

ANNUAL REPORT 2016

*Reconnect
to the*
**LUXURIES
OF NATURE**



LANDMARKS

LANDMARKS BERHAD (185202-H)



COVER RATIONALE

Discover the luxuries of nature and go on a Glamping holiday. It's a new kind of travel experience, defined as glamorous camping. When you're glamping, there's no need to pitch a tent, no sleeping bags to unroll, nor is there a need to stoke a fire. Glamping is a way to experience the rugged beauty of the outdoors, without sacrificing luxury. It pivots on a high level of service that focuses on the complete comfort of the guests. At The Canopi, the newest of our travel getaways, you'll find amenities which far exceed anything recreational campers experience. Landmarks, yet another way we connect your senses.





OUR VISION

To be a leading player in the Lifestyle Sector focusing on resorts, hospitality and wellness in the South East Asian region.



Kindly scan the QR code for more information on Landmarks Berhad



www.landmarks.com.my

RESORT & PROPERTY DEVELOPMENT



Treasure Bay Bintan

LANDMARKS BERHAD

TREASURE BAY THE CANOPI

The Canopi offers campers and adventure-seekers the best nature has to offer, yet all the comforts and indulgence befitting an 18th Century colonial explorer.

TREASURE BAY CRYSTAL LAGOON

The first and largest sea water body in South-East Asia.



Kindly scan the
QR code for more
information on
Treasure Bay Bintan

Building
**338-hectare
RESORT**

Located at
**BINTAN
INDONESIA**

A Water Resort City
within the **FAMED LAGOI
AREA** & main gateway to
BINTAN FROM SINGAPORE

Take a dip in the crystal clear water
like water tricycle to scaling floating
obstacles, and taking an exhilarating
flight with **JETOVATOR**



www.treasurebaybintan.com

www.thecanopi.com

OUR BUSINESS PILLAR BRINGING YOU HEALTH & WELLNESS



Chiva-Som

LANDMARKS
BERHAD

HEALTH & WELLNESS CHIVA-SOM

Seeking to inspire and empower people to achieve wellness and longevity, we bring you Chiva-Som, a luxury health retreat operator, which combines international standards with Thai hospitality to deliver personal wellness programmes in a non-regimented way, focusing on a holistic approach to health that incorporates mind, body and spirit.

Chiva-Som will be the operator of the Chiva-Som Bintan.



Kindly scan the
QR code for more
information on
Chiva-Som

ASIA'S FIRST internationally
acclaimed health resort offering holistic
health facilities

6 WELLNESS MODALITIES:

Spa | Fitness | Physiotherapy |
Holistic Health | Nutrition |
Aesthetic Beauty

 www.chivasom.com

www.vintegratedwellness.com

OUR BUSINESS PILLAR PRESERVING NATURE



LANDMARKS BERHAD

LUXURIES OF NATURE THE ANDAMAN

Discover the magical wonders of Langkawi.

Located in an idyllic tropical setting on Malaysia's Langkawi Island, The Andaman is cozily tucked away between a 10 million-year-old rainforest and the tranquil Datai Bay and an 8,000-year-old fringing coral reef. The 178 exquisite rooms and well-appointed suites reflect a contemporary Malaysian style, with sweeping views over the Andaman Sea and ancient rainforest.



Kindly scan the
QR code for more
information on
The Andaman

Activities -
**CORAL
NURSERY**

Located at
LANGKAWI

A Luxury Collection resort set between the majestic **MAT CINCANG MOUNTAIN RANGE** and the glistening turquoise waters of **THE ANDAMAN SEA**

ABOUNDING IN WILDLIFE
hornbill, dusky leaf monkey, rare colugo



www.theandaman.com

OUR BUSINESS PILLAR REHABILITATING OUR TREASURE

The Andaman

LANDMARKS
BERHAD

NATURE CONSERVATION CORAL NURSERY


Investing in continuous research, forming environmental partnerships with universities and working through local communities to improve the damaged eco-system.



Kindly scan the
QR code for more
information on
Coral Nursery

Various **CORAL NURSERY
ACTIVITIES** in the hope of
conserving the natural habitat:

Private Guided Snorkel |
Coral Transplanting | Fish Feeding |
Coral Clearing | Coral Reef Walks |
Marine Life Laboratory

 www.theandaman.com/coralnursery

THE LANDMARKS GROUP



RESORT & DESTINATION
DEVELOPMENT

A wide-angle photograph of a resort area. In the foreground, there are lush green plants. In the middle ground, a paved walkway leads to a seating area with white chairs and a large white umbrella. In the background, a body of water is visible with several sailboats and a person on a bicycle.



HOSPITALITY &
WELLNESS

A photograph of a woman in a black sports bra and leggings sitting on a Pilates reformer machine in a gym. A female instructor in a blue shirt is standing behind her, adjusting her form.



LUXURY & LIFESTYLE
TRAVEL EXPERIENCE

A photograph of a modern, high-speed train traveling through a lush, green forest. The train is white and blue, and the tracks are elevated on a wooden bridge.



TOWNSHIP
DEVELOPMENT

A photograph of a modern, brightly lit shopping mall interior. The ceiling is white with recessed lighting, and the floor is polished and reflective. There are various shops and displays on either side of a central walkway.

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CHAIRMAN'S STATEMENT

TAN SRI ZAKARIA BIN ABDUL HAMID

CHAIRMAN
LANDMARKS BERHAD

DEAR SHAREHOLDERS,

It is my honour and pleasure to deliver the Chairman's Statement for the 2016 Annual Report of the Company. The detailed analysis of the group's business, operations and performance is set out in the Management Discussion & Analysis in the following pages.



*Swimming Pool
The Andaman*



THE ANDAMAN

The Andaman has performed very well during the financial year. Despite the very challenging economic environment in 2016, The Andaman has performed above the budget as well as that achieved in 2015, in terms of average occupancy rate and average daily rate. We must thank our partner, Starwood Hotels & Resorts Worldwide Inc for their efforts and dedication in raising the profile of The Andaman.

The Andaman and V Integrated Wellness continued to win awards in 2016, both locally and internationally. Notable among the awards were: Top 25 Hotels in Malaysia in TripAdvisor 2016 Traveller's Choice Award; Malaysia's Best Beach Resort in the Haute Grandeur 2016 Global Hotel Award; Leading Spa Resort in Malaysia at the World Travel Awards 2016; and Luxury Beach Resort Malaysia at the World Luxury Hotel Award 2016. V Integrated Wellness was the winner of the Malaysia Luxury Destination Spa 2016 at the World Luxury Spa Awards and Indulging Spa of the Year: Heavenly Experience at the Hospitality Asia Platinum Awards.

TREASURE BAY BINTAN

The Canopi, the 40-key resort featuring luxury camping tents, has had a good first year of operations. To meet the demand for hotel rooms at Treasure Bay Bintan, an additional 60 keys will be added by the second quarter of 2017. With the successful hosting of two weddings at The Canopi, Treasure Bay Bintan will be marketing itself as a wedding destination. In the short span of a year, The Canopi has received a number of accolades. It was named by Yahoo! Travel Inspirations on 25 October 2016 as one of the five gorgeous destinations in Asia for a girls-only adventure together with the likes of Kyoto, Japan; Koh Phangan, Thailand; Negombo, Sri Lanka; and Macau, China. It was also listed amongst one of the top 100 best glamping experiences in the world by the United Kingdom-based Familybreakfinder. The Canopi was also cited as one of the 10 amazing luxury camping sites around the world by Shape Magazine, AsiaOne and Home & Decor Singapore.

CHAIRMAN'S STATEMENT



○○○
*Mangrove Kayaking
 Treasure Bay Bintan*

The Chill Cove, with its attractions and leisure offerings, attracted visitorship in excess of 143,000 in 2016. Additional and unique attractions and activities will be added in the current year to increase footfall at Treasure Bay Bintan.

The plans for the development of the Chiva-Som Bintan health and wellness retreat destination with Chiva-Som International, a renowned luxury wellness operator from Thailand, has been delayed with the launch of the healthy living villas for investment slated for the end of the first quarter of 2017.

APPRECIATION

On behalf of the Board of Directors, I would like to record our gratitude and appreciation to our shareholders, customers, business associates and financiers for their continued support and confidence in the Group. Our appreciation is also accorded to the management team and employees for their hard work, dedication and commitment to achieve the objectives of our Group.

During the year, Mr Daryl Sim Swee Kheng and Mr Sulip R Menon resigned as Independent Directors and the Board would like to thank them for their dedication and contribution to the Company and the Group. We wish them every success in their future endeavours.

We welcome Mr Mark Wee Liang Yee, the Executive Deputy Chairman, and Mr Robin Tan Wee Hoong, the Executive Director, both of whom were appointed during the year. We look forward to their contribution to bring the Group to the next level of growth.

Lastly, I would like to extend my sincere gratitude to my other fellow board members for their invaluable contributions made during the course of the year.

Tan Sri Zakaria bin Abdul Hamid
Chairman

21 February 2017

THE CHILL COVE, WITH ITS ATTRACTIONS AND LEISURE OFFERINGS, ATTRACTED VISITORSHIP IN EXCESS OF 143,000 IN 2016.

ACTIVITIES AT CRYSTAL LAGOON



Sailing



Kayaking



Water Zorb

CEO'S MESSAGE AND MANAGEMENT DISCUSSION & ANALYSIS



*Inner Core Exercise
Chiva-Som*

DEAR SHAREHOLDERS,

SHORTLY AFTER THE ACQUISITION BY LANDMARKS OF TREASURE BAY BINTAN, THE 338 HECTARES DEVELOPMENT LAND ON BINTAN ISLAND, INDONESIA, THE WORLD ECONOMY went into a tailspin in 2008 with the financial crisis emanating from the bursting of the mortgage market bubble in the United States. I must applaud the Management of Landmarks for its prudent management of keeping the Group's gearing at a very low level contributing to the Group's resilience especially during difficult economic conditions.

In the last 10 years, the world was also experiencing a transition with the rise of exponential technologies/internet/cyber space/such other innovations which are replacing conventional businesses. In these fast changing times, one will experience disruptions resulting in the demise of certain products/services. We are therefore living in a time of greater uncertainty but exciting innovation and opportunities with technology changing the conventional business landscape at a very fast pace.

COMPANY DIRECTION

The Management, taking cognizance of the opportunities brought about by the advent of the Exponential Age decided to develop its Treasure Bay Bintan project into an integrated and clustered destination guided by the following 9 Pillars:



CEO'S MESSAGE AND MANAGEMENT DISCUSSION & ANALYSIS

The vision started with the intention to integrate and cluster all activities to provide a holistic customer experience with the concept of positioning Wellness (preventive health) as its key pillar which involves bringing the organic farm to the table, stress management, posture correction, customised exercise, assisting in mental thought process through positive thinking and mindfulness, unblocking negative personal habits and limitations, and enhancing positive energy in the body. These are the key behaviors of the “Blue Zones” where a community lives with no worries, no sicknesses while fostering an active yet ample lifestyle that contributes to longevity of well above a century, where centenarians are the norm.

The vision is noble with great value enhancement to humanity because it complements the Exponential Age which is dominated by innovation, speed and progressive disruption. “Good health” can never be replaced or provided by any information technology. Further to that “Rest & Recreation” for the “Gen Y/Millennials” is growing in the world and in Asia fueled by the fastest growing middle class with much more disposable incomes and cheap airfares.

Travelers’ choices today are more targeted and focused with the trend leaning towards “purpose trip/destination”, i.e. shopping trip, business trip, skiing trip, diving trip, nature & adventure trip, health retreat trip, etc. Therefore by incorporating the vision of the 9 Pillars in the development of Treasure Bay Bintan which is strategically located, clearly covers many components of experience of travelers’ needs and by positioning itself in the hospitality industry to be one of the leading destinations in the world.

The vision envisages a business model that will impact the world via improving health, lifestyle and happiness for all ages. It needs hard work and time to hunt for new technology, features and facilities to develop the Company’s vision and to consummate the right deals to ensure the delivery of a unique and sustainable value proposition of community living with a great sense of belonging. It is because of these considerations that the development of Treasure Bay Bintan has taken a longer time than usual to put together compared to a normal conventional development.



*Ultralight Seaplane
Treasure Bay Bintan*



*Toning Ball Exercise
Chiva-Som*



*Four Hands Massage,
V Integrated Wellness,
The Andaman*

CEO'S MESSAGE AND MANAGEMENT DISCUSSION & ANALYSIS

The Company has, in the course of intense research and planning to create a niche for itself in the hospitality industry, suffered losses since 2010. The accumulated losses from 2010 to 2016 of RM68.8 million were mainly attributable to what we view as research and product development costs which have been treated as expenses in the Profit or Loss Account. We are of the opinion that these research and development costs are investments representing deferred gratification which should bear fruits in terms of profits and value creation as we go to market with our products in the next few years.

The Management has been meeting the expenses by using the Group's internal funds with an extremely low gearing ratio of 4%. The Group's gearing to-date stands at RM71.0 million vs Shareholders' Equity of RM1,746 million.

The Company is ready to reposition its business strategy with all ready products, designs and infrastructure that are of world class standards and are ready on the ground.

THE MANAGEMENT TASK

Going forward, my objective is to turn the Group's financial performance in the next 24 months together with the Management team by formulating the following course:-

- (i) reviewing, refining and improving the product proposition that the Company will develop so that the value add to the remaining land bank will be enhanced;
- (ii) seeking international partnerships for resort development where value added facilities have already been built by the Company; and
- (iii) improve the experience of guests/ participants from "before to after" using the intended IT platform for "Booking/ Reservation" to "Know Your Client" and lastly "Don't Forget Me".

CURRENT YEAR FINANCIAL PERFORMANCE

The Group registered revenue of RM83.2 million for financial year 2016, an increase of 34.2%

from 2015. This was due to better performance from The Andaman, A Luxury Collection Resort ("The Andaman") in Langkawi and the first year revenue contribution from Treasure Bay Bintan. However, the Group suffered a loss after tax of RM27.9 million as revenue stream being generated from Treasure Bay Bintan has just started 12 months ago and the further write-off of RM11.6 million capital work-in-progress during the financial year.





