

LANDMARKS

LANDMARKS BERHAD

(185202-H)

(Incorporated in Malaysia)

Unaudited Interim Financial Report

For The First Quarter Ended

31 March 2012

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2012

	Note	31-Mar-2012 RM' 000	31-Dec-2011 RM' 000	1-Jan-2011 RM' 000
ASSETS				
Property, plant and equipment	A11	367,539	368,087	156,808
Intangible asset	A12	726	657	-
Land held for property development	A2	1,708,608	1,708,608	1,920,512
Investments in associates		45,266	45,093	44,700
Other investments		1,040	1,040	1,080
Deferred tax assets	A2	4,405	5,077	5,077
Total Non-Current Assets		2,127,584	2,128,562	2,128,177
Inventories		3,528	3,542	3,869
Property development costs		13,338	12,474	9,511
Receivables, deposits and prepayments		5,653	5,453	5,831
Current tax assets		211	401	599
Cash and cash equivalents		193,022	196,120	220,487
Total Current Assets		215,752	217,990	240,297
TOTAL ASSETS		2,343,336	2,346,552	2,368,474
EQUITY				
Share capital		480,810	480,810	480,791
Reserves	A2	1,209,308	1,210,200	1,222,740
Total equity attributable to owners of the Company		1,690,118	1,691,010	1,703,531
Non-controlling Interest		1	1	1
Total Equity		1,690,119	1,691,011	1,703,532
LIABILITIES				
Loan and borrowings	B10	66,598	66,610	78,989
Deferred tax liabilities		563,772	563,768	563,090
Total Non-Current Liabilities		630,370	630,378	642,079
Payables and accruals		8,560	10,980	11,070
Loan and borrowings	B10	12,365	12,365	9,994
Current tax liabilities		1,922	1,818	1,799
Total Current Liabilities		22,847	25,163	22,863
Total Liabilities		653,217	655,541	664,942
TOTAL EQUITY & LIABILITIES		2,343,336	2,346,552	2,368,474
Net Assets Per Share (RM)		3.52	3.52	3.54

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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LANDMARKS BERHAD (185202-H)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2012**

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 months ended 31 March		3 months ended 31 March	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue		<u>15,185</u>	<u>13,607</u>	<u>15,185</u>	<u>13,607</u>
Profit / (Loss) from operations		253	(768)	253	(768)
Finance cost		(904)	(1,015)	(904)	(1,015)
Finance income		511	1,031	511	1,031
Operating loss		(140)	(752)	(140)	(752)
Share of net profit of associates	B1	173	390	173	390
Profit / (Loss) before taxation		33	(362)	33	(362)
Tax expense	B5	(970)	(718)	(970)	(718)
Loss for the period		(937)	(1,080)	(937)	(1,080)
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		45	(69)	45	(69)
Fair value of available-for-sale financial asset		-	(15)	-	(15)
Other comprehensive income / (expense) for the period, net of tax		45	(84)	45	(84)
Total comprehensive expense for the period		(892)	(1,164)	(892)	(1,164)
Profit / (Loss) attributable to:					
Owners of the Company		(937)	(1,080)	(937)	(1,080)
Non-controlling interests		-	-	-	-
Loss for the period		(937)	(1,080)	(937)	(1,080)
Total comprehensive income / (expense) attributable to:					
Owners of the Company		(892)	(1,164)	(892)	(1,164)
Non-controlling interests		-	-	-	-
Total comprehensive expense for the period		(892)	(1,164)	(892)	(1,164)

**Earnings per share attributable to owners
of the Company (sen)**

Profit / (Loss) for the period				
-Basic		(0.19)	(0.22)	(0.19)
-Diluted		(0.19)	(0.22)	(0.19)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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LANDMARKS BERHAD (185202-H)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2012**

