

LANDMARKS

LANDMARKS BERHAD

(185202-H)

(Incorporated in Malaysia)

Unaudited Interim Financial Report

For The Second Quarter Ended

30 June 2012

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	30-June-2012 RM' 000	31-Dec-2011 RM' 000	1-Jan-2011 RM' 000
ASSETS				
Property, plant and equipment	A11	368,096	368,087	156,808
Intangible asset	A12	684	657	-
Land held for property development	A2	1,708,608	1,708,608	1,920,512
Investments in associates		45,577	45,093	44,700
Other investments		1,040	1,040	1,080
Deferred tax assets	A2	4,409	5,077	5,077
Total Non-Current Assets		2,128,414	2,128,562	2,128,177
Inventories		292	3,542	3,869
Property development costs		15,980	12,474	9,511
Receivables, deposits and prepayments		10,244	5,453	5,831
Current tax assets		413	401	599
Cash and cash equivalents		179,296	196,120	220,487
Total Current Assets		206,225	217,990	240,297
TOTAL ASSETS		2,334,639	2,346,552	2,368,474
EQUITY				
Share capital		480,810	480,810	480,791
Reserves	A2	1,304,131	1,301,289	1,313,829
Total equity attributable to owners of the Company		1,784,941	1,782,099	1,794,620
Non-controlling Interest		1	1	1
Total Equity		1,784,942	1,782,100	1,794,621
LIABILITIES				
Loan and borrowings	B8	114	66,610	78,989
Deferred tax liabilities		472,684	472,679	472,001
Total Non-Current Liabilities		472,798	539,289	550,990
Payables and accruals		8,254	10,980	11,070
Loan and borrowings	B8	66,521	12,365	9,994
Current tax liabilities		2,124	1,818	1,799
Total Current Liabilities		76,899	25,163	22,863
Total Liabilities		549,697	564,452	573,853
TOTAL EQUITY & LIABILITIES		2,334,639	2,346,552	2,368,474
Net Assets Per Share (RM)		3.71	3.71	3.73

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 SIX-MONTHS PERIOD ENDED 30 JUNE 2012**

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 months ended		6 months ended	
		30 June		30 June	
		2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000
Revenue		<u>9,407</u>	<u>7,313</u>	<u>24,592</u>	<u>20,920</u>
Profit / (Loss) from operations		3,760	(3,829)	4,013	(4,597)
Finance cost		(572)	(1,041)	(1,476)	(2,056)
Finance income		399	1,025	910	2,056
Operating profit / (loss)		3,587	(3,845)	3,447	(4,597)
Share of net profit / (loss) of associates	B1	311	(1,047)	484	(657)
Profit / (Loss) before taxation		3,898	(4,892)	3,931	(5,254)
Tax expense	B5	(5)	612	(975)	(106)
Profit / (Loss) for the period		3,893	(4,280)	2,956	(5,360)
Other comprehensive expense, net of tax					
Foreign currency translation differences for foreign operations		(159)	(325)	(114)	(394)
Fair value of available-for-sale financial asset		-	-	-	(15)
Other comprehensive expense for the period, net of tax		(159)	(325)	(114)	(409)
Total comprehensive income / (expense) for the period		3,734	(4,605)	2,842	(5,769)
Profit / (Loss) attributable to:					
Owners of the Company		3,893	(4,280)	2,956	(5,360)
Non-controlling interests		-	-	-	-
Profit / (Loss) for the period		3,893	(4,280)	2,956	(5,360)
Total comprehensive income / (expenses) attributable to:					
Owners of the Company		3,734	(4,605)	2,842	(5,769)
Non-controlling interests		-	-	-	-
Total comprehensive income / (expense) for the period		3,734	(4,605)	2,842	(5,769)

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

Profit / (Loss) for the period					
-Basic		0.81	(0.89)	0.61	(1.11)
-Diluted		0.81	(0.89)	0.61	(1.11)

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)

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2012**

	-----Attributable to owners of the Company----->							-----> 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)	-	-	-	721,667	95,742	-	95,742
	480,791	-	-	430	218,264	1,416	1,093,719	1,794,620	1	1,794,621
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(394)	(394)	-	(394)
Fair value of available-for-sale financial asset	-	-	-	(15)	-	-	-	(15)	-	(15)
Total other comprehensive expense for the period	-	-	-	(15)	-	-	(394)	(409)	-	(409)
Loss for the period	-	-	-	-	-	-	(5,360)	(5,360)	-	(5,360)
Total comprehensive expense for the period	-	-	-	(15)	-	-	(5,754)	(5,769)	-	(5,769)
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 30 June 2011	480,810	-	-	415	218,272	1,409	1,087,965	1,788,871	1	1,788,872
At 1 January 2012, as previously stated	480,810	-	-	415	218,272	1,378	1,081,224	1,782,099	1	1,782,100
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(114)	(114)	-	(114)
Total comprehensive expense for the period	-	-	-	-	-	-	(114)	(114)	-	(114)
Profit for the year	-	-	-	-	-	-	2,956	2,956	-	2,956
Total comprehensive income for the period	-	-	-	-	-	-	2,842	2,842	-	2,842
At 30 June 2012	480,810	-	-	415	218,272	1,378	1,084,066	1,784,941	1	1,784,942

