000
Property, plant and equipment	–
Current assets	–
Current liabilities	(21,096)
	<hr/>
Net assets disposed	(21,096)
Intercompany balances written off	19,609
	<hr/>
	<u>(1,487)</u>

The liquidation of subsidiaries did not have any effect on the financial results of the Company.

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unquoted shares, at cost:				
- In Malaysia	535	557	500	522
- Outside Malaysia	8,336	8,336	8,336	8,336
Share of post-acquisition (loss)/profit	(2,793)	1,177	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	6,078	10,070	8,836	8,858
Less: Accumulated impairment losses	(5,284)	(1,496)	(8,042)	(522)
	<hr/>	<hr/>	<hr/>	<hr/>
	794	8,574	794	8,336
	<hr/>	<hr/>	<hr/>	<hr/>

16. INVESTMENT IN ASSOCIATES (CONT'D)

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

	Group	
	2007 RM'000	2006 RM'000
Share of net assets	794	8,574
Goodwill on acquisition	-	-
	<hr/>	<hr/>
	794	8,574

Details of the associates are as follows:

Name of Associates	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2007 %	2006 %
C.I. Damansara Quarry Sdn Bhd	Dormant	Malaysia	35.0	35.0
Projass Langbuilt Sdn Bhd	Dormant	Malaysia	50.0	50.0
Protonweb BPO Private Limited	Information technology enabled services	India	30.0	30.0

The summarised financial information of the associates is as follows:

	Group	
	2007 RM'000	2006 RM'000
Asset and liabilities		
Current assets	3,349	3,496
Non-current assets	374	1,587
Total assets	<hr/>	<hr/>
	3,723	5,083
Current liabilities	<hr/>	<hr/>
	40	187
Results		
Revenue	239	903
Loss for the year	(3,970)	(626)

17. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unquoted shares at cost	79,509	79,509	79,509	79,509
Share of post-acquisition loss	(8,313)	(6,001)	-	-
Less: Accumulated impairment losses	(79,509)	(79,509)	(79,509)	(79,509)
	<hr/>	<hr/>	<hr/>	<hr/>
	(8,313)	(6,001)	-	-

17. INVESTMENT IN JOINTLY CONTROLLED ENTITIES (CONT'D)

Details of the jointly controlled entities are as follows:

Name of Jointly Controlled Entities	Principal Activities	Country of Incorporation	Proportion of Ownership Interest	
			2007 %	2006 %
Ansad Petrol Joint Venture	Oil and gas production and exploration activities	Azerbaijan	17.15	17.15
Hidden Valley Pty Ltd	Property development	Australia	50.00	50.00

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

	Group	
	2007 RM'000	2006 RM'000
Property, plant and equipment	759	803
Non-current assets	7,637	6,835
Current assets	4,405	3,210
Non-current liabilities	(14,830)	(14,371)
Current liabilities	(6,284)	(2,478)
Net assets	(8,313)	(6,001)
Revenue	3,908	7,811
Expenses	(6,220)	(8,337)
Loss before taxation	(2,312)	(526)
Taxation	-	-
Loss after taxation	(2,312)	(526)

The investment in Ansad Petrol Joint Venture has been fully provided for and no further losses are to be shared to the Group. As a result, the Group's share of assets, liabilities, revenue and expenses are not included in the above.

The Group together with its joint venture partner have undertaken to support financially its investment in the jointly controlled entity of Hidden Valley Pty Ltd, for the next twelve months up to 31 March 2008.

18. OTHER INVESTMENTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unquoted shares, at cost	178,243	198,885	151,315	153,198
Quoted shares, at cost - outside Malaysia	11,877	37,087	11,846	11,846
Less: Accumulated impairment losses	(186,757)	(233,043)	(159,869)	(162,188)
	3,363	2,929	3,292	2,856
Market values of quoted shares: Outside Malaysia	12,368	10,704	5,409	2,725

18. OTHER INVESTMENTS (CONT'D)

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

Name of Company	Classification
Lang Projects Sdn Bhd	Members voluntary winding up
Key Century Sdn Bhd	Members voluntary winding up
Vista Raya Sdn Bhd	Members voluntary winding up
Oasis Frontier Sdn Bhd	Creditors voluntary winding up
L&G Resort Sdn Bhd	Court winding up
Lang Furniture (Selangor) Sdn Bhd	Court winding up
Lembah Beringin Sdn Bhd ("LBSB")	(Receivers and Managers appointed) (In liquidation)
Beringin Equestrian Park Sdn Bhd*	–
Beringin Golf Course Sdn Bhd*	–
Lang Media Sdn Bhd*	–

* Subsidiary of LBSB (Receivers and Managers appointed) (In liquidation).

19. INVENTORIES

	Group	
	2007 RM'000	2006 RM'000 (Restated)
Cost:		
Properties held for sale	25,023	30,803
Raw materials	49	33
Consumable stores	–	9
	<hr/>	<hr/>
	25,072	30,845
Net realisable value:		
Properties held for sale	16,246	14,765
	<hr/>	<hr/>
	41,318	45,610

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

	Group	
	2007 RM'000	2006 RM'000
Properties held for sale	35,186	35,395

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Current				
Trade receivables				
Third parties	5,715	11,467	–	–
Less: Provision for doubtful debts	(2,306)	(4,011)	–	–
Trade receivables, net	3,409	7,456	–	–
Other receivables				
Amount due from related parties:				
Subsidiaries	–	–	226,997	261,876
Associate	1,119	1,119	1,119	1,119
	1,119	1,119	228,116	262,995
Deposits	1,540	2,531	341	348
Prepayments	2,400	3,399	210	186
Other receivables	375,302	383,022	294,484	317,774
Accrued billings	1,767	7,694	–	–
Amount due from a former subsidiary *	9,000	6,000	9,000	6,000
	391,128	403,765	532,151	587,303
Less: Provision for doubtful debts	(350,201)	(358,327)	(497,185)	(530,423)
Other receivables, net	40,927	45,438	34,966	56,880
	44,336	52,894	34,966	56,880
Amount due from a former subsidiary				
Principal and interest	17,510	16,094	17,510	16,094
Less: Interest in suspense	(2,942)	(1,551)	(2,942)	(1,551)
	14,568	14,543	14,568	14,543
Due within 12 months *	9,000	6,000	9,000	6,000
Due after 12 months	5,568	8,543	5,568	8,543
	14,568	14,543	14,568	14,543

(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. 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.

20. TRADE AND OTHER RECEIVABLES (CONT'D)**(b) Amount due from related parties (current)**

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.

(c) Amount due from a former subsidiary (current and non-current)

The amount due from a former subsidiary, Twintech Holdings Sdn. Bhd. ("THSB"), is secured by its partly constructed buildings and bears interest at a rate of 7.5% (2006: 7.5%) per annum.

The directors are of the opinion that the amount due from THSB is recoverable based on their assessment of the credit worthiness of THSB, some payment received after year end and the on going negotiation with THSB to reschedule the debt repayment.

Further details on related party transactions are disclosed in Note 34.

Other information on financial risks of other receivables are disclosed in Note 37.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Cash on hand and at banks	84,158	96,613	1,732	4,372
Deposits with licensed banks	185,596	220,814	99,646	161,327
	269,754	317,427	101,378	165,699
Bank overdrafts (Note 25)	-	(13,192)	-	-
Cash and cash equivalents	269,754	304,235	101,378	165,699

- (i) Included in cash at licensed banks of the Group are amounts of RM27,274,000 (2006: RM18,630,000) held under the Housing Development Accounts pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966 (Act 118) and therefore restricted from use in other operations.
- (ii) Included in cash at licensed banks and deposits with licensed banks of the Group and the Company are amounts of RM660,000 (2006: RM3,724,000) and RM80,474,000 (2006: RM134,493,000) held in Escrow Accounts pursuant to a debt restructuring agreement. The application of the monies is governed by the agreement.
- (iii) Deposits of the Group and the Company amounting to RM53,000 (2006: RM51,000) and RM53,000 (2006: RM51,000) respectively, are pledged to banks for credit facilities granted to Company.
- (iv) Included in deposits with licensed banks of the Group are amounts of RM1,305,000 (2006: RM1,261,000) held under a trust account pursuant to a trust deed 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 licensed banks of the Group are sinking funds of RM1,022,000 (2006: RM814,000) maintained by a subsidiary, Sri Damansara Club Berhad for the purpose of repair and maintenance of properties.

