LANDMARKS BERHAD

(185202-H)

(Incorporated in Malaysia)

Unaudited Interim Financial Report

For The Third Quarter Ended

30 September 2014

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Note	30-Sep-2014 RM' 000 (Unaudited)	31-Dec-2013 RM' 000 (Audited)
ASSETS			
Property, plant and equipment	A11	**552,702**	551,685
Intangible asset	A12	**433**	575
Property development costs		**1,527,540**	1,527,540
Investments in associates		**53,218**	54,880
Investment in joint ventures		**1,237**	-
Other investments		**1,040**	1,040
Deferred tax assets		**421**	421
Total Non-Current Assets		**2,136,591**	2,136,141
Inventories		**462**	424
Property development costs		**88,886**	76,254
Receivables, deposits and prepayments		**6,189**	8,349
Current tax assets		**402**	297
Other investments		**18,997**	23,762
Cash and cash equivalents		**87,257**	115,404
Total Current Assets		**202,193**	224,490
TOTAL ASSETS		**2,338,784**	2,360,631
EQUITY			
Share capital		**480,810**	480,810
Reserves		**220,107**	218,741
Retained earnings		**1,061,340**	1,074,806
Total equity attributable to owners of the Company		**1,762,257**	1,774,357
Non-controlling interest		**1**	1
Total Equity		**1,762,258**	1,774,358
LIABILITIES			
Loans and borrowings	B8	**80,043**	88,528
Deferred tax liabilities		**469,208**	468,156
Total Non-Current Liabilities		**549,251**	556,684
Payables and accruals		**16,255**	22,671
Loans and borrowings	B8	**9,043**	4,941
Current tax liabilities		**1,977**	1,977
Total Current Liabilities		**27,275**	29,589
Total Liabilities		**576,526**	586,273
TOTAL EQUITY & LIABILITIES		**2,338,784**	2,360,631
Net Assets Per Share (RM)		**3.67**	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.

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

	Note	INDIVIDUAL PERIOD 3 months ended 30 September		CUMULATIVE PERIOD 9 months ended 30 September	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue		**11,804**	6,657	**41,102**	28,972
Loss from operations		**(6,962)**	(2,006)	**(12,461)**	(9,111)
Finance costs		**(989)**	(1,059)	**(3,675)**	(2,631)
Finance income		**418**	363	**990**	1,119
Operating loss		**(7,533)**	(2,702)	**(15,146)**	(10,623)
Share of net (loss) / profit of associates	B1	**(486)**	1,362	**2,738**	2,669
Loss before taxation		**(8,019)**	(1,340)	**(12,408)**	(7,954)
Income tax expense	B5	**(57)**	732	**(1,100)**	515
Loss for the period		**(8,076)**	(608)	**(13,508)**	(7,439)
Other comprehensive (expense) / income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		**(29)**	(71)	**312**	1,280
Other comprehensive (expense) / income for the period, net of tax		**(29)**	(71)	**312**	1,280
Total comprehensive expense for the period		**(8,105)**	(679)	**(13,196)**	(6,159)
Loss attributable to:					
Owners of the Company		**(8,076)**	(608)	**(13,508)**	(7,439)
Non-controlling interest		**-**	-	**-**	-
Loss for the period		**(8,076)**	(608)	**(13,508)**	(7,439)
Total comprehensive expense attributable to:					
Owners of the Company		**(8,105)**	(679)	**(13,196)**	(6,159)
Non-controlling interest		**-**	-	**-**	-
Total comprehensive expense for the period		**(8,105)**	(679)	**(13,196)**	(6,159)

Earnings per share attributable to owners of the Company (sen)				
Loss for the period				
-Basic	**(1.68)**	(0.13)	**(2.81)**	(1.55)
-Diluted	**(1.68)**	(0.13)	**(2.81)**	(1.55)

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.

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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	-	1,280	-	-	-	-	1,280	-	1,280
Total other comprehensive income for the period	-	1,280	-	-	-	-	1,280	-	1,280
Loss for the period	-	-	-	-	-	(7,439)	(7,439)	-	(7,439)
Total comprehensive income / (expense) for the period	-	1,280	-	-	-	(7,439)	(6,159)	-	(6,159)
At 30 September 2013	480,810	(677)	415	218,272	1,678	1,071,913	1,772,411	1	1,772,412
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	**-**	**312**	**-**	**-**	**-**	**-**	**312**	**-**	**312**
Total other comprehensive income for the period	**-**	**312**	**-**	**-**	**-**	**-**	**312**	**-**	**312**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(13,508)**	**(13,508)**	**-**	**(13,508)**
Total comprehensive income / (expense) for the period	**-**	**312**	**-**	**-**	**-**	**(13,508)**	**(13,196)**	**-**	**(13,196)**
Share options forfeited	**-**	**-**	**-**	**-**	**(42)**	**42**	**-**	**-**	**-**
Share -based payment transactions	**-**	**-**	**-**	**-**	**1,096**	**-**	**1,096**	**-**	**1,096**
Total contribution from owners	**-**	**-**	**-**	**-**	**1,054**	**42**	**1,096**	**-**	**1,096**
At 30 September 2014	**480,810**	**(1,087)**	**415**	**218,272**	**2,507**	**1,061,340**	**1,762,257**	**1**	**1,762,258**
						-	-		-

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.

