

LANDMARKS

LANDMARKS BERHAD

(185202-H)

(Incorporated in Malaysia)

**Unaudited Interim Financial Report
For the Fourth Quarter Ended
31 December 2019**

LANDMARKS

LANDMARKS BERHAD (185202-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	31-December-2019 RM' 000 (Unaudited)	Restated 31-December-2018 RM' 000 (Audited)
ASSETS		
Property, plant and equipment	1,518,552	1,339,136
Right-of-use assets	21,608	-
Inventories	632,832	774,059
Other investments	2,085	2,085
Deferred tax assets	-	350
Total Non-Current Assets	2,175,077	2,115,630
Inventories	59,306	91,901
Receivables, deposits and prepayments	16,823	15,459
Current tax assets	246	745
Other investment	9,664	85,299
Cash and cash equivalents	27,520	30,934
Total Current Assets	113,559	224,338
TOTAL ASSETS	2,288,636	2,339,968
EQUITY		
Share capital	734,811	734,811
Reserves	(1,393)	(3,476)
Retained earnings	1,056,390	1,156,302
Total equity attributable to owners of the Company	1,789,808	1,887,637
Non-controlling Interests	713	1,373
Total Equity	1,790,521	1,889,010
LIABILITIES		
Payables and accruals	11,506	-
Loans and borrowings	111,521	124,016
Deferred tax liabilities	326,749	283,183
Total Non-Current Liabilities	449,776	407,199
Payables and accruals	36,477	32,799
Loans and borrowings	9,976	9,403
Current tax liabilities	1,886	1,557
Total Current Liabilities	48,339	43,759
Total Liabilities	498,115	450,958
TOTAL EQUITY & LIABILITIES	2,288,636	2,339,968
Net Assets Per Share (RM)	3.38	3.57

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2019

	INDIVIDUAL PERIOD 3 months ended 31 December		CUMULATIVE PERIOD 12 months ended 31 December	
	2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000 Restated
Revenue	<u>33,004</u>	<u>28,106</u>	<u>114,910</u>	<u>109,053</u>
Loss from operations	(8,402)	(16,120)	(38,820)	(26,677)
Finance cost	(9,761)	(2,422)	(16,598)	(6,099)
Finance income	166	19	222	166
Loss before taxation	(17,997)	(18,523)	(55,196)	(32,610)
Income tax expense	(43,597)	(839)	(45,697)	(3,393)
Loss for the period	(61,594)	(19,362)	(100,893)	(36,003)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	(1,248)	661	249	(7,425)
Re-measurement of defined benefit liability	-	-	-	-
Other comprehensive (expense)/income for the period, net of tax	(1,248)	661	249	(7,425)
Total comprehensive expense for the period	(62,842)	(18,701)	(100,644)	(43,428)
Loss attributable to:				
Owners of the Company	(60,934)	(19,362)	(100,233)	(36,003)
Non-controlling interests	(660)	-	(660)	-
Loss for the period	(61,594)	(19,362)	(100,893)	(36,003)
Total comprehensive expense attributable to:				
Owners of the Company	(62,182)	(18,701)	(99,984)	(43,428)
Non-controlling interests	(660)	-	(660)	-
Total comprehensive expense for the period	(62,842)	(18,701)	(100,644)	(43,428)

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

Loss for the period				
-Basic	(11.52)	(3.66)	(18.95)	(6.81)
-Diluted	(11.52)	(3.66)	(18.95)	(6.81)

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 2018 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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2019

