

LANDMARKS

LANDMARKS BERHAD

(185202-H)

(Incorporated in Malaysia)

Unaudited Interim Financial Report

For The First Quarter Ended

31 March 2014

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Note	31-Mar-2014 RM' 000 (Unaudited)	31-Dec-2013 RM' 000 (Audited)	Share Option R
ASSETS				
Property, plant and equipment	A11	555,973	551,685	
Intangible asset	A12	527	575	
Property development costs		1,527,540	1,527,540	
Investments in associates		58,175	54,880	
Other investments		1,040	1,040	
Deferred tax assets		421	421	
Total Non-Current Assets		2,143,676	2,136,141	
Inventories		421	424	
Property development costs		82,125	76,254	
Receivables, deposits and prepayments		6,168	8,349	
Current tax assets		332	297	
Other investments		23,712	23,762	
Cash and cash equivalents		101,356	115,404	
Total Current Assets		214,114	224,490	
TOTAL ASSETS		2,357,790	2,360,631	
EQUITY				
Share capital		480,810	480,810	
Reserves		218,767	218,741	
Retained earnings		1,076,405	1,074,806	
Total equity attributable to owners of the Company		1,775,982	1,774,357	
Non-controlling interest		1	1	
Total Equity		1,775,983	1,774,358	
LIABILITIES				
Loans and borrowings	B8	89,000	88,528	
Deferred tax liabilities		469,227	468,156	
Total Non-Current Liabilities		558,227	556,684	
Payables and accruals		16,631	22,671	
Loans and borrowings	B8	4,972	4,941	
Current tax liabilities		1,977	1,977	
Total Current Liabilities		23,580	29,589	
Total Liabilities		581,807	586,273	
TOTAL EQUITY & LIABILITIES		2,357,790	2,360,631	
Net Assets Per Share (RM)		3.69	3.69	

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 months ended		3 months ended	
		31 March		31 March	
		2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
Revenue		<u>17,619</u>	<u>13,851</u>	<u>17,619</u>	<u>13,851</u>
Profit / (loss) from operations		208	(2,343)	208	(2,343)
Finance costs		(1,227)	(840)	(1,227)	(840)
Finance income		409	448	409	448
Operating loss		(610)	(2,735)	(610)	(2,735)
Share of net profit of associates	B1	3,295	668	3,295	668
Profit / (loss) before taxation		2,685	(2,067)	2,685	(2,067)
Income tax expense	B5	(1,086)	(667)	(1,086)	(667)
Profit / (loss) for the period		1,599	(2,734)	1,599	(2,734)
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		26	1,218	26	1,218
Other comprehensive income for the period, net of tax		26	1,218	26	1,218
Total comprehensive income / (expense) for the period		1,625	(1,516)	1,625	(1,516)
Profit / (loss) attributable to:					
Owners of the Company		1,599	(2,734)	1,599	(2,734)
Non-controlling interest		-	-	-	-
Profit / (loss) for the period		1,599	(2,734)	1,599	(2,734)
Total comprehensive income / (expense) attributable to:					
Owners of the Company		1,625	(1,516)	1,625	(1,516)
Non-controlling interest		-	-	-	-
Total comprehensive income / (expense) for the period		1,625	(1,516)	1,625	(1,516)

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

Profit / (loss) for the period					
-Basic		0.33	(0.57)	0.33	(0.57)
-Diluted		0.33	(0.57)	0.33	(0.57)

The unaudited condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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LANDMARKS BERHAD (185202-H)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014**

<-----Attributable to owners of the Company----->
<----- Non-distributable -----> *Distributable*

	Share Capital RM'000	Translation 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 2013	480,810	(1,957)	415	218,272	1,678	1,079,352	1,778,570	1	1,778,571
Foreign currency translation differences for foreign operations	-	1,218	-	-	-	-	1,218	-	1,218
Total other comprehensive income for the period	-	1,218	-	-	-	-	1,218	-	1,218
Loss for the period	-	-	-	-	-	(2,734)	(2,734)	-	(2,734)
Total comprehensive income / (expense) for the period	-	1,218	-	-	-	(2,734)	(1,516)	-	(1,516)
At 31 March 2013	480,810	(739)	415	218,272	1,678	1,076,618	1,777,054	1	1,777,055
At 1 January 2014	480,810	(1,399)	415	218,272	1,453	1,074,806	1,774,357	1	1,774,358
Foreign currency translation differences for foreign operations	-	26	-	-	-	-	26	-	26
Total other comprehensive income for the period	-	26	-	-	-	-	26	-	26
Profit for the period	-	-	-	-	-	1,599	1,599	-	1,599
Total comprehensive income for the period	-	26	-	-	-	1,599	1,625	-	1,625
At 31 March 2014	480,810	(1,373)	415	218,272	1,453	1,076,405	1,775,982	1	1,775,983

