LANDMARKS BERHAD

(185202-H)
(Incorporated in Malaysia)

Unaudited Interim Financial Report For the Third Quarter Ended 30 September 2017

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	30-September-2017 RM' 000 (Unaudited)	31-Dec-2016 RM' 000 (Audited)
ASSETS		
Property, plant and equipment	**1,337,959**	1,339,017
Property development costs	**778,900**	778,900
Investments in associates	**-**	70,462
Other investments	**2,085**	1,885
Deferred tax assets	**350**	350
Total Non-Current Assets	**2,119,294**	2,190,614
Inventories	**830**	640
Property development costs	**103,319**	94,131
Receivables, deposits and prepayments	**18,055**	13,392
Current tax assets	**738**	97
Other investment	**80,449**	-
Cash and cash equivalents	**28,873**	14,843
Total Current Assets	**232,264**	123,103
TOTAL ASSETS	**2,351,558**	2,313,717
EQUITY		
Share capital	**734,811**	480,810
Reserves	**17,886**	234,936
Retained earnings	**1,014,697**	1,030,093
Total equity attributable to owners of the Company	**1,767,394**	1,745,839
Non-controlling Interests	**1,373**	1,373
Total Equity	**1,768,767**	1,747,212
LIABILITIES		
Loans and borrowings	**69,757**	57,430
Deferred tax liabilities	**462,371**	461,147
Total Non-Current Liabilities	**532,128**	518,577
Payables and accruals	**23,336**	32,424
Loans and borrowings	**25,596**	13,524
Current tax liabilities	**1,731**	1,980
Total Current Liabilities	**50,663**	47,928
Total Liabilities	**582,791**	566,505
TOTAL EQUITY & LIABILITIES	**2,351,558**	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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

	Note	INDIVIDUAL PERIOD 3 months ended 30 SEPTEMBER		CUMULATIVE PERIOD 9 months ended 30 SEPTEMBER	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue		**28,054**	21,934	**76,141**	61,207
Loss from operations		**(1,148)**	(5,878)	**(17,010)**	(22,328)
Finance cost		**(1,046)**	(952)	**(2,969)**	(3,133)
Finance income		**37**	46	**47**	216
Operating loss		**(2,157)**	(6,784)	**(19,932)**	(25,245)
Share of net profit of associates, net of tax	B1	**6,794**	2,327	**8,025**	7,889
Profit/(loss) before taxation		**4,637**	(4,457)	**(11,907)**	(17,356)
Income tax expense	B5	**(3,006)**	(248)	**(3,537)**	(1,001)
Profit/(loss) for the period		**1,631**	(4,705)	**(15,444)**	(18,357)
Other comprehensive income/(expense), net of tax					
Foreign currency translation differences for foreign operations		**1,108**	16,394	**1,270**	14,948
Other comprehensive income/(expense) for the period, net of tax		**1,108**	16,394	**1,270**	14,948
Total comprehensive income/(expense) for the period		**2,739**	11,689	**(14,174)**	(3,409)
Profit/(loss) attributable to:					
Owners of the Company		**1,631**	(4,705)	**(15,444)**	(18,357)
Non-controlling interests		**-**	-	**-**	-
Profit/(loss) for the period		**1,631**	(4,705)	**(15,444)**	(18,357)
Total comprehensive income/(expense) attributable to:					
Owners of the Company		**2,739**	11,689	**(14,174)**	(3,409)
Non-controlling interests		**-**	-	**-**	-
Total comprehensive income/(expense) for the period		**2,739**	11,689	**(14,174)**	(3,409)

Earnings per share attributable to owners of the Company (sen)				
Profit/(loss) for the period				
-Basic	0.31	(0.98)	(3.06)	(3.82)
-Diluted	0.31	(0.98)	(3.06)	(3.82)

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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	-	14,948	-	-	-	-	14,948	-	14,948
Total other comprehensive income for the period	-	14,948	-	-	-	-	14,948	-	14,948
Loss for the period	-	-	-	-	-	(18,357)	(18,357)	-	(18,357)
Total comprehensive income/(expense) for the period	-	14,948	-	-	-	(18,357)	(3,409)	-	(3,409)
Share options forfeited	-	-	-	-	(277)	277	-	-	-
Total contribution from owners	-	-	-	-	(277)	277	-	-	-
At 30 September 2016	480,810	27,109	1,260	218,272	2,249	1,039,680	1,769,380	1,373	1,770,753
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	-	**1,270**	-	-	-	-	**1,270**	-	**1,270**
Total other comprehensive income for the period	-	**1,270**	-	-	-	-	**1,270**	-	**1,270**
Loss for the period	-	-	-	-	-	**(15,444)**	**(15,444)**	-	**(15,444)**
Total comprehensive income/(expense) for the period	-	**1,270**	-	-	-	**(15,444)**	**(14,174)**	-	**(14,174)**
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 September 2017	**734,811**	**14,425**	**1,260**	-	**2,201**	**1,014,697**	**1,767,394**	**1,373**	**1,768,767**