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 SIX-MONTHS PERIOD ENDED 30 JUNE 2012

	30-June-2012 RM'000	30-June-2011 RM'000
Cash flows from operating activities		
Profit / (loss) before taxation	3,931	(5,254)
Adjustments for non-cash flow:		
Depreciation of property, plant and equipment	3,390	3,360
Amortisation of intangible asset	83	-
Finance costs	910	2,056
Finance income	(1,476)	(2,056)
Share of profit / (loss) of an equity accounted associate, net of tax	(484)	657
Operating profit / (loss) before changes in working capital	<u>6,354</u>	<u>(1,237)</u>
Changes in working capital		
Inventories	3,251	165
Trade and other receivables and prepayments	(5,394)	2,823
Trade payables and others payables	(2,724)	(3,388)
Property development costs	(3,506)	(1,700)
Cash used in operations	<u>(2,019)</u>	<u>(3,337)</u>
Income tax paid	(12)	(159)
Income tax refunded	-	118
Net cash used in operating activities	<u>(2,031)</u>	<u>(3,378)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,350)	(4,013)
Acquisition of intangible asset	(109)	-
Increased in pledged deposits placed with licensed banks	(17)	(14)
Interest received	1,476	2,056
Proceeds from disposal of other investment	-	30
Proceeds from disposal of freehold land	600	-
Proceeds from disposal of property, plant and equipment	-	494
Net cash used in investing activities	<u>(1,400)</u>	<u>(1,447)</u>
Cash flows from financing activity		
Interest paid	(910)	(2,056)
Proceeds from issuance of share capital	-	21
Repayment of loans and borrowings	(12,340)	(9,983)
Net cash used in financing activity	<u>(13,250)</u>	<u>(12,018)</u>
Net decrease in cash and cash equivalents	<u>(16,681)</u>	<u>(16,843)</u>
Effect of exchange rate fluctuations on cash held	(160)	(395)
Cash and cash equivalents at 1 January	193,948	218,346
Cash and cash equivalents at 30 June	<u>177,107</u>	<u>201,108</u>
	30-June-2012 RM'000	30-June-2011 RM'000
Cash and bank balances	14,049	8,403
Deposits with licensed banks	165,247	194,861
	<u>179,296</u>	<u>203,264</u>
Less : Deposits pledged	(2,189)	(2,156)
	<u>177,107</u>	<u>201,108</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 30 JUNE 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) Provision of deferred tax liabilities for the acquisition of Bintan Treasure Bay (“BTB”)

In the previous year, the provision of deferred tax liabilities for BTB acquisition was based on historical tax rate. Upon the transition to MFRS, the Group has now measured the deferred tax liabilities based on current tax rate.

(d) 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 MRFS 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 RM' 000	Effect of transition to MFRS RM' 000	MFRS 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	95,742	1,313,829
Total equity attributable to owners of the Company	1,698,878	95,742	1,794,620
Non-controlling Interest	1	-	1
Total Equity	1,698,879	95,742	1,794,621
LIABILITIES			
Loan and borrowings	78,989	-	78,989
Deferred tax liabilities	563,090	(91,089)	472,001
Total Non-Current Liabilities	642,079	(91,089)	550,990
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	(91,089)	573,853
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 30.6.2011		
	FRS	Effect of transition to MFRS	MFRS
	RM' 000	RM' 000	RM' 000
ASSETS			
Property, plant and equipment	157,045	-	157,045
Intangible asset	-	-	-
Land held for property development	1,920,512	-	1,920,512
Investments in associates	44,043	-	44,043
Other investments	1,040	-	1,040
Deferred tax assets	424	4,598	5,022
Total Non-Current Assets	2,123,064	4,598	2,127,662
Inventories	3,704	-	3,704
Property development costs	11,211	-	11,211
Receivables, deposits and prepayments	3,009	-	3,009
Current tax assets	657	-	657
Cash and cash equivalents	203,264	-	203,264
Total Current Assets	221,845	-	221,845
TOTAL ASSETS	2,344,909	4,598	2,349,507
EQUITY			
Share capital	480,810	-	480,810
Reserves	1,212,374	95,687	1,308,061
Total equity attributable to owners of the Company	1,693,184	95,687	1,788,871
Non-controlling Interest	1		1
Total Equity	1,693,185	95,687	1,788,872
LIABILITIES			
Loan and borrowings	69,005	-	69,005
Deferred tax liabilities	563,090	(91,089)	472,001
Total Non-Current Liabilities	632,095	(91,089)	541,006
Payables and accruals	7,836	-	7,836
Loan and borrowings	9,994	-	9,994
Current tax liabilities	1,799	-	1,799
Total Current Liabilities	19,629	-	19,629
Total Liabilities	651,724	(91,089)	560,635
TOTAL EQUITY & LIABILITIES	2,344,909	4,598	2,349,507

