

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	30-June-2017 RM' 000 (Unaudited)	31-Dec-2016 RM' 000 (Audited)
ASSETS		
Property, plant and equipment	1,342,788	1,339,017
Property development costs	778,900	778,900
Investments in associates	71,692	70,462
Other investments	1,885	1,885
Deferred tax assets	350	350
Total Non-Current Assets	2,195,615	2,190,614
Inventories	883	640
Property development costs	102,535	94,131
Receivables, deposits and prepayments	13,204	13,392
Current tax assets	250	97
Other investment	10,035	-
Cash and cash equivalents	18,835	14,843
Total Current Assets	145,742	123,103
TOTAL ASSETS	2,341,357	2,313,717
EQUITY		
Share capital	734,811	480,810
Reserves	16,778	234,936
Retained earnings	1,013,066	1,030,093
Total equity attributable to owners of the Company	1,764,655	1,745,839
Non-controlling Interests	1,373	1,373
Total Equity	1,766,028	1,747,212
LIABILITIES		
Loans and borrowings	52,425	57,430
Deferred tax liabilities	460,964	461,147
Total Non-Current Liabilities	513,389	518,577
Payables and accruals	28,059	32,424
Loans and borrowings	31,538	13,524
Current tax liabilities	2,343	1,980
Total Current Liabilities	61,940	47,928
Total Liabilities	575,329	566,505
TOTAL EQUITY & LIABILITIES	2,341,357	2,313,717
Net Assets Per Share (RM)	3.34	3.63

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.

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LANDMARKS BERHAD (185202-H)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017**

	Note	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 months ended 30 JUNE		6 months ended 30 JUNE	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue		<u>21,174</u>	<u>15,355</u>	<u>48,087</u>	<u>39,273</u>
Loss from operations		(13,119)	(9,752)	(15,862)	(16,450)
Finance cost		(959)	(1,056)	(1,923)	(2,181)
Finance income		10	77	10	170
Operating loss		(14,068)	(10,731)	(17,775)	(18,461)
Share of net profit of associates, net of tax	B1	571	3,997	1,231	5,562
Loss before taxation		(13,497)	(6,734)	(16,544)	(12,899)
Income tax expense	B5	(229)	(329)	(531)	(753)
Loss for the period		(13,726)	(7,063)	(17,075)	(13,652)
Other comprehensive income / (expense), net of tax					
Foreign currency translation differences for foreign operations		(902)	2,531	162	(1,446)
Other comprehensive income / (expense) for the period, net of tax		(902)	2,531	162	(1,446)
Total comprehensive expense for the period		(14,628)	(4,532)	(16,913)	(15,098)
Loss attributable to:					
Owners of the Company		(13,726)	(7,063)	(17,075)	(13,652)
Non-controlling interests		-	-	-	-
Loss for the period		(13,726)	(7,063)	(17,075)	(13,652)
Total comprehensive expense attributable to:					
Owners of the Company		(14,628)	(4,532)	(16,913)	(15,098)
Non-controlling interests		-	-	-	-
Total comprehensive expense for the period		(14,628)	(4,532)	(16,913)	(15,098)

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

Loss for the period					
-Basic		(2.72)	(1.47)	(3.46)	(2.84)
-Diluted		(2.72)	(1.47)	(3.46)	(2.84)

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.