	<-----Attributable to owners of the Company----->							
	<----- Non-distributable ----->				Distributable			
	RM'000	Translation Reserve RM'000	Fair Value Reserve 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 2018, as previously reported	734,811	168	1,260	2,349	1,000,502	1,739,090	1,373	1,740,463
Adjustment on initial application of MFRS 9, net of tax	-	-	(1,260)	-	1,260	-	-	-
Prior year adjustments	-	-	-	-	188,194	188,194	-	188,194
At 1 January 2018, restated	734,811	168	-	2,349	1,189,956	1,927,284	1,373	1,928,657
Foreign currency translation differences for foreign operations	-	(7,425)	-	-	-	(7,425)	-	(7,425)
Total other comprehensive expense for the period	-	(7,425)	-	-	-	(7,425)	-	(7,425)
Loss for the period (restated)	-	-	-	-	(36,003)	(36,003)	-	(36,003)
Total comprehensive expense for the period	-	(7,425)	-	-	(36,003)	(43,428)	-	(43,428)
Share-based payment transactions	-	-	-	3,781	-	3,781	-	3,781
Share options forfeited	-	-	-	(2,349)	2,349	-	-	-
Total contribution from owners	-	-	-	1,432	2,349	3,781	-	3,781
At 31 December 2018 (restated)	734,811	(7,257)	-	3,781	1,156,302	1,887,637	1,373	1,889,010
At 1 January 2019, as previously reported	734,811	(7,257)	-	3,781	966,714	1,698,049	1,373	1,699,422
Prior year adjustments	-	-	-	-	189,588	189,588	-	189,588
At 1 January 2019, restated	734,811	(7,257)	-	3,781	1,156,302	1,887,637	1,373	1,889,010
Foreign currency translation differences for foreign operations	-	249	-	-	-	249	-	249
Total other comprehensive income for the period	-	249	-	-	-	249	-	249
Loss for the period	-	-	-	-	(100,233)	(100,233)	(660)	(100,893)
Total comprehensive income/(expense) for the period	-	249	-	-	(100,233)	(99,984)	(660)	(100,644)
Share-based payment transactions	-	-	-	2,155	-	2,155	-	2,155
Share options lapsed	-	-	-	(321)	321	-	-	-
Total contribution from owners	-	-	-	1,834	321	2,155	-	2,155
At 31 December 2019	734,811	(7,008)	-	5,615	1,056,390	1,789,808	713	1,790,521

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 2018 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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2019

	31-December-2019 RM'000	31-December-2018 RM'000 Restated
Cash flows from operating activities		
Loss before taxation	(55,196)	(32,610)
Adjustments for non-cash flow		
Depreciation of property, plant and equipment	22,679	16,815
Dividend income from other investments	(1,691)	(2,384)
Finance costs	16,598	6,099
Finance income	(222)	(166)
Loss on disposal of property, plant and equipments	8	321
Provision for minimum wages	2,573	-
(Gain)/loss on redemption of other investments	(23)	256
Fair value loss on other investments	60	180
Property, plant and equipment written off	714	1,339
Inventories written off	-	4,455
Equity settled share-based payment transactions	2,155	3,781
Operating loss before changes in working capital	(12,345)	(1,914)
Changes in working capital		
Inventories	3,800	(2,623)
Trade and other receivables and prepayments	(6,557)	(1,696)
Trade payables and others payables	(4,099)	4,407
Cash used in operations	(19,201)	(1,826)
Income tax paid	(1,681)	(1,126)
Income tax refunded	497	297
Net cash used in operating activities	(20,385)	(2,655)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(29,744)	(29,031)
Proceeds from disposal of property, plant and equipment	235	15
Proceeds from disposal of other investments	77,310	62,569
Acquisition of other investments	(1,712)	(77,152)
Increase in pledge deposits placed with licensed bank	(989)	(845)
Interest received	222	166
Dividend received from : - other investments	1,691	2,384
Net cash generated from/(used in) investing activities	47,013	(41,894)
Cash flows from financing activities		
Interest paid	(8,461)	(5,613)
Repayment of lease liabilities	(3,336)	-
Repayment of finance lease liabilities	(191)	(204)
Repayment of loans and borrowings	(19,043)	46,928
Net cash (used in)/generated from financing activities	(31,031)	41,111
Net decrease in cash and cash equivalents	(4,403)	(3,438)
Cash and cash equivalents at 1 January	28,404	31,842
Cash and cash equivalents at 31 December	24,001	28,404
	31-December-2019 RM'000	31-December-2018 RM'000
Cash and bank balances	24,001	28,404
Deposits with licensed banks	3,519	2,530
	27,520	30,934
Less : Pledged deposits	(3,519)	(2,530)
	24,001	28,404

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

LANDMARKS BERHAD (“LANDMARKS” OR “THE COMPANY”)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019

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 2018. 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 2018.

A2. Changes in Accounting Policies/Estimates

The audited financial statements of the Group for the year ended 31 December 2018 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 2018. The Group has adopted the MFRSs, amendments and interpretations effective for annual period beginning on or after 1 January 2019 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 16, Leases

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

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

MFRS 16, Leases (continued)

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

Based on the Group's assessment, the impact on the initial application of MFRS 16 on its consolidated financial statements as at 1 January 2019 is additional lease liabilities of RM16.55 million with a corresponding additional right-to-use assets of RM24.76 million recognised in the statement of financial position.

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 2018.