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	95,742	1,301,289
Total equity attributable to owners of the Company	1,686,357	95,742	1,782,099
Non-controlling Interest	1	-	1
Total Equity	1,686,358	95,742	1,782,100
LIABILITIES			
Loan and borrowings	66,610	-	66,610
Deferred tax liabilities	563,768	(91,089)	472,679
Total Non-Current Liabilities	630,378	(91,089)	539,289
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	(91,089)	564,452
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)

	6 months ended 30 June 2011		
	FRS	Effect of transition to MFRS	MFRS
	RM' 000	RM' 000	RM' 000
Revenue	20,920		20,920
Loss from operations	(4,597)		(4,597)
Finance cost	(2,056)		(2,056)
Finance income	2,056		2,056
Operating loss	(4,597)		(4,597)
Share of net loss of associates	(657)		(657)
Loss before taxation	(5,254)		(5,254)
Tax expense	(51)	(55)	(106)
Loss for the period	(5,305)		(5,360)
Other comprehensive expense, net of tax			
Foreign currency translation differences for foreign operations	(394)		(394)
Fair value of available-for-sale financial asset	(15)		(15)
Other comprehensive expense for the period, net of tax	(409)		(409)
Total comprehensive expense for the period	(5,714)		(5,769)

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:

Hospitality and wellness Provision of hospitality and wellness services

Resort and destination development Development of resorts and properties

6 months ended 30 June	Hospitality and wellness		Resort and destination 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	24,592	20,920	-	-	-	-	24,592	20,920
Profit / (loss) from operations	5,441	2,372	(4,980)	(6,549)	3,552	(420)	4,013	(4,597)
Finance cost	(1,476)	(2,056)	-	-	-	-	(1,476)	(2,056)
Finance income	78	73	40	18	792	1,965	910	2,056
	4,043	389	(4,940)	(6,531)	4,344	1,545	3,447	(4,597)
Included in the measure of segments results from operating activities are:								
- Depreciation and amortisation	2,716	2,632	667	41	90	687	3,473	3,360
- Gain from disposal of freehold land	-	-	-	-	2,661	-	2,661	-
- Unrealised foreign exchange gain/ (loss)	-	-	936	810	3,433	2,412	4,369	3,222
- Impairment loss on trade receivables	89	40	-	-	-	-	89	40
Segments assets	155,336	147,796	1,961,007	1,956,890	218,296	244,821	2,334,639	2,349,507

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's intangible assets increased by RM109,000 was due to the additional information system software cost.

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 30 June 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.

A16. *Contingent liabilities*

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

A17. *Capital commitments*

	30 June 2012
	RM'000
Property, plant and equipment	
Authorised but not contracted for	55,993
Contracted but not provided for	9,412
Total	65,405

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 Six Months to 30 June 2012 compared to Six Months to 30 June 2011.

For the financial period ended 30 June 2012, the Group's posted revenue growth of 17.6% to RM24.59 million, bolstered by stronger occupancy from our hospitality and wellness segment. The Group registered a net profit attributable to equity owners of the Company of RM2.96 million for the first half year of 2012 compared with a net loss of RM5.36 million for the corresponding period in 2011.

Higher profit from operations of RM4.01 million compared with a loss of RM4.60 million for the corresponding period in 2011 was recorded by the Group for the first half year of 2012. The significant increases in the operation profit were driven mainly by the higher contribution from the hotel and the gain from the disposal of a piece of freehold land.

The efforts undertaken in the past years to enhance The Andaman as a preferred resort in the luxury tourism sector are showing positive results. The Andaman has delivered a good result with the improvement in the Revenue Per Available Room (RevPar) by 13.6% compared with the corresponding period in 2011. Higher occupancy has also increased the hotel's food and beverage, and wellness revenue by 24% and 20% respectively. The profit from operation for the first half year for hospitality and wellness segment was up significantly by 129% to RM5.44 million compared with RM2.37 million in 2011.

Our project at Treasure Bay Pesona Lagoi Bintan is presently in implementation mode and therefore has not made any positive financial contribution during the period of review. For the six month period ended 30 June 2012, resort and destination development segment has recorded a loss from operations of RM 4.98 million, 24% lower operating loss compared to corresponding period in 2011.