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

	30-Sep-2014 RM'000	30-Sep-2013 RM'000
Cash flows from operating activities		
Loss before taxation	**(12,408)**	(7,954)
Adjustments for non-cash flow		
Amortisation of intangible asset	**142**	131
Depreciation of property, plant and equipment	**6,287**	5,537
Finance costs	**3,675**	2,631
Finance income	**(990)**	(1,119)
Gain on disposal of property, plant and equipment	**(32)**	(25)
Dividend income from other investments	**(197)**	-
Gain on redeemed of other investments	**(25)**	-
Share of profit of an equity accounted associate, net of tax	**(2,738)**	(2,669)
Equity settled share-based payment transactions	**1,096**	-
Operating loss before changes in working capital	**(5,190)**	(3,468)
Changes in working capital		
Inventories	**(38)**	45
Trade and other receivables and prepayments	**2,177**	2,458
Trade payables and others payables	**(6,415)**	996
Property development costs	**(12,632)**	(31,017)
Cash used in operations	**(22,098)**	(30,986)
Income tax paid	**(152)**	(263)
Income tax refunded	**-**	19
Net cash used in operating activities	**(22,250)**	(31,230)
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(7,295)**	(10,812)
Acquisition of intangible asset	**-**	(14)
Proceeds from disposal of investment fund	**4,600**	-
Acquisition of other investments	**-**	(11,603)
Acquisition of joint venture	**(1,237)**	
Decrease in pledged deposits placed with licensed banks	**(93)**	(1,109)
Interest received	**990**	1,119
Dividend received from :		
- an associate	**5,000**	-
- from other investments	**197**	-
Net cash generated from / (used in) investing activities	**2,162**	(22,419)
Cash flows from financing activities		
Proceeds from bank borrowings	**575**	88,338
Interest paid	**(3,675)**	(2,631)
Repayment of finance lease liabilities	**(52)**	(49)
Repayment of loans and borrowings	**(5,000)**	(66,549)
Net cash (used in) / generated from financing activities	**(8,152)**	19,109
Net decrease in cash and cash equivalents	**(28,240)**	(34,540)
Cash and cash equivalents at 1 January	**112,104**	157,161
Cash and cash equivalents at 30 September	**83,864**	122,621

	30-Sep-2014 RM'000	30-Sep-2013 RM'000
Cash and bank balances	**17,448**	15,640
Deposits with licensed banks	**69,809**	110,296
	87,257	125,936
Less : Deposits pledged	**(3,393)**	(3,315)
	83,864	122,621

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.

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 for the 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.

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.

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

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:-

On 4 July 2014, 10 subsidiaries incorporated in the Republic of Singapore (as set out in column 1 below), all indirect wholly-owned subsidiaries of Tiara Gateway Pte Ltd, have incorporated 5 subsidiaries in the Republic of Indonesia (as set out in column 3 below) :

<table>
<tr><th colspan="3">SUBSIDIARIES INCORPORATED IN THE REPUBLIC OF SINGAPORE</th><th>% OF OWNERSHIP</th><th>SUBSIDIARIES INCORPORATED IN THE REPUBLIC OF INDONESIA</th></tr>
<tr><td rowspan="2">1</td><td>a.</td><td>Boana Alpha Pte Ltd</td><td>75</td><td rowspan="2">PT Boana Estate Villa</td></tr>
<tr><td>b.</td><td>Boana Beta Pte Ltd</td><td>25</td></tr>
<tr><td rowspan="2">2</td><td>a.</td><td>Fordate Alpha Pte Ltd</td><td>75</td><td rowspan="2">PT Fordate Estate Villa</td></tr>
<tr><td>b.</td><td>Fordate Beta Pte Ltd</td><td>25</td></tr>
<tr><td rowspan="2">3</td><td>a.</td><td>Tambelan Alpha Pte Ltd</td><td>75</td><td rowspan="2">PT Tambelan Estate Villa</td></tr>
<tr><td>b.</td><td>Tambelan Beta Pte Ltd</td><td>25</td></tr>
<tr><td rowspan="2">4</td><td>a.</td><td>Tarempa Alpha Pte Ltd</td><td>75</td><td rowspan="2">PT Tarempa Estate Villa</td></tr>
<tr><td>b.</td><td>Tarempa Beta Pte Ltd</td><td>25</td></tr>
<tr><td rowspan="2">5</td><td>a.</td><td>Temiyang Alpha Pte Ltd</td><td>75</td><td rowspan="2">PT Temiyang Estate Villa</td></tr>
<tr><td>b.</td><td>Temiyang Beta Pte Ltd</td><td>25</td></tr>
</table>

The intended paid-up capital of each subsidiary is USD1,000,000 comprising 1,000,000 ordinary shares of USD1.00 each.