** 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 caiptal.*

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

	30-September-2017 RM'000	30-September-2016 RM'000
Cash flows from operating activities		
Loss before taxation	**(11,907)**	(17,356)
Adjustments for non-cash flow		
Amortisation of intangible asset	**-**	131
Depreciation of property, plant and equipment	**12,085**	13,152
Finance costs	**2,969**	3,133
Finance income	**(47)**	(216)
Gain on disposal of an associate	**(4,540)**	-
Gain on disposal of property, plant and equipments	**-**	(25)
Loss on redeemed of other investments	**23**	1,593
Dividend income from other investments	**(125)**	(169)
Fair value gain in other investments	**(286)**	(1,566)
Share of net profit of an equity accounted associate, net of tax	**(8,025)**	(1,889)
Operating loss before changes in working capital	**(9,853)**	(3,212)
Changes in working capital		
Inventories	**(190)**	(169)
Trade and other receivables and prepayments	**449**	14,878
Trade payables and others payables	**(4,344)**	(19,694)
Property development costs	**(25,701)**	(8,123)
Cash used in operations	**(39,639)**	(16,320)
Income tax paid	**(2,882)**	(910)
Income tax refunded	**35**	-
Net cash used in operating activities	**(42,486)**	(17,230)
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(5,190)**	(2,940)
Proceeds from disposal of property, plant and equipment	**-**	25
Proceeds from disposal of an associate	**84,760**	-
Proceeds from disposal of other investments	**9,940**	29,778
Acquisition of other investments	**(90,325)**	(10,339)
Increase in pledge deposits placed with licensed bank	**-**	(35)
Interest received	**47**	216
Dividend received from :		
- other investments	**125**	169
Net cash (used in)/generated from investing activities	**(643)**	16,874
Cash flows from financing activities		
Interest paid	**(2,871)**	(3,128)
Proceeds from issue of new ordinary shares	**35,729**	-
Repayment of finance lease liabilities	**(142)**	(40)
Drawdown/(Repayment) of loans and borrowings	**24,443**	(8,888)
Net cash generated from/(used in) financing activities	**57,159**	(12,056)
Net increase/(decrease) in cash and cash equivalents	**14,030**	(12,412)
Cash and cash equivalents at 1 January	**13,543**	32,282
Cash and cash equivalents at 30 September	**27,573**	19,870

	30-September-2017 RM'000	30-September-2016 RM'000
Cash and bank balances	**27,561**	17,972
Deposits with licensed banks	**1,312**	5,410
	28,873	23,382
Less : Pledged deposits	**(1,300)**	(3,512)
	27,573	19,870

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 other than as mentioned below:

The Company's indirect wholly-owned subsidiary, Kuala Lumpur Suburban Centre Sdn Bhd ("KLSC"), had 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"),

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 and accordingly, MSL ceased to be an associate of the Company.

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

	Hospitality and Wellness		Resort and Destination Development		Others		Consolidated	
9 months ended 30 September	**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	58,243	52,221	17,898	8,986	-	-	**76,141**	61,207
Profit / (loss) from operation	12,626	11,286	(27,692)	(27,985)	(1,944)	(5,629)	**(17,010)**	(22,328)
Finance costs	(2,549)	(3,107)	-	-	(420)	(26)	**(2,969)**	(3,133)
Finance income	-	37	1	17	46	162	**47**	216
	10,077	8,216	(27,691)	(27,968)	(2,318)	(5,493)	**(19,932)**	(25,245)
Included in the measure of segments results from operating activities are :								
- Depreciation and amortisation	(4,599)	(4,844)	(7,397)	(8,179)	(89)	(260)	**(12,085)**	(13,283)
- Foreign exchange (gain)/ loss	-	-	(225)	(916)	(417)	(638)	**(642)**	(1,554)
- (Reversal) / recognised of impairment loss on trade receivables	-	-	-	-	-	-	**-**	-
- Gain from disposal of an associate	-	-	-	-	4,540	-	**4,540**	-
Segment assets	155,983	158,054	2,102,205	2,079,227	93,370	79,113	**2,351,558**	2,316,394

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 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 September 2017 other than as mentioned below:

During the preceding quarter, 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.