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LANDMARKS BERHAD (185202-H)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 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
At 1 January 2016	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	-	(1,446)	-	-	-	-	(1,446)	-	(1,446)
Total other comprehensive expense for the period	-	(1,446)	-	-	-	-	(1,446)	-	(1,446)
Loss for the period	-	-	-	-	-	(13,652)	(13,652)	-	(13,652)
Total comprehensive expense for the period	-	(1,446)	-	-	-	(13,652)	(15,098)	-	(15,098)
Share options forfeited	-	-	-	-	(59)	59	-	-	-
Total contribution from owners	-	-	-	-	(59)	59	-	-	-
At 30 June 2016	480,810	10,715	1,260	218,272	2,467	1,044,167	1,757,691	1,373	1,759,064
At 1 January 2017	480,810	13,155	1,260	218,272	2,249	1,030,093	1,745,839	1,373	1,747,212
Foreign currency translation differences for foreign operations	-	162	-	-	-	-	162	-	162
Total other comprehensive income for the period	-	162	-	-	-	-	162	-	162
Loss for the period	-	-	-	-	-	(17,075)	(17,075)	-	(17,075)
Total comprehensive income/(expense) for the period	-	162	-	-	-	(17,075)	(16,913)	-	(16,913)
Issue of new ordinary shares	35,729	-	-	-	-	-	35,729	-	35,729
Share options forfeited	-	-	-	-	(48)	48	-	-	-
Total contribution from owners	35,729	-	-	-	(48)	48	35,729	-	35,729
Reclassification pursuant to S618(2) of CA 2016*	218,272	-	-	(218,272)	-	-	-	-	-
At 30 June 2017	734,811	13,317	1,260	-	2,201	1,013,066	1,764,655	1,373	1,766,028

* 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 SIX MONTHS PERIOD ENDED 30 JUNE 2017

	30-June-2017 RM'000	30-June-2016 RM'000
Cash flows from operating activities		
Loss before taxation	(16,544)	(12,899)
Adjustments for non-cash flow		
Amortisation of intangible asset	-	94
Depreciation of property, plant and equipment	7,910	8,500
Finance costs	1,923	2,181
Finance income	(10)	(170)
Gain on disposal of property, plant and equipments	-	(25)
Loss on redeemed of other investments	-	1,586
Dividend income from other investments	-	(130)
Fair value gain in other investments	(35)	(1,567)
Share of net profit of an equity accounted associate, net of tax	(1,231)	(5,562)
Operating loss before changes in working capital	(7,987)	(7,992)
Changes in working capital		
Inventories	(243)	(171)
Trade and other receivables and prepayments	188	(394)
Trade payables and others payables	(981)	756
Property development costs	(20,066)	(8,123)
Cash used in operations	(29,089)	(15,924)
Income tax paid	(691)	(973)
Income tax refunded	35	-
Net cash used in operating activities	(29,745)	(16,897)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,088)	(2,940)
Proceeds from disposal of property, plant and equipment	-	25
Proceeds from disposal of other investments	-	28,278
Acquisition of other investments	(10,000)	(10,300)
Increase in pledge deposits placed with licensed bank	-	(35)
Interest received	10	170
Dividend received from :		
- other investments	-	130
Net cash (used in)/generated from investing activities	(13,078)	15,328
Cash flows from financing activities		
Interest paid	(1,859)	(2,175)
Proceeds from issue of new ordinary shares	35,729	-
Repayment of finance lease liabilities	(91)	(40)
Drawdown/(Repayment) of loans and borrowings	13,036	(8,888)
Net cash generated from/(used in) financing activities	46,815	(11,103)
Net increase/(decrease) in cash and cash equivalents	3,992	(12,672)
Cash and cash equivalents at 1 January	13,543	32,282
Cash and cash equivalents at 30 June	17,535	19,610
	30-June-2017 RM'000	30-June-2016 RM'000
Cash and bank balances	17,519	14,378
Deposits with licensed banks	1,316	8,744
	18,835	23,122
Less : Pledged deposits	(1,300)	(3,512)
	17,535	19,610

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.

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 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 |

6 months ended 30 June	Hospitality and Wellness		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	38,520	34,151	9,567	5,122	-	-	48,087	39,273
Profit / (loss) from operation	8,379	7,207	(20,811)	(19,668)	(3,430)	(3,989)	(15,862)	(16,450)
Finance costs	(1,777)	(2,157)	-	-	(146)	(24)	(1,923)	(2,181)
Finance income	-	29	1	17	9	124	10	170
	<u>6,602</u>	<u>5,079</u>	<u>(20,810)</u>	<u>(19,651)</u>	<u>(3,567)</u>	<u>(3,889)</u>	<u>(17,775)</u>	<u>(18,461)</u>
Included in the measure of segments results from operating activities are :								
- Depreciation and amortisation	(3,089)	(3,234)	(4,760)	(5,187)	(61)	(173)	(7,910)	(8,594)
- Foreign exchange (gain)/ loss	-	-	(217)	(575)	20	(604)	(197)	(1,179)
- (Reversal) / recognised of impairment loss on trade receivables	-	-	-	-	-	-	-	-
Segment assets	<u>154,220</u>	<u>158,669</u>	<u>2,103,626</u>	<u>2,074,183</u>	<u>83,511</u>	<u>83,682</u>	<u>2,341,357</u>	<u>2,316,534</u>