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2014

	31-Mar-2014 RM'000	31-Mar-2013 RM'000 Share Option Reserve
Cash flows from operating activities		
Profit /(loss) before taxation	2,685	(2,067)
Adjustments for non-cash flow		
Amortisation of intangible asset	47	44
Depreciation of property, plant and equipment	2,052	1,791
Finance costs	1,227	840
Finance income	(409)	(448)
Dividend income from other investments	(64)	(20)
Share of profit of an equity accounted associate, net of tax	(3,295)	(668)
Operating profit / (loss) before changes in working capital	2,243	(528)
Changes in working capital		
Inventories	3	29
Trade and other receivables and prepayments	2,181	1,395
Trade payables and others payables	(6,931)	(2,496)
Property development costs	(5,871)	(3,288)
Cash used in operations	(8,375)	(4,888)
Income tax paid	(49)	(124)
Net cash used in operating activities	(8,424)	(5,012)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,342)	(1,800)
Acquisition of other investments	-	(10,831)
Increase in pledged deposits placed with licensed banks	(61)	(9)
Interest received	409	448
Dividend received from other investments	64	20
Net cash used in investing activities	(4,930)	(12,172)
Cash flows from financing activities		
Proceeds from bank borrowings	488	-
Interest paid	(1,227)	(840)
Repayment of finance lease liabilities	(16)	(16)
Net cash used in financing activities	(755)	(856)
Net decrease in cash and cash equivalents	(14,109)	(18,040)
Cash and cash equivalents at 1 January	112,104	157,161
Cash and cash equivalents at 31 March	97,995	139,121
	31-Mar-2014 RM'000	31-Mar-2013 RM'000
Cash and bank balances	17,214	16,932
Deposits with licensed banks	84,142	126,404
	101,356	143,336
Less : Deposits pledged	(3,361)	(4,215)
	97,995	139,121

The unaudited condensed consolidated cash flows statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014

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 (“Bursa Securities”) Main Market Listing Requirements. This Condensed Report also complies with IAS 34: *Interim Financial Reporting* issued by the International Accounting Standards 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 2013. 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 2013.

A2. *Changes in Accounting Policies/Estimates*

The audited financial statements of the Group for the year ended 31 December 2013 were prepared in accordance with MFRS. All significant accounting policies adopted in preparing this interim financial report are consistent with those of the audited financial statements for the year ended 31 December 2013 except those new or revised MFRS and amendments to MFRS that are relevant and effective for annual periods beginning on or after 1 January 2014 as disclosed below:-

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

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 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Properties (Annual Improvements 2011-2013 Cycle)*

The initial application of the Standards, amendments and interpretations are not expected to have any material financial impact to the financial statements of the current and prior periods upon their first adoption.

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.

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

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 2013.

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 as disclosed below:-

Tiara Gateway Pte Ltd ("TGPL"), an indirect wholly-owned subsidiary of the Company had on 18 March 2014 incorporated 28 subsidiaries in the Republic of Seychelles. Each subsidiary has a paid-up capital of USD1.00 comprising 1 ordinary share of USD1.00 each.

Subsequently, each of the 28 subsidiaries in the Republic of Seychelles had on 31 March 2014 and 1 April 2014 incorporated 2 wholly-owned subsidiaries each in the Republic of Singapore. Each subsidiary has a paid-up capital of SGD1.00 comprising 1 ordinary share of SGD1.00 each.

The principal activity of each of the subsidiaries incorporated in the Republic of Seychelles and Republic of Singapore is investment holding.