Wedding Destination - The Andaman

Hospitality Division – The Andaman

The main driver of the Group's revenue in 2016 was The Andaman. The Andaman contributed approximately 85.0% of the Group's revenue which increased by 14.6% as compared with 2015. With the completion of the rebranding



 **14.6%**
INCREASE IN THE
ANDAMAN'S REVENUE

 **34.2%**
INCREASE IN
GROUP REVENUE

338 HECTARES

Treasure Bay Bintan development will remain as the flagship project for the Group.



*Architect's Rendering of Chiva-Som Bintan
Villa Residence
Treasure Bay Bintan*

CEO'S MESSAGE AND MANAGEMENT DISCUSSION & ANALYSIS

exercise in 2015, the Management focused its effort to improve the resort's performance by driving both the occupancy and room rate. The aggressive and innovative marketing plans focusing on the European, Singaporean and Australian markets have shown impressive results. The Andaman achieved an Average Occupancy Rate ("AOR") of 77.4% in 2016, an increase of 6.4% from 2015. Average Room Rate ("ARR") improved significantly too, by 5.3% as compared with 2015.



*Aerial View of The Canopi and Crystal Lagoon
Treasure Bay Bintan*

Destination Development Division – Treasure Bay Bintan

The 338 hectares Treasure Bay Bintan development will remain as the flagship project for the Group. 2016 saw the first year that Treasure Bay Bintan has contributed to the Group's revenue which amounted to RM12.5 million. Our first resort at Chill Cove, The Canopi resort, a 40 suites glamorous camping tented resort, has contributed 77.0% of the revenue with the remaining 23.0% from attractions and entrance fees. A total of 143,000 visitors visited Chill Cove in 2016. Our 6.3 hectares Crystal Lagoon, together with the attractions and activities surrounding the lagoon, was the main crowd puller to Chill Cove.



Jacuzzi tent suite - The Canopi, Treasure Bay Bintan



Dining at The Patio - Treasure Bay Bintan

The Canopi was very well received by guests. It has achieved an AOR of 78.1% with an ARR of about SGD155 for 2016. The Canopi has gained a lot of publicity due to its unique design and offerings. It has been voted as one of the top 5 glamping resorts and always ranked the number one resort in Bintan on TripAdvisor. The Canopi has returned the best performance last year on the entire island of Bintan.

CEO'S MESSAGE AND MANAGEMENT DISCUSSION & ANALYSIS

RISKS AND PROSPECTS

The Andaman

We foresee The Andaman will continue to perform well in 2017. The Management will continue rolling out innovative marketing campaigns which will be focusing on the three unique offerings at The Andaman, i.e. the rainforest, the corals and the wellness programmes. As approximately 80% of The Andaman's guests are foreign tourists, the weaker Ringgit will be an opportunity for the resort to enhance its pricing strategy further. The Management will also evaluate additional facilities and/or resorts to be built either by the Company and/or joint venture on the remaining land surrounding The Andaman.



*Pilot Organic Farm
Treasure Bay Bintan*

Treasure Bay Bintan

Chill Cove

Attractions and activities will be added to our offerings in Chill Cove. The Marine Life Park, where our guests can swim with the fishes and have first-hand experience with marine life, is expected to be ready in early 2018. We foresee that the Marine Life Park will be a big hit amongst the visitors to Bintan Island. We have set a target of 300,000 visitors to Chill Cove for 2017. The Management is adding more attractions, food & beverages and retail offerings to increase the spend per head to drive revenue further for the Group.



*Personal Training
Chiva-Som*

The Canopi

With the demand generated for glamping at The Canopi, the Management has lined up another 60 suites to be added to our offerings. The construction of the 60 suites is ongoing and are expected to be ready in May 2017.

The Village

The Group is consistently seeking for new experiences for Treasure Bay Bintan and the Management is now in the planning stage of developing a 1,000 keys themed, unique and trendy resort called "The Village" next to the Marine Life Park. It will be developed in two phases with each phase having 500 keys. The Village will enhance the offerings at Chill Cove and the future earnings of Treasure Bay Bintan.

Resort Development at Chill Cove

One of the business models for Treasure Bay Bintan is to bring in international resort brands to Chill Cove. As at to-date, we have signed up three international brand resorts and is also seeking partnerships for this development.

Chiva-Som Bintan

Chiva-Som Bintan, a Luxury Wellness Resort will be the key catalyst development of Treasure Bay Bintan. The wellness resort will be managed by Chiva-Som International who has won the world's Best Spa Resort 2016 by Conde Nast travel magazine. Chiva-Som Bintan is being designed by Jean-Michel Gathy from Denniston, a world renowned architect who has designed many top notch resorts in the

CEO'S MESSAGE AND MANAGEMENT DISCUSSION & ANALYSIS



*Artist's Impression of Marine Life Park
Treasure Bay Bintan*

world. We are currently in the advanced stage of architectural design. The resort will consist of a hotel, a world class wellness centre and villa residences for sale. To-date the development concept of Chiva-Som Bintan is the first of its kind in the world.

Project financing for the Chiva-Som Bintan project has been secured. The Management intends to launch the sales of the villa residences at the end of 1st quarter or early 2nd quarter 2017. We foresee that this will be a significant contribution to the Group's revenue in the coming years.

The Management is aware that the current world trends of over-supply and softening of real estate across the globe and the tightening of financing from financial institutions may pose a threat to the sales of the Chiva-Som Bintan villa residences. Nevertheless the Management, because of the Company's vision to complement the Exponential Age, has successfully positioned Chiva-Som Bintan as a wellness retreat with preventive health facilities, lifestyle and organic farm to table concept. Therefore it is not merely another run-of-the-mill real estate proposition. In

view of the niche market created by Chiva-Som Bintan, the Management has targeted potential clientele and the feedback has been extremely encouraging and well received thus far even before the launching of sales. We look prospectively to the launching of sales of the Chiva-Som Bintan Villa Residences sometime in the middle of this year.

DIVIDEND

The Company has not declared any dividend for 2016 in order to conserve its cash resources for its development and expansion plan.

CONCLUSION

In the preceding years until 2016, the Group has gone through the most difficult period of sourcing, building the infrastructure and ground preparation works. Today, we have in The Andaman and on the ground in Treasure Bay Bintan the rollout of unique and creative landmark products as elaborated above. The Andaman, after the completion of the renovations, has reached its peak performance in giving very good returns for the Group. On the other hand, ground preparation work at



*Sky Lanterns
Treasure Bay Bintan*

Treasure Bay Bintan are done and is ready to rollout products to bring in cash flow which has started 12 months ago, and which should improve financial contributions to the Group in the future.

The Management has plans in place to ensure that the financials of the Group will be turned around this year, starting from the 3rd Quarter for both profit and loss and cash flow. Exciting times and prospects for the Group are ahead pending completion of the major attractions, adding of room keys and the introduction of wellness retreats in 2017. In 2018, we hope that the improvement of the financial position will be translated and reflected in the value of our Company's shares.

Mark Wee Liang Yee
Executive Deputy Chairman & CEO

21 February 2017

CORPORATE INFORMATION

Board of Directors

1

Tan Sri Zakaria bin Abdul Hamid

Chairman

Non-Independent Non-Executive

2

Mark Wee Liang Yee

Executive Deputy Chairman & CEO

3

Robin Tan Wee Hoong

Executive Director

4

Dato' Abdul Malek bin Abdul Hamid

Non-Independent Non-Executive

5

Bernard Chong Lip Tau

Independent Non-Executive

6

John Ko Wai Seng

Independent Non-Executive

AUDIT AND RISK MANAGEMENT COMMITTEE

Bernard Chong Lip Tau

Chairman

Dato' Abdul Malek bin Abdul Hamid

John Ko Wai Seng

NOMINATION COMMITTEE

Tan Sri Zakaria bin Abdul Hamid

Chairman

Bernard Chong Lip Tau

John Ko Wai Seng

REMUNERATION COMMITTEE

Tan Sri Zakaria bin Abdul Hamid

Chairman

Dato' Abdul Malek bin Abdul Hamid

Bernard Chong Lip Tau

EXECUTIVE COMMITTEE

Mark Wee Liang Yee

Chairman

Robin Tan Wee Hoong

Fong Chee Khuen

OPTION COMMITTEE

Tan Sri Zakaria bin Abdul Hamid

Chairman

Dato' Abdul Malek bin Abdul Hamid

Fong Chee Khuen

REGISTERED OFFICE

20th Floor, Menara Haw Par

Jalan Sultan Ismail

50250 Kuala Lumpur

Tel : 03-2026 0088

Fax : 03-2026 0099

COMPANY SECRETARY

Irene Low Yuet Chun

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A

Vertical Business Suite, Avenue 3

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59200 Kuala Lumpur

Tel : 03-2783 9299

Fax : 03-2783 9222

AUDITORS

KPMG PLT

Level 10, KPMG Tower

8 First Avenue

Bandar Utama

47800 Petaling Jaya

Selangor, Malaysia

Tel : 03-7721 3388

Fax : 03-7721 3399

PRINCIPAL BANKERS

Malayan Banking Berhad

CIMB Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Main Market

Stock Code : LANDMRK

Stock Number : 1643

WEBSITE

www.landmarks.com.my

MANAGEMENT TEAM

CORPORATE HEAD OFFICE

Mark Wee Liang Yee

Executive Deputy Chairman & CEO

Robin Tan Wee Hoong

Executive Director

Fong Chee Khuen

Group Chief Operating Officer &

Chief Financial Officer

Chew Eng Kiong

General Manager, Risk Management &

Internal Audit

Irene Low Yuet Chun

Company Secretary/General Manager,

Corporate Services

Jasvinder Kaur

Senior Manager, Group PR &

Marketing Communication

TREASURE BAY BINTAN

Stefan Thumiger

Chief Operating Officer, Hospitality Division

Caleb Hoo

General Manager, Projects Development

Ong Jiin Shan

Technical Director

Pardianawati

Director of Human Resources & Administration

THE ANDAMAN

Christian Martin Metzner

General Manager

DIRECTORS' PROFILE



**Chairman,
Non-Independent Non-Executive Director**

Tan Sri Zakaria bin Abdul Hamid was appointed to the Board on 27 June 2006 and appointed as the Deputy Chairman on 3 August 2006. He was subsequently appointed as the Chairman of the Board on 24 October 2007. He holds a Bachelor of Arts (Honours) degree in Chinese Studies from the University of Malaya, Malaysia and is also a graduate of the Royal College of Defence Studies, London, United Kingdom.

Tan Sri Zakaria started his career with the Malaysian Civil Service in 1969 as an Assistant Secretary and retired as Director General of the Prime Minister's Department in early 2002.

Tan Sri Zakaria is the Chairman of the Nomination Committee, Remuneration Committee and Option Committee of the Company. He is the Chairman of the Board of Directors and Audit Committee of Muhibbah Engineering (M) Berhad. He has no other directorship in public or public-listed companies.

Tan Sri Zakaria has no family relationship with any member of the Board or major shareholder of the Company. He does not have any conflict of interest with the Company, nor any conviction for offences within the past 5 years, nor any public sanction or penalty imposed by any regulatory authority during the financial year.



**Executive Deputy Chairman & Chief Executive Officer,
Non-Independent Executive Director**

Mr Mark Wee Liang Yee was appointed to the Board on 27 September 2016 as the Executive Deputy Chairman and was designated as Chief Executive Officer of the Company on 17 November 2016. He graduated with a Senior Three from Chung Hua Middle School No. 1, Kuching, Sarawak in 1984.

Mr Mark Wee has been managing companies involved in development of commercial projects as well as numbers forecast operations in Sarawak since the early 1980s. He was appointed a Director of Berjaya Assets Berhad (formerly known as Matrix International Berhad) in 2001, a position he held until 2005.

Mr Mark Wee is a major shareholder of the Company and is the Chairman of the Executive Committee of the Company. He is a member of the Board of Governors of STEC Kidney Foundation. He has no other directorship in public or public-listed companies.

Mr Mark Wee has no family relationship with any member of the Board or major shareholder of the Company. He does not have any conflict of interest with the Company, nor any conviction for offences within the past 5 years, nor any public sanction or penalty imposed by any regulatory authority during the financial year.

DIRECTORS' PROFILE

**Non-Independent Executive Director**

Mr Robin Tan Wee Hoong was appointed to the Board on 27 September 2016 as the Executive Director. He holds a Bachelor of Business (Accounting) degree from Deakin University, Australia.

Mr Robin Tan has extensive experience of more than 12 years in capital markets providing corporate advisory and private investment services as Director/Head of Research and Business Development in various securities and investment banking houses including Rashid Hussain Berhad, Kay Hian James Capel and Phileo Peregrine Securities.

Mr Robin Tan is a member of the Executive Committee of the Company. He does not hold directorship in any public or public-listed company.

Mr Robin Tan has no family relationship with any member of the Board or major shareholder of the Company. He does not have any conflict of interest with the Company, nor any conviction for offences within the past 5 years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

**Non-Independent Non-Executive Director**

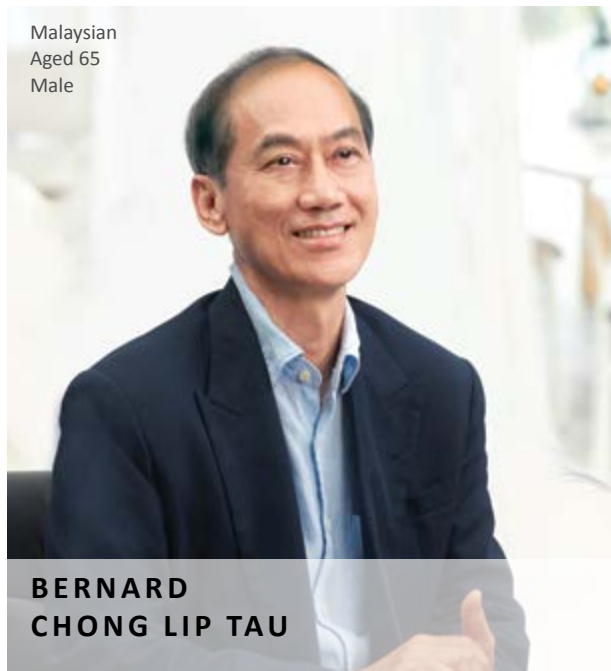
Dato' Abdul Malek bin Abdul Hamid was appointed to the Board as an Independent Non-Executive Director on 22 June 2006. He was re-designated as a Non-Independent Non-Executive Director on 22 June 2015 upon serving a cumulative period of 9 years with the Company. He holds a Diploma in Mechanical Engineering from Universiti Teknologi Malaysia, Malaysia and a Bachelor of Science in Marine Engineering from the University of Liverpool, United Kingdom.

