

# LANDMARKS

**LANDMARKS BERHAD**

(185202-H)

(Incorporated in Malaysia)

**Unaudited Interim Financial Report  
For the Fourth Quarter Ended  
31 December 2018**

# LANDMARKS

LANDMARKS BERHAD (185202-H)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	31-Dec-2018 RM' 000 (Unaudited)	31-Dec-2017 RM' 000 (Audited)
<b>ASSETS</b>		
Property, plant and equipment	1,305,495	1,321,246
Property development costs	774,059	778,772
Other investments	2,085	2,085
Deferred tax assets	350	350
<b>Total Non-Current Assets</b>	<b>2,081,989</b>	<b>2,102,453</b>
Inventories	1,080	827
Property development costs	117,459	104,363
Receivables, deposits and prepayments	22,904	14,970
Current tax assets	745	737
Other investment	85,299	71,151
Cash and cash equivalents	30,934	33,527
<b>Total Current Assets</b>	<b>258,421</b>	<b>225,575</b>
<b>TOTAL ASSETS</b>	<b>2,340,410</b>	<b>2,328,028</b>
<b>EQUITY</b>		
Share capital	734,811	734,811
Reserves	(2,238)	3,777
Retained earnings	965,476	1,000,502
<b>Total equity attributable to owners of the Company</b>	<b>1,698,049</b>	<b>1,739,090</b>
<b>Non-controlling Interests</b>	<b>1,373</b>	<b>1,373</b>
<b>Total Equity</b>	<b>1,699,422</b>	<b>1,740,463</b>
<b>LIABILITIES</b>		
Loans and borrowings	124,016	69,222
Deferred tax liabilities	465,768	463,694
<b>Total Non-Current Liabilities</b>	<b>589,784</b>	<b>532,916</b>
Payables and accruals	32,799	27,596
Loans and borrowings	16,848	25,628
Current tax liabilities	1,557	1,425
<b>Total Current Liabilities</b>	<b>51,204</b>	<b>54,649</b>
<b>Total Liabilities</b>	<b>640,988</b>	<b>587,565</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,340,410</b>	<b>2,328,028</b>
<b>Net Assets Per Share (RM)</b>	<b>3.21</b>	<b>3.29</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 2017 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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2018**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 months ended		12 months ended	
	31 December		31 December	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>28,106</b>	27,671	<b>109,053</b>	103,812
<b>Loss from operations</b>	<b>(16,561)</b>	(12,241)	<b>(28,440)</b>	(29,251)
Finance cost	<b>(2,422)</b>	(2,037)	<b>(6,099)</b>	(5,006)
Finance income	<b>19</b>	81	<b>166</b>	128
<b>Operating loss</b>	<b>(18,964)</b>	(14,197)	<b>(34,373)</b>	(34,129)
Share of net profit of associates, net of tax	-	-	-	8,025
<b>Loss before taxation</b>	<b>(18,964)</b>	(14,197)	<b>(34,373)</b>	(26,104)
Income tax expense	<b>(747)</b>	(185)	<b>(3,024)</b>	(3,722)
<b>Loss for the period</b>	<b>(19,711)</b>	(14,382)	<b>(37,397)</b>	(29,826)
<b>Other comprehensive income/ (expense), net of tax</b>				
Foreign currency translation differences for foreign operations	<b>639</b>	(14,257)	<b>(7,447)</b>	(12,987)
Re-measurement of defined benefit liability	<b>22</b>	-	<b>22</b>	-
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>661</b>	(14,257)	<b>(7,425)</b>	(12,987)
<b>Total comprehensive expense for the period</b>	<b>(19,050)</b>	(28,639)	<b>(44,822)</b>	(42,813)
<b>Loss attributable to:</b>				
Owners of the Company	<b>(19,711)</b>	(14,382)	<b>(37,397)</b>	(29,826)
Non-controlling interests	-	-	-	-
<b>Loss for the period</b>	<b>(19,711)</b>	(14,382)	<b>(37,397)</b>	(29,826)
<b>Total comprehensive expense attributable to:</b>				
Owners of the Company	<b>(19,050)</b>	(28,639)	<b>(44,822)</b>	(42,813)
Non-controlling interests	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(19,050)</b>	(28,639)	<b>(44,822)</b>	(42,813)