A16. Contingent liabilities and contingent assets

As at 30 September 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 September 2017 RM'000
Corporate guarantees granted for banking facilities of a subsidiary (note B8)	**69,218**

A17. Capital and commitments

	30 September 2017 RM'000
Authorised but not contracted for	-
Contracted but not provided for	**32,881**
Total	**32,881**

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 Nine Months to 30 September 2017 compared with Nine Months to 30 September 2016

	INDIVIDUAL PERIOD 3 months ended 30 SEPTEMBER			CUMULATIVE PERIOD 9 months ended 30 SEPTEMBER		
	2017 RM'000	2016 RM'000	Changes (%)	2017 RM'000	2016 RM'000	Changes (%)
Revenue	**28,054**	**21,934**	**28**	**76,141**	**61,207**	**24**
Loss from operations	**(1,148)**	**(5,878)**	**80**	**(17,010)**	**(22,328)**	**24**
Finance costs	(1,046)	(952)	-10	(2,969)	(3,133)	5
Finance income	37	46	-20	47	216	-78
Operating loss	**(2,157)**	**(6,784)**	**68**	**(19,932)**	**(25,245)**	**21**
Share of net profit of associate	6,794	2,327	192	8,025	7,889	2
Profit/(loss) before tax	**4,637**	**(4,457)**	**204**	**(11,907)**	**(17,356)**	**31**

(a) Quarter ended 30 September 2017 ("3Q 2017") compared with quarter ended 30 September 2016 ("3Q 2016")

The Group's revenue in 3Q 2017 was RM28.05 million, an increase of 28% compared with RM21.93 million in 3Q 2016.

The increase in revenue was mainly attributable to:

(i) higher revenue from The Andaman at Langkawi by RM1.65 million, mainly due to higher average room rate by 7%;
(ii) higher revenue from The Canopi at Treasure Bay Bintan ("TBB") by RM3.04 million, mainly contributed by higher average room rate by 6% and contribution from additional 60 new tents in operation from June 2017; and
(iii) higher revenue from attraction at TBB by RM1.43 million, mainly contributed by additional new attractions and activities, and an increase in total visitors to TBB.

Profit before tax ("PBT") for 3Q 2017 was RM4.64 million compared with loss before tax ("LBT") of RM4.46 million in 3Q 2016.

The increase in PBT was mainly due to:

(i) higher operating profit from The Andaman at Langkawi by RM0.17 million or 4% with higher revenue as mentioned above;
(ii) lower operating loss in TBB, mainly due to operating cost incurred offset by higher revenue generated from The Canopi with additional 60 new tents in operation from June 2017 and additional new attractions and activities at TBB; and
(iii) higher share of net profit of associate by RM4.47 million and one-off gain of RM4.54 million on disposal of associate.

B1. *Review of performance for Nine Months to 30 September 2017 compared with Nine Months to 30 September 2016 (continued)*

(b) Financial period for the nine months ended 30 September 2017 ("9M 2017") compared with nine months ended 30 September 2016 ("9M 2016")

The Group's revenue in 9M 2017 was RM76.14 million, an increase of 24% compared with RM61.21 million in 9M 2016.

The increase in revenue was mainly attributable to:

(i) higher revenue from The Andaman at Langkawi by RM6.02 million, mainly contributed by an improvement of average occupancy by 3% and higher average room rate by 7%;
(ii) higher revenue from The Canopi at TBB by RM4.98 million, mainly contributed by higher average room rate by 3% and additional 60 tents in operation from June 2017; and
(iii) higher revenue from attraction at TBB by RM3.94 million, mainly contributed by additional new attractions and activities as well as an increase in total visitors to TBB.

LBT for 9M 2017 was RM11.91 million compared with RM17.36 million in 9M 2016, an improvement of 31%.

The improvement in profitability was mainly due to:

(i) higher operating profit from The Andaman at Langkawi by RM1.34 million with higher revenue as mentioned above;
(ii) lower operating loss in TBB, mainly due to operating cost incurred offset by higher revenue generated from The Canopi with additional 60 new tents in operation from June 2017 and additional new attractions and activities at TBB; and
(iii) one-off gain on disposal of associate of RM4.54 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 3rd Qtr ("3Q 2017") RM'000	2017 2nd Qtr ("2Q 2017") RM'000	Changes %
Revenue	**28,054**	**21,174**	**32**
Loss from operations	**(1,148)**	**(13,119)**	**91**
Finance costs	(1,046)	(959)	-9
Finance income	37	10	-270
Operating loss	**(2,157)**	**(14,068)**	**85**
Share of net profit of associate	6,794	571	1,090
Profit/(loss) before tax	**4,637**	**(13,497)**	**134**

The Group's revenue in 3Q 2017 was RM28.05 million, an increase of 32% compared with RM21.17 million in 2Q 2017.