Throughout Dato' Abdul Malek's career, he had been attached to the police force in several police units until his last appointment as the Deputy Director of Logistics, Bukit Aman, Police Headquarters in 2003. He was then seconded from the police force to the Prime Minister's Department as Head of Logistics at the Malaysian Maritime Enforcement Agency until his retirement in 2004.

Dato' Abdul Malek is a member of the Audit and Risk Management Committee, Remuneration Committee and Option Committee of the Company. He is a member of the Board of Governors of STEC Kidney Foundation. He does not hold directorship in any other public or public-listed company.

Dato' Abdul Malek has no family relationship with any member of the Board or major shareholder of the Company. He does not have any conflict of interest with the Company, nor any conviction for offences within the past 5 years, nor any public sanction or penalty imposed by any regulatory authority during the financial year.

DIRECTORS' PROFILE

**Independent Non-Executive Director**

Mr Bernard Chong Lip Tau was appointed to the Board on 20 October 2008. He holds a Master of Business Administration from Durham University, United Kingdom. He is also a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

He has more than 35 years' experience in audit and finance, including as Senior Auditor in Sarawak Shell Berhad, Accountant in UMW Toyota Sdn Bhd, Finance Manager/Company Secretary/General Manager in PDZ Holdings Berhad, Senior Consultant for Corporate Recovery in PricewaterhouseCoopers and Chief Financial Officer in Zalpoint Corporation Sdn Bhd.

Mr Bernard Chong was a member of the Audit and Risk Management Committee ("ARMC") until his appointment as the Chairman of the ARMC on 28 October 2009. He is also a member of the Nomination Committee and Remuneration Committee of the Company. He does not hold directorship in any public or public-listed company.

Mr Bernard Chong has no family relationship with any member of the Board or major shareholder of the Company. He does not have any conflict of interest with the Company, nor any conviction for offences within the past 5 years, nor any public sanction or penalty imposed by any regulatory authority during the financial year.

**Independent Non-Executive Director**

Mr John Ko Wai Seng, was appointed a director of the Company on 25 May 2006 and resigned on 28 October 2009. He was subsequently re-appointed an Independent Non-Executive Director of the Company on 1 November 2012.

Mr John Ko holds a Bachelor of Laws (Honours) and Master of Laws from the London School of Economics and Political Science of University of London, United Kingdom. He was admitted to the Bar of Inner Temple as a Barrister-of-Law and the High Court of Sabah and Sarawak in 1975.

Mr John Ko began his career as a legal assistant in Messrs Battenberg & Talma, Advocates, Kuching in 1975 and was made a partner in the firm in 1985. He retired from the firm in 2009 to take up an appointment as a Judicial Commissioner of the High Court in Sabah and Sarawak. He served as the resident High Court Judge in Tawau and later in Bintulu. He left the judicial service on 27 October 2012.

Mr John Ko is a member of the Audit and Risk Management Committee and Nomination Committee of the Company. He is a member of the Board of Governors of STEC Kidney Foundation. He does not hold directorship in any other public or public-listed company.

Mr John Ko has no family relationship with any member of the Board or major shareholder of the Company. He does not have any conflict of interest with the Company, nor any conviction for offences within the past 5 years, nor any public sanction or penalty imposed by any regulatory authority during the financial year.

KEY SENIOR MANAGEMENT

FONG CHEE KHUEN

Group Chief Operating Officer &
Chief Financial Officer

Malaysian Male
Aged 46

Mr Fong Chee Khuen was appointed Chief Operating Officer of the Company on 1 January 2014, having been appointed Acting Chief Operating Officer on 7 August 2012. He is responsible for managing the operations of the Company and Treasure Bay Bintan, the tourism destination being developed by the Group on Bintan Island, Indonesia. He was concurrently appointed the Chief Financial Officer of the Company on 24 January 2017. He holds an honours degree in Accountancy and a Master Degree in Business Administration from Universiti Putra Malaysia. He is a member of the Malaysian Institute of Accountants.

Prior to joining the Company, Mr Fong has worked with an audit firm and public-listed companies in Malaysia and has vast experience in audit, accounting, tax, corporate finance and business strategies. In 2000, he joined Sungei Wang Plaza Sdn Bhd, a former subsidiary of the Company as Finance Manager. He held a number of senior management positions in the Company before he assumed his current position as Chief Operating Officer of the Company on 1 January 2014.

Mr Fong does not hold directorship in any public or public-listed company.

Mr Fong does not have any family relationship with any member of the Board or major shareholder of the Company. He does not have any conflict of interest with the Company, nor any conviction for offences within the past 5 years, nor any public sanction or penalty imposed by any regulatory authority during the financial year.

CHRISTIAN MARTIN METZNER

General Manager, The Andaman

German Male
Aged 39

Mr Christian Martin Metzner was appointed General Manager of The Andaman, A Luxury Collection Resort, Langkawi, on 12 October 2014. He completed his secondary school and university entrance qualification from the Alexander-Von-Humbold-School, Viernheim, Germany in January 1998. He obtained his professional Hotel School diploma "Hotelfachmann" from the State Vocational School for the Hotel and Restaurant Industry, Villingen-Schwenningen, Germany in 2000 and holds a certificate as a Qualified Hotel Professional from the Chamber of Industry and Commerce, Rhein-Neckar, Germany. He is a member of the German Business Chamber of Malaysia.

Prior to joining The Andaman in Langkawi, Mr Metzner has worked 9 years in China, being part of the opening team of The Westin Beijing Financial Street Hotel as Director of Revenue Management and the opening team of The Westin Tianjin as Director of Sales & Marketing as well as Hotel Manager in charge, leading the hotel to be the market leader in Tianjin, China. Before he assumed his current position as General Manager of The Andaman, A Luxury Collection Resort, Langkawi on 12 October 2014, he was the General Manager of The Astor Hotel, A Luxury Collection Resort, Tianjin beginning from September 2011.

Mr Metzner does not hold directorship in any public or public-listed company.

Mr Metzner does not have any family relationship with any member of the Board or major shareholder of the Company. He does not have any conflict of interest with the Company, nor any conviction for offences within the past 5 years, nor any public sanction or penalty imposed by any regulatory authority during the financial year.

GROUP FINANCIAL HIGHLIGHTS

	2016	2015	2014	2013	2012
	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP ASSETS					
Property, Plant & Equipment	1,339,017	1,346,209	1,328,100	551,685	385,872
Intangible Asset	-	131	386	575	614
Property Development Cost	778,900	781,856	787,997	1,527,540	1,696,476
Investments in Associates	70,462	66,547	57,407	54,880	45,997
Other Investments	1,885	1,885	1,040	1,040	1,040
Deferred Tax Assets	350	350	1,631	421	424
Net Current Assets	75,175	112,439	142,549	194,901	117,243
	2,265,789	2,309,417	2,319,110	2,331,042	2,247,666
FINANCED BY					
Share Capital	480,810	480,810	480,810	480,810	480,810
Share Premium	218,272	218,272	218,272	218,272	218,272
Fair Value Reserve	1,260	1,260	415	415	415
Share Option Reserve	2,249	2,526	2,358	1,453	1,678
Translation Reserve	13,155	12,161	(2,152)	(1,399)	(1,957)
Retained Earnings	1,030,093	1,057,760	1,069,534	1,074,806	1,079,352
Non-Controlling Interests	1,373	1,373	1,224	1	1
Loans And Borrowings	57,430	70,183	79,855	88,528	137
Deferred Tax Liabilities	461,147	465,072	468,794	468,156	468,958
	2,265,789	2,309,417	2,319,110	2,331,042	2,247,666
RESULTS					
Loss Before Tax	(30,766)	(14,045)	(6,414)	(6,220)	(1,170)
Tax Credit/(Expense)	2,822	1,987	1,100	1,449	(1,076)
Loss After Taxation	(27,944)	(12,058)	(5,314)	(4,771)	(2,246)
Loss Attributable to Owners of the Company	(27,944)	(12,058)	(5,314)	(4,771)	(2,246)
Profit Available for Appropriation	1,030,093	1,057,760	1,069,534	1,074,806	1,079,352

CORPORATE RESPONSIBILITY & SUSTAINABILITY



REDUCING
carbon footprint

RESTORATION and CONSERVATION of the environment

RECOGNISING and ENGAGING the community

RESPONSIBLE employer



The Board of Directors of Landmarks Berhad has always been mindful in embedding **economic, environmental and social impacts** (“EES”) to ensure that its businesses are operated in a sound and sustainable way by continually assessing the risks and opportunities in the Group’s operations. As responsible corporate citizens, the Group has made continued progress on giving cognisance towards overall stewardship of EES to **create value** for its key stakeholders, including **business partners, shareholders, regulators and the community** within which its business operates.

This report illustrates our commitment in ensuring long term growth and success in maintaining a proper balance between our economic, environmental and social responsibilities. These commitments are reinforced by the four pillars of sustainability initiatives that have been developed within the context of our core values that drive our activities across the Group.

CORPORATE RESPONSIBILITY & SUSTAINABILITY



**REDUCING
CARBON
FOOTPRINT**

- Repurposing furniture and wastage
- Working with like-minded partners
- Innovation and technology

THE GROUP CONTINUES TO FOCUS AND PRIORITISE ON REDUCING ITS CARBON FOOTPRINT AND GREENHOUSE EMISSIONS, ENSURING THAT ITS OPERATIONS ARE ECO-FRIENDLY BY INCORPORATING INNOVATIVE TECHNOLOGIES AND METHODOLOGIES.



*Meranti Dining Table, Jala Restaurant
The Andaman*

These efforts have been acknowledged internationally with awards such as the International Hotel Awards 2013 – Best Sustainable Hotel (Malaysia), ASEAN Green Hotel Awards 2014 and Best Environmental Sustainability Hotel 2014 by Starwood Hotels & Resorts Worldwide (“Starwood”) Asia Pacific Division.



*Run to Give 2016
The Andaman*

The Group’s resort in Langkawi, The Andaman, is operated by Starwood and is located within an ancient tropical rainforest on the pristine sandy shores of Datai Bay - home to a diverse variety of marine life and precious fringing reef said to be 6,000 to 8,000 years old. The resort stays true to its promise of being an eco-friendly resort by incorporating recycled natural elements into the architecture and designs.

The desk lamps in the rooms are made out of fallen rocks that form the backdrop of Datai Bay, comprising some of the oldest geological material on Earth dating back more than 600 million years. In re-roofing the resort, original Belian shingles made from local Iron Wood were given a new lease of life and used for sections of Jala Restaurant’s roof as well as cladding for support columns in the main dining area. The architecture has also been designed around three giant Meranti trees, the tallest trees in our rainforest. Jala Restaurant’s resourcefulness is also extended to the furniture – the showpiece being a sleeping giant Meranti tree that fell at the resort during a storm in 2012, now converted into a dining table to seat up to 20 guests.

CORPORATE RESPONSIBILITY & SUSTAINABILITY



Environmental protection is an intrinsic part of Treasure Bay Bintan (“TBB”), the Group’s project on Bintan Island, Indonesia. Upholding sustainability in every aspect of its development, the Group demonstrates its commitment toward sustainability at the heart of every decision made via local sourcing where possible for its construction and further exploring opportunities to do business with local companies, protecting nature particularly via compliance with laws and legislation to ensure that every aspect of reducing pollution and effective waste management is maximised.

TBB offers many first-in-Asia concepts and has formed business partnerships with corporations that share a similar passion for environmental protection such as Crystal Lagoon. The 6.3-hectare lagoon is South East Asia’s largest sea water lagoon, but requires 100 times less chemical products than conventional swimming pools. The lagoon is energy efficient and only consumes 2% of the energy needed by conventional filtration pools. The lagoon operates in a closed circuit that only needs to compensate for water loss caused by evaporation.



RESTORATION AND CONSERVATION OF THE ENVIRONMENT

- Research and academic collaborations
- Fund-raising efforts
- Restoration of mangroves and marine eco-systems



The Group views biodiversity conservation and restoration as a priority and has formed academic partnerships with local universities to support research that can further make an impact.

Coral and marine life rehabilitation

Since the launch of the Coral Nursery in 2012 to restore and rehabilitate the corals in Datai Bay, The Andaman has elevated its efforts to the next step with the opening of a Marine Life Laboratory. The multi-purpose indoor space functions as a research laboratory for marine science and biology students to help increase their understanding of coral reef ecosystems and effective artificial reef management in addition to educating resort guests by encouraging them to explore, experience and interact directly with the students.

With the Young Marine Biologist, teenagers are also invited to spend a day with the Marine and Coral Curator, learning everything from the heart of house pump and filter operation, to taking temperature and PH tests to maintain optimal conditions for the rehabilitation of the corals. With the Youth Outreach Programme, the resort has hosted 18 interns and guided over 200 local high school students through the “A Day in Life of a Marine Biologist”.

CORPORATE RESPONSIBILITY & SUSTAINABILITY

In addition to that, the resort also offers unique teambuilding and events developed around the coral conservation theme. This allows MICE groups and teenagers to participate in an activity that not only promotes teamwork, but also to gain knowledge in marine conservation and at the same time, be involved in social responsibility activities.

In the last 18 months, about 200 corals have been moved to the ocean and the coral nursery now holds about 100 baby corals, waiting to be taken into the ocean.

Mangrove replanting

Mangroves provide protective greenbelts along coastlines and are proven effective barriers against tropical storms and strong wave action. Mangrove ecosystems also provide livelihoods for coastal communities that depend on fishing as a source of income. With that in mind, the Group has initiated a mangrove rehabilitation project as one of its key activities at TBB. Supported by the local community groups, the mangrove replanting project covered 23 hectares of land in Sungei Kecil, Desa Sebong Lagoi and Kecamatan Teluk Sebung located North-West of Bintan, 21 kilometres by road from TBB.

