

# LANDMARKS

**LANDMARKS BERHAD**

**(185202-H)**

**( Incorporated in Malaysia )**

**Unaudited Interim Financial Report**

**For The Third Quarter Ended**

**30 September 2015**

# LANDMARKS

LANDMARKS BERHAD (185202-H)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2015

	Note	30-Sep-2015 RM' 000 (Unaudited)	31-Dec-2014 RM' 000 (Audited)
<b>ASSETS</b>			
Property, plant and equipment	A11	1,326,377	1,328,100
Intangible asset	A12	244	386
Property development costs		787,997	787,997
Investments in associates		59,379	57,407
Other investments		1,040	1,040
Deferred tax assets		1,631	1,631
<b>Total Non-Current Assets</b>		<b>2,176,668</b>	<b>2,176,561</b>
Inventories		389	483
Property development costs		96,296	67,378
Receivables, deposits and prepayments		8,278	8,881
Current tax assets		179	352
Other investments		19,663	13,951
Cash and cash equivalents		50,310	83,558
<b>Total Current Assets</b>		<b>175,115</b>	<b>174,603</b>
<b>TOTAL ASSETS</b>		<b>2,351,783</b>	<b>2,351,164</b>
<b>EQUITY</b>			
Share capital		480,810	480,810
Reserves		237,947	218,893
Retained earnings		1,064,377	1,069,534
<b>Total equity attributable to owners of the Company</b>		<b>1,783,134</b>	<b>1,769,237</b>
<b>Non-controlling interests</b>		<b>1,373</b>	<b>1,224</b>
<b>Total Equity</b>		<b>1,784,507</b>	<b>1,770,461</b>
<b>LIABILITIES</b>			
Loans and borrowings	B8	69,908	79,855
Deferred tax liabilities		469,364	468,794
<b>Total Non-Current Liabilities</b>		<b>539,272</b>	<b>548,649</b>
Payables and accruals		15,887	21,121
Loans and borrowings	B8	10,539	9,583
Current tax liabilities		1,578	1,350
<b>Total Current Liabilities</b>		<b>28,004</b>	<b>32,054</b>
<b>Total Liabilities</b>		<b>567,276</b>	<b>580,703</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,351,783</b>	<b>2,351,164</b>
<b>Net Assets Per Share (RM)</b>		<b>3.71</b>	<b>3.68</b>

*The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 months ended 30 September		9 months ended 30 September	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue		<u>15,407</u>	<u>11,804</u>	<u>46,303</u>	<u>41,102</u>
<b>Profit / (loss) from operations</b>		<b>1,466</b>	<b>(6,962)</b>	<b>(3,147)</b>	<b>(12,461)</b>
Finance costs		<b>(1,110)</b>	<b>(989)</b>	<b>(3,460)</b>	<b>(3,675)</b>
Finance income		<b>138</b>	<b>418</b>	<b>759</b>	<b>990</b>
<b>Operating profit / (loss)</b>		<b>494</b>	<b>(7,533)</b>	<b>(5,848)</b>	<b>(15,146)</b>
Share of net profit / (loss) of associates	B1	<b>839</b>	<b>(486)</b>	<b>1,972</b>	<b>2,738</b>
<b>Profit / (loss) before taxation</b>		<b>1,333</b>	<b>(8,019)</b>	<b>(3,876)</b>	<b>(12,408)</b>
Income tax expense	B5	<b>(944)</b>	<b>(57)</b>	<b>(1,045)</b>	<b>(1,100)</b>
<b>Profit / (loss) for the period</b>		<b>389</b>	<b>(8,076)</b>	<b>(4,921)</b>	<b>(13,508)</b>
<b>Other comprehensive income / (expense), net of tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		<u>12,059</u>	<u>(29)</u>	<u>18,818</u>	<u>312</u>
<b>Other comprehensive income / (expense) for the period, net of tax</b>		<b>12,059</b>	<b>(29)</b>	<b>18,818</b>	<b>312</b>
<b>Total comprehensive income / (expense) for the period</b>		<b>12,448</b>	<b>(8,105)</b>	<b>13,897</b>	<b>(13,196)</b>
<b>Profit / (loss) attributable to:</b>					
Owners of the Company		<b>389</b>	<b>(8,076)</b>	<b>(4,921)</b>	<b>(13,508)</b>
Non-controlling interest		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit / (loss) for the period</b>		<b>389</b>	<b>(8,076)</b>	<b>(4,921)</b>	<b>(13,508)</b>
<b>Total comprehensive income / (expense) attributable to:</b>					
Owners of the Company		<b>12,448</b>	<b>(8,105)</b>	<b>13,897</b>	<b>(13,196)</b>
Non-controlling interest		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income / (expense) for the period</b>		<b>12,448</b>	<b>(8,105)</b>	<b>13,897</b>	<b>(13,196)</b>