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 June 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 30 June 2017 other than as mentioned below:

During the quarter under review, a total of 48,080,970 new ordinary shares were allotted and issued by the Company and listed on the Main Market of Bursa Malaysia Securities Berhad on 16 May 2017 and 18 May 2017 respectively.

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 other than as mentioned below:

The Company's indirect wholly-owned subsidiary, Kuala Lumpur Suburban Centre Sdn Bhd ("KLSC"), has on 21 July 2017 executed a Share Sale Agreement with the following parties:

- i. Handal Dinamis Holdings Berhad;
- ii. Landmarks Hotels & Realty Sdn Bhd, a wholly-owned subsidiary of the Company and holding company of KLSC;
- iii. Peremba Panorama Sdn Bhd;
- iv. Permodalan Peremba Sdn Bhd; and
- v. MCL Land Limited ("MCL"),

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

A15. Events subsequent to the balance sheet date (continued)

to dispose of its equity interest comprising 200,001 ordinary shares in MSL Properties Sdn Bhd ("MSL") to MCL for a total cash consideration of RM87,380,437.00 (Ringgit Malaysia: Eighty Seven Million Three Hundred Eighty Thousand Four Hundred and Thirty Seven Only) ("Disposal").

The Disposal was completed on 15 August 2017.

A16. Contingent liabilities and contingent assets

As at 30 June 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:-

	30 June 2017 RM'000
Corporate guarantees granted for banking facilities of a subsidiary (note B8)	<u>78,427</u>

A17. Capital and commitments

	30 June 2017 RM'000
Authorised but not contracted for	-
Contracted but not provided for	<u>46,145</u>
Total	<u>46,145</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.

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

B1. Review of performance for Six Months to 30 June 2017 compared with Six Months to 30 June 2016

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	3 months ended			6 months ended		
	30 JUNE			30 JUNE		
	2017	2016	Changes	2017	2016	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	21,174	15,355	38	48,087	39,273	22
Loss from operations	(13,119)	(9,752)	-35	(15,862)	(16,450)	4
Finance costs	(959)	(1,056)	9	(1,923)	(2,181)	12
Finance income	10	77	-87	10	170	-94
Operating loss	(14,068)	(10,731)	-31	(17,775)	(18,461)	4
Share of net profit of associate	571	3,997	-86	1,231	5,562	-78
Loss before tax	(13,497)	(6,734)	-100	(16,544)	(12,899)	-28

(a) Quarter ended 30 June 2017 ("2Q 2017") compared with quarter ended 30 June 2016 ("2Q 2016")

The Group's revenue in 2Q 2017 was RM21.17 million, an increase of 38% compared with RM15.36 million in 2Q 2016.

The increase in revenue was mainly attributable to:

- (i) higher revenue from The Andaman at Langkawi by RM2.83 million, mainly due to the improvement of average room occupancy by 5% and higher average room rate by 9%;
- (ii) higher revenue from The Canopi at Treasure Bay Bintan ("TBB") by RM1.49 million, mainly contributed by higher average room occupancy by 2% and additional 60 new tents in operation from June 2017; and
- (iii) higher revenue from attraction at TBB by RM1.50 million, mainly contributed by additional new attractions and activities, and an increase in total visitors to TBB.

Loss before tax ("LBT") for 2Q 2017 was RM13.50 million compared with LBT of RM6.73 million in 2Q 2016, an increase of 100%.