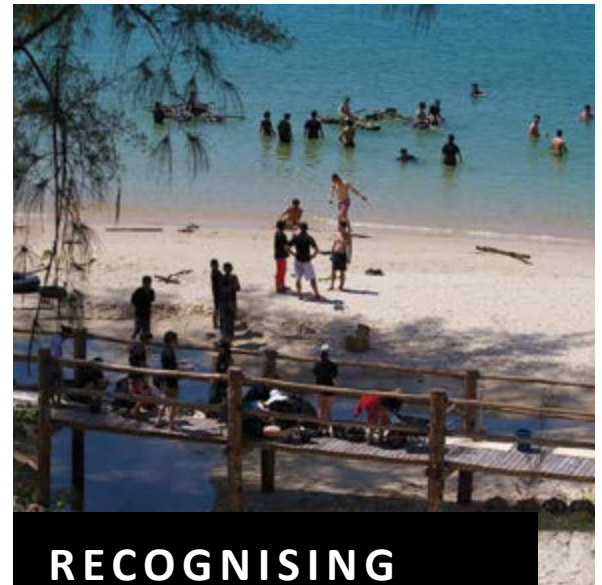
In addition to restoring the degraded mangrove, reduce erosion and enhance coastal fisheries, the initiative aims to engage and educate the local community and create awareness on the importance of mangrove ecosystems through direct community participation. A total of 72,000 mangrove saplings have been planted so far in Bintan.

On 23 November 2016, The Andaman also organised a mangrove planting event in conjunction with the annual UNICEF Checkout for Children Challenge. The Andaman not only raised funds for the children in need but also gave back to nature at the same time. Together, a total of 300 mangrove trees were planted and funds of RM5,000 for the UNICEF Checkout for Children programme were collected.

Other environmental conservation efforts

The Andaman is also committed to environmental conservation through its Sustainable Meeting practices, a programme that meets the needs of customers, while reducing the impact of the resort's business on the environment. This includes elimination of drinking water bottles – replaced by a pitcher and elimination of paper wastage with delegates only taking what they need from the stationery centre.

In its continuous efforts to keep the ocean clean, The Andaman hosted a 'gotong-royong' – cleaning campaign along Anak Datai, an extension of The Andaman's beach. The Andaman's Trash Heroes went across to Anak Datai Island to do a beach clean-up and cleared trash and litter that was slowly killing the marine life. In total the team collected more than 20 plastic bags of trash.



RECOGNISING AND ENGAGING THE COMMUNITY

- Creating jobs and raising the socio-economic status
- Educating and supporting local fishermen
- Sharing the benefits with local communities

The Group recognises that mutual growth of the communities in which we operate in is key to its success. As part of the community outreach programme, TBB has organised recruitment drives in Bintan. The event is also a platform to invite local entrepreneurs to operate food stalls, souvenir counters etc in TBB. The aim of this initiative is to raise the socio-economic status for the people in Bintan and share the benefits with them by creating jobs, developing skills and encouraging enterprise.

The staff and management of TBB also organised a breaking of fast or Iftar with the local community in Bintan in a united effort to help those in need. The event was attended by some local villagers, the Chief of the Region (CAMAT) and the Chief of the Village (LURAH). Also present were 70 orphans from the local orphanage who received Rp. 50.000 as a gift in the spirit of the season while sarongs were presented to village chiefs as a token of appreciation for their continuous support to TBB.

CORPORATE RESPONSIBILITY & SUSTAINABILITY



RESPONSIBLE EMPLOYER

The Board recognises that one of the Group's most important assets is its human capital. As a responsible employer, we are committed to running a safe, efficient and profitable business where honesty, integrity and respect for people govern the way we work and interact with each other within the organisation and externally with our business partners. The standards of behaviour are derived from the Group's core values that act as our guiding principles.

In our efforts to become a preferred employer, we are committed to the practice of equal opportunity policies for our workforce and respect for our employees' human rights in the communities we operate in.

Our policies include zero tolerance of discrimination on any grounds of colour, religion, ethnicity, age, national origin or gender as well as zero tolerance towards physical or verbal discriminatory harassment in the workplace. We believe these policies are crucial in retaining and attracting talent. Specifically, the employment policy of the Group is:

- to only employ effective, efficient and competent employees;
- not to permit the employment of relatives of any individual already employed in the Group as this would suggest the possibility of collusion;
- to offer job opportunities suitable to employees within the Group;
- to develop the capabilities of employees by providing training; and
- to ensure that all employees are medically fit to do the job for which they are employed.

The selection and recruitment of employees is made on an open competitive basis. As such, the Board does not have a diversity policy for its workforce in terms of gender, ethnicity or age.



The Group emphasises staff welfare, providing employees with a safe and clean working environment. Medical benefits which include medical care for staff and their families, hospitalisation and surgical insurance benefits, maternity and paternity leave and flexible working arrangements are provided for staff.

On-going efforts to build closer ties with staff are being practised via activities in informal get-togethers on a regular basis where the Group's direction and goals are shared and communicated in open and honest dialogue sessions. This not only promotes bonding but also encourages engagement and feedback which is integrated into our business goals and objectives.

During the year, The Andaman together with The Westin Langkawi and The St. Regis Langkawi, joined forces to run for a good cause and raise money to financially support the emergency housing needs of associates who incur significant loss as a result of a natural disaster. The event gathered over 250 participants and raised a total of RM19,400 for the cause.

While we have made a lot of progress over the years in our conservation efforts and in managing waste reduction, expectations continue to rise. We will resist complacency and ensure that we continue to improve our sustainability performance and join leading companies in continuously contributing to meaningful sustainable development. To achieve this goal, we aim to monitor our sustainability efforts through Key Performance Indicators.

Moving forward, the Group aims to share its sustainability goals with stakeholders by rolling out a corporate culture that is mindful of its actions. The Group aims to encourage continuous innovation on green ideas that supports waste reduction, energy conservation and carbon emission to reduce environmental impacts while growing the top line.

This Statement was approved by the Board of Directors on 21 February 2017.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Landmarks Berhad (“Company”) is firmly committed to ensuring the practice of and subscription to the highest standards of corporate governance, namely transparency, accountability and corporate performance in discharging its responsibility of protecting and enhancing shareholder value and the financial performance of the Company and its group of companies (“Group”).

The Board of Directors supports the eight (8) principles set out in the Malaysian Code on Corporate Governance 2012 (“Code”) and is satisfied that the Group has, in all material aspects, complied with the principles and recommendations of the Code for the financial year under review.

This Statement describes the Company’s application of the principles and compliance with the recommendations of the Code for the financial year ended 31 December 2016 except as otherwise stated.

BOARD OF DIRECTORS

Board Roles and Responsibilities

The Board of Directors’ stewardship responsibilities encompass setting strategies and policies, performance monitoring, allocation of financial and human resources, risk assessment and management, as well as improving governance and controls. Specifically, the Board, led by the Chairman, establishes the annual strategic and financial direction and objectives of the Group, approves the annual budget and business plans, monitors its achievement and evaluates and approves major capital expenditures, capital management and major corporate transactions. The Board, assisted by the Audit and Risk Management Committee, is responsible for evaluating and monitoring the principal risks faced by the Group and ensuring that they are managed effectively. This includes monitoring and reviewing the Group’s operations in relation to and compliance with the legal requirements in the various jurisdictions, approving and monitoring the risk management strategy, internal controls and reporting systems, evaluating their effectiveness, and identifying and rectifying deficiencies.

The Board of Directors has an effective working partnership with the management in achieving the strategic and financial direction and objectives of the Group. The management is responsible to support the Board on the development of, advising on and implementation of the corporate and business strategies, policies and decisions set by the Board as well as coordinating and overseeing the day-to-day operations. To ensure efficiency in the day-to-day operations of the Group, the Board has delegated some of its authority to certain levels of management as set out in the Limit of Authority.

There is a clear division of responsibility between the non-executive Chairman and the management, led by the Executive Deputy Chairman who was appointed on 27 September 2016. Prior to the appointment of the Executive Deputy Chairman, the management of the Group was led by the Group Chief Operating Officer (“COO”). The separation of the duties and responsibilities between the non-executive Chairman of the Board and the management is to ensure a balance of power and authority.

The respective roles and responsibilities of the Chairman and the management, led by the Executive Deputy Chairman or Group COO, are well defined. The Chairman manages and leads the Board to ensure its effective functioning. He is the representative of the Board to shareholders and he leads the Board in ensuring the integrity and effectiveness of the governance process. As the Chairman of the Board, he maintains regular dialogue with the executive members of the Board or the Group COO over operational matters and consults with the rest of the Board over any matter that gives him cause for major concern. The Executive Deputy Chairman is responsible for implementing the Board’s policies, strategies and decisions as well as managing the business and daily operations and profit performance of the respective divisions in the Group. During the financial year under review, the Group was managed in three (3) divisions as follows:-

- i) Corporate Head Office;
- ii) Hospitality and Wellness; and
- iii) Resort & Destination Development.

Board Charter

The Board Charter is a source reference to guide Board members and senior management on their roles and responsibilities. Apart from detailing the latter, the Board Charter also sets out the tenure of an independent director, the various Board Committees and their functions, procedures on Board meetings, the Directors’ access to information and independent advice, the code of ethics and conduct to be observed, and the expectations on continuous training by Directors.

The Board Charter shall be reviewed periodically to ensure that new as well as changes in laws, regulations or relevant developments having an impact on the Group’s businesses and the discharge of the Board’s roles and responsibilities are incorporated where necessary. There was no review of the Board Charter during the financial year.

The Board Charter, approved by the Board on 26 February 2013, is available for reference at the Company’s website at www.landmarks.com.my.

STATEMENT ON CORPORATE GOVERNANCE

Board Composition

During the course of the financial year 2016, the Board comprised six (6) members, except for the period from 22 July to 27 September 2016 where the Board comprised five (5) members. Mr Daryl Sim Swee Kheng, an Independent Director resigned on 22 July 2016. Mr Sulip Menon, an Independent Director, subsequently resigned on 27 September 2016. On the same day, Mr Mark Wee Liang Yee, a major shareholder of the Company was appointed the Executive Deputy Chairman of the Board together with Mr Robin Tan Wee Hoong, who was appointed the Executive Director. At the end of the financial year 2016, Mr Bernard Chong Lip Tau and Mr John Ko Wai Seng were the two (2) independent non-executive directors on the Board. The four (4) non-independent directors were Tan Sri Zakaria bin Abdul Hamid, Mr Mark Wee Liang Yee, Mr Robin Tan Wee Hoong and Dato' Abdul Malek bin Abdul Hamid. The independent non-executive directors comprised at least one-third of the Board at all times during the year.

The Board believes that its current size and composition is adequate and appropriate for its purpose. The Board is satisfied that the current composition adequately protects the interests of minority shareholders of the Company. The Board opines that its current size allows active participation and meaningful contribution by each member to ensure its effectiveness in discharging its duties. The Board, in considering appointments, gives due regard to the skills, experience, contribution and commitment that a person would bring to the Board. The Board has not set specific targets in terms of gender, ethnicity and age for its members, and would consider the same and take the required measures to meet those targets, when deemed necessary, to enhance the effectiveness of the Board as a whole.

The Directors, with their diverse backgrounds and specialisations from the legal and accounting fraternities, senior executives in the Malaysian government sector and experience in business management collectively bring considerable knowledge, judgment, expertise and experience to the Board. The breadth and depth of experience and knowledge of the Directors provide the necessary balance of power and authority as well as diverse views, insights and advice on its stewardship role.

The profile of the members of the Board on the date of this Statement is presented on pages 17 to 19 of this Annual Report.

Board Meetings

The Board has a formal schedule of matters specifically reserved for its decision and approval. The Board schedules at least four (4) meetings a year at quarterly intervals with additional meetings convened whenever urgent and important decisions are required. During the year under review, the Board met on seven (7) occasions where it deliberated upon and considered a variety of matters including receiving updates on the Group's businesses and its performance, the Group's strategies and

policies, corporate governance, risk management, corporate proposals, the Group's financial results, and the business and financial plans and direction of the Group.

The annual schedule of the Board and Board Committee Meetings are informed in advance to all Directors before the commencement of the financial year to assist Directors in planning their time commitment to the Company. All Directors have devoted reasonable time and effort to attend to the Company's duties required of them by attendance at the Board and Board Committee meetings as well as being available to discuss issues affecting the Group at all other times. The Directors would immediately update the Board via the Company Secretary on their appointment as director in other companies, which would then be tabled to the Board at the next Board of Directors' meeting for notation.

The Board members are given appropriate documentation at least three (3) days in advance of each Board meeting. The reports cover areas of financial, operational, risk management and regulatory compliance matters. The proceedings of each meeting are recorded in the minutes and the confirmed minutes are kept at the Registered Office.

The attendance of Directors at Board meetings held during the financial year is:-

Director	Attendance
Tan Sri Zakaria bin Abdul Hamid	7 out of 7
Mark Wee Liang Yee <i>(appointed on 27 September 2016)</i>	1 out of 1*
Robin Tan Wee Hoong <i>(appointed on 27 September 2016)</i>	1 out of 1*
Dato' Abdul Malek bin Abdul Hamid	7 out of 7
Bernard Chong Lip Tau	7 out of 7
John Ko Wai Seng	7 out of 7

* attendance at Board meetings held after their appointment

Supply of Information

The Board is supplied with appropriate and timely information to enable it to discharge its duties. The Board papers are comprehensive and encompass both quantitative and qualitative information so that informed decisions are made. The Board requests additional information whenever it deems necessary or appropriate. The members of management, where appropriate and necessary, are invited to be in attendance at Board meetings to present issues and furnish clarifications that may be raised.

The Executive Deputy Chairman and/or Executive Director and/or Group COO, after consultation with the Chairman when necessary, ensures that all Directors have complete and timely access to information.

STATEMENT ON CORPORATE GOVERNANCE

The Directors have access to members of the management and staff at all times and to request for any information within the Group from them, whether collectively as a Board or in their individual capacity, in furtherance of their duties.

The Executive Deputy Chairman and/or Executive Director and/or Group COO keeps the Board informed on a timely basis on all material matters affecting the Group's performance and its major developments. In addition to formal Board meetings, the Chairman and the Executive Deputy Chairman and/or Executive Director and/or Group COO maintain regular contact with all Directors.