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

Loss for the period				
-Basic	(3.73)	(2.72)	(7.07)	(5.84)
-Diluted	(3.73)	(2.72)	(7.07)	(5.84)

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 2017 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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2018**

<-----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 2017</b>	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	-	(12,987)	-	-	-	-	(12,987)	-	(12,987)
Total other comprehensive expense for the period	-	(12,987)	-	-	-	-	(12,987)	-	(12,987)
Loss for the period	-	-	-	-	-	(29,826)	(29,826)	-	(29,826)
<b>Total comprehensive expense for the period</b>	-	(12,987)	-	-	-	(29,826)	(42,813)	-	(42,813)
Issue of new ordinary shares	36,542	-	-	-	-	-	36,542	-	36,542
Share issue expenses	(813)	-	-	-	-	-	(813)	-	(813)
Share-based payment transactions	-	-	-	-	335	-	335	-	335
Share options forfeited	-	-	-	-	(235)	235	-	-	-
<b>Total contribution from owners</b>	35,729	-	-	-	100	235	36,064	-	36,064
Transfer in accordance with S618(2) of CA 2016*	218,272	-	-	(218,272)	-	-	-	-	-
<b>At 31 December 2017</b>	<b>734,811</b>	<b>168</b>	<b>1,260</b>	<b>-</b>	<b>2,349</b>	<b>1,000,502</b>	<b>1,739,090</b>	<b>1,373</b>	<b>1,740,463</b>
<b>At 1 January 2018</b>	<b>734,811</b>	<b>168</b>	<b>1,260</b>	<b>-</b>	<b>2,349</b>	<b>1,000,502</b>	<b>1,739,090</b>	<b>1,373</b>	<b>1,740,463</b>
Foreign currency translation differences for foreign operations	-	(7,447)	-	-	-	-	(7,447)	-	(7,447)
Re-measurement of defined benefit liability	-	-	-	-	-	22	22	-	22
Total other comprehensive expense for the period	-	(7,447)	-	-	-	22	(7,425)	-	(7,425)
Loss for the period	-	-	-	-	-	(37,397)	(37,397)	-	(37,397)
<b>Total comprehensive expense for the period</b>	-	(7,447)	-	-	-	(37,375)	(44,822)	-	(44,822)
Share-based payment transactions	-	-	-	-	3,781	-	3,781	-	3,781
Share options lapsed	-	-	-	-	(2,349)	2,349	-	-	-
<b>Total contribution from owners</b>	-	-	-	-	1,432	2,349	3,781	-	3,781
<b>At 31 December 2018</b>	<b>734,811</b>	<b>(7,279)</b>	<b>1,260</b>	<b>-</b>	<b>3,781</b>	<b>965,476</b>	<b>1,698,049</b>	<b>1,373</b>	<b>1,699,422</b>

\* Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any outstanding 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 2017 and the accompanying explanatory notes attached to the interim financial statements.

# LANDMARKS

LANDMARKS BERHAD (185202-H)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2018