21. CASH AND CASH EQUIVALENTS (CONT'D)

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

	Group		Company	
	2007 %	2006 %	2007 %	2006 %
Licensed banks	3.81	3.35	3.15	3.05

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

	Group		Company	
	2007 Days	2006 Days	2007 Days	2006 Days
Licensed banks	76	80	120	86

22. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Group	Buildings	Short Leasehold Land	Total
	RM'000	RM'000	RM'000
At net realisable value: At 31.3.2007	3,538	1,862	5,400
At 31.3.2006	4,152	1,862	6,014

The above assets are arising from a subsidiary which have ceased operations.

The land and buildings have been pledged as security for borrowings granted to the Group.

23. PROVISIONS

Group	Liquidated	Property	Foreseeable	Total
	Ascertain Damages RM'000	Development Expenditure RM'000	Loss On Disposal Of Charged Land RM'000	
At 1 April 2006	10,805	23,435	11,087	45,327
Additional provision	17	4,392	–	4,409
Utilisation of provision	(304)	(2,213)	–	(2,517)
Unused amount reversed	(2,579)	(6,302)	–	(8,881)
At 31 March 2007	7,939	19,312	11,087	38,338
At 31 March 2007				
Current	7,939	19,312	11,087	38,338
At 31 March 2006				
Current	10,805	23,435	11,087	45,327

23. PROVISIONS (CONT'D)**(a) Liquidated Ascertained Damages**

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

(b) Property Development Expenditure

The provision for property development expenditure is the estimated costs to be incurred for completed projects.

(c) Foreseeable Loss on Disposal of Charged Land

The details of provision for foreseeable loss on disposal of charged land arising from material litigation are further disclosed in Note 32(d) and Note 32(e).

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
Current				
Trade payables	8,659	12,799	–	–
Other payables				
Amount due to related parties:				
Subsidiaries	–	–	97,716	140,608
Other payables	20,731	25,995	3,244	4,016
Accruals	26,777	20,895	1,644	4,056
	47,508	46,890	102,604	148,680
	56,167	59,689	102,604	148,680

(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. In the previous year they were an amount due to a subsidiary amounting to RM16,684,000 where interest was charged at 6.14%. The amount was fully settled in the current year.

Further details on related party transactions are disclosed in Note 34.

Other information on financial risks of other payables are disclosed in Note 37.

25. BORROWINGS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Short term borrowings				
Secured:				
Bank overdrafts	–	13,192	–	–
Term loans	54,650	58,482	–	13,332
Redeemable Convertible Secured Loan Stocks ("RCSLS")	56,481	36,719	56,481	36,719
Hire purchase and lease obligations (Note 27)	136	144	116	128
	111,267	108,537	56,597	50,179
Long term borrowings				
Secured:				
Term loans	–	21,643	–	21,643
Redeemable Convertible Secured Loan Stocks ("RCSLS")	143,462	218,494	143,462	218,494
Hire purchase and finance lease payables (Note 27)	63	223	50	184
	143,525	240,360	143,512	240,321
Total borrowings				
Bank overdrafts	–	13,192	–	–
Term loans	54,650	80,125	–	34,975
Redeemable Convertible Secured Loan Stocks ("RCSLS") (Note 26)	199,943	255,213	199,943	255,213
Hire purchase and finance lease payables (Note 27)	199	367	166	312
	254,792	348,897	200,109	290,500
Maturity of borrowings				
Within one year	111,267	108,537	56,597	50,179
More than 1 year and less than 2 years	58,591	75,471	58,578	75,455
More than 2 years and less than 5 years	84,934	164,889	84,934	164,866
5 years or more	–	–	–	–
	254,792	348,897	200,109	290,500

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

	Group		Company	
	2007 %	2006 %	2007 %	2006 %
Bank overdrafts	N/A	8.50	N/A	N/A
Term loans	7.97	6.21	5.00	5.00
Redeemable Convertible Secured Loan Stocks	5.00	5.00	5.00	5.00

25. BORROWINGS (CONT'D)

The secured bank overdrafts and term loans are secured by certain assets of the Group and of the Company as disclosed in Note 12, Note 13(a), Note 14, Note 19, Note 21(iii) and Note 22.

Other information on financial risks of borrowings are disclosed in Note 37.

26. 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:

	RCSLS A at RM1.00 each nominal value '000	RCSLS B at RM1.00 each nominal value '000	Total nominal value '000	Group/Company 2007 2006 Total Total RM'000 RM'000	
At beginning of year	14,027	241,186	255,213	255,213	279,527
Repayment	(9,611)	(45,659)	(55,270)	(55,270)	(24,314)
At end of year	4,416	195,527	199,943	199,943	255,213

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 installments.

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

26. REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS ("RCSLS") (CONT'D)

The RCSLS are 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 will be converted into shares in the Company at the conversion price.

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

The RCSLS is secured by way of fixed charges over specific assets of the Group, as disclosed in Note 12 (b), 13(a), 14(b), 19 and 22.

27. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Future minimum lease payments:				
Not later than 1 year	164	178	138	152
Later than 1 year and not later than 5 years	72	257	59	218
	236	435	197	370
Less: Future finance charges	(37)	(68)	(31)	(58)
Present value of finance lease liabilities	199	367	166	312
Analysis of present value of finance lease liabilities:				
Not later than 1 year	136	144	116	128
Later than 1 year and not later than 5 years	63	223	50	184
	199	367	166	312
Less: Amount due within 12 months (Note 25)	(136)	(144)	(116)	(128)
Amount due after 12 months (Note 25)	63	223	50	184

The hire purchase and lease liabilities bore interest at the balance sheet date at rate 3.75% (2006 : 3.75%) per annum.

The Group has finance leases and hire purchase contracts for various items of property, plant and equipment as disclosed in Note 12. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

Other information on financial risks of hire purchase and finance lease liabilities are disclosed in Note 37.

28. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2007 '000	2006 '000	2007 RM'000	2006 RM'000
Authorised:				
At beginning and end of year:	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid:				
At beginning of year	598,305	595,623	598,305	595,623
Issued during the year	–	2,682	–	2,682
At end of year	598,305	598,305	598,305	598,305

29. RESERVES

	Note	Group		Company	
		2007 RM'000	2006 RM'000 (Restated)	2007 RM'000	2006 RM'000
Capital redemption reserve	(a)	4,674	4,674	–	–
Foreign exchange reserve	(b)	22,773	16,178	–	–
		27,447	20,852	–	–

The movements in each category of reserve were as follows:

(a) Capital redemption reserve

	Group	
	2007 RM'000	2006 RM'000 (Restated)
At beginning and end of year	4,674	4,674

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

(b) Foreign exchange reserve

	Group	
	2007 RM'000	2006 RM'000
At beginning of year	16,178	28,383
Arising in the year	6,595	(12,205)
At end of year	22,773	16,178

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

30. DEFERRED TAX

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
At beginning of year	(6,078)	(17,057)	–	–
Recognised in income statement (Note 9)	5,252	9,612	–	–
Exchange differences	–	1,367	–	–
At end of year	(826)	(6,078)	–	–
Presented after appropriate offsetting as follows:				
Deferred tax assets	4,889	2,445	–	–
Deferred tax liabilities: - subject to income tax	(5,715)	(8,523)	–	–
At end of year	(826)	(6,078)	–	–