The subsidiary companies incorporated are:

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

A7. Changes in composition of the Group (continued)

REPUBLIC OF SEYCHELLES		REPUBLIC OF SINGAPORE	
1.	Bangkaru Investments Pte Ltd	1.	Bangkaru Alpha Pte Ltd
		2.	Bangkaru Beta Pte Ltd
2.	Enggano Investments Pte Ltd	1.	Enggano Alpha Pte Ltd
		2.	Enggano Beta Pte Ltd
3.	Gersik Investments Pte Ltd	1.	Gersik Alpha Pte Ltd
		2.	Gersik Beta Pte Ltd
4.	Hinako Investments Pte Ltd	1.	Hinako Alpha Pte Ltd
		2.	Hinako Beta Pte Ltd
5.	Kemaro Investments Pte Ltd	1.	Kemaro Alpha Pte Ltd
		2.	Kemaro Beta Pte Ltd
6.	Lasia Investments Pte Ltd	1.	Lasia Alpha Pte Ltd
		2.	Lasia Beta Pte Ltd
7.	Legundi Investments Pte Ltd	1.	Legundi Alpha Pte Ltd
		2.	Legundi Beta Pte Ltd
8.	Manawoka Investments Pte Ltd	1.	Manawoka Alpha Pte Ltd
		2.	Manawoka Beta Pte Ltd
9.	Manipa Investments Pte Ltd	1.	Manipa Alpha Pte Ltd
		2.	Manipa Beta Pte Ltd
10.	Mapor Investments Pte Ltd	1.	Mapor Alpha Pte Ltd
		2.	Mapor Beta Pte Ltd
11.	Marsela Investments Pte Ltd	1.	Marsela Alpha Pte Ltd
		2.	Marsela Beta Pte Ltd
12.	Mendol Investments Pte Ltd	1.	Mendol Alpha Pte Ltd
		2.	Mendol Beta Pte Ltd
13.	Mesawak Investments Pte Ltd	1.	Mesawak Alpha Pte Ltd
		2.	Mesawak Beta Pte Ltd
14.	Musala Investments Pte Ltd	1.	Musala Alpha Pte Ltd
		2.	Musala Beta Pte Ltd
15.	Nias Investments Pte Ltd	1.	Nias Alpha Pte Ltd
		2.	Nias Beta Pte Ltd
16.	Penasi Investments Pte Ltd	1.	Penasi Alpha Pte Ltd
		2.	Penasi Beta Pte Ltd
17.	Propos Investments Pte Ltd	1.	Propos Alpha Pte Ltd
		2.	Propos Beta Pte Ltd
18.	Raiba Investments Pte Ltd	1.	Raiba Alpha Pte Ltd
		2.	Raiba Beta Pte Ltd
19.	Rondo Investments Pte Ltd	1.	Rondo Alpha Pte Ltd
		2.	Rondo Beta Pte Ltd
20.	Samosir Investments Pte Ltd	1.	Samosir Alpha Pte Ltd
		2.	Samosir Beta Pte Ltd

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

A7. *Changes in composition of the Group (continued)*

REPUBLIC OF SEYCHELLES		REPUBLIC OF SINGAPORE	
21.	Senua Investments Pte Ltd	1.	Senua Alpha Pte Ltd
		2.	Senua Beta Pte Ltd
22.	Sinabol Investments Pte Ltd	1.	Sinabol Alpha Pte Ltd
		2.	Sinabol Beta Pte Ltd
23.	Subi Investments Pte Ltd	1.	Subi Alpha Pte Ltd
		2.	Subi Beta Pte Ltd
24.	Tanabala Investments Pte Ltd	1.	Tanabala Alpha Pte Ltd
		2.	Tanabala Beta Pte Ltd
25.	Tayandu Investments Pte Ltd	1.	Tayandu Alpha Pte Ltd
		2.	Tayandu Beta Pte Ltd
26.	Tinopo Investments Pte Ltd	1.	Tinopo Alpha Pte Ltd
		2.	Tinopo Beta Pte Ltd
27.	Watubela Investments Pte Ltd	1.	Watubela Alpha Pte Ltd
		2.	Watubela Beta Pte Ltd
28.	Wetan Investments Pte Ltd	1.	Wetan Alpha Pte Ltd
		2.	Wetan Beta Pte Ltd