	31-Dec-2018 RM'000	31-Dec-2017 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(34,373)	(26,104)
Adjustments for non-cash flow		
Depreciation of property, plant and equipment	18,578	17,934
Dividend income from other investments	(2,384)	(849)
Finance costs	6,099	5,006
Finance income	(166)	(128)
Gain on disposal of an associate	-	(4,540)
Loss on disposal of property, plant and equipments	321	-
Impairment of property, plant and equipment	-	1,446
Loss/(gain) on redemption of other investments	256	(1)
Fair value loss/(gain) on other investments	180	(242)
Property, plant and equipment written off	847	1,061
Project development costs written off	4,947	192
Share of net profit of an equity accounted associate, net of tax	-	(8,025)
Equity settled share-based payment transactions	3,781	335
<b>Operating loss before changes in working capital</b>	<b>(1,914)</b>	<b>(13,915)</b>
Changes in working capital		
Inventories	(253)	(187)
Trade and other receivables and prepayments	(1,696)	(1,578)
Trade payables and others payables	4,407	(1,530)
Property development costs	(23,068)	(23,727)
Cash used in operations	<b>(22,524)</b>	<b>(40,937)</b>
Income tax paid	(1,126)	(3,164)
Income tax refunded	297	36
<b>Net cash used in operating activities</b>	<b>(23,353)</b>	<b>(44,065)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(8,333)	(6,499)
Proceeds from disposal of property, plant and equipment	15	-
Proceeds from disposal of an associate	-	84,760
Proceeds from disposal of other investments	62,569	19,940
Acquisition of other investments	(77,152)	(91,048)
Increase in pledge deposits placed with licensed bank	(845)	(385)
Interest received	166	128
Dividend received from :		
- other investments	2,384	849
<b>Net cash (used in)/generated from investing activities</b>	<b>(21,196)</b>	<b>7,745</b>
<b>Cash flows from financing activities</b>		
Interest paid	(5,613)	(4,876)
Proceeds from issue of new ordinary shares	-	35,729
Repayment of finance lease liabilities	(204)	(193)
Proceeds from loans and borrowings	46,928	23,959
<b>Net cash generated from financing activities</b>	<b>41,111</b>	<b>54,619</b>
Net (decrease)/increase in cash and cash equivalents	<b>(3,438)</b>	<b>18,299</b>
Cash and cash equivalents at 1 January	<b>31,842</b>	<b>13,543</b>
<b>Cash and cash equivalents at 31 December</b>	<b>28,404</b>	<b>31,842</b>
	<b>31-Dec-2018 RM'000</b>	<b>31-Dec-2017 RM'000</b>
Cash and bank balances	28,404	17,330
Deposits with licensed banks	2,530	16,197
	<b>30,934</b>	<b>33,527</b>
Less : Pledged deposits	(2,530)	(1,685)
	<b>28,404</b>	<b>31,842</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 2017 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 2017. 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 2017.

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

The audited financial statements of the Group for the year ended 31 December 2017 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 2017. The Group has adopted the MFRSs, amendments and interpretations effective for annual period beginning on or after 1 January 2018 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 except as mentioned below:

**MFRS 15, Revenue from contracts with Customers**

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services.

The application of MFRS 15 is not expected to have any material financial impact to the current and prior periods' financial statements of the Group.

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

***MFRS 9, Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

In respect of impairment of financial assets, MFRS 9 replaces the “incurred loss” model in MFRS 139 with an “expected credit loss” (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments.

The application of MFRS 9 is not expected to have any material financial impact to the current and prior periods' 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 financial year ended 31 December 2017.

**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.

Subsequent to the quarter under review, an indirect dormant subsidiary of the Company, namely Point Merge (M) Sdn Bhd, has received a notice of striking off from the Register of Companies pursuant to Section 308(4) of the Companies Act, 1965 on 30 January 2019 from Suruhanjaya Syarikat Malaysia.

**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.

**A10. Revenue from contracts with customers**

The disaggregation of the Group's revenue from contracts with customers is as follow:

	<b>12 months ended</b>	
	<b>31 December</b>	
	<b>2018</b>	<b>2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Geographical segments</b>		
Malaysia	<b>77,960</b>	77,242
Indonesia	<b>31,093</b>	26,570
	<b><u>109,053</u></b>	<u>103,812</u>