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

Deferred tax assets of the Group:

	Provisions	Unused tax	Total
	RM'000	losses	RM'000
		RM'000	
At 1 April 2006	2,445	–	2,445
Recognised in income statement	1,536	908	2,444
At 31 March 2007	3,981	908	4,889
At 1 April 2005	6,661	41	6,702
Recognised in income statement	(4,216)	(41)	(4,257)
At 31 March 2006	2,445	–	2,445

Deferred tax liabilities of the Group:

	Property,	Others	Total
	plant and	RM'000	RM'000
	equipment		
	RM'000		
At 1 April 2006	45	8,478	8,523
Recognised in income statement	(17)	(2,791)	(2,808)
At 31 March 2007	28	5,687	5,715
At 1 April 2005	12,092	11,667	23,759
Recognised in income statement	(12,047)	(3,189)	(15,236)
At 31 March 2006	45	8,478	8,523

30. DEFERRED TAX (CONT'D)

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

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unused tax losses	302,569	288,074	–	–
Unabsorbed capital allowances	9,505	11,242	–	–
Deductible temporary differences	482,735	479,165	430,276	428,020
	<u>794,809</u>	<u>778,481</u>	<u>430,276</u>	<u>428,020</u>

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries and of the Company are subject to no substantial changes in shareholdings of those subsidiaries and the Company under Section 44(5A) and (5B) of Income Tax Act, 1967.

31. CAPITAL COMMITMENTS

	Group	
	2007 RM'000	2006 RM'000
Capital expenditure: Approved but not contracted for, - property, plant and equipment	<u>865</u>	<u>410</u>

32. MATERIAL LITIGATIONS

- (a) Citibank Malaysia Berhad ("Citibank") on 28 August 2001 served on Bandar Sungai Buaya Sdn Bhd ("BSB"), a subsidiary of the Company, an Originating Summons 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 Section 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. As at to date, Citibank has not applied to the Court for a new auction date and a new reserve price.

- (b) 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

32. MATERIAL LITIGATIONS (CONT'D)

- (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.

- (c) 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 the hearing date in respect of Plaintiff's application for an order for sale which was fixed on 26 June 2006, the Court struck off the matter on the ground the Plaintiff's counsel was absent. RHB filed an application for reinstatement of their application to auction the land. The matter was fixed for hearing on 21 November 2006. On the said date the Court allowed RHB's application for reinstatement of their application to auction the land.

On 29 March 2007, the Court granted Order in Terms of the Originating Summons whereby the lands be sold by public auction pursuant to Section 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 the date of the auction which was fixed on 28 June 2007, the Court could not proceed with the auction as RHB did not comply with an administrative matter.

- (d) On 20 March 2003, Bumiputra-Commerce Bank Berhad ("BCB") (now known as CIMB Bank Berhad) commenced an action against Clarity Crest Sdn Bhd ("CCSB"), a wholly-owned subsidiary of the Company, in relation to a facility granted to Lembah Beringin Sdn Bhd (Receiver and Managers Appointed) (In Liquidation) ("LBSB"), a former subsidiary of the Company, by way of Originating Summons for an order for sale of the charged property over the land known as Grant Land No. 7555, Lot No 430 Mukim Kerling and Geran 39994, Lot 501, Mukim Kerling. On 14 April 2004, the Court granted Order in Terms of the Originating Summons whereby the lands be sold by public auction pursuant to Section 256 and 257 of the National Land Code to satisfy the sum secured under the charge being RM17.0 million under the Term Loan Facility and RM3.0 million under the Overdraft Facility, excluding all interests, costs and expenses incurred.

Three (3) attempts to auction off the lands were conducted on 22 December 2004, 8 August 2005 and 3 May 2006 with the reserve price being set at RM13.8 million, RM12.4 million and RM11.1 million respectively. All were unsuccessful. BCB has since filed an application for a new reserve price for auction to be set at RM10.0 million. The Court has yet to fix an auction date.

- (e) On 10 May 2006, CCSB was served a Letter of Demand by Malayan Banking Berhad ("MBB") for Lembah Beringin Sdn Bhd (Receivers and Manager Appointed) (In Liquidation) ("LBSB"), a former subsidiary of the Company for alleged failure to make payment on its obligations under the Overdraft and Short Term Revolving Credit Facilities granted by MBB to LBSB. The said facilities are secured by a charge on three (3) pieces of land registered in the name of CCSB, and held under titles numbers GRN 53296 (formerly Grant for Land No. 8813) P.T No 678, GRN 53297 (formerly Grant for Land No. 8814) P.T 679 and GRN 50819 (formerly Certificate of Title No. 25258) Lot No. 487. MBB is claiming RM10.0 million under the Overdraft Facility and RM20.0 million under the Short Term Revolving Credit Facility. On 8 June 2006, a Notice in Form 16D (Notice of Default in respect of a charge) of the National Land Code 1965 was served on CCSB. CCSB has replied to MBB's solicitors seeking settlement on the matter.

On 6 February 2007, CCSB was served a sealed copy of the Originating Summons seeking among others that the said lands be sold by public auction pursuant to Section 257 of the National Land Code to satisfy the sum owing to MBB of RM10.0 million under the Overdraft Facility and RM20.0 million under the Short Term Revolving Credit Facility. On 18 April 2007, CCSB received a Notice of Appointment to hear the Originating Summons. The Originating Summons will be heard on 18 July 2007 at the Shah Alam High Court. On the date of 18 July 2007, the High Court postponed the matter to 12 November 2007 at the request of MBB.

32. MATERIAL LITIGATIONS (CONT'D)

- (f) Sri Damansara Sdn Bhd ("SDSB"), a wholly-owned subsidiary of Land & General Berhad ("L&G"), 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 Brunsfield Engineering Sdn Bhd ("BESB") for works it has undertaken. Following this notice, L&G and SDSB have served a Writ of Summons dated 30 November 2002 on BESB, pursuant to which L&G 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 L&G 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. The Court has set 5 September 2005 to enable the parties to submit their trial documents. The judge has scheduled 5 December 2007 and 6 December 2007 for the case trial.

- (g) 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 has 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 has 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.

33. CONTINGENT LIABILITIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Secured:				
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	-	-	38,606	37,046
	-	-	38,606	37,046

34. RELATED PARTY DISCLOSURES

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:

	Group	
	2007	2006
	RM'000	RM'000
Sales of properties to a company in which the spouse of a substantial shareholder of the Company is a shareholder	1,456	–

This transaction is in respect of two Sales and Purchase Agreements with a company of which a spouse of a substantial shareholder is a director and shareholder, for the purchase of two properties. The sales value is comparable to market price.

	Company	
	2007	2006
	RM'000	RM'000
Rental income from subsidiaries	517	549
Gross dividends from subsidiaries	56,129	177,449
Management fees from subsidiaries	240	240
Rental expense paid to a subsidiary	(170)	(41)
Interest expense paid to subsidiaries	(274)	(1,319)

35. SIGNIFICANT EVENTS

- (a) On 20 June 2005, Landgen Property Management Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Auto Parking Inc Sdn Bhd for the disposal of the lease in respect of a piece of land for a cash consideration of RM7.4 million. The disposal was completed on 12 June 2006, and resulted in a gain to the Group of RM1.5 million.
- (b) On 13 December 2005, Syarikat Trimal Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Profit View Sdn Bhd for the disposal of a parcel of freehold land for a cash consideration of RM28.0 million. The disposal was completed on 16 February 2007, and resulted in a gain of approximately RM9.1 million.
- (c) On 21 December 2005, Sri Damansara Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Greater Heights Development Sdn Bhd for the disposal of a parcel of freehold land for a cash consideration of RM24.5 million. The disposal was completed on 13 October 2006, and resulted in a gain of approximately RM18.4 million.

