

# LANDMARKS

**LANDMARKS BERHAD**

(185202-H)

(Incorporated in Malaysia)

**Unaudited Interim Financial Report  
For the First Quarter Ended  
31 March 2017**

# LANDMARKS

LANDMARKS BERHAD (185202-H)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

	31-Mar-2017 RM' 000 (Unaudited)	31-Dec-2016 RM' 000 (Audited)
<b>ASSETS</b>		
Property, plant and equipment	1,334,900	1,339,017
Property development costs	778,900	778,900
Investments in associates	71,121	70,462
Other investments	1,885	1,885
Deferred tax assets	350	350
<b>Total Non-Current Assets</b>	<b>2,187,156</b>	<b>2,190,614</b>
Inventories	764	640
Property development costs	106,634	94,131
Receivables, deposits and prepayments	13,824	13,392
Current tax assets	158	97
Cash and cash equivalents	15,759	14,843
<b>Total Current Assets</b>	<b>137,139</b>	<b>123,103</b>
<b>TOTAL ASSETS</b>	<b>2,324,295</b>	<b>2,313,717</b>
<b>EQUITY</b>		
Share capital	699,082	480,810
Reserves	17,706	234,936
Retained earnings	1,026,766	1,030,093
<b>Total equity attributable to owners of the Company</b>	<b>1,743,554</b>	<b>1,745,839</b>
<b>Non-controlling Interests</b>	<b>1,373</b>	<b>1,373</b>
<b>Total Equity</b>	<b>1,744,927</b>	<b>1,747,212</b>
<b>LIABILITIES</b>		
Loans and borrowings	65,321	57,430
Deferred tax liabilities	461,056	461,147
<b>Total Non-Current Liabilities</b>	<b>526,377</b>	<b>518,577</b>
Payables and accruals	32,346	32,424
Loans and borrowings	18,516	13,524
Current tax liabilities	2,129	1,980
<b>Total Current Liabilities</b>	<b>52,991</b>	<b>47,928</b>
<b>Total Liabilities</b>	<b>579,368</b>	<b>566,505</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,324,295</b>	<b>2,313,717</b>
<b>Net Assets Per Share (RM)</b>	<b>3.63</b>	<b>3.63</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 2016 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 THREE MONTHS PERIOD ENDED 31 MARCH 2017**

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 months ended		3 months ended	
		31 MARCH		31 MARCH	
		2017	2016	2017	2016
		RM'000	RM'000	RM'000	RM'000
Revenue		<u>26,913</u>	<u>23,918</u>	<u>26,913</u>	<u>23,918</u>
<b>Loss from operations</b>		<b>(2,743)</b>	<b>(6,698)</b>	<b>(2,743)</b>	<b>(6,698)</b>
Finance cost		<b>(964)</b>	(1,125)	<b>(964)</b>	(1,125)
Finance income		-	93	-	93
<b>Operating loss</b>		<b>(3,707)</b>	<b>(7,730)</b>	<b>(3,707)</b>	<b>(7,730)</b>
Share of net profit of associates, net of tax	B1	<b>660</b>	1,565	<b>660</b>	1,565
<b>Loss before taxation</b>		<b>(3,047)</b>	<b>(6,165)</b>	<b>(3,047)</b>	<b>(6,165)</b>
Income tax expense	B5	<b>(302)</b>	(424)	<b>(302)</b>	(424)
<b>Loss for the period</b>		<b>(3,349)</b>	<b>(6,589)</b>	<b>(3,349)</b>	<b>(6,589)</b>
<b>Other comprehensive income / (expense), net of tax</b>					
Foreign currency translation differences for foreign operations		<b>1,064</b>	(3,977)	<b>1,064</b>	(3,977)
<b>Other comprehensive income / (expense) for the period, net of tax</b>		<b>1,064</b>	(3,977)	<b>1,064</b>	(3,977)
<b>Total comprehensive expense for the period</b>		<b>(2,285)</b>	<b>(10,566)</b>	<b>(2,285)</b>	<b>(10,566)</b>
<b>Loss attributable to:</b>					
Owners of the Company		<b>(3,349)</b>	(6,589)	<b>(3,349)</b>	(6,589)
Non-controlling interests		-	-	-	-
<b>Loss for the period</b>		<b>(3,349)</b>	<b>(6,589)</b>	<b>(3,349)</b>	<b>(6,589)</b>
<b>Total comprehensive expense attributable to:</b>					
Owners of the Company		<b>(2,285)</b>	(10,566)	<b>(2,285)</b>	(10,566)
Non-controlling interests		-	-	-	-
<b>Total comprehensive expense for the period</b>		<b>(2,285)</b>	<b>(10,566)</b>	<b>(2,285)</b>	<b>(10,566)</b>