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

**A11. 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, properties and attractions

12 months ended 31 December	Hospitality and Wellness		Resort and Destination Development		Others		Consolidated	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Segment revenue	77,960	77,242	31,093	26,570	-	-	<b>109,053</b>	103,812
Profit / (loss) from operation	18,772	13,457	(37,694)	(38,755)	(9,518)	(3,953)	<b>(28,440)</b>	(29,251)
Finance costs	(5,115)	(3,324)	(783)	(857)	(201)	(825)	<b>(6,099)</b>	(5,006)
Finance income	87	26	18	1	61	101	<b>166</b>	128
	<u>13,744</u>	<u>10,159</u>	<u>(38,459)</u>	<u>(39,611)</u>	<u>(9,658)</u>	<u>(4,677)</u>	<b><u>(34,373)</u></b>	<u>(34,129)</u>
Included in the measure of segments results from operating activities are :								
- Depreciation and amortisation	(6,076)	(6,044)	(12,429)	(11,783)	(73)	(107)	<b>(18,578)</b>	(17,934)
Segment assets	<u>238,264</u>	<u>167,229</u>	<u>2,097,854</u>	<u>2,085,037</u>	<u>4,292</u>	<u>75,762</u>	<b><u>2,340,410</u></b>	<u>2,328,028</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.

**A12. *Property, plant and equipment***

There were no amendments to the valuation of property, plant and equipment brought forward.

**A13. *Intangible asset***

There was no additional purchase of intangible asset for the financial year ended 31 December 2018.

**A14. *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.

**A15. *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 year ended 31 December 2018.

**A16. *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.

**A17. *Contingent liabilities and contingent assets***

As at 31 December 2018, 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 December 2018 RM'000</b>
Corporate guarantees granted for banking facilities of a subsidiary (note B9)	<u><b>141,170</b></u>

**A18. *Capital and commitments***

	<b>31 December 2018 RM'000</b>
Authorised but not contracted for	58,947
Contracted but not provided for	<u>17,037</u>
<b>Total</b>	<u><b>75,984</b></u>

**A19. *Related party transactions***

There were no material related party transactions for the financial period under review.

**A20. *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 financial year ended 31 December 2017.

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

**B1. Review of performance for Financial Year Ended 31 December 2018 compared with Financial Year Ended 31 December 2017**

The results of the Group are tabulated below:

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	3 months ended			12 months ended		
	31 December			31 December		
	2018	2017	Changes	2018	2017	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
<b>Revenue</b>	<b>28,106</b>	<b>27,671</b>	<b>2</b>	<b>109,053</b>	<b>103,812</b>	<b>5</b>
<b>Loss from operations</b>	<b>(16,561)</b>	<b>(12,241)</b>	<b>-35</b>	<b>(28,440)</b>	<b>(29,251)</b>	<b>3</b>
Finance costs	(2,422)	(2,037)	-19	(6,099)	(5,006)	-22
Finance income	19	81	-77	166	128	30
<b>Operating loss</b>	<b>(18,964)</b>	<b>(14,197)</b>	<b>-34</b>	<b>(34,373)</b>	<b>(34,129)</b>	<b>-1</b>
Share of net profit of associate	-	-		-	8,025	-100
<b>Loss before tax</b>	<b>(18,964)</b>	<b>(14,197)</b>	<b>-34</b>	<b>(34,373)</b>	<b>(26,104)</b>	<b>-32</b>

(a) Quarter ended 31 December 2018 ("4Q 2018") compared with quarter ended 31 December 2017 ("4Q 2017")

The Group's revenue in 4Q 2018 was RM28.11 million, an increase of 2% as compared with RM27.67 million in 4Q 2017.

The increase in revenue was mainly attributable to The Andaman which achieved marginally higher revenue of RM0.59 million due to increase in both occupancy and average room rate of 1.5% and 2% as compared with 4Q 2017.

Despite a marginal increase in revenue, loss before tax ("LBT") for 4Q 2018 was RM18.96 million compared with RM14.20 million in 4Q 2017 which was an increase of 34% mainly due to write off on property development costs of RM4.7 million and the recognition of share-based payment of RM3.8 million.