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

Profit / (loss) for the period				
-Basic		<b>0.08</b>	<b>(1.68)</b>	<b>(1.02)</b>
-Diluted		<b>0.08</b>	<b>(1.68)</b>	<b>(1.02)</b>

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 2014 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 2015

<-----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 Interests RM'000	Total Equity RM'000
<b>At 1 January 2014</b>	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)
<b>Total comprehensive income / (expense) for the period</b>	-	312	-	-	-	(13,508)	(13,196)	-	(13,196)
Share options forfeited	-	-	-	-	(42)	42	-	-	-
Share-based payment transactions	-	-	-	-	1,096	-	1,096	-	1,096
<b>Total contribution from owners</b>	-	-	-	-	1,054	42	1,096	-	1,096
<b>At 30 September 2014</b>	480,810	(1,087)	415	218,272	2,507	1,061,340	1,762,257	1	1,762,258
<b>At 1 January 2015</b>	480,810	(2,152)	415	218,272	2,358	1,069,534	1,769,237	1,224	1,770,461
Foreign currency translation differences for foreign operations	-	18,818	-	-	-	-	18,818	-	18,818
Total other comprehensive income for the period	-	18,818	-	-	-	-	18,818	-	18,818
Loss for the period	-	-	-	-	-	(4,921)	(4,921)	-	(4,921)
<b>Total comprehensive income / (expense) for the period</b>	-	18,818	-	-	-	(4,921)	13,897	-	13,897
Share options forfeited	-	-	-	-	236	(236)	-	-	-
<b>Total contribution from owners</b>	-	-	-	-	236	(236)	-	-	-
Non- controlling interests	-	-	-	-	-	-	-	149	149
<b>At 30 September 2015</b>	480,810	16,666	415	218,272	2,594	1,064,377	1,783,134	1,373	1,784,507

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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 2014 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 2015

	30-Sep-2015 RM'000	30-Sep-2014 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(3,876)	(12,408)
Adjustments for non-cash flow		
Amortisation of intangible asset	142	142
Depreciation of property, plant and equipment	6,690	6,287
Finance costs	3,460	3,675
Finance income	(759)	(990)
Gain on disposal of subsidiaries	(5)	-
Gain on disposal of property, plant and equipments	-	(32)
Gain on redeemed of other investments	(76)	(25)
Dividend income from other investments	-	(197)
Fair value of available-for-sale financial asset	(386)	-
Share of net profit of an equity accounted associate, net of tax	(1,972)	(2,738)
Equity settled share-based payment transactions	-	1,096
<b>Operating profit / (loss) before changes in working capital</b>	<b>3,218</b>	<b>(5,190)</b>
Changes in working capital		
Inventories	94	(38)
Trade and other receivables and prepayments	18,525	2,177
Trade payables and others payables	(5,874)	(6,415)
Property development costs	(28,917)	(12,632)
Cash used in operations	(12,954)	(22,098)
Income tax paid	(282)	(152)
Income tax refunded	850	-
<b>Net cash used in operating activities</b>	<b>(12,386)</b>	<b>(22,250)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,995)	(7,295)
Proceeds from disposal of a subsidiary	5	-
Proceeds from disposal of investment fund	15,051	4,600
Acquisition of other investments	(20,300)	-
Acquisition of joint venture	-	(1,237)
Decrease in pledged deposits placed with licensed banks	(51)	(93)
Interest received	759	990
Dividend received from :		
- an associate	-	5,000
- other investments	149	197
<b>Net cash (used in) / generated from investing activities</b>	<b>(8,382)</b>	<b>2,162</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	-	575
Interest paid	(3,460)	(3,675)
Repayment of finance lease liabilities	(71)	(52)
Repayment of from loans and borrowings	(9,000)	(5,000)
<b>Net cash used in from financing activities</b>	<b>(12,531)</b>	<b>(8,152)</b>
Net decrease in cash and cash equivalents	(33,299)	(28,240)
Cash and cash equivalents at 1 January	80,149	112,104
<b>Cash and cash equivalents at 30 September</b>	<b>46,850</b>	<b>83,864</b>
	<b>30-Sep-2015 RM'000</b>	<b>30-Sep-2014 RM'000</b>
Cash and bank balances	20,980	17,448
Deposits with licensed banks	29,330	69,809
	50,310	87,257
Less : Deposits pledged	(3,460)	(3,393)
	46,850	83,864

The unaudited condensed consolidated cash flows statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 SEPTEMBER 2015

#### **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 2014. 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 2014.