The principal activity of each of the subsidiaries incorporated in the Republic of Indonesia are the ownership and/or lease of estate villa(s).

A7. Changes in composition of the Group (continued)

An indirect wholly-owned subsidiary of the Company, PT Treasure Development Services ("PT TDS"), had on 3 July 2014, entered into a Joint Venture Agreement with PT Ekasurya Mandiri ("PT EM") to undertake the business of producing and supplying ready mix and dry mix concrete and mortar ("Concrete") for use in construction works. PT Pesona Lagoi Mandiri ("PT PLM") was incorporated on 25 September 2014 as the joint venture entity which will set up a batching plant to supply Concrete for the development of Treasure Bay Bintan.

The authorised capital of PT PLM is IDR40 billion (equivalent to approximately RM10.75 million), comprising 40 million shares of IDR1,000 (equivalent to approximately RM0.27) each. The intended paid-up capital of PT PLM is IDR10,003,000,000 (equivalent to approximately RM2.69 million) comprising 10,003,000 shares of IDR1,000 each.

For the financial period ended 30 September 2014, PT TDS has subscribed for 4,544,619 shares of IDR1,000 each (equivalent to approximately RM1.22 million) and PT EM has subscribed for 4,366,400 shares of IDR1,000 each (equivalent to approximately RM1.17 million), representing 51% and 49% equity interest respectively in PT PLM.

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

9 months ended 30 September	Hospitality and Wellness 2014 RM'000	Hospitality and Wellness 2013 RM'000	Resort and Destination Development 2014 RM'000	Resort and Destination Development 2013 RM'000	Others 2014 RM'000	Others 2013 RM'000	Consolidated 2014 RM'000	Consolidated 2013 RM'000
Segment revenue	**41,102**	28,972	-	-	-	-	**41,102**	28,972
Profit / (loss) from operations	**7,520**	(183)	**(14,580)**	(8,787)	**(5,401)**	(141)	**(12,461)**	(9,111)
Finance costs	**(3,659)**	(2,631)	-	-	**(16)**	-	**(3,675)**	(2,631)
Finance income	**187**	211	**86**	8	**717**	900	**990**	1,119
	4,048	(2,603)	**(14,494)**	(8,779)	**(4,700)**	759	**(15,146)**	(10,623)
Included in the measure of segments results from operating activities are:								
- Depreciation and amortisation	**(4,909)**	(4,434)	**(1,431)**	(1,008)	**(89)**	(226)	**(6,429)**	(5,668)
- Foreign exchange (loss) / gain	-	-	**(1,703)**	1,652	-	3,589	**(1,703)**	5,241
- (Recognised)/reversal of impairment loss on trade receivables	**(37)**	219	-	-	-	-	**(37)**	219
Segment assets	**167,297**	161,013	**2,062,937**	1,998,685	**108,550**	184,196	**2,338,784**	2,343,894

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 was no additional purchase of intangible asset for the financial period ended 30 September 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

On 27 August 2014, options were granted to directors and employees of the Group to subscribe for 5,145,000 shares under the Landmarks Employees' Share Option Scheme. The option gives the holder the right to subscribe for ordinary shares of RM1.00 each in the Company for an exercise price of RM1.44 each per share. These options are exercisable until January 2018 and will vest in the following manner.

Period	% of Options
Immediately after acceptance of offer	40
2 January 2015 – 1 January 2016	20
2 January 2016 – 1 January 2017	20
2 January 2017 – 1 January 2018	20

No option was exercised during the financial period under review.

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 September 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 30 September 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:-

	30 September 2014 RM'000
Corporate guarantees granted for banking facilities of a subsidiary (note B8)	**88,924**

A17. Capital and commitments

	30 September 2014 RM'000
Authorised but not contracted for	23,018
Contracted but not provided for	27,151
Total	**50,169**

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 Nine Months to 30 September 2014 compared to Nine Months to 30 September 2013

For the financial period ended 30 September 2014, the Group's revenue increased significantly by 42% from RM28.97 million in the corresponding period in 2013 to RM41.10 million. The Group registered a net loss of RM13.51 million for the nine-month period of 2014 compared with a net loss of RM7.44 million in the previous year.