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 Natra Bintan and Anmon which are located in Bintan generally lie 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 follows:

	12 months ended 31 December	
	2019	2018
	RM'000	RM'000
Primary geographical markets		
Malaysia	76,100	77,960
Indonesia	38,810	31,093
	<u>114,910</u>	<u>109,053</u>
Timing and recognition		
Over time	78,783	71,752
At a point in time	36,127	37,301
	<u>114,910</u>	<u>109,053</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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000 Restated
Segment revenue	106,158	100,807	8,752	8,246	-	-	114,910	109,053
(Loss) / profit from operation	103	21,744	(29,938)	(38,902)	(8,985)	(9,519)	(38,820)	(26,677)
Finance costs	(6,983)	(5,115)	(9,595)	(783)	(20)	(201)	(16,598)	(6,099)
Finance income	53	87	167	18	2	61	222	166
	(6,827)	16,716	(39,366)	(39,667)	(9,003)	(9,659)	(55,196)	(32,610)
Included in the measure of segments results from operating activities are :								
- Depreciation and amortisation	(14,597)	(12,359)	(7,620)	(4,383)	(462)	(73)	(22,679)	(16,815)
Segment assets	253,583	228,135	2,012,878	2,019,482	22,175	92,351	2,288,636	2,339,968

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.

A prior year adjustment was taken up resulting in a change in the carrying amount of the property, plant and equipment brought forward.

A13. *Intangible asset*

There was no additional purchase of intangible asset for the financial year ended 31 December 2019.

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 2019.

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 2019, 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:-

	31 December 2019 RM'000
Corporate guarantees granted for banking facilities of a subsidiary (note B9)	<u>122,000</u>

A18. *Capital and commitments*

	31 December 2019 RM'000
Authorised but not contracted for	69,209
Contracted but not provided for	<u>4,806</u>
Total	<u>74,015</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 2018.

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

A21. Prior year adjustments

During the financial period, the Group made prior year adjustments in relation to the following:

- (i) Deferred tax liabilities of RM182.58 million (addition of RM182.95 million for 1 January 2018 and reversal of RM0.37 million for 31 December 2018) relating to the land held for own use and land held for development/sale in Indonesia has been adjusted retrospectively by the management in view of the change in Indonesia tax law in the prior years.
- (ii) Reversal of RM7.00 million (RM5.24 million for 1 January 2018 and RM1.76 million for 31 December 2018) accumulated depreciation on Indonesia land as the land has indefinite useful life and amortisation is not required.

Condensed Consolidated Statement of Financial Position

Reconciliation of the affected financial caption reported as at 1 January 2018

	As previously reported at 1/1/2018 RM'000	Effect of prior year adjustments		As restated at 1/1/2018 RM'000
		RM'000 Note (i)	RM'000 Note (ii)	
Retained earnings	1,001,762	182,954	5,240	1,189,956
Property, plant and equipment	1,321,246		5,240	1,326,486
Deferred tax liabilities	(463,694)	182,954		(280,740)

Reconciliation of the affected financial caption reported as at 31 December 2018

	As previously reported at 31/12/2018 RM'000	Effect of prior year adjustments		As restated at 31/12/2018 RM'000
		RM'000 Note (i)	RM'000 Note (ii)	
Retained earnings	966,714	182,585	7,003	1,156,302
Property, plant and equipment	1,332,133		7,003	1,339,136
Deferred tax liabilities	(465,768)	182,585		(283,183)

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

Reconciliation of the affected financial caption reported for the 3 months ended 31 December 2018

	As previously reported at 31/12/2018 RM'000	Effect of prior year adjustments		As restated at 31/12/2018 RM'000
		RM'000 Note (i)	RM'000 Note (ii)	
Loss from operations	(16,561)	-	441	(16,120)
Loss before taxation	(18,964)	-	441	(18,523)
Income tax expense	(747)	(92)	-	(839)
Loss for the period	(19,711)	(92)	441	(19,362)

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

A21. Prior year adjustments (continued)

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income(continued)

Reconciliation of the affected financial caption reported for the financial year ended 31 December 2018

	As previously reported at 31/12/2018 RM'000	Effect of prior year adjustments		As restated at 31/12/2018 RM'000
		RM'000 Note (i)	RM'000 Note (ii)	
Loss from operations	(28,440)	-	1,763	(26,677)
Loss before taxation	(34,373)	-	1,763	(32,610)
Income tax expense	(3,024)	(369)	-	(3,393)
Loss for the period	<u>(37,397)</u>	<u>(369)</u>	<u>1,763</u>	<u>(36,003)</u>