<-----Attributable to owners of the Company----->

<----- Non-distributable -----> *Distributable*

	Share Capital RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Share Premium RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
At 1 January 2011, as previously stated	480,791	3,589	622,336	430	218,264	1,416	372,052	1,698,878	1	1,698,879
Effect of adopting MFRS	-	(3,589)	(622,336)	-	-	-	630,578	4,653	-	4,653
	480,791	-	-	430	218,264	1,416	1,002,630	1,703,531	1	1,703,532
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(69)	(69)	-	(69)
Fair value of available-for-sale financial asset	-	-	-	(15)	-	-	-	(15)	-	(15)
Total other comprehensive expense for the period	-	-	-	(15)	-	-	(69)	(84)	-	(84)
Loss for the period	-	-	-	-	-	-	(1,080)	(1,080)	-	(1,080)
Total comprehensive expense for the period	-	-	-	(15)	-	-	(1,149)	(1,164)	-	(1,164)
Share options exercised	19	-	-	-	1	-	-	20	-	20
Transfer to share premium for share options exercised	-	-	-	-	7	(7)	-	-	-	-
Total contribution from/(distribution to) owners	19	-	-	-	8	(7)	-	20	-	20
At 31 March 2011	480,810	-	-	415	218,272	1,409	1,001,481	1,702,387	1	1,702,388
At 1 January 2012, as previously stated	480,810	-	-	415	218,272	1,378	990,135	1,691,010	1	1,691,011
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	45	45	-	45
Total other comprehensive income for the period	-	-	-	-	-	-	45	45	-	45
Loss for the period	-	-	-	-	-	-	(937)	(937)	-	(937)
Total comprehensive expense for the period	-	-	-	-	-	-	(892)	(892)	-	(892)
At 31 March 2012	480,810	-	-	415	218,272	1,378	989,243	1,690,118	1	1,690,119

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2012

	31-Mar-2012 RM'000	31-Mar-2011 RM'000
Cash flows from operating activities		
Profit /(loss) before taxation	33	(362)
Adjustments for non-cash flow:		
Depreciation of property, plant and equipment	1,820	1,407
Amortisation of intangible asset	40	-
Finance costs	904	1,015
Finance income	(511)	(1,031)
Gain on disposal of other investment	-	7
Share of profit of an equity accounted associate, net of tax	(173)	(390)
Operating profit before changes in working capital	<u>2,113</u>	<u>646</u>
Changes in working capital		
Inventories	14	37
Trade and other receivables and prepayments	(200)	1,650
Trade payables and others payables	(2,415)	(2,933)
Property development costs	(864)	(1,064)
Cash used in operations	<u>(1,352)</u>	<u>(1,664)</u>
Income tax paid	(5)	(57)
Income tax refunded	-	-
Net cash used in operating activities	<u>(1,357)</u>	<u>(1,721)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,246)	(1,258)
Acquisition of intangible asset	(109)	-
(Increased) / decrease in pledged deposits placed with licensed banks	(9)	(2)
Interest received	511	1,031
Proceeds from disposal of other investment	-	30
Proceeds from disposal of property, plant and equipment	-	76
Net cash used in investing activities	(853)	(123)
Cash flows from financing activity		
Interest paid	(904)	(1,015)
Proceeds from issuance of share capital	-	21
Repayment of loans and borrowings	(12)	(21)
Net cash used in financing activity	(916)	(1,015)
Net decrease in cash and cash equivalents	<u>(3,126)</u>	<u>(2,859)</u>
Effect of exchange rate fluctuations on cash held	19	(70)
Cash and cash equivalents at 1 January	193,948	218,346
Cash and cash equivalents at 31 March	<u>190,841</u>	<u>215,417</u>
	31-Mar-2012 RM'000	31-Mar-2011 RM'000
Cash and bank balances	5,935	6,352
Deposits with licensed banks	187,087	211,208
	<u>193,022</u>	<u>217,560</u>
Less : Deposits pledged	(2,181)	(2,143)
	<u>190,841</u>	<u>215,417</u>

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

LANDMARKS BERHAD (“LANDMARKS” OR “THE COMPANY”)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2012

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standards (MFRS) 134, *Interim Financial Reporting* issued by Malaysian Accounting Standards Board and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. This Condensed Report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (IASB).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2011.

This Condensed Report is the Group’s first MFRS compliant Condensed Report and hence MFRS 1, *First-Time Adoption of Malaysian Financial Reporting Standards* (MFRS 1) has been applied. The date of transition to the MFRS framework is 1 January 2012 and an explanation of how the transition to MFRS has affected the reported financial position of the Group is provided in note A2.

