

LANDMARKS

LANDMARKS BERHAD

(185202-H)

(Incorporated in Malaysia)

Unaudited Interim Financial Report

For The Fourth Quarter Ended

31 December 2012

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Note	31-Dec-2012 RM' 000 (Unaudited)	31-Dec-2011 RM' 000 (Audited)	1-Jan-2011 RM' 000 (Audited)
ASSETS				
Property, plant and equipment	A11	383,987	368,087	156,808
Intangible asset	A12	613	657	-
Land held for property development	A2	1,683,908	1,708,608	1,920,512
Investments in associates		45,998	45,093	44,700
Other investments		1,040	1,040	1,080
Deferred tax assets		424	424	424
Total Non-Current Assets		2,115,970	2,123,909	2,123,524
Inventories		406	3,542	3,869
Land held for property development		16,715	-	-
Property development costs		15,622	12,474	9,511
Receivables, deposits and prepayments		8,339	5,453	5,831
Current tax assets		242	401	599
Other investments		12,486	-	-
Cash and cash equivalents		159,342	196,120	220,487
Total Current Assets		213,152	217,990	240,297
TOTAL ASSETS		2,329,122	2,341,899	2,363,821
EQUITY				
Share capital		480,810	480,810	480,791
Reserves	A2	1,297,460	1,301,289	1,313,829
Total equity attributable to owners of the Company		1,778,270	1,782,099	1,794,620
Non-controlling Interest		1	1	1
Total Equity		1,778,271	1,782,100	1,794,621
LIABILITIES				
Loan and borrowings	B8	126	66,610	78,989
Deferred tax liabilities		468,858	468,026	467,348
Total Non-Current Liabilities		468,984	534,636	546,337
Payables and accruals		13,483	10,980	11,070
Loan and borrowings	B8	66,566	12,365	9,994
Current tax liabilities		1,818	1,818	1,799
Total Current Liabilities		81,867	25,163	22,863
Total Liabilities		550,851	559,799	569,200
TOTAL EQUITY & LIABILITIES		2,329,122	2,341,899	2,363,821
Net Assets Per Share (RM)		3.70	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.

LANDMARKS

LANDMARKS BERHAD (185202-H)

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

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 months ended 31 December		12 months ended 31 December	
		2012 RM'000 (Unaudited)	2011 RM'000 (Audited)	2012 RM'000 (Unaudited)	2011 RM'000 (Audited)
Revenue		10,276	11,656	43,624	41,549
Loss from operations		(2,710)	(2,915)	(3,842)	(11,661)
Finance cost		(756)	(878)	(3,007)	(3,782)
Finance income		367	497	1,675	3,524
Operating loss		(3,099)	(3,296)	(5,174)	(11,919)
Share of net profit of associates	B1	3,529	758	3,904	393
Profit / (Loss) before taxation		430	(2,538)	(1,270)	(11,526)
Tax expense	B5	(149)	(441)	(976)	(626)
Profit / (Loss) for the period		281	(2,979)	(2,246)	(12,152)
Other comprehensive (expense)/income, net of tax					
Foreign currency translation differences for foreign operations		(1,047)	21	(1,583)	(374)
Fair value of available-for-sale financial asset		-	-	-	(15)
Other comprehensive (expense)/income for the period, net of tax		(1,047)	21	(1,583)	(389)
Total comprehensive expense for the period		(766)	(2,958)	(3,829)	(12,541)
Profit / (Loss) attributable to:					
Owners of the Company		281	(2,979)	(2,246)	(12,152)
Non-controlling interests		-	-	-	-
Profit/ (Loss) for the period		281	(2,979)	(2,246)	(12,152)
Total comprehensive expenses attributable to:					
Owners of the Company		(766)	(2,958)	(3,829)	(12,541)
Non-controlling interests		-	-	-	-
Total comprehensive expense for the period		(766)	(2,958)	(3,829)	(12,541)

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

Profit / (Loss) for the period					
-Basic		0.06	(0.62)	(0.47)	(2.53)
-Diluted		0.06	(0.62)	(0.47)	(2.53)

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.