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

3 months ended 31 March	Hospitality and Wellness		Resort and Destination Development		Others		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	17,619	13,851	-	-	-	-	17,619	13,851
Profit / (loss) from operations	5,292	3,311	(3,776)	(3,706)	(1,308)	(1,948)	208	(2,343)
Finance costs	(1,225)	(840)	-	-	(2)	-	(1,227)	(840)
Finance income	56	30	20	6	333	412	409	448
	4,123	2,501	(3,756)	(3,700)	(977)	(1,536)	(610)	(2,735)
Included in the measure of segments results from operating activities are:								
- Depreciation and amortisation	1,628	1,472	442	330	29	33	2,099	1,835
- Foreign exchange loss	-	-	351	885	242	532	593	1,417
- Recognised/(reversal) of impairment loss on trade receivables	21	(24)	-	-	-	-	21	(24)
Segment assets	173,042	155,683	2,057,370	1,969,212	127,378	201,390	2,357,790	2,326,285

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.

A11. Property, plant and equipment

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

A12. Intangible asset

There were no additional purchase of intangible asset for the financial period ended 31 March 2014.

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 2014.

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 and contingent assets

As at 31 March 2014, there were no material contingent assets, which upon being enforced might have a material impact on the financial position or business of the Group. As at the date of this report, the Company has contingent liabilities as follows:-

	31 March 2014
	RM'000
Corporate guarantees granted for banking facilities of a subsidiary (note B8)	<u>93,862</u>

A17. Capital and commitments

	31 March 2014
	RM'000
Authorised but not contracted for	11,478
Contracted but not provided for	13,389
Total	24,867

A18. Related party transactions

There are no material 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 2013.

B1. Review of performance for Three Months to 31 March 2014 compared to Three Months to 31 March 2013

For the first three months to 31 March 2014, the Group's revenue increased by RM3.77 million from RM13.85 million in the corresponding period of 2013 to RM17.62 million in 2014. The Group registered a net profit of RM1.60 million for the three-month period to 31 March 2014 compared with a net loss of RM2.73 million in the corresponding period in the previous year. The Group's financial performance for the first quarter was mainly boosted by strong growth in the operating results of The Andaman and higher share of net profit from our associated company, MSL Properties Sdn. Bhd. ("MSL").

The newly renovated rooms at The Andaman have been well received by hotel guests. The hotel has grown its revenue by 27.2% during the first three months of 2014 with healthy improvement in both occupancy and average room rate by 14% and 9.4% respectively. Operating profit has increased significantly by 59.8% from RM3.31 million in 1st Quarter 2013 to RM5.29 million for the corresponding period of 2014.

For the three-month period ended 31 March 2014, the Resort and Destination Development segment continued to record an operating loss of RM3.78 million compared with RM3.71 million for the corresponding period of 2013.

Associated companies

The Group's investment in the associate, MSL, recorded a share of net profit amounting to RM3.30 million for the first three months of 2014 compared with RM0.67 million in the corresponding period of 2013.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES
UNDER PART A OF APPENDIX 9B**

B2. Comments on performance in the current quarter against preceding quarter

	2014	2013
	1st Qtr	4 th Qtr
	RM'000	RM'000
Revenue	17,619	10,732
Profit /(Loss) from operations	208	(4,394)
Finance costs	(1,227)	(1,117)
Finance income	409	431
Operating loss	(610)	(5,080)
Share of net profit of associate	3,295	7,538
Profit before tax	2,685	2,458

For the first quarter of 2014, the Group revenue has increased significantly by 64.2% to RM17.62 million from RM10.73 million in the previous quarter. Profit from operations was recorded at RM0.21 million compared with losses of RM4.39 million in the last quarter of 2013.

Higher contribution recorded by The Andaman with its newly renovated and refurbished rooms have been due to the increase in both occupancy and average room rate of 29.0% and 17.9% respectively.

Despite lower contribution from our associated company, MSL, in the first three months of 2014, profit before tax was recorded at RM2.69 million, RM0.23 million higher compared with the previous quarter.

B3. Prospects

The completion of the renovation and refurbishment of the rooms at The Andaman in December 2013 have created positive responses. The occupancy of The Andaman has increased and the resort has been enjoying higher room rates. The Company plans to carry out further refurbishment to the lobby lounge, porch cochiere and the dining outlets in 2014 to complete the guest experience. With an updated product, the Group expects The Andaman to enhance its performance in the coming years.