Condensed Consolidated Statement of Changes in Equity

Reconciliation of the affected financial caption reported as at 1 January 2018

	As previously reported at 1/1/2018 RM'000	Effect of prior year adjustments		As restated at 1/1/2018 RM'000
		RM'000 Note (i)	RM'000 Note (ii)	
Retained earnings	<u>1,001,762</u>	<u>182,954</u>	<u>5,240</u>	<u>1,189,956</u>

Reconciliation of the affected financial caption reported as at 1 January 2019

	As previously reported at 1/1/2019 RM'000	Effect of prior year adjustments		As restated at 1/1/2019 RM'000
		RM'000 Note (i)	RM'000 Note (ii)	
Retained earnings	<u>966,714</u>	<u>182,585</u>	<u>7,003</u>	<u>1,156,302</u>

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

B1. Review of performance for Financial Year Ended 31 December 2019 compared with Financial Year Ended 31 December 2018

The results of the Group are tabulated below:

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	3 months ended			12 months ended		
	31 December			31 December		
	2019	2018	Changes	2019	2018	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	33,004	28,106	17	114,910	109,053	5
Loss from operations	(8,402)	(16,120)	48	(38,820)	(26,677)	-46
Finance costs	(9,761)	(2,422)	-303	(16,598)	(6,099)	-172
Finance income	166	19	774	222	166	34
Loss before tax	(17,997)	(18,523)	3	(55,196)	(32,610)	-69

(a) Quarter ended 31 December 2019 ("4Q 2019") compared with quarter ended 31 December 2018 ("4Q 2018")

The Group's loss before tax ("LBT") for 4Q 2019 was RM18.00 million as compared with RM18.52 million in 4Q 2018. The decrease in losses was mainly due to the following factors:

- (i) TBB operation incurred lower losses due mainly to an amount of RM4.5 million project development costs written off in 4Q 2018.
- (ii) Cost saving from Singapore office amounting to RM1.38 million as compared to 4Q 2018.
- (iii) The Andaman achieved lesser operating profit of RM1.13 million compared with 4Q 2018.
- (iv) loan financing transaction cost written off in 4Q 2019 amounting to RM7.44 million;
- (v) Reduction in share-based payment of RM2.86 million as compared with 4Q 2018.

B1. Review of performance for Financial Year Ended 31 December 2019 compared with Financial Year Ended 31 December 2018 (continued)

(b) Financial year ended 31 December 2019 ("FY 2019") compared with the financial year ended 31 December 2018 ("FY 2018")

The Group's LBT for FY 2019 was RM55.20 million as compared with RM 32.61 million in FY 2018. The increase in losses was mainly due to the following factors:

- (i) The Andaman at Langkawi recorded a lower operating profit by 20% mainly attributable to lower revenue and additional provision for minimum wages of RM2.57 million;
- (ii) lower average occupancy rate by 20% in Natra Bintan, A Tribute Portfolio Resort by Marriott;
- (iii) Pre-opening expenses incurred by ANMON amounting to RM3.22 million in FY 2019 as compared with FY 2018;
- (iv) TBB Attractions incurred additional operating loss of RM8.01 million as compared to FY 2018 which include MLDP amounting to RM2.30 million as compared with FY 2018;
- (v) higher finance cost of RM3.06 million as compared with FY 2018;
- (vi) loan financing transaction cost written off in 2019 amounting to RM7.44 million;
- (vii) higher depreciation amounting to RM22.68 million in FY 2019 which includes both ANMON and MLDP opened in October 2019 and the implementation of MFRS 16 which requires the rights of use of assets under lease to be depreciated as compared with RM16.82 million in FY 2018.
- (viii) Reduction in share-based payment of RM1.63 million as compared with FY 2018.

**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

	2019 4th Quarter RM'000	2019 3rd Quarter RM'000	Changes %
Revenue	33,004	28,068	18
Loss from operations	(8,402)	(8,682)	3
Finance costs	(9,761)	(2,317)	-321
Finance income	166	23	622
Loss before tax	(17,997)	(10,976)	-64

Compared to the preceding quarter ended 30 September 2019 ("3Q 2019"), all business units has achieved higher revenue by 18%.

LBT increased by 64% from RM10.98 million in 3Q 2019 to RM18.00 million in 4Q 2019 mainly due to loan financing transaction cost written off in Q4 2019 amounting to RM7.44 million.

B3. Prospects

Covid-19 outbreak has seriously impacted the world economy particularly China and the Asia Pacific countries like Singapore, Malaysia, Korea, Japan, Philippines etc. The tourism and hospitality industries are hardest hit. Travel restrictions and quarantine measures by China and the affected countries have resulted in a drastic drop of Chinese tourists and mass cancellation of rooms booked in hotels and resorts.