LANDMARKS

LANDMARKS BERHAD (185202-H)

AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE-MONTHS PERIOD ENDED 31 DECEMBER 2012

	-----Attributable to owners of the Company-----						Distributable	Non-controlling interest	Total Equity	
	----- Non-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	RM'000	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	-	-	-	-	-	-	(374)	(374)	-	(374)
Fair value of available-for-sale financial asset	-	-	-	(15)	-	-	-	(15)	-	(15)
Total other comprehensive expense for the period	-	-	-	(15)	-	-	(374)	(389)	-	(389)
Loss for the period	-	-	-	-	-	-	(12,152)	(12,152)	-	(12,152)
Total comprehensive expense for the period	-	-	-	(15)	-	-	(12,526)	(12,541)	-	(12,541)
Share-based payment transactions	-	-	-	-	-	(31)	31	-	-	-
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	(38)	31	20	-	20
At 31 December 2011	480,810	-	-	415	218,272	1,378	1,081,224	1,782,099	1	1,782,100
							-			
At 1 January 2012, as restated	480,810	-	-	415	218,272	1,378	1,081,224	1,782,099	1	1,782,100
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	(1,583)	(1,583)	-	(1,583)
Total comprehensive expense for the period	-	-	-	-	-	-	(1,583)	(1,583)	-	(1,583)
Loss for the period	-	-	-	-	-	-	(2,246)	(2,246)	-	(2,246)
Total comprehensive expense for the period	-	-	-	-	-	-	(3,829)	(3,829)	-	(3,829)
At 31 December 2012	480,810	-	-	415	218,272	1,378	1,077,395	1,778,270	1	1,778,271

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.

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE TWELVE-MONTHS PERIOD ENDED 31 DECEMBER 2012

	31-Dec-2012 RM'000 (Unaudited)	31-Dec-2011 RM'000 (Audited)
Cash flows from operating activities		
Loss before taxation	(1,270)	(11,526)
Adjustments for non-cash flow:		
Amortisation of intangible asset	170	88
Depreciation of property, plant and equipment	6,863	6,643
Finance costs	3,007	3,782
Finance income	(1,675)	(3,524)
Gain on disposal of other investment	-	10
Loss on disposal of property, plant and equipment	5	213
Share of profit of an equity accounted associate, net of tax	(3,904)	(393)
Gain on disposal of freehold land	(2,689)	-
Written back property, plant and equipment	(293)	-
Operating profit / (loss) before changes in working capital	<u>214</u>	<u>(4,707)</u>
<i>Changes in working capital</i>		
Inventories	3,136	327
Trade and other receivables and prepayments	(3,186)	(11)
Trade payables and others payables	1,849	(90)
Property development costs	(7,095)	(2,963)
Cash used in operations	<u>(5,082)</u>	<u>(7,444)</u>
Income tax paid	(253)	(305)
Income tax refunded	271	574
Net cash used in operating activities	<u>(5,064)</u>	<u>(7,175)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(11,142)	(6,250)
Acquisition of intangible asset	(126)	(745)
Increased in pledged deposits placed with licensed banks	(34)	(31)
Interest received	1,675	3,524
Acquisition of other investments	(12,486)	-
Proceeds from disposal of freehold land	6,000	-
Proceeds from disposal of other investment	-	30
Proceeds from disposal of property, plant and equipment	-	19
Net cash used in investing activities	<u>(16,113)</u>	<u>(3,453)</u>
Cash flows from financing activity		
Interest paid	(3,007)	(3,782)
Proceeds from issuance of share capital	-	20
Proceeds from loan and borrowings	88	-
Repayment of loans and borrowings	(12,371)	(10,008)
Net cash used in financing activity	<u>(15,290)</u>	<u>(13,770)</u>
Net decrease in cash and cash equivalents	<u>(36,467)</u>	<u>(24,398)</u>
Effect of exchange rate fluctuations on cash held	(346)	-
Cash and cash equivalents at 1 January	193,948	218,346
Cash and cash equivalents at 31 December	<u>157,135</u>	<u>193,948</u>
	31-Dec-2012 RM'000	31-Dec-2011 RM'000
Cash and bank balances	14,845	8,730
Deposits with licensed banks	144,497	187,390
	<u>159,342</u>	<u>196,120</u>
Less : Deposits pledged	(2,206)	(2,172)
	<u>157,135</u>	<u>193,948</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 DECEMBER 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 the lower of cost and 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
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	-	424
Total Non-Current Assets	2,123,524	-	2,123,524
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	-	2,363,821
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	(95,742)	467,348
Total Non-Current Liabilities	642,079	(95,742)	546,337
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	(95,742)	569,200
TOTAL EQUITY & LIABILITIES	2,363,821	-	2,363,821