All Directors have access to the advice and services of the Company Secretary, who supports the Board by ensuring that Board policies and procedures are adhered to and that applicable regulations, guidelines and rules are complied with. The Company Secretary is a chartered secretary, being an associate member of the Malaysian Institute of Chartered Secretaries & Administrators with more than 20 years of corporate secretarial experience gained primarily in public-listed companies in Malaysia. She is responsible for the company secretarial functions in all jurisdictions where the Group operates, ie, Malaysia, Singapore, Indonesia and Seychelles. She ensures that the Board is updated on corporate regulatory matters affecting the Group via a specific agenda item at each Board meeting.

The Directors, in their individual capacity or collectively, may take independent professional advice in furtherance of their duties, whenever necessary and in appropriate circumstances, at the Company's expense. If a member of the Board considers such advice to be necessary, the member shall first discuss with the Chairman and, having done so, shall be free to obtain such professional advice.

Board Appointments

The Nomination Committee has been entrusted with the responsibility of proposing and recommending the candidates for appointment to the Board. In evaluating the appointment of a director to the Board, the general process and procedure are:-

- i) determine the skills, experience and core competencies that is required by the Board;
- ii) seek and evaluate candidate(s) with the required credentials, skills, experience and competencies who has demonstrated integrity and character; and
- iii) recommend the proposed appointment of the candidate to the Board for approval.

The Board had on 27 September 2016 approved the appointment of Mr Mark Wee Liang Yee and Mr Robin Tan Wee Hoong as Executive Deputy Chairman and Executive Director, respectively. The Nomination Committee considered the appointment of both the candidates who were

then recommended to the Board for approval. Mr Mark Wee is a major shareholder of the Company and has extensive experience in managing companies involved in the development of commercial projects as well as numbers forecast operations in Sarawak since the early 1980s. He has extensive contacts amongst the business community and would be able to contribute and further add value as an executive member of the Board in furtherance of the Group's business. Mr Robin Tan, with his extensive experience in capital markets providing corporate advisory and private investment services, will bring further diversity and value to the Group as an executive member of the Board. As full-time executive members of the Board, they are expected to be effective in discharging their role as Directors. Both gentlemen had character and integrity to be appointed as Directors of the Company.

A director appointed during the financial year shall retire and be eligible for re-election at the Annual General Meeting ("AGM") in accordance with Article 68 of the Company's Articles of Association. Apart thereto, at least one-third of the Board or if the number of directors is not three (3) or a multiple of three (3), then the number nearest one-third shall retire by rotation under Article 63 of the Company's Articles of Association and be eligible for re-election at each AGM. All Directors shall be subject to retirement once in every three (3) years. At the AGM held on 24 May 2016, Mr Sulip Menon and Dato' Abdul Malek bin Abdul Hamid, being eligible, have submitted themselves for re-election and were accordingly re-elected to the Board.

At the forthcoming AGM, Mr Bernard Chong Lip Tau, who is due to retire under Article 63, and being eligible, will submit himself for re-election. Mr Mark Wee Liang Yee and Mr Robin Tan Wee Hoong, who were both appointed during the financial year will submit themselves for re-election under Article 68 of the Company's Articles of Association.

In accordance with Section 129(6) of the Companies Act 1965, a Director who has attained the age of seventy (70) years shall retire and is eligible to submit himself or herself for re-appointment at each AGM to hold office until the conclusion of the next AGM of the Company. Tan Sri Zakaria bin Abdul Hamid, the Chairman of the Board, having attained the age of more than seventy (70) years was thus re-appointed at the 27th AGM to hold office until the conclusion of the 28th AGM. Tan Sri Zakaria being eligible has offered himself for re-appointment to continue in office as Director of the Company at the 28th AGM and based on the Companies Act 2016 (which no longer requires a Director who has attained the age of seventy (70) years to submit himself for annual re-appointment), Tan Sri Zakaria, on re-appointment, shall in future retire by rotation.

The Nomination Committee has assessed that the Directors who are eligible for re-election or re-appointment at the forthcoming AGM have contributed to the deliberations on the Group's business, are fit and proper and acted in good faith and integrity to continue their role as Directors of the Company. The Board has accordingly recommended their re-election or re-appointment to the members for approval.

STATEMENT ON CORPORATE GOVERNANCE

Independence of Directors

The Board recognises that independence and objectivity are important elements in the decision-making process and that the Independent Directors play an important role in upholding good corporate governance. The Nomination Committee has undertaken an annual assessment of the Independent Directors based on their relationship, whether family or business, with the Company and the Group; their tenure of directorship; and their shareholding in the Company. More importantly, an assessment was also undertaken on the Independent Directors' participation at Board meetings and their demonstration of independent and objective judgment in the Board's deliberations to safeguard the interests of minority shareholders. Based on the assessment, the Board is satisfied that the Independent Directors have remained independent.

As recommended by the Code, the Board has approved that the tenure of directorship of an Independent Director shall not exceed a cumulative term of nine (9) years. During the financial year, none of the Independent Directors have served a cumulative tenure of nine (9) years on the Board.

Training and Development of Directors

In an ever-changing and dynamic business environment, the Directors recognise that they need to continuously equip themselves with relevant professional advancement to fulfil the demands of their role as Directors. All Directors in office during the financial year have completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities"). Mr Robin Tan Wee Hoong, who was appointed on 27 September 2016, completed the MAP on 10 November 2016 whilst Mr Mark Wee Liang Yee had completed the MAP in July 2001.

The Directors have undertaken relevant training courses to keep themselves abreast with developments in the capital markets, relevant changes in laws and regulations and on corporate governance matters to enhance their existing or acquire additional skills and knowledge in the discharge of their responsibilities. The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge.

The courses attended by the Directors during the financial year are:-

Training Course/Programme	Attended by
Malaysian Institute of Accountants – Audit Committee Conference 2016	John Ko Wai Seng Bernard Chong Lip Tau
Bursa Malaysia – Corporate Governance Disclosure Workshop on The Interplay between Corporate Governance, Non-Financial Information and Investment Decisions	Dato' Abdul Malek bin Abdul Hamid
Bursa Malaysia – CG Breakfast Series with Directors: The Strategy, the Leadership, the Stakeholders and the Board	Dato' Abdul Malek bin Abdul Hamid
Bursatra – The Inside Story of the Annual Report: What Directors Must Know	Tan Sri Zakaria bin Abdul Hamid
Bursa Malaysia – Risk Management & Internal Control for Audit Committee: Is Our Line of Defense Adequate & Effective	John Ko Wai Seng Bernard Chong Lip Tau
Bursa Malaysia – Directors Risk Management Programme: I Am Ready to Manage Risk	John Ko Wai Seng
Malaysian Institute of Corporate Governance – Governance in Taxation & Budget 2017 Seminar	Dato' Abdul Malek bin Abdul Hamid
Bursa Malaysia – CG Breakfast Series with Directors: The Cyber Security Threat & How Boards should Mitigate the Risk	John Ko Wai Seng Dato' Abdul Malek bin Abdul Hamid
Bursa Malaysia – CG Breakfast Series with Directors: Anti-Corruption & Integrity – Foundation of Corporate Sustainability	Tan Sri Zakaria bin Abdul Hamid
Bursatra – Highlights of the Companies Act 2016: Changes & Implications	Tan Sri Zakaria bin Abdul Hamid

The Directors have and will continuously be briefed on the Group's core business and other industries as may become relevant in future to ensure that the Board is well informed on the latest market and industry trends.

Board Committees

The Board has delegated certain responsibilities to five (5) Committees which were constituted with clearly defined terms of reference to assist it in the discharge of its fiduciary duties. These Committees have been accorded the necessary authority to deliberate and decide on relevant issues and where the Committee has no decision-making authority, recommendations would be put forth to the Board for approval. The Chairman of the respective Committee reports on the proceedings and deliberations of each Committee meeting, if any, to the Board.

STATEMENT ON CORPORATE GOVERNANCE

The Committees constituted by the Board are:

i. **Audit and Risk Management Committee**

The Audit Committee was established on 22 February 1993 and was subsequently renamed Audit and Risk Management Committee on 28 November 2007 with the additional responsibility to review and manage key business risks of the Group. The composition, key functions and responsibilities, and the activities of the Audit and Risk Management Committee are set out in the Audit and Risk Management Committee Report on pages 35 to 37 of this Annual Report.

ii. **Nomination Committee**

The Nomination Committee was established on 10 May 2001. It comprises three (3) non-executive directors, a majority of whom are independent as follows:

Tan Sri Zakaria bin Abdul Hamid (Non-Independent Non-Executive Director)	- Chairman
Bernard Chong Lip Tau (Independent Non-Executive Director)	- Member
John Ko Wai Seng (Independent Non-Executive Director)	- Member

The Nomination Committee is chaired by Tan Sri Zakaria bin Abdul Hamid who is also the Chairman of the Board. The Board believes that the Chairman is well placed to act on behalf of the Board and in its best interest to ensure that the Nomination Committee meets the needs of the Company. Furthermore, decision-making is by the Board.

The responsibilities of the Nomination Committee are:

- to recommend to the Board, candidates for directorships in the Company, including directors to fill the seats in Board Committees;
- to assess and review annually the boardroom diversity in respect of the required mix of skills and experience of the Board, including the core competencies which non-executive directors should bring to the Board;
- to assess annually the effectiveness of the Board, the Board Committees and the contribution of each individual director;
- to evaluate and determine the training needs of the Directors to enable them to effectively discharge their duties; and
- to review the succession plan.

The Nomination Committee met twice during the financial year 2016 which was attended by all members for the following purposes:

- assessed the performance of the Board with regard to its composition, structure, operations, roles and responsibilities, and the Chairman's role and responsibilities;
- assessed each of the Board Committees (with the exception of the Option and Executive Committees) on its composition, its assistance in providing recommendations for decision-making, the expertise of the members of the Board Committees in fulfilling their roles, the role of the Chairman of the Board Committees in discharging their responsibilities and the communications by the Board Committees to the Board with regard to its quality and timeliness;
- assessed the independence of the Independent Directors based on their shareholding in the Company, their relationship with the Company, family or business, past or present, their tenure of directorship as well as their independent judgment and objective and constructive feedback;
- evaluated the training programmes undertaken by the Directors;
- assessed each individual director in terms of fit and proper, their contribution and performance, and calibre and personality; and
- considered and recommended the appointment of the Executive Deputy Chairman and Executive Director of the Company and commissioner/director of its Indonesian subsidiaries.

iii. **Remuneration Committee**

The Remuneration Committee was established on 10 May 2001 and comprises three (3) non-executive directors as follows:

Tan Sri Zakaria bin Abdul Hamid (Non-Independent Non-Executive Director)	- Chairman
Dato' Abdul Malek bin Abdul Hamid (Non-Independent Non-Executive Director)	- Member
Bernard Chong Lip Tau (Independent Non-Executive Director)	- Member

The responsibilities of the Remuneration Committee are:

- to review, assess and recommend to the Board the remuneration packages of the Directors and senior management in all forms including bonuses, allowances and expenses;

STATEMENT ON CORPORATE GOVERNANCE

- ii) to ensure the levels of remuneration be sufficiently attractive and be able to retain Directors and senior management needed to manage the Company successfully; and
- iii) to consider and examine such other matters relating to remuneration and rewards as the Remuneration Committee considers appropriate or as may be determined by the Board.

The Remuneration Committee met three (3) times during the financial year which was attended by all members for the following purposes:

- i) considered and recommended for the Board's approval the Directors' fees payable for 2015;
- ii) considered and recommended for the Board's approval the remuneration of the senior management;
- iii) considered and recommended for the Board's approval the payment of bonuses and salary increment for staff of the Group; and
- iv) considered and recommended for the Board's approval the remuneration of the Executive Deputy Chairman and the Executive Director.

iv. **Option Committee**

The Option Committee was established on 30 July 1990 and comprises three (3) members as follows:

- | | |
|--|------------|
| Tan Sri Zakaria bin Abdul Hamid
(Non-Independent Non-Executive Director) | - Chairman |
| Dato' Abdul Malek bin Abdul Hamid
(Non-Independent Non-Executive Director) | - Member |
| Fong Chee Khuen
(Group Chief Operating Officer) | - Member |

The Option Committee is responsible to administer the Group Employees' Share Option Scheme ("Scheme") in accordance with the By-Laws of the Scheme and in such manner as it shall in its discretion deem fit and within such powers and duties as are conferred upon it by the By-Laws and the Board of Directors.

The Option Committee did not meet during the financial year.

v. **Executive Committee**

The Executive Committee was constituted by the Board on 17 November 2016, comprising the following members:

- | | |
|--|------------|
| Mark Wee Liang Yee
(Executive Deputy Chairman) | - Chairman |
|--|------------|

Robin Tan Wee Hoong (Executive Director)	- Member
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Fong Chee Khuen (Group Chief Operating Officer)	- Member
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The responsibilities of the Executive Committee are:

- i) to assist the Board of Directors by reviewing, advising, developing and planning the strategic, financial and operational directions for the various businesses of the Landmarks Group;
- ii) to propose and recommend the strategic, financial and operational directions and plans to the Board of Directors for approval;
- iii) to discuss its proposals and recommendations as and when required or requested by the Board; and
- iv) have authority to approve financial and operational matters as set out in the Limit of Authority approved or as may be amended from time to time by the Board of Directors.

The Executive Committee met once during the financial year after its formation.

DIRECTORS' REMUNERATION

The Remuneration Committee is responsible to review and recommend to the Board the fees and allowances payable to the members of the Board and the Board Committees in accordance with their experience and level of responsibilities. The Committee is also responsible to review and recommend the remuneration of the senior management, including the Executive Directors, to the Board for approval. The remuneration of the senior management comprise salary, performance-related pay and benefits. In determining the salary of the senior management, consideration is given to the qualifications, experience, and the market and industry benchmarks for such positions. Performance-related pay is based on the staff's individual performance with reference to an annual assessment on the achievement of objectives set as well as the performance of the Group.

The Non-Executive Directors of the Company are paid an annual fixed fee for serving on the Board and an allowance for attendance at each meeting of the Board. A similar fixed annual fee and meeting allowance are payable to Non-Executive Directors who are members of the respective Board Committees. The annual fixed fees are paid after approval by the members at the AGM whilst the meeting allowance is paid after their attendance at each meeting.

The payment of Directors' fees for 2015 amounting to RM346,850 was tabled to and approved by the members at the AGM held on 24 May 2016.