The Group is not spared from this crisis. Our resorts in Langkawi, Malaysia and Bintan Indonesia are experiencing cancellation of rooms and a drop in visitors arrival. We foresee this slowdown in tourism and hospitality industry to continue for the foreseeable future and this will negatively impact the group's revenue and operating profit.

Safety and hygiene protocols have been implemented in all our resorts to ensure all appropriate operating procedures are in place for the safety of our guests and our employees.

We have implemented tactical marketing and sales plan to drive revenue and also taken the necessary action plan to control and reduce cost in our resorts.

Despite the challenges and uncertainties from the Covid-19 crisis, the Group is committed to its turnaround strategies planned for 2020. We are finalizing the development plan for Natra's phase 2 property improvement plan with a new spa complex, a state-of-the art gym, a kids club, a swimming pool and additional rooms.

A new co-sharing concept boutique resort with 200 rooms targeting the millennials are at master planning stage. We are also reviewing and repositioning the Marine Life Discovery Park to attract more visitors to Chill Cove.

Our Chiva-Som Bintan development plan are progressing but we foresee some slowdown in the financing arrangement in view of the current adverse economy condition.

We will continue monitoring closely and to take the necessary action to minimize the impact of the Covid-19 crisis on us.

B4. Profit forecast

Not applicable as no profit forecast was announced or disclosed.

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

B5. Loss before tax

	Current Year Quarter 31 December 2019 RM'000	Current Year To-date 31 December 2019 RM'000
Loss before tax is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	(145)	(1,691)
Depreciation and amortization	6,224	22,679
(Gain)/loss on foreign exchange	(349)	497
Impairment loss/(reversal of impairment loss) on trade receivables	3	(73)
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

	Current period 3 months ended 31 December 2019 2018 RM'000 RM'000 Restated		Cumulative period 12 months ended 31 December 2019 2018 RM'000 RM'000 Restated	
Current taxation				
Income tax charge				
- Malaysia	526	43	1,699	950
- Overseas	82	-	82	-
Deferred Taxation	42,989	796	43,916	2,443
	<u>43,597</u>	<u>839</u>	<u>45,697</u>	<u>3,393</u>

The effective tax rate of the Group was higher than the statutory tax rate for the current quarter and financial year-to-date mainly due to deferred tax liabilities of RM42.5million provided in current year resulting from the reclassification of land from held for sale to own use in Indonesia.

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 2019 RM'000	As at 31 December 2018 RM'000
Short term borrowings - Secured		
Term loans	9,911	9,223
Hire purchase liabilities	65	180
	<u>9,976</u>	<u>9,403</u>
Long term borrowings - Secured		
Term loans	111,500	123,931
Hire purchase liabilities	21	85
	<u>111,521</u>	<u>124,016</u>
Total borrowings	<u>121,497</u>	<u>133,419</u>

The above include borrowings denominated in foreign currencies as follows:

	As at 31 December 2019 RM'000	As at 31 December 2018 RM'000
USD	<u>-</u>	<u>9,650</u>

The term loan of RM122.0 million for subsidiary was 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 2019.

B13. Basic loss per ordinary share

a) 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 3 months ended 31 December		Cumulative period 12 months ended 31 December	
	2019	2018 Restated	2019	2018 Restated
Basic loss per share				
Loss attributable to equity owners of the Company (RM'000)	(60,934)	(19,362)	(100,233)	(36,003)
Weighted average number of ordinary shares ('000)	528,891	528,891	528,891	528,891
Basic loss per share attributable to equity owners of the Company (sen)	(11.52)	(3.66)	(18.95)	(6.81)

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

B13. Basic loss per ordinary share (continued)

- b) Diluted loss per share 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.

	Individual period 3 months ended 31 December		Cumulative period 12 months ended 31 December	
	2019	2018 Restated	2019	2018 Restated
Diluted loss per share				
Loss attributable to equity owners of the Company (RM'000)	(60,934)	(19,362)	(100,233)	(36,003)
Weighted average number of ordinary shares ('000)	528,891	528,891	528,891	528,891
Adjustment for dilutive effect of ESOS	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	528,891	528,891	528,891	528,891
Diluted loss per share attributable to equity owners of the Company (sen)	(11.52)	(3.66)	(18.95)	(6.81)

By Order of the Board

**WONG WEI FONG
TAN AI NING
Company Secretaries**

**Kuala Lumpur
26th February 2020
www.landmarks.com.my**