The Crystal Lagoon and support facilities at Phase 1, Treasure Bay will be ready for testing and commissioning in the second quarter of 2014. The common facilities around Crystal Lagoon are expected to be completed by the fourth quarter of 2014, allowing visitors an up-close and personal interaction with the water. Plans are underway to transform the Chill Cove precinct into one of the best leisure offerings in this region. This year, Treasure Bay will also roll out its first hotel and introduce various attractions, retail, and food and beverage outlets. Bintan is at the cusp of an up cycle in new offerings and hotels both at Treasure Bay and other parts of Lagoi, leading to enhanced recognition of Lagoi as a tourism destination and with it, greater appreciation of real estate value.

With The Andaman and the upcoming projects at Treasure Bay and the potential new offerings to be developed at Datai Bay, the Group is well positioned to capitalise on the commercial benefits and spill over effects arising from the robust growth of the regional tourism. Coupled with the positive developments of the resort, hospitality and tourism industry in Malaysia, Indonesia and Singapore, the Board is optimistic that such underlying support augurs well for the Group's future performance, growth and prospects.

B4. Profit forecast

Not applicable as no profit forecast was announced or disclosed.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES
UNDER PART A OF APPENDIX 9B**

B5. Income Tax expense

	Current period		Cumulative period	
	3 months ended		3 months ended	
	31 March		31 March	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysia income tax charge	14	201	14	201
Deferred Taxation	1,072	466	1,072	466
Taxation charge	<u>1,086</u>	<u>667</u>	<u>1,086</u>	<u>667</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.

The Group's consolidated effective tax rate for the three-month period ended 31 March 2014 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 are no corporate proposals announced at the date of this quarterly report except the following:-

On 4 March 2014, the Board had announced not to proceed with the proposed renounceable rights issue of up to 240,849,900 warrants in the Company on the basis of one (1) warrant for every two (2) existing ordinary shares of RM1.00 each held after due deliberations with the advisers and having considered the performance of the shares of Landmarks.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES
UNDER PART A OF APPENDIX 9B**

B7. *Changes in material litigation*

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

B8. *Loans and borrowings*

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

	As at 31 March 2014 RM'000	As at 31 December 2013 RM'000
Short term borrowings		
Secured	4,972	4,941
Long term borrowings		
Secured	89,000	88,528
Total borrowings	93,972	93,469

The term loan of RM93.86 million for a subsidiary was secured by a corporate guarantee from Landmarks Berhad.

B9. *Derivative financial instruments*

There are 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.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES
UNDER PART A OF APPENDIX 9B**

B11. Dividends

The Board of Directors does not recommend the payment of any dividend for the financial period ended 31 March 2014.

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 Securities 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 Securities and is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

	Group 31 March 2014 RM'000	Group 31 December 2013 RM'000
Total retained earnings of Landmarks Berhad and its subsidiaries :		
- Realised	(34,808)	(33,739)
- Unrealised	(6,677)	(6,084)
	<u>(41,485)</u>	<u>(39,823)</u>
Total share of retained earnings from an associate	44,707	41,412
Consolidation adjustments	1,073,183	1,073,217
Total retained earnings	<u>1,076,405</u>	<u>1,074,806</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 SECURITIES
UNDER PART A OF APPENDIX 9B**

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		3 months ended	
	31 March		31 March	
	2014	2013	2014	2013
a) Basic earnings per share				
Profit / (loss) attributable to equity owners of the Company (RM'000)	1,599	(2,734)	1,599	(2,734)
Weighted average number of ordinary shares ('000)	480,810	480,810	480,810	480,810
Basic earnings per share (sen) attributable to equity owners of the Company	0.33	(0.57)	0.33	(0.57)

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 the Employees' Share Option Scheme ("ESOS").

	Individual period		Cumulative period	
	3 months ended		3 months ended	
	31 March		31 March	
	2014	2013	2014	2013
b) Diluted earnings per share				
Profit / (loss) attributable to equity holders of the Company (RM'000)	1,599	(2,734)	1,599	(2,734)
Weighted average number of ordinary shares ('000)	480,810	480,810	480,810	480,810
Adjustment for dilutive effect of ESOS	-	-	-	-
Weighted average number of ordinary shares ('000)	480,810	480,810	480,810	480,810
Diluted earnings per share (sen) attributable to equity holders of the Company	0.33	(0.57)	0.33	(0.57)

By Order of The Board

IRENE LOW YUET CHUN
Company Secretary

Kuala Lumpur
28th May 2014
www.landmarks.com.my