STATEMENT ON CORPORATE GOVERNANCE

The aggregate remuneration of the Directors of the Company and Group categorised into the appropriate components and analysed into bands of RM50,000 for the financial year ended 31 December 2016 are set out below:

Category	Salaries* (RM)	Fees (RM)	Allowances (RM)	Benefits (RM)
Company				
Executive Directors	207,214	-	-	3,389
Non-Executive Directors	-	316,790	71,000	23,536
Group				
Executive Directors	754,133	-	-	6,102
Non-Executive Directors	-	329,586	71,000	23,536

* inclusive contributions to provident fund

Amount of Remuneration	Executive Directors	Non-Executive Directors
Less than RM50,000	-	1
RM50,001 – RM100,000	-	4
RM100,001 – RM150,00	-	1
RM150,001 – RM200,000	1	-
RM550,001 – RM600,000	1	-

The Non-Executive Directors do not receive any performance-related remuneration.

CODE OF CONDUCT

The Board has approved a Code of Ethics and Conduct as detailed in the Board Charter applicable to Directors which sets out the behavioural expectations to be observed by all Directors in the performance of their duties as stewards of the Company. Directors shall at all times devote reasonable time and effort to attend to the duties of the Company and exercise their power for the purposes and benefit of the Group. Directors are also expected to avoid any conflict of interest and to immediately disclose any direct or indirect contractual interests with the Group. The Directors have complied with this Code of Ethics and Conduct at all material times during the financial year. The Company has also approved a similar code of conduct, incorporating a Code of Practice on Prevention and Eradication of Sexual Harassment in the Workplace, to govern the standards of good conduct and ethics by employees of the Group.

The Board has approved a Whistleblowing Policy in its commitment to uphold the highest standards of ethics, integrity and accountability. The policy is a mechanism to enable the members of the Board, employees and any other members of the Group to disclose internally any malpractices

or misconduct without fear of reprisal. It provides a confidentially safe and acceptable platform for all stakeholders to channel their concerns about illegal, unethical or improper business conduct affecting the Group to avoid the negative effects that may come through public exposure resulting in loss of Company image or reputation, financial distress or loss of investor confidence. Whistleblowers may report their concerns in writing or face-to-face to their immediate supervisor, Head of Department, the Group COO, the Company Secretary or the Chairman of the Audit and Risk Management Committee. A whistleblower who raises a genuine concern will not be at risk of dismissal or suffer any form of retribution. The Company will carefully and thoroughly assess the course of action to be taken and written updates on the progress of investigation will be given to the whistleblower. The Group COO or the Chairman of the Audit and Risk Management Committee will ensure that the findings of the investigation are given to the whistleblower, the individual(s) under investigation and the members of the Audit and Risk Management Committee or other external authorities. The policy has been circulated to all employees in the Group and is also accessible on the staff intranet. During the financial year, there was no incident reported under the Whistleblowing Policy.

STATEMENT ON CORPORATE GOVERNANCE

CORPORATE SUSTAINABILITY

The Board recognises that corporate responsibility is the key to the Group's sustainability. Hence, the Group continuously embeds sustainability practices in its business, aligning it to the Group's culture and strategy.

A detailed account of the corporate responsibility and sustainability activities carried out by the Group during the year under review is set out on pages 22 to 26 of this Annual Report.

CORPORATE DISCLOSURE

The Board places importance in ensuring that disclosures made to shareholders and investors are accurate, factual and on a timely basis. The Board is guided by the requirements as set out in the Listing Requirements and the Corporate Disclosure Guidelines of Bursa Securities in its corporate disclosure process and procedures.

SHAREHOLDER COMMUNICATION

The Company is committed to ongoing communications with its entire shareholder base, both institutional and private investors. This is achieved through the annual reports, the quarterly announcements and the shareholders' meetings. The Company's website, www.landmarks.com.my, provides a comprehensive avenue for up-to-date information dissemination with dedicated sections on corporate and financial information and news on the Group.

At the AGM and other general meetings, where relevant, the Company gathers views of, and answers questions from the shareholders on all issues relevant to the Group. Historically, the Company's general meetings have been well attended. It has always been the practice for the Chairman to provide ample time for the question and answer sessions at the general meetings, and for shareholders to provide suggestions and comments for consideration by the Board and management.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly financial reports to shareholders as well as the statements in the Annual Report. The Board is assisted by the Audit and Risk Management Committee and the external auditors in overseeing the Group's financial reporting processes and the quality of its financial reporting.

The Board through the Audit and Risk Management Committee has procured the confirmation from the external auditors that they have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Relationship with the Auditors

The Board, through the Audit and Risk Management Committee, has an appropriate and transparent relationship with the external auditors. The role of the Audit and Risk Management Committee in relation to the external auditors is set out in the Audit and Risk Management Committee Report on pages 35 to 37 of this Annual Report.

Directors' Responsibility Statement in Respect of the Preparation of the Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and the profit or loss and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016 have been applied and complied with. The Board has adopted and consistently applied accepted accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such reasonable steps to preserve the assets of the Group and to prevent and detect fraud and other irregularities.

Internal Control

The Board is responsible for the Group's risk management and internal control systems and reviewing its effectiveness. In the performance of this responsibility, the Board is supported by the internal audit function which reports directly to the Audit and Risk Management Committee. A summary of the activities of the internal audit function during the financial year is presented in the Audit and Risk Management Committee Report on pages 35 to 37 of this Annual Report.

An overview of the risk management framework and state of internal controls are set out in the Statement on Risk Management and Internal Control on pages 38 to 40 of this Annual Report.

This Statement was approved by the Board of Directors on 21 February 2017.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

CONSTITUTION

The Audit Committee was established by the Board of Directors on 22 February 1993 and was re-named the Audit and Risk Management Committee (“Committee”) on 28 November 2007, with the additional responsibility to review and manage key business risks of the Group.

COMPOSITION AND ATTENDANCE

The membership of the Committee and their attendance at meetings held during the financial year 2016 are as follows:-

Name of Committee Member	Attendance
Bernard Chong Lip Tau, Chairman (Independent Non-Executive Director)	4 out of 4
Dato’ Abdul Malek bin Abdul Hamid (Non-Independent Non-Executive Director)	4 out of 4
John Ko Wai Seng (Independent Non-Executive Director)	4 out of 4
Sulip R Menon (Independent Non-Executive Director) (Resigned on 27 September 2016)	2 out of 3*

* attendance at Committee meetings held during his tenure

TERMS OF REFERENCE

The Committee is responsible for ensuring the integrity of the Group’s financial accounting and reporting practices as well as the management of risk processes and internal controls.

On behalf of the Board, the Committee ensures the Group policies and procedures are complied with by providing oversight to the internal and external audit functions.

It also considers business risks and the nature of related party transactions that may arise within the Group.

The Committee is responsible for:

- i) reviewing the scope, audit plan, audit report and management letter of the external auditors;
- ii) reviewing the quarterly financial report and year-end financial statements of the Group and the Company;
- iii) reviewing the scope, audit programme and resources of the internal audit function and the internal audit reports;

- iv) considering and approving the enterprise risk management framework and reviewing the quarterly risk management reports with respect to managing key business risks;
- v) reviewing the adequacy and integrity of the internal controls;
- vi) considering the appointment, re-appointment and resignation or dismissal of the internal and external auditors; and
- vii) considering related party transactions and conflict of interest situations that may arise within the Group.

In discharging its duties to investigate any activity within its terms of reference, the Committee is authorised to seek any information it requires from management and all employees are required to cooperate with any request made by the Committee. The Committee can obtain, at the expense of the Company, independent legal or other professional advice if it considers necessary.

To further enhance the Group’s operational efficiency and internal control system, an in-house internal audit function was established by the Committee in 2014. The internal audit function is supported by an Independent Professional Services Firm (“IPSF”). The internal audit reports to the Committee.

Annually, the Board, through the Nomination Committee, assessed the performance of the Committee in carrying out its duties set out in the Terms of Reference. The Board is satisfied with the Committee’s effectiveness.

SUMMARY OF ACTIVITIES

The Committee monitors internal control policies and procedures designed to safeguard the Group’s assets and to maintain the integrity of financial reporting. It maintains direct, unfettered access to the Company’s external auditors, internal audit and management.

During the financial year 2016, the Committee met four (4) times and their work is summarised as follows:

Financial Reporting

- (a) Reviewed the unaudited quarterly financial results of the Group and the Company including any changes in the Financial Reporting Standards and its impact on the Group. In reviewing the financial statements, the Committee focused and deliberated on any significant changes to budget and preceding quarterly results. The Committee also deliberated on the notes to the financial statements to be disclosed to the public.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

- (b) Reviewed the audited financial statements of the Group for compliance with Malaysian Financial Reporting Standards. The Group Chief Operating Officer was invited to all Committee meetings to clarify audit issues and operation related matters that may have a financial impact on the Group and had given assurance to the Committee that the Company's financial statements complied with applicable financial reporting standards.
- (c) Reviewed significant matters highlighted by auditors in the financial statements.
- (d) The unaudited quarterly financial results and audited financial statements were recommended for approval by the Committee at the subsequent Board meeting.

External Audit

- (e) Reviewed the external auditors' scope of work and met with auditors to discuss annual audit plan for financial year ended 31 December 2015.
- (f) Discussed audit matters raised by external auditors and follow up actions by management.
- (g) Undertook an annual assessment of the performance and suitability of the external auditors encompassing their resources, quality of processes and performance, audit planning and communications, and independence and objectivity.
- (h) Considered the external audit fees and recommended for Board approval taking into account the amounts of audit and non-audit fees.
- (i) KPMG PLT has provided the required independence declaration to the Board for the financial year under review. The Committee assessed that the external auditors have demonstrated that it is independent and objective in fact and appearance in the conduct of its audit. The Committee is satisfied with the performance of the external auditors and recommended for the re-appointment of KPMG PLT.

Internal Audit

- (j) Reviewed the internal auditor's scope of work and audit plans for the Group.
- (k) Reviewed the internal audit findings and appropriate remedial actions.
- (l) Monitored the actions taken by management to improve the system of internal controls based on recommendations from the internal audits.

- (m) Reviewed and approved the quarterly Enterprise Risk Management reports on key risk profiles and risk management activities of the Group.

Governance

- (n) Reviewed the Statement on Risk Management and Internal Control, and the Audit and Risk Management Committee Report for inclusion in the Annual Report.
- (o) Performed a self-evaluation to assess its effectiveness in discharging its duties as set out in the Terms of Reference.

Related Party Transaction and Conflict of Interest Transaction

The Committee reviewed a related party transaction of the Group to ensure compliance with Main Market Listing Requirements and that it is not favourable to the related party than those generally available to the public and was not detrimental to the minority shareholders.

Internal Controls

The internal audit is required to conduct assessment of the internal control system pertaining to the process of relevant business units/ functional groups to ensure reliability and integrity of the process.

For the year under review, the Committee focused on the review of procedures, systems and controls in a main business unit. The following areas were selected for the review:

- general control environment;
- reservation process;
- revenue collection (food and beverages, room and attractions);
- purchasing (food and beverages, room consumables, facilities management);
- inventory (food and beverages, room consumables);
- financial controls;
- reporting and monitoring; and
- information technology.

The critical process risks were identified and relevant control activities were implemented/improved accordingly during the year.

During the course of audit, there was no significant risks discovered that would have significant impact on the Group's business.

In discharging its duties with respect to internal audit, the Committee is supported by the in-house internal audit department and the IPSF. The internal audit adopts a risk-based audit methodology in identifying, evaluating and improving the effectiveness of the internal control systems of the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The IPSF, under the supervision of the internal audit department, was engaged to provide support to independently assess the adequacy of and compliance with the internal controls within the Company and the operations of selected business units of the Group.

In assessing the scope of work covered in the operational audit, the Committee took into consideration prevailing factors relevant to the Group's business activities and direction.

As at the date of this report, all the internal audit assignments have been completed in accordance with the approved internal audit strategy approved by the Committee and the findings of the internal audit have been duly communicated to the Committee. The Committee reviewed the report and management's responses, before reporting and making recommendations to the Board in strengthening the internal control system, where applicable.

The management has also updated the Committee and the Board on the status of the action plans implemented. There were no significant or material findings from the operational audit of the Group during the financial year.

The total cost incurred for the internal audit activities for the financial year ended 31 December 2016 was RM329,192.

This Report was approved by the Board of Directors on 21 February 2017.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board of Directors is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control System. The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets and is guided by the Statement on Risk Management and Internal Control Guidance for Directors of Listed Issuers in making disclosure on the state of Risk Management and Internal Control. The Board affirms its overall responsibility for identifying the principal risks faced by the Group and ensures the system of internal controls is in place to manage and assuage the risks. The Board regularly reviews the adequacy and integrity of the Group's internal control system for selected risk areas. The system encompasses financial and operational controls and compliance with applicable laws, regulations, rules and guidelines.

The system of risk management and internal controls covers every operating company (excluding associate) in the Group and its management. It is designed to meet the Group's business objectives and to manage the risks to which it is exposed to. The Board acknowledges that internal controls are designed to manage and assuage rather than to eliminate the risks of failure in achieving the business objectives. The system, by its nature, can only provide reasonable, and not absolute assurance against material misstatement, loss or fraud. The risk management and internal control system within the Group are set up and implemented with the assistance of the management during the year.

RISK MANAGEMENT FRAMEWORK

The Enterprise Risk Management ("ERM") framework was approved by the Board in 2008 to maintain a sound system of risk management and internal control. It is designed to identify potential events and/or circumstances that may impede the Group from achieving its business objectives and manage it to be within the risk appetite thus providing reasonable assurance on the achievement of its vision and mission.

The key principles embodied in the Group's ERM are as follows:

- Full and due consideration to the balance of risk and reward is an essential element of the business strategy;
 - Opportunities are beset with risks which are included in planning and forecasting discussions;
 - Relevance, adequacy and integrity of the ERM Framework must be discussed and reviewed during the Board and Audit and Risk Management Committee ("ARMC") meetings, at least once a year;
 - Discussions on risks, controls and implementation status of response plans must be conducted at management operational/divisional meetings;
- Each business unit is responsible for identifying, assessing, responding, monitoring and reporting all risks associated with its vision and mission.