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

Loss for the period					
-Basic		(0.70)	(1.37)	(0.70)	(1.37)
-Diluted		(0.70)	(1.37)	(0.70)	(1.37)

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 2016 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 THREE MONTHS PERIOD ENDED 31 MARCH 2017

-----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
<b>At 1 January 2016</b>	480,810	12,161	1,260	218,272	2,526	1,057,760	1,772,789	1,373	1,774,162
Foreign currency translation differences for foreign operations	-	(3,977)	-	-	-	-	(3,977)	-	(3,977)
Total other comprehensive expense for the period	-	(3,977)	-	-	-	-	(3,977)	-	(3,977)
Loss for the period	-	-	-	-	-	(6,589)	(6,589)	-	(6,589)
<b>Total comprehensive expense for the period</b>	-	(3,977)	-	-	-	(6,589)	(10,566)	-	(10,566)
Share options forfeited	-	-	-	-	(47)	47	-	-	-
<b>Total contribution from owners</b>	-	-	-	-	(47)	47	-	-	-
<b>At 31 March 2016</b>	480,810	8,184	1,260	218,272	2,479	1,051,218	1,762,223	1,373	1,763,596
<b>At 1 January 2017</b>	<b>480,810</b>	<b>13,155</b>	<b>1,260</b>	<b>218,272</b>	<b>2,249</b>	<b>1,030,093</b>	<b>1,745,839</b>	<b>1,373</b>	<b>1,747,212</b>
Foreign currency translation differences for foreign operations	-	<b>1,064</b>	-	-	-	-	<b>1,064</b>	-	<b>1,064</b>
Total other comprehensive income for the period	-	<b>1,064</b>	-	-	-	-	<b>1,064</b>	-	<b>1,064</b>
Loss for the period	-	-	-	-	-	(3,349)	(3,349)	-	(3,349)
<b>Total comprehensive income/(expense) for the period</b>	-	<b>1,064</b>	-	-	-	(3,349)	(2,285)	-	(2,285)
Share options forfeited	-	-	-	-	(22)	22	-	-	-
<b>Total contribution from owners</b>	-	-	-	-	(22)	22	-	-	-
Reclassification pursuant to S618(2) of CA 2016*	218,272	-	-	(218,272)	-	-	-	-	-
<b>At 31 March 2017</b>	<b>699,082</b>	<b>14,219</b>	<b>1,260</b>	<b>-</b>	<b>2,227</b>	<b>1,026,766</b>	<b>1,743,554</b>	<b>1,373</b>	<b>1,744,927</b>

\* Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of the share capital.

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

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LANDMARKS BERHAD (185202-H)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017

	31-Mar-2017 RM'000	31-Mar-2016 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(3,047)	(6,165)
Adjustments for non-cash flow		
Amortisation of intangible asset	-	47
Depreciation of property, plant and equipment	4,408	4,251
Finance costs	964	1,125
Finance income	-	(93)
(Gain)/Loss on disposal of property, plant and equipments	-	(25)
Loss on redeemed of other investments	-	(7)
Dividend income from other investments	-	(130)
Fair value gain in other investments	-	148
Share of net profit of an equity accounted associate, net of tax	(660)	(1,565)
<b>Operating profit/(loss) before changes in working capital</b>	<b>1,665</b>	<b>(2,414)</b>
Changes in working capital		
Inventories	(124)	16
Trade and other receivables and prepayments	(432)	598
Trade payables and others payables	2,404	(1,721)
Property development costs	(12,503)	(559)
Cash used in operations	<b>(8,990)</b>	<b>(4,080)</b>
Income tax paid	(280)	(295)
<b>Net cash used in operating activities</b>	<b>(9,270)</b>	<b>(4,375)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,733)	(682)
Proceeds from disposal of property, plant and equipment	-	25
Proceeds from disposal of other investments	-	2,755
Acquisition of other investments	-	(4,800)
Decrease/(Increase) in pledge deposits placed with licensed bank	-	(18)
Interest received	-	93
Dividend received from :		
- other investments	-	130
<b>Net cash used in investing activities</b>	<b>(1,733)</b>	<b>(2,497)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(929)	(1,112)
Repayment of finance lease liabilities	(39)	(20)
Drawdown/(Repayment) of loans and borrowings	12,887	(487)
<b>Net cash generated from/(used in) financing activities</b>	<b>11,919</b>	<b>(1,619)</b>
Net increase/(decrease) in cash and cash equivalents	<b>916</b>	<b>(8,491)</b>
Cash and cash equivalents at 1 January	<b>13,543</b>	<b>32,282</b>
<b>Cash and cash equivalents at 31 March</b>	<b>14,459</b>	<b>23,791</b>
	<b>31-Mar-2017 RM'000</b>	<b>31-Mar-2016 RM'000</b>
Cash and bank balances	14,447	10,901
Deposits with licensed banks	1,312	16,385
	<b>15,759</b>	<b>27,286</b>
Less : Pledged deposits	(1,300)	(3,495)
	<b>14,459</b>	<b>23,791</b>