A2. Changes in Accounting Policies/Estimates

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2011 except as disclosed below:

(a) Deferred tax on investment tax incentives

In the previous years, the Group treats investment tax incentives as part of the tax base of an asset and does not recognise the resulting deferred tax assets on initial recognition of the asset. Under the MFRS 112, *Income Taxes*, the Group has now recognised the deferred tax assets arising from the unutilised investment tax incentives.

A2. Changes in Accounting Policies/Estimates (continued)

(b) Land held for property development

Upon the transition to MFRS, the land held for property development is measured at lower of cost or net realisable value.

(c) Impact of retained earnings

(i) Revaluation reserve

Upon transition to MFRSs, the Group elected to apply the optional exemption to use the previous revaluation of properties as deemed cost. Consequently, the previous revaluation reserve under FRSs of RM622,336,000 at 1 January 2011 has been reclassified to retained earnings.

(ii) Translation reserve

Upon transition to MFRSs, the Group elected to apply the optional exemption to deem its cumulative translation differences arising for its foreign operation to be zero at the date of transition. Consequently, the previous translation reserve under FRSs of RM3,589,000 at 1 January 2011 has been reclassified to retained earnings.

The reconciliations of the condensed consolidated financial statement of financial position at the date of transition reported under FRS to those reported under MFRS are provided below:

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM FINANCIAL REPORTING

A2. Changes in Accounting Policies/Estimates (continued)

Reconciliation of financial position

		As at 1.1.2011		
		FRS	Effect of transition to MFRS	MFRS
		RM' 000	RM' 000	RM' 000
ASSETS				
	Property, plant and equipment	156,808	-	156,808
	Intangible asset	-	-	-
	Land held for property development	1,920,512	-	1,920,512
	Investments in associates	44,700	-	44,700
	Other investments	1,080	-	1,080
	Deferred tax assets	424	4,653	5,077
	Total Non-Current Assets	2,123,524	4,653	2,128,177
	Inventories	3,869	-	3,869
	Property development costs	9,511	-	9,511
	Receivables, deposits and prepayments	5,831	-	5,831
	Current tax assets	599	-	599
	Cash and cash equivalents	220,487	-	220,487
	Total Current Assets	240,297	-	240,297
	TOTAL ASSETS	2,363,821	4,653	2,368,474
EQUITY				
	Share capital	480,791	-	480,791
	Reserves	1,218,087	4,653	1,222,740
	Total equity attributable to owners of the Company	1,698,878	4,653	1,703,531
	Non-controlling Interest	1	-	1
	Total Equity	1,698,879	4,653	1,703,532
LIABILITIES				
	Loan and borrowings	78,989	-	78,989
	Deferred tax liabilities	563,090	-	563,090
	Total Non-Current Liabilities	642,079	-	642,079
	Payables and accruals	11,070	-	11,070
	Loan and borrowings	9,994	-	9,994
	Current tax liabilities	1,799	-	1,799
	Total Current Liabilities	22,863	-	22,863
	Total Liabilities	664,942	-	664,942
	TOTAL EQUITY & LIABILITIES	2,363,821	4,653	2,368,474

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM FINANCIAL REPORTING

A2. Changes in Accounting Policies/Estimates (continued)

Reconciliation of financial position (Continued)