Associated companies

The Group's investment in associate, MSL Properties Sdn. Bhd. ("MSL") recorded a share of net profit of RM0.48 million for the six months period ended 30 June 2012 compared with loss of RM0.66 million in the corresponding period in 2011. The growth in results was attributed by the higher rental revenue from Wangsa Walk Mall.

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

B2. Comments on current quarter against preceding quarter performance

	2012 2nd Qtr RM'000	2012 1st Qtr RM'000
Revenue	<u>9,407</u>	<u>15,185</u>
Profit from operations	3,760	253
Finance cost	(572)	(904)
Finance income	399	511
Operating profit / (loss)	<u>3,587</u>	<u>(140)</u>
Share of net profit of associate	<u>311</u>	<u>173</u>
Profit before tax	<u>3,898</u>	<u>33</u>

The Group's revenue for the second quarter ended 30 June 2012 has decreased by RM5.78 million compared to previous quarter of RM15.19 million. First quarter has always been the high season for our hospitality and wellness businesses.

The Group recorded a higher operational profit of RM3.76 million for the current quarter as compared to RM0.25 million in the previous quarter. This were mainly due to RM2.66 million gain from the disposal of a piece of freehold land and unrealised foreign exchange gain of RM5.13 million due to the strengthening of our Singapore dollars deposit.

The Group recorded a higher profit before tax of RM3.90 million compared to the previous quarter of RM0.03 million.

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

B3. Prospects

The Andaman has posted strong improvement in the operating results. To further enhance the hotel's market position and its property value, the repositioning programme to create new room categories, improve food and beverage offering and other public areas have commenced in June 2012. The ongoing renovation works will result in the closure of some rooms and disruption to operations. As such, the Group is forecasting lower contribution from the hospitality and wellness segment in the next two quarters.

The infrastructure works for Phase 1, Treasure Bay Pesona Lagoi, Bintan have commenced and the construction works are on schedule. The construction works for the 6-hectare Crystal Lagoon, the first and largest in South East Asia, are underway and the first resort is scheduled to open in 2014. The ongoing 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 the lagoon and infrastructure works.

Despite the uncertainty of the present global economy, the Group is confident that the overall outlook for the development, hospitality and wellness segments will remain strong and healthy. The earning power of the Group will be greatly increased when all our key strategies are successfully executed.

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	9	307
Deferred taxation	(4)	668
	<hr/>	<hr/>
Taxation charge	5	975
	<hr/>	<hr/>

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 six months period ended 30 June 2012 was at 25%.

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

B6. Status of corporate proposals announced

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

B7. Changes in material litigation

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

B8. Loan and borrowings

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

	As at 30 June 2012 RM'000	As at 31 December 2011 RM'000
Short term borrowings		
Secured	66,521	12,365
Long term borrowings		
Secured	114	66,610
	<hr/>	<hr/>
Total borrowings	66,635	78,975

B9. Derivative financial instruments

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

B10. 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.

B11. Dividends

The Board of Directors does not recommend the payment of any interim dividend for the financial period ended 30 June 2012.

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

B12. 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 30-June 2012 RM'000	Group 31 December 2011 RM'000
Total retained earnings of Landmarks Berhad and its subsidiaries :		
- Realised	18,263	20,228
- Unrealised	<u>(6,061)</u>	<u>(10,430)</u>
	12,202	9,798
Total share of retained earnings from an associate	34,366	33,882
Consolidation adjustments	316,319	316,251
Effect of adopting MFRS	721,179	721,293
Total retained earnings	<u>1,084,066</u>	<u>1,081,224</u>

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**

B13. 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		6 months ended	
	30 June		30 June	
	2012	2011	2012	2011
a) Basic earnings per share				
Profit /(Loss) attributable to equity owners of the Company (RM'000)	3,893	(4,280)	2,956	(5,360)
Weighted average number of ordinary shares ('000)	480,810	480,805	480,810	480,805
Basic earnings per share (sen) attributable to equity owners of the Company	0.81	(0.89)	0.61	(1.11)

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		6 months ended	
	30 June		30 June	
	2012	2011	2012	2011
b) Diluted earnings per share				
Profit /(Loss) attributable to equity holders of the Company (RM'000)	3,893	(4,280)	2,956	(5,360)
Weighted average number of ordinary shares ('000)	480,810	480,805	480,810	480,805
Adjustment for dilutive effect of ESOS	-	237	-	237
Weighted average number of ordinary shares ('000)	480,810	481,042	480,810	481,042
Diluted earnings per share (sen) attributable to equity holders of the Company	0.81	(0.89)	0.61	(1.11)

**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
29th August 2012
www.landmarks.com.my