36. SUBSEQUENT EVENT

On 13 June 2007 Anсад Petrol Joint Venture ("APJV") (of which L&G has an indirect interest of 17.15%) disposed its entire 49% interest to Russneft Neftechala Investments Limited ("RNIL") by way of an Assignment Agreement. On 20 July 2007, in order to facilitate the disposal, the Board of L&G agreed to execute a Deed for the Release and Waiver in consideration of the sum of USD11.0 million. As of the date of this report, L&G is yet to receive the consideration of USD11.0 million. The disposal will result in a gain of approximately RM37.9 million (based on the exchange rate of USD1.00 : RM3.4543) to the Group and the Company.

37. 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 risk, foreign currency risk, liquidity and credit risks. 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. The Group incurs foreign currency risk on sales, purchases and borrowings that are denominated in currency other than Ringgit Malaysia. 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 functional currencies of the operating entities are kept to an acceptable level.

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

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Functional Currency				
Trade Receivables				
Australian Dollar	237	535	-	-
Other Receivables				
Australian Dollar	20,706	18,593	-	-
US Dollar	12	12	-	-
Sterling Pound	67	41	-	-
Singapore Dollar	1	-	-	-
	20,786	18,646	-	-
Cash and Cash Equivalents				
Australian Dollar	77,387	90,934	-	-
US Dollar	12	13	-	-
Sterling Pound	14,047	12,595	-	-
	91,446	103,542	-	-

37. FINANCIAL INSTRUMENTS (CONT'D)**(c) Foreign Currency Risk (Cont'd)**

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Trade Payables				
US Dollar	-	36	-	-
Australian Dollar	30	-	-	-
	30	36	-	-
Other Payables				
US Dollar	29	33	-	-
Australian Dollar	712	1,013	-	-
Sterling Pound	1	2	-	-
Singapore Dollar	26	27	-	-
	768	1,075	-	-

(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.

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.

(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:

	Group		Company	
	Carrying	Fair Value	Carrying	Fair Value
	Amount	RM'000	Amount	RM'000
	RM'000	RM'000	RM'000	RM'000
At 31 March 2007				
Financial Assets				
Non-current unquoted shares	171	+	131	+
Long term receivables	5,568	4,980	5,568	4,980
Amounts due from subsidiary companies	-	-	25,308	#
	5,739	4,980	31,007	4,980

37. FINANCIAL INSTRUMENTS (CONT'D)

(f) Fair Values (Cont'd)

	Group		Company	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
At 31 March 2007				
Financial Liabilities				
Hire purchase and finance lease payables	199	199	166	166
Term loans *	54,650	54,650	–	–
Redeemable Convertible Secured Loan Stocks ("RCSLS")	199,943	185,563	199,943	185,563
Amounts due to subsidiary companies	–	–	97,716	#
	254,792	240,412	297,825	185,729
At 31 March 2006				
Financial Assets				
Non-current unquoted shares	171	+	131	+
Long term receivables	8,543	7,369	8,543	7,369
Amounts due from subsidiary companies	–	–	47,637	#
	8,714	7,369	56,311	7,369
Financial Liabilities				
Hire purchase and finance lease payables	367	367	312	312
Term loans *	80,125	78,348	34,975	33,198
Redeemable Convertible Secured Loan Stocks ("RCSLS")	255,213	226,805	255,213	226,805
Amounts due to subsidiary companies	–	–	140,608	#
	335,705	305,520	431,108	260,315

* Relates to a subsidiary company's term loans which are past due. Therefore the fair value of these term loans are approximate their carrying value.

+ 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.

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.

37. FINANCIAL INSTRUMENTS (CONT'D)**(f) Fair Values (Cont'd)****(ii) Marketable securities**

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) Other receivables (non-current) and 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.

38. 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 three major business segments:

(i) Properties - property development and property investments**(ii) Education - education services**

Other operation of the Group is mainly investment holding and not constitutes a separately reportable segment.

	Properties RM'000	Education RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
31 March 2007					
Revenue					
Sales to external customers	84,411	6,197	–	–	90,608
Interest income	–	–	5,478	–	5,478
Inter-segment Sales	28	–	757	(785)	–
Total revenue	84,439	6,197	6,235	(785)	96,086
Results					
Segment results	24,383	2,094	(13,945)	–	12,532
Net unallocated income					20,478
Finance costs					(18,131)
Share of loss of associates					(3,970)
Share of loss of jointly controlled entities					(2,312)
Profit before tax					8,597
Income tax expense					(1,526)
Net profit for the year					7,071

38. SEGMENT INFORMATION (CONT'D)

(a) Business Segments (Cont'd)

	Properties RM'000	Education RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
31 March 2007					
Assets					
Segment assets	316,738	3,414	50,132	–	370,284
Unallocated assets					196,037
Investment in associates					794
Investment in jointly controlled entities					(8,313)
Total assets					558,802
Liabilities					
Segment liabilities	87,252	2,123	5,130	–	94,505
Unallocated liabilities					268,949
Total liabilities					363,454
Other segment information					
Capital expenditure	178	440	313	–	931
Depreciation	1,054	244	1,144	–	2,442
Impairment losses	12,682	–	4,424	–	17,106
Interest on RCSLS waived	–	–	4,136	–	4,136
Net provision for doubtful debts	1,000	14	1,210	–	2,224
31 March 2006					
Revenue					
Sales to external customers	276,211	4,718	–	–	280,929
Interest income	–	–	2,404	–	2,404
Inter-segment Sales	31	–	909	(940)	–
Total revenue	276,242	4,718	3,313	(940)	283,333
Results					
Segment results	175,060	919	(13,126)	–	162,853
Net unallocated expense/income					(26,534)
Finance costs					(38,797)
Share of loss of associates					(626)
Share of loss of jointly controlled entities					(526)
Profit before tax					96,370
Income tax expense					(27,184)
Net profit for the year					69,186

38. SEGMENT INFORMATION (CONT'D)

(a) Business Segments (Cont'd)

	Properties RM'000	Education RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
31 March 2006					
Assets					
Segment assets	389,619	2,908	51,174	–	443,701
Unallocated assets					225,668
Investment in associates					8,574
Investment in jointly controlled entities					(6,001)
Total assets					671,942
Liabilities					
Segment liabilities	91,414	2,211	11,391	–	105,016
Unallocated liabilities					384,964
Total liabilities					489,980
Other segment information					
Capital expenditure	1,648	289	1,378	–	3,315
Depreciation	5,686	255	1,035	–	6,976
Impairment losses	16,794	–	4,123	–	20,917
Net (written back)/provision for doubtful debts	(66)	19	(151)	–	(198)

(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

	Total Revenue from External Customers		Segment Assets		Capital Expenditure	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Malaysia	90,424	237,752	302,869	349,315	915	1,938
Australia	184	43,177	67,275	94,132	16	1,377
United States of America and others	–	–	140	254	–	–
	90,608	280,929	370,284	443,701	931	3,315
Unallocated assets	–	–	196,037	225,668		
Investments in associates	–	–	794	8,574		
Investments in jointly controlled entities	–	–	(8,313)	(6,001)		
	90,608	280,929	558,802	671,942		

39. COMPARATIVES AND PRIOR YEAR ADJUSTMENTS

- (a) During the financial year, the Group made prior year adjustments relating to the following:
- (i) Redeemable preference shares amounting to RM4,600,000 issued by a subsidiary (captured as Minority Interests at Group level) were redeemed in previous years but were not captured in the accounts. The effect of the adjustment is as disclosed in the Consolidated Statements of Changes in Equity.

In view of the non redemption of preference shares in the previous years, the Group has also provided for preference dividend amounting to RM1,380,000 and this was also reversed to the accumulated losses as disclosed in the Consolidated Statements of Changes in Equity.