		As at 31.3.2011		
		FRS	Effect of transition to MFRS	MFRS
		RM' 000	RM' 000	RM' 000
ASSETS				
	Property, plant and equipment	156,567	-	156,567
	Intangible asset	-	-	-
	Land held for property development	1,920,512	-	1,920,512
	Investments in associates	45,090	-	45,090
	Other investments	1,040	-	1,040
	Deferred tax assets	424	4,192	4,616
	Total Non-Current Assets	2,123,633	4,192	2,127,825
	Inventories	3,832	-	3,832
	Property development costs	10,575	-	10,575
	Receivables, deposits and prepayments	4,181	-	4,181
	Current tax assets	404	-	404
	Cash and cash equivalents	217,560	-	217,560
	Total Current Assets	236,552	-	236,552
	TOTAL ASSETS	2,360,185	4,192	2,364,377
EQUITY				
	Share capital	480,810	-	480,810
	Reserves	1,217,385	4,192	1,221,577
	Total equity attributable to owners of the Company	1,698,195	4,192	1,702,387
	Non-controlling Interest	1		1
	Total Equity	1,698,196	4,192	1,702,388
LIABILITIES				
	Loan and borrowings	78,969	-	78,969
	Deferred tax liabilities	563,090	-	563,090
	Total Non-Current Liabilities	642,059	-	642,059
	Payables and accruals	8,137	-	8,137
	Loan and borrowings	9,994	-	9,994
	Current tax liabilities	1,799	-	1,799
	Total Current Liabilities	19,930	-	19,930
	Total Liabilities	661,989	-	661,989
	TOTAL EQUITY & LIABILITIES	2,360,185	4,192	2,364,377

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM FINANCIAL REPORTING

A2. Changes in Accounting Policies/Estimates (continued)

Reconciliation of financial position (Continued)

		As at 31.12.2011		
		FRS	Effect of transition to MFRS	MFRS
		RM' 000	RM' 000	RM' 000
ASSETS				
	Property, plant and equipment	368,087	-	368,087
	Intangible asset	657	-	657
	Land held for property development	1,708,608	-	1,708,608
	Investments in associates	45,093	-	45,093
	Other investments	1,040	-	1,040
	Deferred tax assets	424	4,653	5,077
	Total Non-Current Assets	2,123,909	4,653	2,128,562
	Inventories	3,542	-	3,542
	Property development costs	12,474	-	12,474
	Receivables, deposits and prepayments	5,453	-	5,453
	Current tax assets	401	-	401
	Cash and cash equivalents	196,120	-	196,120
	Total Current Assets	217,990	-	217,990
	TOTAL ASSETS	2,341,899	4,653	2,346,552
EQUITY				
	Share capital	480,810	-	480,810
	Reserves	1,205,547	4,653	1,210,200
	Total equity attributable to owners of the Company	1,686,357	4,653	1,691,010
	Non-controlling Interest	1	-	1
	Total Equity	1,686,358	4,653	1,691,011
LIABILITIES				
	Loan and borrowings	66,610	-	66,610
	Deferred tax liabilities	563,768	-	563,768
	Total Non-Current Liabilities	630,378	-	630,378
	Payables and accruals	10,980	-	10,980
	Loan and borrowings	12,365	-	12,365
	Current tax liabilities	1,818	-	1,818
	Total Current Liabilities	25,163	-	25,163
	Total Liabilities	655,541	-	655,541
	TOTAL EQUITY & LIABILITIES	2,341,899	4,653	2,346,552

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM FINANCIAL REPORTING

A2. Changes in Accounting Policies/Estimates (continued)

Reconciliation of statement of comprehensive Income (Continued)

	3 months ended 31 March 2011		
	FRS	Effect of transition to MFRS	MFRS
	RM' 000	RM' 000	RM' 000
Revenue	13,607		13,607
Loss from operations	(768)		(768)
Exceptional gain			
Finance cost	(1,015)		(1,015)
Finance income	1,031		1,031
Operating loss	(752)		(752)
Share of net profit of associates	390		390
Loss before taxation	(362)		(362)
Tax expense	(257)	(461)	(718)
Loss for the period	(619)		(1,080)
Other comprehensive expense, net of tax			
Foreign currency translation differences for foreign operations	(69)		(69)
Fair value of available-for-sale financial asset	(15)		(15)
Other comprehensive expense for the period, net of tax	(84)		(84)
Total comprehensive expense for the period	(703)		(1,164)

A2. *Changes in Accounting Policies/Estimates (continued)*

The following MFRS and IC Interpretations have been issued by the MASB and are not yet effective and have not been applied by the Group:

Effective for annual periods commencing on or after 1 July 2012

Presentation of Items of Other Comprehensive income (Amendments to MFRS 101)

Effective for annual periods commencing on or after 1 January 2013

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (as amended in June 2011)
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (as amended by IASB in May 2011)
IC 20	Stripping Costs in the Production Phase of a Surface Mine

Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7)

Effective for annual periods commencing on or after 1 January 2014

Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 132)

Effective for annual periods commencing on or after 1 January 2015

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)

A3. *Changes in estimates*

There were no changes in estimates during the quarter under review that had a material effect on the interim financial statements.