ERM PROCESS

ERM Process is a systematic application of management policies, procedures and practices to the activities of the following:

- i) Identify the risk;
- ii) Assess the risk;
- iii) Develop the response strategies for managing and assuaging key risks;
- iv) Control activities to ensure that risk response strategies are being carried out;
- v) Continuous monitoring of the risks and business environment; and
- vi) Report risk exposures and status of agreed upon response strategies to the Board and ARMC.

The Executive Deputy Chairman and/or Executive Director and/or Group Chief Operating Officer ("COO") identify and assess the present and potential risks that the business units face, any changes to the risk profile, the action plans to manage those risks in respect of the business units and discuss the said plans with ARMC via ERM Reports.

During the year, continuous review of risk profile was conducted with the respective business units where new risks were identified and existing risks reassessed. Action plans to mitigate such risks were developed and monitored accordingly.

Management is tasked with implementing and complying with the business goals within the risk framework approved by the Board. In respect thereto, the Group COO coordinates and reports to the Committee on the adequacy and application of risk management systems in the respective business units on a consolidated basis across the Group.

The ARMC evaluates and reviews the ERM Reports from the Group COO on a quarterly basis and thereafter reports the same to the Board, including implementation status of response plans for key risks and key changes to the Group risk profile and confirmation that necessary action was taken to remedy weaknesses identified during previous reviews.

The Board reviews the ERM Reports taking into account the overall risk exposure of the Group to ensure that all areas of risk have been considered and that key risks identified are being responded to appropriately and satisfactorily.

ERM Process has been in place during the year under review and up to the date of approval of this Statement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL SYSTEM

Landmarks is committed to the identification, monitoring and management of material risks associated with its business activities across the Group.

The Board recognises that a sound culture is fundamental to an effective risk management framework. Hence, embedded in the framework is the Group and divisional structures, reporting lines and appropriate authorities and responsibilities, including guidelines and limits for approval of all expenditure, including capital expenditure and investments, and contractual commitments.

To further enhance the Group's operational efficiency and internal control system, the internal audit function is currently supported by an Independent Professional Services Firm ("IPSF").

The internal audit reports to the ARMC. During the year, the IPSF was engaged to independently assess the adequacy and compliance of internal controls within the operations of selected business units of the Group. The internal audit work carried out by the IPSF was in accordance with the International Professional Practices Framework.

In assessing the scope covered in the operational audit as well as internal control findings and recommendations, the ARMC considered internal audit programme implemented, trends and current factors relevant to the Group and selected business activities and direction.

The deliverables for the engagements were operational audit reports outlining the findings of the review, suggested areas for improvement and the management agreed action plans.

The Group COO monitors the implementation progress of the audit recommendations in order to obtain assurance that all major risks and control concerns have been duly addressed by the relevant management. All internal audit reports together with the recommended action plans and their implementation status have been presented to the ARMC and the Board. The ARMC and the Board have reviewed and accepted the audit reports. An updated report in respect of the status of the implementation of action plans has been given to the ARMC and the Board.

INTERNAL AUDIT

The internal audit function and its activities for the year ended 31 December 2016 are set out in the Audit and Risk Management Committee Report on pages 35 to 37 of this Annual Report.

Apart thereto, the other key elements of the Group's internal control system are described below:

Board Committees

Specific responsibilities have been delegated to the relevant Board Committees, all of which have written terms of reference. These Committees have the authority to examine all matters within their scope of responsibilities and report to the Board with their recommendations for the Board's consideration.

Management of the Business Units

The management of the various companies within the Group is delegated to the respective Head of the business units, whose roles and responsibilities and authority limits are set by the respective Boards and approved by the Board of Landmarks Berhad.

Policies and Procedures

The standard operating procedures of Landmarks Berhad and the key business units were reviewed by the ARMC and approved by the Board. The Group's procedures and controls are established to ensure accurate and complete financial reporting as well as compliance with laws, regulations, rules and guidelines.

The Group has a Whistleblowing Policy setting out the reporting process by individuals to raise genuine concerns without fear of reprisal.

Performance Monitoring

There is a strategic planning, annual budgeting and target-setting process, which include forecasts for each area of business with detailed reviews at all levels of operations. A detailed budgetary process is established requiring all key operating companies in the Group to prepare budgets annually. These are then discussed and approved by the Board of Landmarks Berhad. A reporting system on performance against approved budgets is in place and significant variances are explained and followed up by management and reported to the Board. The Executive Deputy Chairman and Executive Director together with the Group COO monitor actual performance, cash flow reports and other pertinent statistics on a monthly basis.

Material Joint Venture and Associates

With regard to the state of internal control of its associated company, MSL Properties Sdn Bhd ("MSL"), Landmarks Berhad, as a minority shareholder, is represented on MSL's board of directors and is kept informed of internal control matters to the extent that the same are presented to the board of MSL.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide (“RPG”) 5 (Revised 2015), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants for inclusion in the annual report of the Group for the year ended 31 December 2016 and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- (b) is factually inaccurate.

RPG 5 (Revised 2015) does not require the external auditors to consider whether the Directors’ Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

The Board has received assurance from the Group COO and Chief Financial Officer that the Group’s risk management and internal control are operating adequately and effectively in all material aspects, based on the risk management and internal control system put in place. There were no significant or material adverse findings from the operational and financial audit of the Group during the financial year.

The Board is satisfied with the adequacy and effectiveness of the Group’s risk management and internal control system.

This Statement was approved by the Board of Directors on 14 April 2017.

Financial Statements

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DIRECTORS' REPORT

for the year ended 31 December 2016

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the Group's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Loss attributable to owners of the Company	27,944	4,231

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

The Directors do not recommend any dividend to be paid for the year under review.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tan Sri Zakaria bin Abdul Hamid
 Bernard Chong Lip Tau
 Dato' Abdul Malek bin Abdul Hamid
 John Ko Wai Seng
 Mark Wee Liang Yee (*Appointed on 27 September 2016*)
 Tan Wee Hoong, Robin (*Appointed on 27 September 2016*)
 Sulip R Menon (*Resigned on 27 September 2016*)
 Daryl Sim Swee Kheng (*Resigned on 22 July 2016*)

DIRECTORS' REPORT
for the year ended 31 December 2016

DIRECTORS' INTERESTS

The interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of a spouse of a Director who herself is not a Director of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Directors' interests in the Company	Number of ordinary shares			Balance at 31.12.2016
	Balance at 1.1.2016/ Date of appointment	Bought	Sold	
Tan Sri Zakaria bin Abdul Hamid				
- Direct interest	8,650,000	-	-	8,650,000
Mark Wee Liang Yee				
- Indirect interest [^]	69,200,000	-	-	69,200,000
- Indirect interest [#]	300,000	-	-	300,000
Tan Wee Hoong, Robin				
- Direct interest	8,968,000	-	-	8,968,000

[^] Indirect interest by virtue of interest in Zimulia Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("Act").

[#] Interest held by spouse pursuant to the Act.

Company	Number of options over ordinary shares			Balance at 31.12.2016
	Balance at 1.1.2016	Granted	Exercised	
Tan Sri Zakaria bin Abdul Hamid	825,000	-	-	825,000
Bernard Chong Lip Tau	212,500	-	-	212,500
Dato' Abdul Malek bin Abdul Hamid	337,500	-	-	337,500

The other Director holding office at 31 December 2016 does not have any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issuance of the Employees Share Option Scheme ("ESOS").

DIRECTORS' REPORT

for the year ended 31 December 2016

ISSUE OF SHARES

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

An ESOS was approved by the shareholders at an Extraordinary General Meeting held on 2 November 2007 which became effective on 2 January 2008. The ESOS involved the issuance of not more than 15% of the issued share capital of the Company to eligible Directors and employees of the Group. The Company had on 14 December 2012 extended the existing ESOS which expired on 1 January 2013 for another five years from 2 January 2013 to 1 January 2018 pursuant to the By-Laws of the ESOS.

Three tranches of options have been granted under the ESOS, i.e, on 22 January 2008, 24 June 2010 and 27 August 2014 at an exercise price of RM2.91 per share, RM1.14 per share and RM1.44 per share, respectively.

The salient features of the ESOS are, inter alia, as follows:

- i) Eligible employees are those who have been confirmed in writing as employees and have been in continuous employment with the Group for at least one year prior to the date of the offer. Eligible Directors are those who have been appointed to the Board for at least one year prior to the date of the offer.
- ii) The option is personal to the grantee and is non-assignable.
- iii) The option price shall be determined by the Option Committee who has the discretion to grant a maximum of 10% discount to the weighted average market price of the Company's ordinary shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five trading days preceding the date of the offer in writing to the grantee or at the par value of the ordinary shares of the Company, whichever is higher.
- iv) The options granted may be exercised at any time as may be specifically stated in the offer upon giving notice in writing.
- v) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.

The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

The options offered under the ESOS to take up unissued ordinary shares in the Company and the exercise price are as follows:

Date of offer	Expiry date	Exercise price	Number of options over ordinary shares				Balance at 31.12.2016
			Balance at 1.1.2016	Granted	Exercised	Forfeited	
22.1.2008	1.1.2018	RM2.91	743,800	-	-	-	743,800
24.6.2010	1.1.2018	RM1.14	688,500	-	-	(175,000)	513,500
27.8.2014	1.1.2018	RM1.44	4,390,000	-	-	(570,000)	3,820,000
			5,822,300	-	-	(745,000)	5,077,300

INDEMNITY AND INSURANCE COSTS

During the financial year, there is no indemnity cost for Directors or Officers of the Group. The total sum insured for Directors and Officers of the Group is up to RM10 million.

DIRECTORS' REPORT
for the year ended 31 December 2016

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the write off of capital work-in-progress amounting to RM11,622,000, as disclosed in Note 19 to the financial statements, the financial performance of the Group and of the Company for the year ended 31 December 2016 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, KPMG PLT (converted from a conventional partnership, KPMG, on 27 December 2016), have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 19 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Mark Wee Liang Yee
Director

Tan Wee Hoong, Robin
Director

Date: 14 April 2017

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Assets					
Property, plant and equipment	3	1,339,017	1,346,209	245	398
Intangible asset	4	-	131	-	131
Property development costs	5	778,900	781,856	-	-
Investments in subsidiaries	6	-	-	1,169,707	1,130,432
Investments in associates	7	70,462	66,547	-	-
Other investments	8	1,885	1,885	-	-
Deferred tax assets	9	350	350	350	350
Total non-current assets		2,190,614	2,196,978	1,170,302	1,131,311
Inventories	10	640	451	-	-
Property development costs	5	94,131	77,248	-	-
Trade and other receivables	11	10,495	8,457	6,876	3,491
Prepayments		2,897	810	107	75
Current tax assets		97	97	-	-
Other investments	8	-	22,465	-	12,715
Cash and cash equivalents	12	14,843	35,759	985	11,205
Total current assets		123,103	145,287	7,968	27,486
Total assets		2,313,717	2,342,265	1,178,270	1,158,797

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Equity					
Share capital		480,810	480,810	480,810	480,810
Reserves		234,936	234,219	242,234	242,511
Retained earnings		1,030,093	1,057,760	412,987	416,941
Total equity attributable to owners of the Company		1,745,839	1,772,789	1,136,031	1,140,262
Non-controlling interests		1,373	1,373	-	-
Total equity	13	1,747,212	1,774,162	1,136,031	1,140,262
Liabilities					
Loans and borrowings	14	57,430	70,183	-	-
Deferred tax liabilities	9	461,147	465,072	-	-
Total non-current liabilities		518,577	535,255	-	-
Trade and other payables	15	32,424	20,289	42,239	18,028
Loans and borrowings	14	13,524	10,800	-	507
Current tax liabilities		1,980	1,759	-	-
Total current liabilities		47,928	32,848	42,239	18,535
Total liabilities		566,505	568,103	42,239	18,535
Total equity and liabilities		2,313,717	2,342,265	1,178,270	1,158,797

The notes set out on pages 54 to 117 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	17	83,158	61,920	3,286	3,564
Cost of sales		(29,963)	(24,550)	-	-
Gross profit		53,195	37,370	3,286	3,564
Administrative expenses		(55,913)	(36,625)	(6,416)	(6,527)
Other operating expenses		(35,441)	(27,860)	(217)	(334)
Other income/(expense)		756	7,614	(574)	2,458
Results from operating activities		(37,403)	(19,501)	(3,921)	(839)
Finance costs	18	(4,080)	(5,187)	(25)	(124)
Finance income		202	903	144	633
Share of profit of an equity accounted associate, net of tax	7	10,515	9,740	-	-
Loss before tax	19	(30,766)	(14,045)	(3,802)	(330)
Tax credit/(expense)	21	2,822	1,987	(429)	(1,108)
Loss for the year		(27,944)	(12,058)	(4,231)	(1,438)
Other comprehensive income					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		994	14,313	-	-
Fair value of available-for-sale financial asset		-	845	-	-
Other comprehensive income for the year		994	15,158	-	-
Total other comprehensive (expense)/income for the year		(26,950)	3,100	(4,231)	(1,438)
Loss attributable to:					
Owners of the Company		(27,944)	(12,058)	(4,231)	(1,438)
Non-controlling interests		-	-	-	-
Loss for the year		(27,944)	(12,058)	(4,231)	(1,438)
Total comprehensive (expense)/income attributable to:					
Owners of the Company		(26,950)	3,100	(4,231)	(1,438)
Non-controlling interests		-	-	-	-
Total comprehensive (expense)/income for the year		(26,950)	3,100	(4,231)	(1,438)
Basic and diluted loss per ordinary share (sen)	22	(5.81)	(2.51)		

The notes set out on pages 54 to 117 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2016

Group	Note	← Attributable to owners of the Company →								
		← Non-distributable →					Distributable			
		Share capital	Translation reserve	Share premium	Fair value reserve	Share option reserve	Retained earnings	Total	Non-controlling interests	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2015		480,810	(2,152)	218,272	415	2,358	1,069,534	1,769,237	1,224	1,770,461
Foreign currency translation differences for foreign operations		-	14,313	-	-	-	-	14,313	-	14,313
Fair value of available-for-sale financial asset		-	-	-	845	-	-	845	-	845
Total other comprehensive income for the year		-	14,313	-	845	-	-	15,158	-	15,158
Loss for the year		-	-	-	-	-	(12,058)	(12,058)	-	(12,058)
Total comprehensive income/(expense) for the year		-	14,313	-	845	-	(12,058)	3,100	-	3,100
Share-based payment transactions	16	-	-	-	-	452	-	452	-	452
Share options forfeited	16	-	-	-	-	(284)	284	-	-	-
Total contribution from owners		-	-	-	-	168	284	452	-	452
Additional investment from non-controlling interests	6	-	-	-	-	-	-	-	149	149
At 31 December 2015		480,810	12,161	218,272	1,260	2,526	1,057,760	1,772,789	1,373	1,774,162