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 RM' 000	Effect of transition to MFRS RM' 000	MFRS 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	-	424
Total Non-Current Assets	2,123,909	-	2,123,909
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	-	2,341,899
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	(95,742)	468,026
Total Non-Current Liabilities	630,378	(95,742)	534,636
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	(95,742)	559,799
TOTAL EQUITY & LIABILITIES	2,341,899	-	2,341,899

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.

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
FINANCIAL REPORTING**

A10. Operating segments

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

Hospitality and wellness Provision of hotel management and wellness services

Resort and destination development Development of resorts and properties

12 months ended 31 December	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	43,624	41,549	-	-	-	-	43,624	41,549
Profit / (loss) from operations	5,851	5,007	(10,292)	(12,425)	599	(4,243)	(3,842)	(11,661)
Finance cost	(3,007)	(3,782)	-	-	-	-	(3,007)	(3,782)
Finance income	161	81	63	66	1,451	3,377	1,675	3,524
	3,005	1,306	(10,229)	(12,359)	2,050	(866)	(5,174)	(11,919)
Included in the measure of segments results from operating activities are:								
- Depreciation and amortisation	(5,508)	(5,265)	(1,353)	(1,294)	(172)	(172)	(7,033)	(6,731)
- Gain from disposal of freehold land	-	-	-	-	2,689	-	2,689	-
- Foreign exchange gain	-	-	1,385	658	3,016	911	4,401	1,569
- Reversal / (addition) of impairment loss on trade receivables	82	(283)	-	-	-	-	82	(283)
Segments assets	154,784	149,686	1,964,473	1,956,770	209,865	235,443	2,329,122	2,341,899

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.¹¹

**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 RM125,500 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 31 December 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*

	31 December 2012
	RM'000
Property, plant and equipment	
Authorised but not contracted for	57,375
Contracted but not provided for	8,630
Total	66,005

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 Twelve Months to 31 December 2012 compared to Twelve Months to 31 December 2011.

For the financial period ended 31 December 2012, the Group's revenue was up 5.0% from RM41.55 million in the corresponding period of 2011 to RM43.62 million in 2012. Lower loss from operations of RM3.84 million in 2012 compared with a loss of RM11.66 million in 2011 was mainly due to the higher contribution from the hotel and the gain from the disposal of a piece of freehold land. The Group recorded a net loss attributable to equity owners of the Company of RM2.25 million for the twelve month period of 2012 compared to a net loss of RM12.15 million for the corresponding period in 2011.

The renovation and refurbishment works at The Andaman's South-Wing have been completed. Despite the disruption to hotel operation and closure of some rooms due to the renovation works, The Andaman posted an improvement in the operating results with an increase of operating profit by 16.8% from RM5.01 million in 2011 to RM5.85 million in 2012. Occupancy and Revenue Per Available Room (RevPAR) increased by 8.0% and 0.8% respectively compared with the corresponding period in 2011. Higher revenue was led by an increase in room occupancy and higher contribution from food and beverage.

The infrastructure works for Phase 1, Treasure Bay, Pesona Lagoi Bintan and the construction works for the Crystal Lagoon are ongoing and have yet to make any positive financial contribution during the period under review. For the twelve month period ended 31 December 2012, resort and destination development segment recorded an operation loss of RM10.29 million, 17.2% lower 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 amounting to RM3.9 million for the twelve month period ended 31 December 2012, compared to RM0.39 million in the corresponding period in 2011. The increase in net profit was due to the revaluation gain of MSL Wangsa Walk Mall investment property.