- (ii) The Group owns a number of commercial lots at a condominium constructed by the Group. These commercial lots were rented out and carried at zero cost. The costs for these commercial lots were absorbed by the condominium units that were fully sold in previous years. The effect of the adjustment to reinstate the costs in relation to these commercial units amounting to RM1,181,000 is as disclosed in the Consolidated Statements of Changes in Equity.

As a result of the above, the Group has made adjustments to the opening balances of the inventories, reserves and minority interests as per Note 39(b). The errors do not affect the results of the current and comparative financial years.

(b) Changes in comparatives

The following comparative amounts as at 31 March 2006 have been restated to incorporate prior year adjustments.

	Restated RM'000	Adjustments RM'000	Previously stated RM'000
Group			
Current assets			
Inventories	45,610	1,181	44,429
Current liabilities			
Trade and other payables	59,689	(1,380)	61,069
Reserves			
Capital redemption reserve	4,674	4,600	74
Accumulated losses	(570,374)	2,561	(572,935)
Minority interests	176	(4,600)	4,776

ANALYSIS OF SHAREHOLDINGS AS AT 10 JULY 2007

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	153	0.59	4,651	0.00
100 - 1000	5,697	22.07	5,549,965	0.93
1,001 - 10,000	15,527	60.15	72,839,903	12.17
10,001 - 100,000	4,013	15.54	126,165,026	21.09
100,001 to less than 5% of issued shares	424	1.64	286,469,835	47.88
5% and above of issued shares	2	0.01	107,275,150	17.93
	25,816	100.00	598,304,530	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 10 JULY 2007

Names	No. of Shares		%
	Direct	Indirect	
1. Unioncity Enterprises Limited	77,300,000	–	12.92
2. Employees Provident Fund Board	58,975,150	–	9.86
3. Tan Sri Azmi Wan Hamzah	3,000,000	32,283,882	5.90

THIRTY (30) LARGEST SHAREHOLDERS

Names	No. of Shares	%
1. Employees Provident Fund Board	58,975,150	9.86
2. ECM Libra Avenue Nominees (Asing) Sdn Bhd <i>Pledged Securities Account For Unioncity Enterprises Limited</i>	48,300,000	8.07
3. Malayasset Ventures Sdn Bhd	27,620,913	4.62
4. OSK Nominees (Asing) Sdn Bhd <i>Pledged Securities Account For Unioncity Enterprises Limited</i>	20,000,000	3.34
5. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Fund</i>	14,757,000	2.47
6. DB (Malaysia) Nominee (Asing) Sdn Bhd <i>Exempt An For Deutsche Bank Ag Singapore (PWM Asing)</i>	9,251,000	1.55
7. Cartaban Nominees (Asing) Sdn Bhd <i>UBOC Global Custody For UAM Funds (Acadian Emerg)</i>	6,765,300	1.13
8. RHB Capital Nominees (Asing) Sdn Bhd <i>RHB Bank (L) Ltd</i>	6,572,180	1.10
9. Lembaga Tabung Haji	5,493,700	0.92
10. JF Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Loo Khee Kwong @ Danny Loo (Margin)</i>	4,700,000	0.79
11. Mercsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Pyramid Tulin Sdn Bhd</i>	4,500,000	0.75
12. Citigroup Nominees (Asing) Sdn Bhd <i>GSCO For Wexford Spectrum Trading Ltd</i>	4,357,700	0.73
13. BHLB Trustee Berhad <i>Exempt An</i>	4,259,400	0.71
14. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Small Cap Series</i>	4,180,400	0.70
15. Cimsec Nominees (Asing) Sdn Bhd <i>Exempt An For CIMB-GK Securities Pte Ltd (Retail Clients)</i>	4,155,030	0.69

THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

Names	No. of Shares	%
16. Mayban Nominees (Asing) Sdn Bhd <i>Alpha Securities Pte Ltd (260550)</i>	4,000,000	0.67
17. Menta Construction Sdn Bhd	3,963,000	0.66
18. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For Mellon Bank (Mellon)</i>	3,724,500	0.62
19. Jasmurni Sdn Bhd	3,501,500	0.59
20. Amanah Raya Nominees (Tempatan) Sdn Bhd <i>Skim Amanah Saham Bumiputera</i>	3,500,000	0.58
21. Lembaga Tabung Amanah Warisan Negeri Terengganu	3,448,000	0.58
22. AIBB Nominees (Asing) Sdn Bhd <i>Sun Hung Kai Investment Services Limited For Honest Opportunity Limited</i>	3,070,100	0.51
23. Nik Awang @ Wan Azmi bin Wan Hamzah	3,000,000	0.50
24. Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Kek Lian Lye</i>	2,853,900	0.48
25. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Dimensional Funds II Plc</i>	2,843,000	0.48
26. Perlis State Economic Development Corporation	2,748,727	0.46
27. Aminvestment Bank Berhad <i>Exempt An Clr For BHLB Trustee Berhad</i>	2,705,400	0.45
28. United Earthwork Sdn Bhd	2,612,000	0.44
29. RHB Investment Bank Berhad <i>IVT (Car)</i>	2,332,707	0.39
30. HSBC Nominees (Asing) Sdn Bhd <i>BNY Brussels For City of New York Group Trust</i>	2,267,500	0.38

LIST OF PROPERTIES - AS AT 31 MARCH 2007

LOCATION	HECTARES	DESCRIPTION	NET BOOK VALUE RM'000
Bandar Sungai Buaya Housing Development Project Balance of Development land in Ladang Sungai Buaya Mukim Serendah, District of Ulu Selangor Selangor	464.62	Leasehold development land expiring in 2095	56,770
Ladang Kerling Mukim Kerling District of Ulu Selangor Selangor	1009.71	Freehold rubber and oil palm estate land	48,146
Bandar Sri Damansara Housing Development Project Balance of development land in Mukim Sungai Buloh District of Petaling Gombak, Selangor	19.51	Freehold development land	30,636
Lot. 2058 & 2059, Mukim Tebrau Daerah Johor Bahru Johor	5.56	Vacant freehold lands	11,988
Sekolah Sri Bestari, Persiaran Margosa Bandar Sri Damansara Kuala Lumpur	-	Private school building complex Age of buildings: 7-9 years	10,171
Lot Nos. 659, 663, 664 & 665 Mukim Sungai Petani District of Kuala Muda Kedah	14.71	Freehold development land	6,859
H.S. (D) 1349 P.T. 269 Lot No. 40, Mukim Songsang District of Temerlohq Pahang	6.07	Factory buildings situated on leasehold land expiring in 2040 Age of buildings: 19 years	4,200
Lot 23304, Persiaran Perdana Bandar Sri Damansara Kuala Lumpur	14.48	Sri Damansara Club clubhouse situated freehold land Age of buildings: 12 years	4,150
Lot P.T. 307641 Jalan Tembaga SD 5/2A Bandar Sri Damansara Kuala Lumpur	0.4	Hawker centre situated on freehold land Age of buildings: 9 years	3,234
Lot 33, Villa Putera Condominium Jalan Tun Ismail Kuala Lumpur	0.12	Residential and commercial units on freehold land Age of buildings: 14-15 years	1,947

Note:

The List of Properties is in accordance with Appendix 9C (Part A) of the Listing Requirements of Bursa Malaysia Securities Berhad.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of Land & General Berhad will be held at the Saga Room, the Sri Damansara Club, Lot 23304, Persiaran Perdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Tuesday, 11 September 2007 at 10.00 a.m. for the following purposes:-

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2007 and the Reports of the Directors and Auditors thereon (Resolution 1)
2. To approve the payment of Directors' fees (Resolution 2)
3. To elect the following Directors:

Dato' Imran Ho Abdullah (Resolution 3)
Mr Lau Tiang Hua (Resolution 4)
4. To re-elect the following Directors:

Datuk Oh Chong Peng (Resolution 5)
Puan Rita a/p Benoy Bushon (Resolution 6)
5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration (Resolution 7)
6. **AS SPECIAL BUSINESS**

To consider and if thought fit, to pass the following Resolutions :-

ORDINARY RESOLUTION

Allotment and issue of shares pursuant to Section 132D of the Companies Act, 1965 (Resolution 8)

"**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotments and issues."