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 International Accounting Standards 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2016. 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 2016.

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

The audited financial statements of the Group for the year ended 31 December 2016 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 2016. The Group has adopted the MFRSs, amendments and interpretations effective for annual period beginning on or after 1 January 2017 where applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

**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 2016.

**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 other than as mentioned below:

During the quarter under review, the following indirect dormant subsidiaries of the Company have received notices of striking off from the Register of Companies pursuant to Section 308(4) of the Companies Act, 1965 on 15 February 2017 from Suruhanjaya Syarikat Malaysia:

- (i) Desa Lagoon Resort Sdn Bhd;
- (ii) Maya Baiduri Sdn Bhd;
- (iii) Sungei Wang Ventures Sdn Bhd;; and
- (iv) The Railway Hotel (1991) Sdn Bhd.

The striking off of the aforementioned subsidiaries has been completed on 24 February 2017.

**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 Andaman, Langkawi generally lies in the first and last quarters of the financial year while the high season for The Canopi which is located in Bintan generally lies in the second 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:

- |                                       |                                                     |
|---------------------------------------|-----------------------------------------------------|
| a. Hospitality and Wellness           | Provision of hotel management and wellness services |
| b. Resort and Destination Development | Development of resorts and properties               |

3 months ended 31 March	Hospitality and Wellnes		Resort and Destination Development		Others		Consolidated	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Segment revenue	23,357	21,818	3,556	2,100	-	-	<b>26,913</b>	23,918
Profit / (loss) from operation	7,499	6,891	(8,772)	(11,163)	(1,470)	(2,426)	<b>(2,743)</b>	(6,698)
Finance costs	(918)	(1,101)	-	-	(46)	(24)	<b>(964)</b>	(1,125)
Finance income	-	14	-	9	-	70	-	93
	<b>6,581</b>	<b>5,804</b>	<b>(8,772)</b>	<b>(11,154)</b>	<b>(1,516)</b>	<b>(2,380)</b>	<b>(3,707)</b>	<b>(7,730)</b>
Included in the measure of segments results from operating activities are :								
- Depreciation and amortisation	(1,565)	(1,622)	(2,812)	(2,590)	(31)	(86)	<b>(4,408)</b>	(4,298)
- Foreign exchange (gain)/ loss	-	-	(142)	(1,843)	108	(841)	<b>(34)</b>	(2,684)
- (Reversal) / recognised of impairment loss on trade receivables	-	3	-	-	-	-	-	3
Segment assets	<b>156,002</b>	<b>170,641</b>	<b>2,095,621</b>	<b>2,067,655</b>	<b>72,672</b>	<b>91,315</b>	<b>2,324,295</b>	<b>2,329,611</b>

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 31 March 2017.

**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 2017.

**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 2017, 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>31 March 2017 RM'000</b>
Corporate guarantees granted for banking facilities of a subsidiary (note B8)	<u><b>78,252</b></u>

**A17. *Capital and commitments***

	<b>31 March 2017 RM'000</b>
Authorised but not contracted for	-
Contracted but not provided for	<u><b>54,974</b></u>
<b>Total</b>	<u><b>54,974</b></u>

**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, policies and risk profile are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2016.