The increase in revenue was mainly attributable to:

(i) higher revenue from The Andaman at Langkawi by 30%, mainly due to an improvement of average occupancy by 18% and higher average room rate by 14%; and
(ii) higher revenue from The Canopi at TBB by RM1.95 million or 48% compared with RM4.04 million in 2Q 2017, mainly due to additional 60 new tents in operation from June 2017.

PBT for 3Q 2017 was RM4.64 million compared with LBT of RM13.50 million in 2Q 2017, an improvement of 134%.

The increase in PBT was mainly due to:

(i) higher operating profit from The Andaman at Langkawi by RM3.37 million due to higher revenue as mentioned above;
(ii) lower operating loss in TBB, mainly due to lower operating loss offset by higher revenue generated from The Canopi with additional 60 new tents in operation from June 2017 and one-off costs incurred in the preceding quarter 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; and
(iii) one-off gain on disposal of associate of RM4.54 million and higher share of net profit of associate by RM6.22 million.

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

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 TBB have started operations 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 offerings in Chill Cove at TBB. 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 of 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 3 months ended 30 September		Cumulative period 9 months ended 30 September	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current taxation				
Income tax charge				
- Malaysia	1,587	340	2,308	1,279
- Overseas	11	-	6	-
Deferred Taxation	1,408	(92)	(1223)	(278)
Taxation (overprovision)/ charge	3,006	248	3,537	1,001

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	9,969	within 12 months	-
Working capital	11,082	11,115	within 12 months	(33)
Defray expenses in relation to the Private Placement	860	827		33 *
	36,542	34,911		-

*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.

B8. Loans and borrowings

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

	As at 30 September 2017 RM'000	As at 30 September 2016 RM'000
Short term borrowings - Secured		
Term loan	15,417	11,351
Revolving credit	10,000	-
Hire purchase liabilities	179	199
	25,596	11,550
Long term borrowings - Secured		
Term loan	69,443	59,000
Hire purchase liabilities	314	136
	69,757	59,136
Total borrowings	**95,353**	**70,686**

The above include borrowings denominated in foreign currencies as follows:

	As at 30 September 2017 RM'000	As at 30 September 2016 RM'000
USD	11,801	-

The term loan of RM69.22 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 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 September 2017 RM'000	**Group 31 December 2016 RM'000**
Total retained earnings of Landmarks Berhad and its subsidiaries:		
- Realised	(158,640)	(134,435)
- Unrealised	(7,802)	(4,110)
	(166,442)	(138,545)
Total share of retained earnings from an associate	-	81,428
Consolidation adjustments	1,181,139	1,087,210
Total retained earnings	1,014,697	1,030,093

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.

B13. Basic earnings/(loss) per ordinary share

Basic earnings/(loss) per ordinary share was calculated by dividing the profit/(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 3 months ended 30 September		Cumulative period 9 months ended 30 September	
	2017	**2016**	**2017**	**2016**
a) Basic earnings/(loss) per share				
Profit/(loss) attributable to equity owners of the Company (RM'000)	**1,631**	(4,705)	**(15,444)**	(18,357)
Issued ordinary shares at beginning of period ('000)	**480,810**	480,810	**480,810**	480,810
Effect of issue of ordinary shares ('000)	**48,081**	-	**24,304**	-
Weighted average number of ordinary shares ('000)	**528,891**	480,810	**505,114**	480,810
Basic earnings/(loss) per share attributable to equity owners of the Company (sen)	**0.31**	(0.98)	**(3.06)**	(3.82)

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

		Individual period 3 months ended 30 September 2017	Individual period 3 months ended 30 September 2016	Cumulative period 9 months ended 30 September 2017	Cumulative period 9 months ended 30 September 2016
b)	**Diluted earnings/(loss) per share**				
	Profit/(loss) attributable to equity owners of the Company (RM'000)	**1,631**	(4,705)	**(15,444)**	(18,357)
	Weighted average number of ordinary shares ('000)	**528,891**	480,810	**505,114**	480,810
	Adjustment for dilutive effect of ESOS	**-**	-	**-**	-
	Adjusted weighted average number of ordinary shares ('000)	**528,891**	480,810	**505,114**	480,810
	Diluted earnings/(loss) per share attributable to equity owners of the Company (sen)	**0.31**	(0.98)	**(3.06)**	(3.82)

By Order of The Board

IRENE LOW YUET CHUN
Company Secretary

Kuala Lumpur
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