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

B2. Comments on current quarter against preceding quarter performance

	2012 4th Qtr RM'000	2012 3rd Qtr RM'000
Revenue	10,276	8,756
Loss from operations	(2,710)	(5,145)
Finance cost	(756)	(775)
Finance income	367	398
Operating loss	(3,097)	(5,522)
Share of net profit / (loss) of associate	3,529	(109)
Profit / (Loss) before tax	430	(5,631)

The Group revenue was up by 17.4% to RM10.28 million for the fourth quarter ended 31 December 2012 compared to previous quarter of RM8.76 million. High season generally lies in the last quarter for the hospitality and wellness businesses.

The Group recorded a lower operational loss of RM2.71 million for the current quarter as compared to RM5.15 million in the previous quarter due to the unrealised foreign exchange gain recorded in current quarter.

The Group recorded a profit before tax of RM0.43 million compared to loss before tax of RM5.6 million in previous quarter. This was mainly due to share of higher net profit from our associated company, MSL.

B3. Prospects

The renovation and refurbishment works at The Andaman’s South-Wing have been completed and the North-Wing renovation will commence in second quarter of 2013. The newly completed Jala seafood restaurant, luxury pool access rooms and the luxury garden terrace rooms have been well received by hotel guests. With these enhanced room products and the new food and beverage offering, the Group expects the resort to achieve better performance through higher occupancy and room rates.

The infrastructure works for Phase 1, Treasure Bay, Pesona Lagoi Bintan and the construction works for the Crystal Lagoon are underway. The first resort, food and beverage and entertainment outlets, retail center and the adventure attractions are scheduled to be opened by late 2013. Inherent land value and investment opportunities will be enhanced with the completion of the lagoon and infrastructure works.

Despite the present uncertain global economy, the Group is confident that the overall outlook of the development, hospitality and wellness segments remain optimistic. 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	(123)	149
Deferred taxation	272	827
	<hr/>	<hr/>
Taxation charge	<u>149</u>	<u>976</u>

Tax expense 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.

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

B5. Tax expense (continued)

The Group's consolidated effective tax rate for the twelve month period ended 31 December 2012 was higher than the Malaysia statutory tax rate of 25%. This was 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.

B6. Status of corporate proposals announced

There is 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 31 December 2012 RM'000	As at 31 December 2011 RM'000
Short term borrowings		
Secured	66,566	12,365
Long term borrowings		
Secured	126	66,610
	<hr/>	<hr/>
Total borrowings	66,692	78,975
	<hr/>	<hr/>

B9. Derivative financial instruments

There are 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**

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 31 December 2012.

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 31 December 2012 RM'000	Group 31 December 2011 RM'000
Total retained earnings of Landmarks Berhad and its subsidiaries :		
- Realised	18,343	20,228
- Unrealised	<u>(10,178)</u>	<u>(5,777)</u>
	8,165	14,451
Total share of retained earnings from an associate	37,786	33,882
Consolidation adjustments	1,031,444	1,032,891
Total retained earnings	<u>1,077,395</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		12 months ended	
	31 December		31 December	
	2012	2011	2012	2011
a) Basic earnings per share				
Profit / (Loss) attributable to equity owners of the Company (RM'000)	281	(2,979)	(2,246)	(12,152)
Weighted average number of ordinary shares ('000)	480,810	480,807	480,810	480,807
Basic earnings per share (sen) attributable to equity owners of the Company	0.06	(0.62)	(0.47)	(2.53)

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		12 months ended	
	31 December		31 December	
	2012	2011	2012	2011
b) Diluted earnings per share				
Profit / (Loss) attributable to equity holders of the Company (RM'000)	281	(2,979)	(2,246)	(12,152)
Weighted average number of ordinary shares ('000)	480,810	480,807	480,810	480,807
Adjustment for dilutive effect of ESOS	-	217	-	217
Weighted average number of ordinary shares ('000)	480,810	481,024	480,810	481,024
Diluted earnings per share (sen) attributable to equity holders of the Company	0.06	(0.62)	(0.47)	(2.53)

**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
26th February 2013
www.landmarks.com.my