A4. *Auditors' Report on the Group's latest Annual Financial Statements*

There were no audit qualifications on the Group's financial statements for the year ended 31 December 2011.

A5. *Exceptional items of a non-recurring nature*

There were no exceptional items of a non-recurring nature during the financial period under review.

A6. Inventories

During the financial period under review, there was no write-down of inventories.

A7. Changes in composition of the Group

There were no changes in the composition of the Group arising from business combination, acquisition or disposal of subsidiary companies and long-term investment, restructuring, or discontinued operations for the current interim period except for those companies which are under Member’s Voluntary Winding-up as disclosed below:

	<u>Name of Company</u>	<u>Nature of Relationship</u>
a.	AHC (Asia) Sdn Bhd	Wholly-owned subsidiary via AHC Enterprise Sdn Bhd
b.	Alder Sdn Bhd	Wholly-owned subsidiary via Wilayah Ehsan Sdn Bhd (“WESB”)
c.	Bedata Sdn Bhd	Wholly-owned subsidiary via WESB
d.	High Voltage Entertainment Sdn Bhd	Wholly-owned subsidiary of Landmarks Hotels & Realty Sdn Bhd (“LHR”)
e.	Landmarks Equities Sdn Bhd	Wholly-owned subsidiary of Landmarks
f.	Maya Prima Sdn Bhd	Wholly-owned subsidiary via LHR
g.	Premium Domain Sdn Bhd	Wholly-owned subsidiary via LHR
h.	Topgrant Sdn Bhd	Wholly-owned subsidiary via WESB

The Liquidator of the aforesaid subsidiaries had convened a Final Meeting for each of the subsidiary to conclude the Member’s Voluntary Winding-up of the subsidiaries on 26 April 2012. The subsidiaries will be dissolved on the expiration of three months from the date of lodgement of the Return by Liquidator relating to the Final Meeting with the Companies Commission of Malaysia.

A8. Dividends paid

There were no dividends paid during the financial period under review.

A9. Seasonal or cyclical factors

The Group’s hotel business is generally affected by seasonal or cyclical factors. The high season for the Group’s hotel generally lies in the first and last quarters of the financial year.

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM
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A10. Operating segments

The Group's operations comprise the following main business segments:

Hotels and leisure Provision of hotel and leisure services

Resort and property development Development of resorts and properties

3 months ended 31 March	Hotels and leisure		Resort and property development		Others		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	15,185	13,607	-	-	-	-	15,185	13,607
Profit / (loss) from operations	4,780	3,921	(2,761)	(3,615)	(1,766)	(1,074)	253	(768)
Finance cost	(904)	(1,015)	-	-	-	-	(904)	(1,015)
Finance income	33	37	22	6	456	988	511	1,031
	3,909	2,943	(2,739)	(3,609)	(1,310)	(86)	(140)	(752)
Included in the measure of segments results from operating activities are:								
- Depreciation and amortisation	1,482	1,314	324	41	54	52	1,860	1,407
- Unrealised foreign exchange gain/ (loss)	-	-	(286)	326	(470)	127	(756)	453
- Impairment loss on trade receivables	33	40	-	-	-	-	33	40
Segments assets	155,175	154,061	1,956,949	1,954,701	231,212	255,615	2,343,336	2,364,377

There have been no changes in the basis of segmentation or in the basis of measurement of segment profit and loss from the last annual financial statements.

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM FINANCIAL REPORTING

A11. *Property, plant and equipment*

There were no amendments to the valuation of property, plant and equipment brought forward.

A12. *Intangible assets*

The Company has acquired additional software of RM109,000 for the financial period ended 31 March 2012.

A13. *Non-current assets and non-current liabilities classified as held for sale.*

There were no non-current assets and non-current liabilities classified as held for sale.

A14. *Issuances, repayments of debt and equity securities*

There were no issuance or repayment of debt, share buy back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 31 March 2012.