SPECIAL RESOLUTION

Proposed Amendments to the Articles of Association of the Company (Resolution 9)

"**THAT** the amendments to the Articles of Association of the Company as set out under Appendix I of the Annual Report 2007, be and are hereby approved."

7. To transact any other business for which due notice shall have been given

By order of the Board

LIM FONG EEN
Company Secretary
(MAICSA 0785833)
Kuala Lumpur
20 August 2007

Notice of Annual General Meeting (cont'd)

Notes:-

1. A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
2. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
3. The Proxy Form, duly completed, must be deposited at the Registered Office of the Company, Level 5, Block D, Sri Damansara Business Park, Persiaran Industri, Bandar Sri Damansara, 52200 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.
4. Explanatory Notes on Special Business:-

Resolution 8 - Allotment and issue of shares pursuant to Section 132D of the Companies Act, 1965

Resolution 8, if passed, will give the Directors of the Company, from the date of the above Meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting expires, at the next Annual General Meeting.

Resolution 9 - Proposed amendments to the Articles of Association of the Company

Resolution 9, if passed, will enable the Company's Articles of Association to be in line with the recent amendments of the Listing Requirements of Bursa Malaysia Securities Berhad and to enhance administrative efficiency of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. DIRECTORS STANDING FOR ELECTION/RE-ELECTION AT THE 44TH ANNUAL GENERAL MEETING OF THE COMPANY

- **Directors retiring pursuant to Article 98 of the Articles of Association and seeking election are as follows:-**
 - (i) Dato' Imran Ho Abdullah; and
 - (ii) Mr Lau Tiang Hua.
- **Directors retiring pursuant to Article 93 of the Articles of Association and seeking re-election are as follows:-**
 - (i) Datuk Oh Chong Peng; and
 - (ii) Puan Rita a/p Benoy Bushon.

2. PROFILES OF DIRECTORS WHO ARE STANDING FOR ELECTION/RE-ELECTION

The profiles of Directors standing for election/re-election are set out on pages 6, 7, 8 and 9.

3. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

A total of 6 Board Meetings were held during the financial year ended 31st March 2007.

The attendance of the Directors standing for election/re-election at the 44th Annual General Meeting are disclosed in the Statement of Corporate Governance under the section entitled "Board Meetings" on page 13.

4. PLACE, DATE AND TIME OF GENERAL MEETING HELD DURING THE FINANCIAL YEAR

Date	Time	Place
22nd September 2006*	10.00 a.m.	The Saga Room, The Sri Damansara Club, Lot 23304, Persiaran Perdana, Bandar Sri Damansara, 52200 Kuala Lumpur

*43rd Annual General Meeting

APPENDIX 1

ARTICLE	EXISTING PROVISION		AMENDED PROVISION	
2	WORDS	MEANINGS	WORDS	MEANINGS
	<u>Approved Market Place</u>	<u>A stock exchange which is specified to be an approved market place in the Securities Industry (Central) Depositories (Exemption) (No.2) Order 1998.</u>	- (deleted in entirety)	- (deleted in entirety)
	<u>Central Depository</u>	<u>The Malaysian Central Depository Sdn Bhd.</u>	Depository	Bursa Malaysia Depository Sdn Bhd.
	<u>Deposited Security</u>	<u>A security standing to the credit of a securities account and includes securities in a securities account that is in suspense.</u>	Deposited Security	shall have the meaning given in Section 2 of the Central Depositories Act.
	<u>Depositor</u>	<u>A holder of securities account.</u>	Depositor	A holder of a securities account established by the Depository.
	-	-	Exchange	Bursa Malaysia Securities Berhad.
	-	-	Listing Requirements	the Listing Requirements of the Exchange including any amendment thereto that may be made from time to time.
	<u>Market Day</u>	<u>Any day on which there is official trading on the Kuala Lumpur Stock Exchange.</u>	Market Day	a day on which the stock market of the Exchange is open for trading in securities.
	<u>Member</u>	<u>Any person/persons for the time being holding shares in the Company and whose names appear in the Register of Members including Depositors whose names appear on the Record of Depositors but shall exclude the Central Depository or its nominee company in whose name the Deposited Security is registered.</u>	Member	Any person/persons for the time being holding shares in the Company and whose names appear in the Register of Members including Depositors who shall be treated as if he were a member pursuant to Section 35 of the Central Depositories Act but excludes the Depository in its capacity as a bare trustee.
	<u>Record of Depositors</u>	<u>A record provided by the Central Depository to the Company or its registrar or its issuing house under Chapter 24.0 of the Rules.</u>	Record of Depositors	A record provided by the Depository to the Company under Chapter 24.0 of the Rules.
	-	-	Register of Members	The Register of Members to be kept pursuant to the Act.

Appendix 1 (cont'd)

ARTICLE	EXISTING PROVISION		AMENDED PROVISION	
	WORDS	MEANINGS	WORDS	MEANINGS
	Rules	<u>The Rules of the Central Depository.</u>	Rules	shall have the meaning given in Section 2 of the Central Depositories Act.
	-	-	Securities account	An account established by the Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor.
	-	-	Note:	
			All references to the “Kuala Lumpur Stock Exchange” throughout the Articles of Association shall be changed to “Exchange”.	
5	Notwithstanding the foregoing article on any issue of preference shares, preference shareholders will be deemed to have the same rights as ordinary shareholders as regards to receiving of notices, reports and audited accounts and the attending of General Meetings of the Company. <u>Preference shareholders shall be entitled to a return of capital in preference to ordinary shareholders when the Company is wound up.</u> Preference shareholders shall also have the right to vote during the winding up of the Company and at any meeting convened for the following purposes:-		Notwithstanding the foregoing article on any issue of preference shares, preference shareholders will be deemed to have the same rights as ordinary shareholders as regards to receiving of notices, reports and audited accounts and the attending of General Meetings of the Company. Preference shareholders shall also have the right to vote during the winding up of the Company and at any meeting convened for the following purposes:-	
	(a) when the dividend or part of the dividend on the shares is in arrears for more than 6 months;		(a) when the dividend or part of the dividend on the shares is in arrears for more than 6 months;	
	(b) on a proposal to reduce the Company's share capital;		(b) on a proposal to reduce the Company's share capital;	
	(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;		(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;	
	(d) on a proposal that affects rights attached to the share; and		(d) on a proposal that affects rights attached to the share; and	
	(e) on a proposal to wind up the Company.		(e) on a proposal to wind up the Company.	
6	<u>The total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares.</u>		- (deleted in entirety)	

ARTICLE	EXISTING PROVISION	AMENDED PROVISION
6B	<p><u>Notwithstanding the preceding Article 6A the Company may apply to the Kuala Lumpur Stock Exchange for waiver of the convening of an Extraordinary General Meeting to obtain shareholders' approval for further issues of shares (other than by way of bonus or rights issue) where:-</u></p> <p>(a) <u>the aggregate of the shares issued in any one (1) financial year (other than by way of bonus or rights issue) does not exceed ten per cent (10%) of the issued share capital of the Company; and</u></p> <p>(b) <u>in accordance with Section 132D of the Act, there is still in effect a resolution approving the issuance of shares by the Company.</u></p>	<p>Notwithstanding the existence of a resolution pursuant to Section 132D of the Act, the Company shall not issue shares or convertible securities if the nominal value of those shares or convertible securities when in aggregate with the nominal value of such shares or convertible securities issued during the preceding twelve (12) months exceeds 10% of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the members of the precise terms and conditions of the issue.</p>
13	<p><u>Save as the Company may by Ordinary Resolution otherwise direct the shares in the capital of the Company for the time being unissued shall be at the disposal of the Directors, and they may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper, but so that no shares shall be issued which shall have the effect of transferring a controlling interest without the prior approval of the members in general meeting. No shares shall be issued at a discount, except in accordance with the Act.</u></p>	<p>Subject to the prior approval of the members of the Company in general meeting, the provisions of the Act and the Listing Requirements, and to the conditions, restrictions and limitations expressed in these presents, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such times, and on such terms as they think proper.</p>
17	<p><u>The Company shall not be bound to register more than three persons as the holder of any share except in the case of executors or administrators of the estate of a deceased member.</u></p>	<p>- (deleted in entirety)</p>
17A	-	<p>A depositor whose name appears in the Record of Depositors maintained by the Depository pursuant to Section 34 of the Central Depositories Act in respect of the securities of a Company which have been deposited with the Depository shall be deemed to be a member, debenture holder, interest holder or option holder as the case may be, of the Company and shall, subject to the provisions of the Central Depositories Act and any regulations made thereunder, be entitled to the number of securities stated in the Record of Depositors and all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such securities (whether conferred or imposed by the Act or these presents).</p>