The increase in revenue was attributed to the performance of The Andaman which has recorded strong growth in operating results by RM12.13 million for the nine-month period ended 30 September 2014 compared with RM28.97 million in the previous year. Hotel occupancy and average room rate have increased by 20% and 39% respectively compared with the corresponding period in 2013. This was mainly boosted by the newly renovated rooms and new food and beverage offerings at the hotel.

However, the increase in the net loss was largely due to the infrastructure works for Phase 1, Treasure Bay, Pesona Lagoi Bintan and the construction works for the Crystal Lagoon which are ongoing and have yet to make any positive financial contribution during the financial period under review. The Resort and Destination Development Division has recorded higher operating loss of RM14.58 million for the nine-month period ended 30 September 2014 compared with operating loss of RM8.79 million in the previous year

Associated companies

The Group's investment in the associate, MSL Properties Sdn. Bhd. ("MSL"), recorded a share of net profit amounting to RM2.74 million for the nine-month period ended 30 September 2014 compared with RM2.67 million in the corresponding period of 2013.

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

	2014 3rd Qtr RM'000	2014 2nd Qtr RM'000
Revenue	**11,804**	11,679
Loss from operations	**(6,962)**	(5,707)
Finance costs	**(989)**	(1,459)
Finance income	**418**	163
Operating loss	**(7,533)**	(7,003)
Share of net loss of associate	**(486)**	(71)
Loss before tax	**(8,019)**	(7,074)

For the quarter under review, the Group's revenue increased by 1.1% to RM11.80 million compared with the previous quarter's of RM11.68 million. Despite disruptions to the hotel operations due to the ongoing renovation works, The Andaman with its newly refurbished rooms and new food and beverage offerings has managed to bring up the occupancy by 4% and average room rate by RM12.

The Group recorded a loss before tax of RM8.02 million compared with RM7.07 million in the previous quarter mainly due to the share-based payment expenses and higher operating loss from our associated company, MSL.

B3. Prospects

The renovation and refurbishment works at The Andaman have been completed. The response from the guests has been positive and we have been enjoying higher occupancy as well as higher room rates. With the works completed, we expect The Andaman to perform better in the coming years.

The Crystal Lagoon and support facilities at Phase 1, Chill Cove, Treasure Bay Bintan are targeted to be opened for operation by the second quarter of 2015 with various attractions, retail, and food and beverage outlets. For the Canyon Ranch Wellness Resort at the Northern Precinct, the planning and development works are ongoing. Bintan is at the cusp of an upcycle 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 proposed 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 this augurs well for the Group’s future performance, growth and prospects.

B4. Profit forecast

Not applicable as no profit forecast was announced or disclosed.

B5. Income Tax expense

	Current period 3 months ended 30 September		**Cumulative period 9 months ended 30 September**	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Current taxation				
Malaysia income tax charge	**14**	(58)	**47**	-
Deferred Taxation	**43**	(674)	**1,053**	(515)
Taxation charge/ (overprovision)	**57**	(732)	**1,100**	(515)

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 nine-month period ended 30 September 2014 was higher than the Malaysia statutory tax rate of 25%. This was mainly due to provision of deferred tax and 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.

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 30 September 2014 RM'000	As at 31 December 2013 RM'000
Short term borrowings		
Secured	**9,043**	4,941
Long term borrowings		
Secured	**80,043**	88,528
Total borrowings	**89,086**	93,469

The term loan of RM88.92 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.

B11. Dividends

The Board of Directors does not recommend the payment of any dividend for the financial period ended 30 September 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 30 September 2014 RM'000	**Group 31 December 2013 RM'000**
Total retained earnings of Landmarks Berhad and its subsidiaries :		
- Realised	**(48,139)**	(33,739)
- Unrealised	**(7,786)**	(6,084)
	(55,925)	(39,823)
Total share of retained earnings from an associate	**44,150**	41,412
Consolidation adjustments	**1,073,115**	1,073,217
Total retained earnings	**1,061,340**	1,074,806

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.

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 3 months ended 30 September		Cumulative period 9 months ended 30 September	
	2014	**2013**	**2014**	**2013**
a) Basic earnings per share				
Loss attributable to equity owners of the Company (RM'000)	**(8,076)**	(608)	**(13,508)**	(7,439)
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	**(1.68)**	(0.13)	**(2.81)**	(1.55)

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 directors and employees under the Employees' Share Option Scheme ("ESOS").

	Individual period 3 months ended 30 September		Cumulative period 9 months ended 30 September	
	2014	**2013**	**2014**	**2013**
b) Diluted earnings per share				
Loss attributable to equity holders of the Company (RM'000)	**(8,076)**	(608)	**(13,508)**	(7,439)
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	**(1.68)**	(0.13)	**(2.81)**	(1.55)

By Order of The Board

IRENE LOW YUET CHUN
Company Secretary

Kuala Lumpur
26th November 2014
www.landmarks.com.my