The increase in LBT was mainly due to:

- (i) higher operating loss in TBB, mainly due to costs incurred for the litigation with respect to the Suspension of Debt Payment Obligations Process by the Medan Commercial Court, which has subsequently been lifted upon ratification of the composition plan by the said Court; and
- (ii) lower share of net profit of associate by RM 3.43 million.

B1. Review of performance for Six Months to 30 June 2017 compared with Six Months to 30 June 2016 (continued)

- (b) Financial period for the six months ended 30 June 2017 ("1H 2017") compared with six months ended 30 June 2016 ("1H 2016")

The Group's revenue in 1H 2017 was RM48.09 million, an increase of 22% compared with RM39.27 million in 1H 2016.

The increase in revenue was mainly attributable to:

- (i) higher revenue from The Andaman at Langkawi by RM4.37 million, mainly contributed by an improvement of average occupancy by 6% and higher average room rate by 7%;
- (ii) higher revenue from The Canopi at TBB by RM1.94 million, mainly contributed by higher average room occupancy by 8%, higher average room rate by 6% and additional 60 tents in operation from June 2017; and
- (iii) higher revenue from attraction at TBB by RM2.50 million, mainly contributed by additional new attractions and activities as well as an increase in total visitors to TBB.

LBT for 1H 2017 was RM16.54 million compared with LBT of RM12.90 million in 1H 2016, an increase of 28%.

The increase in LBT was mainly due to:

- (i) higher operating loss in TBB, mainly due to costs incurred for the litigation with respect to the Suspension of Debt Payment Obligations Process by the Medan Commercial Court, which has subsequently been lifted upon ratification of the composition plan by the said Court; and
- (ii) lower share of net profit of associate by RM 4.33 million.

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

	2017 2nd Qtr ("2Q 2017") RM'000	2017 1st Qtr ("1Q 2017") RM'000	Changes %
Revenue	21,174	26,913	-21
Loss from operations	(13,119)	(2,743)	-378
Finance costs	(959)	(964)	1
Finance income	10	-	100
Operating loss	(14,068)	(3,707)	-279
Share of net profit of associate	571	660	-13
Loss before tax	(13,497)	(3,047)	-343

The Group's revenue in 2Q 2017 was RM21.17 million, a decrease of 21% compared with RM26.91 million in 1Q 2017.

The decrease in revenue was mainly attributable to:

- (i) lower revenue from The Andaman at Langkawi by 35%, mainly due to the off-peak season in the 2nd quarter of the year; and
- (ii) partially off-set by higher revenue from The Canopi and attractions at TBB by RM2.45 million or 69% compared with RM3.56 million in 1Q 2017.

LBT for 2Q 2017 was RM13.50 million compared with LBT of RM3.05 million in 1Q 2017, an increase of 343%.

The increase in LBT was mainly due to:

- (i) lower operating profit from The Andaman at Langkawi by RM 6.62 million due to lower revenue as mentioned above;
- (ii) higher operating loss in TBB, mainly due to costs incurred for the litigation case with respect to the Suspension of Debt Payment Obligations Process by the Medan Commercial Court, which has subsequently been lifted upon ratification of the composition plan by the said Court.

B3. Prospects

The Andaman continues to experience high occupancy rate and steady growth on room rate. The Board expects The Andaman to outperform its budget and increase its revenue contribution to the Group for 2017.

The additional 60 tents for The Canopi in Chill Cove have started operation in June 2017. The total key count now for The Canopi is at 100 tents. More attractions and activities are now being added to the offering in Chill Cove. The Board expects The Canopi and new attractions to attract more visitors to Chill Cove and increase its revenue contribution to the Group in 2017.

The Group will be launching its sales of the luxury villa residences at Chiva-Som Bintan in the 4th quarter this year and the Board expects the sales will contribute significantly to the Group's revenue and profits in the next financial year.

B4. Profit forecast

Not applicable as no profit forecast was announced or disclosed.