ARTICLE	EXISTING PROVISION	AMENDED PROVISION
17B	-	<p>The Company shall ensure (unless specifically exempted, in which case the Listing Requirements shall not apply) that all new issues of securities for which listing is sought are made by way of crediting the securities accounts of the allottees with such securities in accordance with the provisions of the Central Depositories Act. For this purpose, the Company must notify the Depository of the names of the allottees and all such particulars required by the Depository, to enable the Depository to make the appropriate entries in the securities accounts of such allottees.</p>
18	<p>Subject to the provisions of the Act, the Central Depositories Act and the Rules, <u>every person whose name appears in the Record of Depositors shall be entitled to receive a notice of allotment within twenty market days from the date of the final applications closing date for the issue of securities or such other period as may be prescribed by the Kuala Lumpur Stock Exchange from time to time.</u></p>	<p>Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Company shall allot and/or issue securities, despatch notices of allotment to the successful allottees and make an application for the quotation of such securities within the respective periods as are prescribed or allowed by the Exchange pursuant to the provisions of the Listing Requirements.</p>
22	<p><u>The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</u></p>	<p>- (deleted in entirety)</p>
41	<p><u>The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. Eighteen (18) market days' notice of such closure shall be given by advertisement in at least one daily newspaper and in writing to the Kuala Lumpur Stock Exchange stating the period and the purpose or purposes of such closure. At least three (3) market days' prior notice shall be given to the Central Depository to enable the Central Depository to prepare the appropriate Record of Depositors. Provided that where the Record of Depositors is required in respect of corporate action, at least seven (7) market days' prior notice shall be given to the Central Depository.</u></p>	<p>The Register of Members and/or the Record of Depositors may be closed for such period as the Directors may from time to time determine, provided always that it shall not be closed for more than thirty (30) days in any year. Any notice of intention to fix a books closing date and the reason therefore shall be given to the Exchange where such notice shall state the books closing date which shall be at least ten (10) market days after the notification to the Exchange or such other period as may be prescribed under the Listing Requirements and the Rules or by the Exchange from time to time and the address of the share registry at which documents will be accepted for registration. In relation to such closure, the Company shall give written notice in accordance with the Rules to issue the appropriate Record of Depositors.</p>
44	<p><u>In case of the death of a shareholder <u>the survivors or survivor where the deceased was a joint holder, and</u> the executors or administrators of the deceased <u>where he was a sole or only surviving holder</u>, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.</u></p>	<p>In case of the death of a shareholder, the executors or administrators of the deceased shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder from any liability in respect of any share held by him.</p>

ARTICLE	EXISTING PROVISION	AMENDED PROVISION
44A	<p>(i) Where:-</p> <p>(a) the securities of the Company are listed on <u>an Approved Market Place</u>; and</p> <p>(b) the Company is exempted from compliance with the requirements in respect of deposit of such securities with the <u>Central Depository</u> under the provisions of the Central Depositories Act or the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such securities;</p> <p>the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the <u>Approved Market Place (hereinafter referred to as "the Foreign Register")</u>, to the register of holders maintained by the registrar of the Company in Malaysia (<u>hereinafter referred to as "the Malaysian Register"</u>) provided that there shall be no change in the ownership of such securities.</p> <p>(ii) <u>For the avoidance of doubt, if the Company fulfils the requirements of sub-articles (i)(a) and (b) of Article 44A above, the Company shall not allow any transmission of securities from the Malaysian Register into the Foreign Register.</u></p>	<p>Where:-</p> <p>(a) the securities of the Company are listed on another stock exchange; and</p> <p>(b) the Company is exempted from compliance with the requirements in respect of deposit of such securities with the Depository under the provisions of the Central Depositories Act or the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such securities;</p> <p>the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.</p>
53A(b)	<p>The Company shall also request the <u>Central Depository</u> in accordance with the Rules, to issue a Record of Depositors, as at a <u>date</u> not less than three (3) market days before the General Meeting (hereinafter referred to as "the General Meeting Record of Depositors").</p>	<p>The Company shall also request the Depository in accordance with the Rules, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the General Meeting (hereinafter referred to as "the General Meeting Record of Depositors").</p>
54(b)	<p>In the case of an Annual General Meeting shall also specify the meeting as such. At least twenty-one days' notice of every such meeting shall be given by advertisement in at least one daily newspaper and in writing to <u>the Kuala Lumpur Stock Exchange</u>.</p>	<p>In the case of an Annual General Meeting, the notice shall also specify the meeting as such. At least twenty-one (21) days' notice of every such meeting shall be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>

ARTICLE	EXISTING PROVISION	AMENDED PROVISION
54(c)	Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-one days' notice of every such meeting shall be given by advertisement in at least one daily newspaper and in writing to <u>the Kuala Lumpur Stock Exchange.</u>	Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least twenty-one (21) days' notice of every such meeting shall be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.
54(d)	At least fourteen days' notice of any General Meeting shall also be given by advertisement in at least one daily newspaper and in writing to <u>the Kuala Lumpur Stock Exchange.</u>	At least fourteen (14) days' notice of any General Meeting shall also be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.
56	No business shall be transacted at any General Meeting unless a quorum is present. Three members present in person shall be a quorum for all purposes. Provided that in respect of a Deposited Security, the Company shall inform the <u>Central Depository</u> of the date of General Meeting and shall <u>by written request in accordance with the Rules, request the Central Depository at least three (3) market days prior to and not including the date of the General Meeting, to prepare and issue the Record of Depositors</u> and the General Meeting Record of Depositors shall be the final record of all Depositors who shall be deemed to be registered holders of <u>ordinary</u> shares of the Company eligible to be present and vote at such meetings.	No business shall be transacted at any General Meeting unless a quorum is present. Three members present in person shall be a quorum for all purposes. Provided that in respect of a Deposited Security, the Company shall inform the Depository of the date of General Meeting and shall request the Depositor to issue the General Meeting Record of Depositors in accordance with Article 53A(b) above, and the General Meeting Record of Depositors shall be the final record of all Depositors who shall be deemed to be registered holders of shares of the Company eligible to be present and vote at such meetings.
67	Subject to Article 70 and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued on a show of hands <u>every member who is present in person or by proxy shall have one vote for every share of which he is the holder.</u>	Subject to Article 70 and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued, on a resolution to be decided by a show of hands, a holder of ordinary shares or preference shares who is present in person or by proxy and entitled to vote, shall be entitled to one vote.
68	<u>In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.</u>	- (deleted in entirety)
79	Subject as hereinafter provided the Directors shall not be less than two nor more than twelve in number. The Company may by Ordinary Resolution from time to time increase or reduce the maximum or minimum number of Directors. <u>No one other than a natural person shall be a director of the Company.</u>	Subject as hereinafter provided the Directors shall not be less than two nor more than twelve in number. The Company may by Ordinary Resolution from time to time increase or reduce the maximum or minimum number of Directors.