##### **A2. Changes in Accounting Policies/Estimates**

The audited financial statements of the Group for the year ended 31 December 2014 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 2014 except for the new or revised MFRS and amendments to MFRS that are relevant and effective for annual periods beginning on or after 1 July 2014 as disclosed below:-

- 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)*

**A2. *Changes in Accounting Policies/Estimates (continued)***  
***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014 (continued)***

- 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 Property (Annual Improvements 2011-2013 Cycle)*

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

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016***

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*

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

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (continued)***

- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017***

- MFRS 15, *Revenue from Contracts with Customers*

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018***

- MFRS 9, *Financial Instruments (2014)*

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 implementation.



**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 2014.

**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

9 months ended 30 September	Hospitality and Wellness		Resort and Destination Development		Others		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	<b>46,303</b>	41,102	-	-	-	-	<b>46,303</b>	41,102
Profit / (loss) from operations	<b>8,917</b>	7,520	<b>(10,637)</b>	(14,580)	<b>(1,427)</b>	(5,401)	<b>(3,147)</b>	(12,461)
Finance costs	<b>(3,439)</b>	(3,659)	<b>(21)</b>	-	-	(16)	<b>(3,460)</b>	(3,675)
Finance income	<b>130</b>	187	<b>68</b>	86	<b>561</b>	717	<b>759</b>	990
	<b>5,608</b>	4,048	<b>(10,590)</b>	(14,494)	<b>(866)</b>	(4,700)	<b>(5,848)</b>	(15,146)
Included in the measure of segments results from operating activities are:								
- Depreciation and amortisation	<b>4,906</b>	4,909	<b>1,826</b>	1,431	<b>100</b>	89	<b>6,832</b>	6,429
- Foreign exchange (gain)/ loss	-	-	<b>(4,262)</b>	1,703	<b>(2,699)</b>	-	<b>(6,961)</b>	1,703
- (Reversal) / recognised of impairment loss on trade receivables	<b>(10)</b>	37	-	-	-	-	<b>(10)</b>	37
Segment assets	<b>164,231</b>	167,297	<b>2,094,853</b>	2,062,937	<b>92,699</b>	108,550	<b>2,351,783</b>	2,338,784

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 2015.

***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 September 2015.

***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 2015, 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:-

	<b>30 September 2015 RM'000</b>
Corporate guarantees granted for banking facilities of a subsidiary (note B8)	<b>80,164</b>

**A17. *Capital and commitments***

	<b>30 September 2015 RM'000</b>
Authorised but not contracted for	53,916
Contracted but not provided for	23,427
<b>Total</b>	<b>77,343</b>

**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 2014.

***B1. Review of performance for Nine Months to 30 September 2015 compared to Nine Months to 30 September 2014.***

For the financial period ended 30 September 2015, the Group's revenue increased by 12.65% from RM41.10 million in the corresponding period of 2014 to RM46.30 million in 2015. The Group registered a net loss of RM4.92 million for the nine-month period ended 30 September 2015 compared with a net loss of RM13.51 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 RM5.20 million for the nine-month period ended 30 September 2015 compared with the previous year. Hotel occupancy and average room rate have increased by 5.97% and 8.4% respectively compared with the corresponding period in 2014.

For the nine-month period ended 30 September 2015, the Resort and Destination Development Division recorded operating loss of RM10.64 million compared to RM14.58 million in the corresponding period of 2014. Lower operating losses was mainly due to the gain from the unrealised forex exchange and lower operating expenses for Phase 1, Chill Cove, Treasure Bay Bintan.

**Associated companies**

The Group's investment in the associate, MSL Properties Sdn. Bhd. ("MSL"), recorded a share of net profit amounting to RM1.97 million for the nine-month period ended 30 September 2015 compared with net profit of RM2.74 million in the corresponding period of 2014.