A15. *Events subsequent to the balance sheet date*

There were no material events subsequent to the end of the financial period under review that have not been reflected in the financial statements as at the date of this report, except for the disposal of freehold land by Escalibur Sdn Bhd, a wholly owned subsidiary of LHR on 2 April 2012 for a consideration of RM6.0 million.

A16. *Contingent liabilities*

There were no contingent liabilities for the financial period under review.

A17. *Capital commitments*

	31 March 2012
	RM'000
Property, plant and equipment	
Authorised but not contracted for	5,411
Contracted but not provided for	776
Total	6,187

A18. Related party transactions

There were no related party transactions for the financial period under review.

A19. Financial risk management

The Group's financial risk management objectives and policies and risk profile are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2011.

B1. Review of performance for Three Months to 31 March 2012 compared to Three Months to 31 March 2011.

For the financial period ended 31 March 2012, the Group's revenue has increased by 11.6% to RM 15.19 million compared to 2011. The increased in revenue was mainly due to higher contribution from our hotels and leisure segment.

The Group recorded a higher profit from operations of RM0.25 million for the three months period ended 31 March 2012 compared with a loss of RM0.77 million for the corresponding period in 2011. The significant increase in the operation profit was mainly due to the higher contribution from hotel in current quarter and lower operating expenses incurred for the resort and property development segment. The Group registered a net loss attributable to equity owners of the Company of RM 0.94 million for the three months ended 31 March 2012 compared with a net loss of RM1.01 million for the corresponding period in 2011.

The rebranding of The Andaman as a Luxury Collection resort was completed in 2011 with the upgrading of the bathroom in the rooms. With the improvement in the Average Occupancy Rate (AOR) and Revenue Per Available Room (RevPar), the hotels and leisure segment has recorded a higher operating profit of RM4.78 million compared with RM3.92 million in 2011.

Our project at Treasure Bay Persona Lagoi Bintan is presently in implementation mode and therefore has not made any positive financial contribution during the period of review. For the three month period ended 31 March 2012, resort and property development segment has recorded a loss from operations of RM 2.76 million, 23.6% lower operating loss compared to corresponding period in 2011.

Associated companies

The Group recorded a share of net profit from the associated company, MSL Properties Sdn. Bhd. ("MSL") of RM0.17 million for the three months period ended 31 March 2012 compared with RM0.39 million in the corresponding period in 2011.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA
UNDER PART A OF APPENDIX B**

B2. Comments on current quarter against preceding quarter performance

	2012	2011
	1st Qtr	4th Qtr
	RM'000	RM'000
Revenue	15,185	11,655
Profit / (Loss) from operations	253	(2,915)
Finance cost	(904)	(878)
Finance income	511	498
Operating loss	(140)	(3,295)
Share of net profit of associate	173	758
Profit / (Loss) before tax	33	(2,537)

The Group's revenue for the first quarter ended 31 March 2012 has increased from RM11.66 million in previous quarter to RM15.19 million. Higher revenue was mainly due to the higher AOR and RevPar registered at The Andaman for the current quarter.

The Group recorded a lower operational loss of RM0.14 million for the current quarter as compare to RM3.30 million loss in the previous quarter. This was mainly due to the higher profit contribution from the hotels and leisure segment and lower operating expense incurred by the resort and property development segment.

The Group recorded a higher profit before tax of RM0.03 million compared to the previous quarter. This was due to higher contribution from Andaman.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA
UNDER PART A OF APPENDIX B**

B3. Prospects

In the immediate future, we expect the operating results of the Group to remain stable. However, in the longer term, we are confident that the earnings power of the Group will be greatly increased when all our key strategies are successfully executed.

Treasure Bay Persona Lagoi Bintan is a game-changer in resort destination development. Construction activities will be hastened to realise the potential of value increment. Inherent land value and investment opportunities will be enhanced with the completion of infrastructure works.

The Andaman is becoming a preferred resort in the luxury tourism sector as we continue to gain market share. We believe The Andaman earnings potential will be further enhanced with the new improvement initiatives.

B4. Profit forecast

Not applicable as no profit forecast was announced or disclosed.