**B1. *Review of performance for Three Months to 31 March 2017 compared with Three Months to 31 March 2016.***

The financial period ended 31 March 2017 saw the Group's revenue increase by 12.5%, ramping up from RM23.9 million to RM26.9 million against the corresponding period in 2016. The Group registered a net loss of RM3.3 million for the financial period ended 31 March 2017 compared with a net loss of RM6.6 million in the corresponding period last year.

The Hospitality and Wellness Division, represented by The Andaman at Langkawi, recorded revenue of RM23.4 million for the financial period ended 31 March 2017, an improvement of 7.1% compared with RM21.8 million registered in the corresponding period in 2016. Operating profit increased by 8.8% to RM7.5 million from RM6.9 million in the corresponding period last year. The improvement in the performance of this Division was attributed to the increase in occupancy by 4.3% and average room rate by 6.8% compared with the corresponding period last year.

The Resort and Destination Development Division, which comprises Treasure Bay Bintan ("TBB") in Bintan, Indonesia, recorded revenue of RM3.6 million for the financial period ended 31 March 2017, an improvement of 69.3% as compared to the corresponding period in 2016. The Canopi contributed 64% of the revenue with average occupancy of 73% and the remaining 36% from attractions and other activities at TBB. Operating losses decreased by 21.4% to RM8.8 million from RM11.2 million in the corresponding period last year. The decrease in operating losses was mainly due to better revenue performance and lower overheads as compared to the corresponding period last year.

**Associate companies**

The Group's investment in the associate, MSL Properties Sdn. Bhd. ("MSL"), recorded a share of net profit amounting to RM0.7 million for the financial period ended 31 March 2017 compared with RM1.6 million in the corresponding period of 2016.

**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>2017</b>	<b>2016</b>
	<b>1<sup>st</sup> Qtr</b>	<b>4<sup>th</sup> Qtr</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	<b>26,913</b>	<b>21,951</b>
<b>Loss from operations</b>	<b>(2,743)</b>	<b>(15,075)</b>
Finance costs	(964)	(947)
Finance income	-	(14)
<b>Operating loss</b>	<b>(3,707)</b>	<b>(16,036)</b>
Share of net profit of associate	660	2,626
<b>Loss before tax</b>	<b>(3,047)</b>	<b>(13,410)</b>

For the first quarter of 2017, the Group recorded a revenue of RM26.9 million and loss before tax ("LBT") of RM3.0 million as compared with the revenue and LBT of RM21.9 million and RM13.4 million respectively in the preceding quarter.

The lower LBT was mainly due to one-off capital work-in-progress written off of RM11.6 million in the preceding quarter.

**B3. Prospects**

The Andaman continues to experience high occupancy rate and steady growth on room rate. The outlook for the hospitality business remains robust and the Board expects The Andaman to increase its revenue contribution to the Group for 2017.

The construction of the additional 60 tents for The Canopi in Chill Cove is now completed. The total keys count now is at 100 tents and the Board expects The Canopi will increase its revenue contribution to the Group starting May 2017.

The Group will be launching its sales of the luxury villa residences at Chiva-Som Bintan in 2<sup>nd</sup> quarter this year and the Board expects the sales will contribute significantly to the Group's revenue and profits in current financial year.

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

**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>3 months ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation				
Income tax charge				
- Malaysia	399	516	399	516
- Overseas	(5)	-	(5)	-
Deferred Taxation	(92)	(92)	(92)	(92)
Taxation				
(overprovision)/ charge	<u>302</u>	<u>424</u>	<u>302</u>	<u>424</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.

**B6. Status of corporate proposals announced**

Hong Leong Investment Bank Berhad has on, 18 April 2017, announced on behalf of the Board, that the Company proposes to undertake a private placement of up to 48,588,700 new ordinary shares ("Shares") ("Placement Shares") in the Company, representing up to 10.0% of the enlarged number of issued shares of the Company ("Private Placement").

Approval for the listing of and quotation of the Placement Shares was obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") on 4 May 2017.

The Board has on 8 May 2017 fixed the issue price for the Placement Shares at RM0.76 each, representing a discount of RM0.08 or 9.5% to the 5-day volume-weighted average market price of the Shares up to and including 5 May 2017, being the market day immediately before the Price-Fixing Date, of RM0.84 each.

**B6. Status of corporate proposals announced (continued)**

The Private Placement has been completed on 18 May 2017 with the listing of and quotation for 48,080,970 Placement Shares on the Main Market of Bursa Securities, raising total gross proceeds of RM36,541,537.20.