**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**

	<b>2015 3rd Qtr RM'000</b>	2015 2nd Qtr RM'000
<b>Revenue</b>	<u><b>15,407</b></u>	<u>11,592</u>
<b>Profit / (loss) from operations</b>	<b>1,466</b>	(4,438)
Finance costs	<b>(1,110)</b>	(1,158)
Finance income	<u><b>138</b></u>	<u>205</u>
<b>Operating profit / (loss)</b>	<b>494</b>	(5,391)
Share of net profit of associate	<u><b>839</b></u>	<u>620</u>
<b>Profit / (loss) before tax</b>	<u><b>1,333</b></u>	<u>(4,771)</u>

For the quarter under review, the Group's revenue increased by 33% from RM11.59 million to RM15.41 million. The Group recorded profit before tax of RM1.33 million compared with loss before tax of RM4.77 million in the previous quarter mainly due to the higher operating profit from the Hospitality and Wellness Division. The Andaman's occupancy and average room rate have increased by 30% and 6.3% respectively compared to the previous quarter.

Contribution to the Group's profit before tax of RM1.33 million compared with loss before tax of RM 4.77 million in the previous quarter also came from the gain from unrealised forex exchange and operating profit from our associated company, MSL.

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

**B3. Prospects**

The Andaman has contributed positively to the Group. With the completion of our refurbishment, the Company expects the room rates and occupancy levels to grow in the coming years.

The Chill Cove and The Canopi have started receiving guests and the response has been positive. The joint development for both Mercure and Ibis Hotels between Treasure Bay Bintan and Jouex Investments Pte Ltd are on track and both hotels are expected to open by end 2017. These, together with efforts by the office of the Chief Minister (Bupati) of Bintan to improve the marketing of Bintan as a tourism destination, bodes well for the Group and the Board is optimistic that Treasure Bay Bintan should begin to generate results for the Group.

**B4. Profit forecast**

Not applicable as no profit forecast was announced or disclosed.

**B5. Income Tax expense**

	<b>Current period</b>		<b>Cumulative period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation				
Malaysia income tax charge	225	14	474	47
Deferred Taxation	719	43	571	1,053
	<hr/>	<hr/>	<hr/>	<hr/>
Taxation charge	<b>944</b>	<b>57</b>	<b>1,045</b>	<b>1,100</b>
	<hr/>	<hr/>	<hr/>	<hr/>

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 2015 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.

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

**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 2015 RM'000	As at 31 December 2014 RM'000
Short term borrowings		
Secured	10,539	9,583
Long term borrowings		
Secured	<u>69,908</u>	<u>79,855</u>
Total borrowings	<u>80,447</u>	<u>89,438</u>

The term loan of RM80.16 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.



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

**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 2015.

**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.

	<b>Group 30 September 2015 RM'000</b>	<b>Group 31 December 2014 RM'000</b>
Total retained earnings of Landmarks Berhad and its subsidiaries :		
- Realised	(68,008)	(54,257)
- Unrealised	3,862	(3,099)
	<u>(64,146)</u>	<u>(57,356)</u>
Total share of retained earnings from an associate	50,586	48,614
Consolidation adjustments	1,077,937	1,078,276
	<u>1,064,377</u>	<u>1,069,534</u>
Total retained earnings		

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.

	<b>Individual period</b>		<b>Cumulative period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>a) Basic earnings per share</b>				
Profit/(Loss) attributable to equity owner of the Company (RM'000)	<b>389</b>	(8,076)	<b>(4,921)</b>	(13,508)
Weighted average number of ordinary shares ('000)	<b>480,810</b>	480,810	<b>480,810</b>	480,810
Basic earnings per share (sen) attributable to equity owners of the Company	<b>0.08</b>	(1.68)	<b>(1.02)</b>	(2.81)

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").

	<b>Individual period</b>		<b>Cumulative period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>b) Diluted earnings per share</b>				
Profit/(Loss) attributable to equity holders of the Company (RM'000)	<b>389</b>	(8,076)	<b>(4,921)</b>	(13,508)
Weighted average number of ordinary shares ('000)	<b>480,810</b>	480,810	<b>480,810</b>	480,810
Adjustment for dilutive effect of ESOS	-	-	-	-
Weighted average number of ordinary shares ('000)	<b>480,810</b>	480,810	<b>480,810</b>	480,810
Diluted earnings per share (sen) attributable to equity holders of the Company	<b>0.08</b>	(1.68)	<b>(1.02)</b>	(2.81)

**By Order of The Board**

**IRENE LOW YUET CHUN**  
**Company Secretary**

**Kuala Lumpur**  
**25<sup>th</sup> November 2015**  
**[www.landmarks.com.my](http://www.landmarks.com.my)**