(b) Financial year ended 31 December 2018 ("FY 2018") compared with financial year ended 31 December 2017 ("FY 2017")

The Group's revenue in FY 2018 was RM109.06 million, an increase of 5% as compared to RM103.81 million in FY 2017.

The increase in revenue was mainly attributable to:

- (i) higher revenue from The Andaman at Langkawi by RM0.72 million, mainly contributed by higher average room rate of 8%;
- (ii) higher revenue generated from The Canopi at Treasure Bay Bintan ("TBB") by RM4.23 million due to increase in average room rate of 10%; and
- (iii) higher revenue generated from TBB's attractions by RM0.30 million as a result of 9% increase in footfall and introduction of new attractions and activities.

**B1. Review of performance for Financial Year Ended 31 December 2018 compared with Financial Year Ended 31 December 2017 (continued)**

(b) Financial year ended 31 December 2018 ("FY 2018") compared with financial year ended 31 December 2017 ("FY 2017") (continued)

The Group's LBT for FY 2018 has increased to RM34.37 million as compared with LBT of RM26.10 million in FY 2017. Included in LBT of the preceding year was RM12.56 million earned from the share of profits and gain on disposal of the associated company, namely MSL Properties Sdn Bhd.

The improved operational results was mainly due to higher revenue achieved, however negated by property development costs written off of RM4.9 million and the recognition of share-based payment of RM3.8 million.

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

	<b>2018 4th Quarter RM'000</b>	<b>2018 3rd Quarter RM'000</b>	<b>Changes %</b>
<b>Revenue</b>	<b>28,106</b>	<b>26,653</b>	<b>5</b>
<b>Loss from operations</b>	<b>(16,561)</b>	<b>(5,189)</b>	<b>-219</b>
Finance costs	(2,422)	(1,363)	-78
Finance income	19	29	-34
<b>Loss before tax</b>	<b>(18,964)</b>	<b>(6,523)</b>	<b>-191</b>

The Group's revenue for 4Q 2018 was RM28.11 million, an increase of 5% compared with RM26.65 million in the preceding quarter ended 30 September 2018 ("3Q 2018").

The increase in the Group's revenue was contributed from The Andaman at Langkawi by 3.7%, The Canopi at TBB by 8% and attractions at TBB by 15.2% due to peak season in 4Q 2018.

Losses for the Group has increased to RM18.96 million mainly attributable to property development costs written off of RM4.7 million, the recognition of share-based payment of RM3.8 million and higher operating costs at TBB.

**B3. Prospects**

The Andaman continues to show better performance. The Board expects The Andaman's occupancy and room rate to further improve in 1st quarter of 2019 due to peak season.

The conversion and rebranding of The Canopi Bintan to a Tribute Portfolio resort managed by Marriott International was completed in January 2019. We expect The Canopi's performance to improve in view of better room rates as a 5-Star resort.

Construction of another 100 Tents resort in TBB will be completed in 1st quarter of 2019. This event lead resort will bring a different glamping experience to our guests. We expect this unique concept resort will be a hit amongst the young millennia and is expected to start contributing to the Group's revenue in 2nd quarter of 2019.

Thorough planning and evaluation of market economics has led to the Board's decision to reposition the business model of the Chiva-Som Bintan development. In view of the current market conditions, the Board strategically believes that embarking on the resort hotel & wellness facility first, would enhance the potential development value of the villa residences.