B5. Income tax expense

	Current period		Cumulative period	
	3 months ended		6 months ended	
	30 June		30 June	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Income tax charge				
- Malaysia	322	423	721	939
- Overseas	-	-	(5)	-
Deferred Taxation	(93)	(94)	(185)	(186)
Taxation (overprovision)/ charge	<u>229</u>	<u>329</u>	<u>531</u>	<u>753</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

The proceeds of RM36,541,537 raised from the issuance of new ordinary shares (as disclosed in Note A14) have been partially utilized during the interim period in the following manner:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for utilisation	Variance RM'000
Repay term loan	13,000	13,000	within 2 months	-
Capital expenditure	11,600	3,849	within 12 months	-
Working capital	11,082	11,115	within 12 months	(33)
Defray expenses in relation to the Private Placement	860	827		33 *
	<u>36,542</u>	<u>27,964</u>		<u>-</u>

*The unutilized allocation to defray expenses of RM33,000 was utilized for working capital.

B7. Changes in material litigation

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

The Suspension of Debt Payment Obligation Process on the indirect wholly-owned subsidiary, PT Bintan Hotel Utama ("BHU"), by the Medan Commercial Court has been lifted on 9 June 2017 with the ratification of the composition plan between BHU and its creditors by the said Court. The judges of the said Court have further sanctioned BHU and all of its creditors to comply with the agreed composition plan and fixed the administrator's, and court process costs.

B8. Loans and borrowings

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

	As at 30 June 2017 RM'000	As at 30 June 2016 RM'000
Short term borrowings - Secured		
Term loan	26,359	12,882
Revolving credit	5,000	-
Hire purchase liabilities	179	70
	<u>31,538</u>	<u>12,952</u>
Long term borrowings - Secured		
Term loan	52,068	59,000
Hire purchase liabilities	357	147
	<u>52,425</u>	<u>59,147</u>
Total borrowings	<u>83,963</u>	<u>72,099</u>

The above include borrowings denominated in foreign currencies as follows:

	As at 30 June 2017 RM'000	As at 30 June 2016 RM'000
US Dollar	7,668	-
SGD	11,368	-
	<u>11,368</u>	<u>-</u>

The term loan of RM78.43 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 June 2017.

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 June 2017 RM'000	Group 31 December 2016 RM'000
Total retained earnings of Landmarks Berhad and its subsidiaries:		
- Realised	(152,707)	(134,435)
- Unrealised	(4,096)	(4,110)
	<u>(156,803)</u>	<u>(138,545)</u>
Total share of retained earnings from an associate	78,916	81,428
Consolidation adjustments	<u>1,090,953</u>	<u>1,087,210</u>
Total retained earnings	<u><u>1,013,066</u></u>	<u><u>1,030,093</u></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.

	Individual period		Cumulative period	
	3 months ended		6 months ended	
	30 June		30 June	
	2017	2016	2017	2016
a) Basic loss per share				
Loss attributable to equity owner of the Company (RM'000)	(13,726)	(7,063)	(17,075)	(13,652)
Issued ordinary shares at Beginning of period ('000)	480,810	480,810	480,810	480,810
Effect of issue of ordinary Shares ('000)	24,305	-	12,219	-
Weighted average number of ordinary shares ('000)	505,115	480,810	493,029	480,810
Basic loss per share attributable to equity owners of the Company (sen)	(2.72)	(1.47)	(3.46)	(2.84)

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		6 months ended	
	30 June		30 June	
	2017	2016	2017	2016
b) Diluted loss per share				
Loss attributable to equity owner of the Company (RM'000)	(13,726)	(7,063)	(17,075)	(13,652)
Weighted average number of ordinary shares ('000)	480,810	480,810	480,810	480,810
Effect of issue of ordinary Shares ('000)	24,305	-	12,219	-
Adjustment for dilutive effect of ESOS	-	-	-	-
Weighted average number of ordinary shares ('000)	505,115	480,810	493,029	480,810
Diluted loss per share attributable to equity holders of the Company (sen)	(2.72)	(1.47)	(3.46)	(2.84)

By Order of The Board

IRENE LOW YUET CHUN
Company Secretary

Kuala Lumpur
22nd August 2017
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