**B7. Changes in material litigation**

There is no material litigation pending at the date of this report other than as mentioned below:

The Company, has on 6 April 2017, announced that the Commercial Court of the District Court of Medan, Republic of Indonesia, has on 29 March 2017 ordered a temporary suspension of payments by one of its subsidiaries, PT Bintan Hotel Utama ("BHU") for 45 days, pursuant to Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligation, to enable BHU to propose a composition plan to its creditors ("Order"). The Order also appointed Hon. Gosen Butar-Butar, S.H., M. H. as Supervisory Judge and Indra Kusuma, S.H., LL.M. as administrator. The Order was received by BHU on 6 April 2017.

The Order was made pursuant to a petition of PT Rancang Adhya Selaras ("RAS"), an entity previously contracted to provide architectural and engineering consultancy services and designated as "Superintending Officer" under contracts relating to construction works.

RAS had claimed for a sum of IDR3,052,295,668 and SGD33,000 (equivalent to a total of approximately RM1.11 million) for work done. BHU disputes this alleged debt while abiding by the process of the Indonesian Courts.

As BHU, with the support of the Company, is able to meet all its legitimate liabilities as and when they fall due, this event is not expected to significantly impact the Group financially and operationally.

Further to the Court Hearing held on 12 May 2017 before the Medan Commercial Court, the panel of judges, based on the recommendation from the Supervisory Judge, has decided to extend the Suspension of Debt Payment Obligations Process for another 21 days to 2 June 2017, for the purposes of appointing an independent appraiser to evaluate BHU's counterclaim against the petitioning creditors.

The Board is taking all necessary steps, including working with the appointed administrator in accordance with Indonesian law, to resolve this matter so that the Order may be lifted.

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

**B8. Loans and borrowings**

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

	As at 31 March 2017 RM'000	As at 31 December 2016 RM'000
<b>Short term borrowings</b>		
Secured	18,516	13,524
<b>Long term borrowings</b>		
Secured	<u>65,321</u>	<u>57,430</u>
<b>Total borrowings</b>	<u><b>83,837</b></u>	<u><b>70,954</b></u>

The above include borrowings denominated in foreign currencies as follows:

	As at 31 March 2017 RM'000	As at 31 December 2016 RM'000
US Dollar	<u>7,887</u>	<u>-</u>

The term loan of RM78.25 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 31 March 2017.

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

**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 31 March 2017 RM'000</b>	<b>Group 31 December 2016 RM'000</b>
Total retained earnings of Landmarks Berhad and its subsidiaries:		
- Realised	(138,436)	(134,435)
- Unrealised	(4,096)	(4,110)
	<u>(142,532)</u>	<u>(138,545)</u>
Total share of retained earnings from an associate	78,802	81,428
Consolidation adjustments	1,090,496	1,087,210
Total retained earnings	<u>1,026,766</u>	<u>1,030,093</u>

The Group is unable to provide the Realised and Unrealised Profits Disclosure for the associate, MSL, as the Group has no control over its financial and operating policies.



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

**B13. Basic loss per ordinary share**

Basic loss per ordinary share was calculated by dividing the loss 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>3 months ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>a) Basic loss per share</b>				
Loss attributable to equity owner of the Company (RM'000)	<b>(3,349)</b>	(6,589)	<b>(3,349)</b>	(6,589)
Weighted average number of ordinary shares ('000)	<b>480,810</b>	480,810	<b>480,810</b>	480,810
Basic loss per share (sen) attributable to equity owners of the Company	<u><b>(0.70)</b></u>	<u>(1.37)</u>	<u><b>(0.70)</b></u>	<u>(1.37)</u>

Diluted loss per share for the current financial period was calculated by dividing the loss 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").

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

	Individual period		Cumulative period	
	3 months ended		3 months ended	
	31 March		31 March	
	2017	2016	2017	2016
<b>b) Diluted loss per share</b>				
Loss attributable to equity owner of the Company (RM'000)	<b>(3,349)</b>	(6,589)	<b>(3,349)</b>	(6,589)
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 loss per share (sen) attributable to equity holders of the Company	<b>(0.70)</b>	(1.37)	<b>(0.70)</b>	(1.37)

**By Order of The Board**

**IRENE LOW YUET CHUN**  
Company Secretary

Kuala Lumpur  
18<sup>th</sup> May 2017  
[www.landmarks.com.my](http://www.landmarks.com.my)