**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. Loss before tax**

	<b>Current Year Quarter 31 December 2018 RM'000</b>	<b>Current Year To-date 31 December 2018 RM'000</b>
Loss before tax is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	(540)	(2,384)
Depreciation and amortization	4,709	18,578
Loss on foreign exchange	191	299
(Reversal of impairment loss)/impairment loss on trade receivables	(35)	30
Impairment of property, plant and equipment	-	-
Inventories written down	-	-
Gain on disposal of quoted/unquoted investments or properties	-	-
Fair value gain on derivative instruments	-	-

**B6. Income tax expense**

	<b>Current period 3 months ended 31 December 2018      2017 RM'000    RM'000</b>		<b>Cumulative period 12 months ended 31 December 2018      2017 RM'000    RM'000</b>	
Current taxation				
Income tax charge				
- Malaysia	43	(1,140)	950	1,168
- Overseas	-	1	-	7
Deferred Taxation	704	1,324	2,074	2,547
	<u>747</u>	<u>185</u>	<u>3,024</u>	<u>3,722</u>

The effective tax rate of the Group was higher than the statutory tax rate for the current quarter and financial year-to-date due to the tax losses incurred by certain subsidiaries could not be set off against the taxable profit of a wholly owned subsidiary.

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

**B7. Status of corporate proposals announced**

There are no corporate proposals announced at the date of this quarterly report.

**B8. Changes in material litigation**

There is no material litigation pending at the date of this report.

**B9. Loans and borrowings**

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

	As at 31 December 2018 RM'000	As at 31 December 2017 RM'000
<b>Short term borrowings - Secured</b>		
Term loans	16,668	15,443
Revolving credit	-	10,000
Hire purchase liabilities	180	185
	<u>16,848</u>	<u>25,628</u>
<b>Long term borrowings - Secured</b>		
Term loans	123,931	68,959
Hire purchase liabilities	85	263
	<u>124,016</u>	<u>69,222</u>
<b>Total borrowings</b>	<b><u>140,864</u></b>	<b><u>94,850</u></b>

The above include borrowings denominated in foreign currencies as follows:

	As at 31 December 2018 RM'000	As at 31 December 2017 RM'000
USD	<u>9,670</u>	<u>11,317</u>

The term loans of RM141.17 million for subsidiaries were secured by a corporate guarantee from Landmarks Berhad.



**B10. Derivative financial instruments**

There are no derivative financial instruments as at the date of this quarterly report.

**B11. 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.

**B12. Dividends**

The Board of Directors does not recommend the payment of any dividend for the financial year ended 31 December 2018.

**B13. Basic (loss)/earnings per ordinary share**

a) Basic (loss)/earnings per ordinary share was calculated by dividing the (loss)/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>12 months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Basic earnings/(loss) per share</b>				
Loss attributable to equity owners of the Company (RM'000)	<b>(19,711)</b>	(14,382)	<b>(37,397)</b>	(29,826)
Weighted average number of ordinary shares ('000)	<b>528,891</b>	480,810	<b>528,891</b>	480,810
Effect of issue of ordinary shares ('000)	-	48,081	-	30,297
Weighted average number of ordinary shares ('000)	<b>528,891</b>	528,891	<b>528,891</b>	511,107
Basic loss per share attributable to equity owners of the Company (sen)	<b>(3.73)</b>	(2.72)	<b>(7.07)</b>	(5.84)

**B13. Basic (loss)/earnings per ordinary share (continued)**

b) Diluted (loss)/earnings per share was calculated by dividing the (loss)/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.

	Individual period		Cumulative period	
	3 months ended		12 months ended	
	31 December		31 December	
	2018	2017	2018	2017
<b>Diluted earnings/(loss) per share</b>				
Loss attributable to equity owners of the Company (RM'000)	<b>(19,711)</b>	(14,382)	<b>(37,397)</b>	(29,826)
Weighted average number of ordinary shares ('000)	<b>528,891</b>	528,891	<b>528,891</b>	511,107
Adjustment for dilutive effect of ESOS	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	<b>528,891</b>	528,891	<b>528,891</b>	511,107
Diluted loss per share attributable to equity owners of the Company (sen)	<b>(3.73)</b>	(2.72)	<b>(7.07)</b>	(5.84)

**By Order of The Board**

**IRENE LOW YUET CHUN**  
Company Secretary

Kuala Lumpur  
28<sup>th</sup> February 2019  
[www.landmarks.com.my](http://www.landmarks.com.my)