B5. Tax expense

	Current quarter RM'000	Current Year-to-date RM'000
Current taxation		
Malaysia income tax charge	298	298
Deferred taxation	672	672
	<hr/>	<hr/>
Taxation charge	<u>970</u>	<u>970</u>

Tax expenses is recognised based on management's best estimate of the weighted average annual tax rate expected for the full financial year applied to the pre-tax income of the interim period.

The Group's consolidated effective tax rate for the three months period ended 31 March 2012 was higher than the Malaysia statutory tax rate of 25%, mainly due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries and certain expenses which are not deductible for tax purposes.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA
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B6. Unquoted investments and properties

There were no sales of unquoted investments and/or properties for the financial period ended 31 March 2012.

B7. Quoted investments

There was no purchase or disposal of quoted securities for the financial period under review.

B8. Status of corporate proposals announced

There was no corporate proposal announced as at the date of this quarterly report.

B9. Changes in material litigation

There is no material litigation pending at the date of this report.

B10. Loan and borrowings

The Group's borrowings, all of which are secured, are as follows:

	As at 31 March 2012 RM'000	As at 31 December 2011 RM'000
Short term borrowings		
Secured	12,365	12,365
Long term borrowings		
Secured	66,598	66,610
Total borrowings	78,963	78,975

B11. Derivative financial instruments

There were no derivative financial instruments as at the date of this quarterly report.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA
UNDER PART A OF APPENDIX B**

B12. Fair value changes of financial liabilities

The Group does not have any financial liabilities that are measured at fair value through profit and loss as at the date of this quarterly report.

B13. Dividends

The Board of Directors does not recommend the payment of any interim dividend for the financial period ended 31 March 2012.

B14. Breakdown of Realised and Unrealised Profits

The following analysis of realised and unrealised retained profits is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements and in accordance with the Guidance on Special Matter No. 1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad and is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

	Group 31 March 2012 RM'000	Group 31 December 2011 RM'000
Total retained earnings of Landmarks Berhad and its subsidiaries :		
- Realised	19,840	20,228
- Unrealised	(11,186)	(10,430)
	8,654	9,798
Total share of retained earnings from an associate	34,055	33,882
Consolidation adjustments	316,285	316,251
Effect of adopting MFRS	630,249	630,204
Total retained earnings	989,243	990,135

The Group is unable to provide the Realised and Unrealised Profits Disclosure for the associated company, MSL, as the Group has no control over its financial and operating policies.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA
UNDER PART A OF APPENDIX B**

B15. Basic earnings per share

Basic earnings per share was calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of issued and paid-up ordinary shares during the financial period.

	Individual period		Cumulative period	
	3 months ended		3 months ended	
	31 March		31 March	
	2012	2011	2012	2011
a) Basic earnings per share				
Loss attributable to equity owners of the Company (RM'000)	(937)	(1,080)	(937)	(1,080)
Weighted average number of ordinary shares ('000)	480,810	480,801	480,810	480,801
Basic earnings per share (sen) attributable to equity owners of the Company	<u>(0.19)</u>	<u>(0.22)</u>	<u>(0.19)</u>	<u>(0.22)</u>

Diluted earnings per share for the current financial period was calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of shares in issue during the financial period, adjusted to assume the conversion of all dilutive potential ordinary shares from share options granted to employees and directors under ESOS.

	Individual period		Cumulative period	
	3 months ended		3 months ended	
	31 March		31 March	
	2012	2011	2012	2011
b) Diluted earnings per share				
Loss attributable to equity holders of the Company (RM'000)	(937)	(1,080)	(937)	(1,080)
Weighted average number of ordinary shares ('000)	480,810	480,801	480,810	480,801
Adjustment for dilutive effect of ESOS	-	247	-	247
Weighted average number of ordinary shares ('000)	<u>480,810</u>	<u>481,048</u>	<u>480,810</u>	<u>481,048</u>
Diluted earnings per share (sen) attributable to equity holders of the Company	<u>(0.19)</u>	<u>(0.22)</u>	<u>(0.19)</u>	<u>(0.22)</u>

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA
UNDER PART A OF APPENDIX B**

By Order of The Board

CHEW ENG KIONG
Company Secretary

Kuala Lumpur
17 May 2012
www.landmarks.com.my