ARTICLE	EXISTING PROVISION	AMENDED PROVISION
83	No director shall be allotted <u>share</u> as part of <u>an issue of shares to employees unless he has been appointed to an executive office with the Company and</u> unless prior to such allotment the members in General Meeting have approved of the <u>same</u> .	No director shall be allotted shares as part of a share scheme for employees unless prior to such allotment, the members in General Meeting have approved of the specific allotment to be made to such director .
92	The office of a Director shall be vacated in any of the following events, namely:- (a) If he becomes prohibited by law from acting as a Director; (b) He resigns by writing under his hand left at the Office; (c) If he has a receiving order made against him or compound with his creditors generally; (d) If he becomes of unsound mind; (e) If he <u>be</u> absent from more than 50% of the total board of directors' meetings held during <u>the</u> financial year <u>save and except in a case where the Exchange has granted a waiver to the Director from compliance with this requirement and the remaining Directors have resolved to retain him</u> ; (f) If he be removed by the Company in General Meeting pursuant to Article 97 of these presents; and (g) If he becomes bankrupt.	The office of a Director shall be vacated in any of the following events, namely:- (a) If he becomes prohibited by law from acting as a Director; (b) He resigns by writing under his hand left at the Office; (c) If he has a receiving order made against him or compound with his creditors generally; (d) If he becomes of unsound mind during his term of office ; (e) If he is absent from more than 50% of the total board of directors' meetings held during a financial year; (f) If he be removed by the Company in General Meeting pursuant to Article 97 of these presents; and (g) If he becomes bankrupt during his term of office .
100	The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. <u>In case of an equality of votes the Chairman shall not have a second or casting vote where there are two Directors present at the meeting and the resolution in question shall not be carried</u> . A Director may, and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Malaysia.	The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. Where two directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two directors are competent to vote on the question at issue, shall not have a casting vote . A Director may, and the Secretary on the requisition of a Director shall at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Malaysia.

ARTICLE	EXISTING PROVISION	AMENDED PROVISION
101A	-	<p>All or any of the members of the board of Directors or any committee to which the Directors may have delegated any of their powers pursuant to Article 108, may participate in a meeting of the Directors or that committee by means of a teleconference, video conference or any communication equipment which allows all persons participating in the meeting to communicate with one another. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.</p>
133	<p>Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto as appearing in the Record of Depositors <u>and in consequence of the death or bankruptcy of the holder, to any one of such persons or to such persons and such address as such persons may by writing direct.</u> Every such cheque or warrant shall be made payable to the order of the person to whom it is sent <u>or to such person as the person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct</u> and payment of the <u>cheque if purporting to be endorsed</u> shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.</p>	<p>Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto as appearing in the Record of Depositors or paid via electronic transfer or remittance to the account provided by such member or person entitled thereto or to such persons and to such address as such member or person entitled thereto may in writing direct. Every such cheque or warrant or electronic transfer or account remittance shall be made payable to the order of the person to whom it is sent and the payment of any such cheque or warrant or electronic transfer or account remittance shall be a good discharge to the Company. Every such cheque or warrant or electronic transfer or account remittance shall be sent at the risk of the person entitled to the money represented thereby.</p>
134	<p><u>If several persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipt for any dividend or other moneys payable on or in respect of the share.</u></p>	<p>- (deleted in entirety)</p>

ARTICLE	EXISTING PROVISION	AMENDED PROVISION
144	<p>A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors report shall not less than <u>fourteen</u> days before the date of the <u>meeting (or such shorter period as may be agreed in any year for receipt of notice of the meeting pursuant to the first provision to Article 53 of these presents)</u> be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices from the Company under provisions of the Act or of these presents; provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware <u>or to more than one of joint holders</u>, but any member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office. <u>The requisite copies of each such document shall at the same time be forwarded to the Kuala Lumpur Stock Exchange.</u></p>	<p>A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors report in printed form or in CD-ROM form or in such other form of electronic media shall not less than twenty one (21) days before the date of the General Meeting be sent to every Member of, and to every holder of debentures of, the Company and to every other person who is entitled to receive notices of General Meeting from the Company under the provisions of the Act or of these presents; provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office. In the event that these documents are sent in CD-ROM form or in such other form of electronic media and if a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) Market Days from the date of receipt of the Member's request and shall further comply with all such other conditions stipulated in the Listing Requirements in connection with the issuance of annual reports in CD-ROM form.</p>
150	<p><u>In respect of joint holdings all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be sufficient notice to all the joint holders.</u></p>	<p>- (deleted in entirety)</p>

Appendix 1 (cont'd)

ARTICLE	EXISTING PROVISION	AMENDED PROVISION
153	<p>A person entitled to a share in consequence of the death or bankruptcy of a member, upon supplying to the Company such evidence as the directors may reasonably require to show his title to the share, and upon supplying also an address within Malaysia for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested <u>(whether jointly with or as claiming through or under him)</u> in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall (notwithstanding that such member be then dead or bankrupt and whether or not the Company have notice of bankruptcy) be deemed to have been duly served in respect of any share registered in the name of such member <u>as sole or joint holder</u> as appearing in the Register of Members and on the Record of Depositors.</p>	<p>A person entitled to a share in consequence of the death or bankruptcy of a member, upon supplying to the Company such evidence as the directors may reasonably require to show his title to the share, and upon supplying also an address within Malaysia for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall (notwithstanding that such member be then dead or bankrupt and whether or not the Company have notice of bankruptcy) be deemed to have been duly served in respect of any share registered in the name of such member as appearing in the Register of Members and on the Record of Depositors.</p>
161(vii)	<p><u>For the purpose of these presents, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of the Kuala Lumpur Stock Exchange including any amendment to the Listing Requirements that may be made from time to time.</u></p>	<p>- (deleted in entirety)</p>



LAND & GENERAL BERHAD
(Company No.: 5507-H)
(Incorporated in Malaysia)

PROXY FORM

I/We.....
of.....
being a member/members of LAND & GENERAL BERHAD hereby appoint.....
.....

or failing him, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the 44th Annual General Meeting of Land & General Berhad to be held at the Saga Room, the Sri Damansara Club, Lot 23304, Persiaran Perdana, Bandar Sri Damansara, 52200 Kuala Lumpur on Tuesday, 11 September 2007 at 10.00 a.m. and at any adjournment thereof.

My/our proxy/proxies shall vote as indicated below:-

RESOLUTIONS		For	Against
No. 1	Adoption of Audited Financial Statements and Reports		
No. 2	Payment of Directors' fees		
No. 3	Re-election of Dato' Imran Ho Abdullah		
No. 4	Re-election of Mr Lau Tiang Hua		
No. 5	Re-election of Datuk Oh Chong Peng		
No. 6	Re-election of Puan Rita a/p Benoy Bushon		
No. 7	Re-appointment of Auditors		
No. 8	Authority to Allot and Issue Shares pursuant to Section 132D, Companies Act 1965		
No. 9	Proposed Amendments to Articles of Association		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast on the resolutions specified. If you do not do so, your proxy/proxies will vote or abstain from voting at his/her/their discretion.)

No. of Shares

Signature :

Date :

1. A member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
4. The Proxy Form, duly completed, must be deposited at the Registered Office of the Company, Level 5, Block D, Sri Damansara Business Park, Persiaran Industri, Bandar Sri Damansara, 52200 Kuala Lumpur not less than 48 hours before the time set for holding the Meeting or any adjournment thereof.



Please fold here

Stamp

**The Company Secretary
LAND & GENERAL BERHAD (5507-H)
Level 5, Block D
Sri Damansara Business Park
Persiaran Industri
Bandar Sri Damansara
52200 Kuala Lumpur
MALAYSIA**

Please fold here