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 December 2016

Group	Note	Attributable to owners of the Company								
		Non-distributable				Distributable				
		Share capital RM'000	Translation reserve RM'000	Share premium RM'000	Fair value reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2016		480,810	12,161	218,272	1,260	2,526	1,057,760	1,772,789	1,373	1,774,162
Foreign currency translation differences for foreign operations		-	994	-	-	-	-	994	-	994
Total other comprehensive income for the year		-	994	-	-	-	-	994	-	994
Loss for the year		-	-	-	-	-	(27,944)	(27,944)	-	(27,944)
Total comprehensive income/(expense) for the year		-	994	-	-	-	(27,944)	(26,950)	-	(26,950)
Share options forfeited	16	-	-	-	-	(277)	277	-	-	-
Total contribution from owners		-	-	-	-	(277)	277	-	-	-
At 31 December 2016		480,810	13,155	218,272	1,260	2,249	1,030,093	1,745,839	1,373	1,747,212

Company	Note	Attributable to owners of the Company						
		Non-distributable			Distributable			
		Share capital RM'000	Capital reserve RM'000	Share premium RM'000	Share option reserve RM'000	Retained earnings RM'000	Total equity RM'000	
At 1 January 2015		480,810	21,713	218,272	2,358	418,095	1,141,248	
Loss/Total comprehensive expense for the year		-	-	-	-	(1,438)	(1,438)	
Share-based payment transactions	16	-	-	-	452	-	452	
Share options forfeited	16	-	-	-	(284)	284	-	
Total contributions from owners		-	-	-	168	284	452	
At 31 December 2015/1 January 2016		480,810	21,713	218,272	2,526	416,941	1,140,262	
Loss/Total comprehensive expense for the year		-	-	-	-	(4,231)	(4,231)	
Share options forfeited	16	-	-	-	(277)	277	-	
Total contributions from owners		-	-	-	(277)	277	-	
At 31 December 2016		480,810	21,713	218,272	2,249	412,987	1,136,031	

The notes set out on pages 54 to 117 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash flows from operating activities					
Loss before tax		(30,766)	(14,045)	(3,802)	(330)
Adjustments for:					
Depreciation of property, plant and equipment	3	16,735	10,917	157	144
Amortisation of intangible asset	4	131	189	131	189
Finance costs	18	4,080	5,187	25	124
Finance income		(202)	(903)	(144)	(633)
Dividend income from other investments		(499)	(390)	(130)	(354)
(Gain)/Loss on disposal of property, plant and equipment		(90)	1	-	1
Property, plant and equipment written off		11,622	3,378	-	-
Intangible asset written off		-	66	-	66
Share of profit of an equity accounted associate, net of tax		(10,515)	(9,740)	-	-
Gain on disposal of a subsidiary		-	(5)	-	-
Loss/(Gain) on disposal of other investments		1,595	(414)	1,602	(414)
Fair value (gain)/loss in other investments		(1,259)	1,050	(1,312)	1,213
Equity settled share-based payment transactions	16	-	452	-	452
Operating (loss)/profit before changes in working capital		(9,168)	(4,257)	(3,473)	458
Changes in working capital					
Inventories		(189)	32	-	-
Trade and other receivables		(4,125)	3,363	(69)	(65)
Trade and other payables		12,890	9,435	(320)	(50)
Property development costs		(25,112)	(30,886)	-	-
Cash (used in)/generated from operations		(25,704)	(22,313)	(3,862)	343
Income tax paid		(1,140)	(651)	(429)	-
Income tax refunded		-	861	-	641
Net cash (used in)/generated from operating activities		(26,844)	(22,103)	(4,291)	984

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(8,960)	(4,203)	(4)	(123)
Acquisition of intangible asset		-	-	-	(386)
Proceeds from disposal of property, plant and equipment		90	-	-	-
Proceeds from disposal of a subsidiary		-	5	-	-
Advances to subsidiaries		-	-	(18,123)	(17,223)
Acquisition of other investments		(10,669)	(15,350)	(70)	(5,764)
Decrease/(Increase) in pledge deposits placed with licensed bank		2,177	(68)	2,177	(68)
Interest received		202	903	175	633
Dividend received from:					
- an associate		6,600	-	-	-
- other investments		499	390	130	354
Proceeds from disposal of other investments		32,798	6,201	12,495	6,201
Net cash generated from/(used in) investing activities		22,737	(12,122)	(3,220)	(16,376)
Cash flows from financing activities					
(Repayment of)/Proceeds from loans and borrowings		(10,507)	(9,000)	(507)	507
Interest paid		(3,949)	(4,538)	(25)	(124)
Repayment of finance lease liabilities		(176)	(104)	-	-
Net cash (used in)/generated from financing activities		(14,632)	(13,642)	(532)	383
Net decrease in cash and cash equivalents		(18,739)	(47,867)	(8,043)	(15,009)
Cash and cash equivalents at 1 January	(i)	32,282	80,149	9,028	24,037
Cash and cash equivalents at 31 December	(i)	13,543	32,282	985	9,028

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2016

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash and bank balances	12	13,531	14,435	985	428
Deposits with licensed banks	12	1,312	21,324	-	10,777
		14,843	35,759	985	11,205
Less: Pledged deposits		(1,300)	(3,477)	-	(2,177)
		13,543	32,282	985	9,028

(ii) Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM9,484,000 (2015: RM4,203,000) of which RM524,000 (2015: RM Nil) was acquired by means of finance lease.

NOTES TO THE FINANCIAL STATEMENTS

Landmarks Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The address of its registered office which is also its principal place of business is as follows:

Registered office and principal place of business

20th Floor, Menara Haw Par
Jalan Sultan Ismail
50250 Kuala Lumpur

The consolidated financial statements of the Company as at and for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in associates. The financial statements of the Company as at and for the year ended 31 December 2016 do not include other entities.

The Company is principally engaged in investment holding and provision of management services, whilst the principal activities of the subsidiaries are as stated in Note 6.

The financial statements were authorised for issue by the Board of Directors on 14 April 2017.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)**(a) Statement of compliance (continued)**

The Group and the Company plans to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2017 for those amendments that are effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 January 2018 for those accounting standards, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2018, except for amendments to MFRS1, 4 and 140 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2019 for the accounting standard that is effective for annual periods beginning on or after 1 January 2019.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

(i) 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 Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

(ii) 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.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

(iii) 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*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise disclosed in Note 2.

The Directors have prepared the financial statements of the Group on a going concern basis, notwithstanding that the Group and the Company incurred a net loss after tax of RM27,944,000 and RM4,231,000 and recorded a negative operating cash flows of RM26,844,000 and RM4,291,000 respectively. Subsequent to year end, the Group has obtained additional financing of approximately RM22 million for working capital purposes.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONTINUED)

(b) Basis of measurement (continued)

At the date of this report, there is no reason for the Directors to believe that the preparation of financial statements of the Group on a going concern basis is inappropriate. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary if the Group is unable to continue as a going concern.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 3.4 – Impairment testing of long term leasehold land and Note 3.5 – Impairment testing of property, plant and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of consolidation (continued)****(ii) Business combinations**

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interests holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(a) Basis of consolidation (continued)****(v) Associates (continued)**

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency**(i) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Foreign currency (continued)****(i) Foreign currency transactions (continued)**

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for fair value adjustments arising from business combinations before 1 January 2011 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments**(i) Initial recognition and measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets**(a) Financial assets at fair value through profit or loss**

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(c) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses arising from monetary items which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(j)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(c) Financial instruments (continued)****(iii) Financial guarantee contracts (continued)**

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Property, plant and equipment (continued)****(i) Recognition and measurement (continued)**

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within “other income” or “other expenses” respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Long term leasehold land	80 - 99 years
Buildings	10 - 50 years
Hotel properties *	10 - 41 years
Plant and machinery	10 years
Hotel equipment and operating equipment	10 years
Office equipment, furniture and fittings	3 - 10 years
Motor vehicles	4 - 5 years
Lagoon	50 years

* Hotel properties comprise hotel buildings and integral plant and machinery.

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(e) Leased assets****(i) Finance lease**

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment or as investment property if held to earn rental income or for capital appreciation or for both.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Intangible assets**(i) Purchased software**

Purchased softwares that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is based on the cost of an asset less its residual value. Intangible assets are amortised from the date they are available for use.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life for software is 5 years. Amortisation method, useful lives and residual value are reviewed at the end of each reporting period and adjusted, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(g) Inventories**

Saleable merchandise is measured at the lower of cost and net realisable value.

The cost of inventories is measured based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Property development costs**(i) Property development costs**

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs is capitalised as asset, and is stated at the lower of cost and net realisable value. Property development costs is measured based on the specific identification method. They will be derecognised to profit or loss when control, and significant risks and rewards have been transferred to customers.

(ii) Long-term leasehold land

Long-term leasehold land consists of cost of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Long-term leasehold land is classified as non-current asset and carried at cost less accumulated impairment losses, if any.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Long-term leasehold land is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of pledged deposits.

(j) Impairment**(i) Financial assets**

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and investments in associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, the impairment loss of financial asset is estimated.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Impairment (continued)****(i) Financial assets (continued)**

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories, property development costs and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(j) Impairment (continued)****(ii) Other assets (continued)**

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(k) Employee benefits**(i) Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contribution to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share options is measured using a Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(l) Revenue recognition****(i) Services**

Revenue from hotel services rendered is recognised in profit or loss upon delivery of services.

Recreational fees collected for rights of enjoyment of facilities are recognised when tickets are sold.

(ii) Property development

Revenue from property development activities is recognised when persuasive evidence exists, usually in the form of an executed sale and purchase agreement, that the significant risks and rewards of ownership of property have been transferred to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, and there is no continuing management involvement with the property, and the amount of revenue can be measured reliably.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(iv) Management fees

Management fees receivable from subsidiaries are recognised in financial statements as it accrues.

(m) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(n) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(o) Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(p) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible share options granted to employees.

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY, PLANT AND EQUIPMENT

	Long term leasehold land RM'000	Buildings RM'000	Hotel properties RM'000	Plant and machinery RM'000	Hotel equipment and operating equipment RM'000	Office equipment and furniture and fittings RM'000	Motor vehicles RM'000	Lagoon RM'000	Capital work-in- progress RM'000	Total RM'000
Group Cost										
At 1 January 2015	1,105,606	13,618	145,167	984	25,750	14,313	1,921	-	75,413	1,382,772
Additions	-	-	-	-	903	2,780	401	-	119	4,203
Disposals	-	-	-	-	-	(8)	-	-	-	(8)
Written off	-	(6,755)	-	-	-	(943)	-	-	-	(7,698)
Transfer from property development costs	3,840	-	-	-	-	-	-	-	23,317	27,157
Transfer from capital work-in-progress	-	3,829	7,405	37,153	-	5,551	-	34,152	(88,090)	-
Foreign currency translation differences	-	-	-	-	-	1,211	230	-	-	1,441
Reclassification	(12,757)	-	-	-	-	1,411	-	-	11,346	-
At 31 December 2015/ 1 January 2016	1,096,689	10,692	152,572	38,137	26,653	24,315	2,552	34,152	22,105	1,407,867
Additions	-	-	259	68	1,894	5,761	644	-	858	9,484
Disposals	-	-	-	-	-	(20)	(96)	-	-	(116)
Written off	-	-	-	-	-	(6)	-	-	(11,622)	(11,628)
Transfer from property development costs	-	-	-	-	-	-	-	11,269	-	11,269
Foreign currency translation differences	-	81	159	796	-	(123)	(151)	669	(496)	935
Reclassification	-	717	(4,027)	1,059	-	(5,670)	-	15,287	(7,366)	-
At 31 December 2016	1,096,689	11,490	148,963	40,060	28,547	24,257	2,949	61,377	3,479	1,417,811

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Long term leasehold land RM'000	Buildings RM'000	Hotel properties RM'000	Plant and machinery RM'000	Hotel equipment and operating equipment RM'000	Office equipment and furniture and fittings RM'000	Motor vehicles RM'000	Lagoon RM'000	Capital work-in-progress RM'000	Total RM'000
Group										
Accumulated depreciation										
At 1 January 2015	2,526	5,655	27,345	200	11,516	6,464	966	-	-	54,672
Depreciation for the year	828	265	3,715	1,331	2,174	2,002	374	228	-	10,917
Disposals	-	-	-	-	-	(7)	-	-	-	(7)
Written off	-	(3,377)	-	-	-	(943)	-	-	-	(4,320)
Foreign currency translation differences	-	-	-	-	-	385	11	-	-	396
At 31 December 2015/ 1 January 2016	3,354	2,543	31,060	1,531	13,690	7,901	1,351	228	-	61,658
Depreciation for the year	1,875	525	3,661	3,951	2,153	2,934	334	1,302	-	16,735
Disposals	-	-	-	-	-	(20)	(96)	-	-	(116)
Written off	-	-	-	-	-	(6)	-	-	-	(6)
Foreign currency translation differences	-	29	19	(2)	-	220	129	128	-	523
At 31 December 2016	5,229	3,097	34,740	5,480	15,843	11,029	1,718	1,658	-	78,794
Carrying amounts										
At 31 December 2015/ 1 January 2016	1,093,335	8,149	121,512	36,606	12,963	16,414	1,201	33,924	22,105	1,346,209
At 31 December 2016	1,091,460	8,393	114,223	34,580	12,704	13,228	1,231	59,719	3,479	1,339,017

	Office equipment, furniture and fittings RM'000
Company	
Cost	
At 1 January 2015	2,238
Additions	123
Disposal	(8)
At 31 December 2015/1 January 2016	2,353
Additions	4
Disposal	(19)
At 31 December 2016	2,338
Accumulated depreciation	
At 1 January 2015	1,818
Depreciation for the year	144
Disposal	(7)
At 31 December 2015/1 January 2016	1,955
Depreciation for the year	157
Disposal	(19)
At 31 December 2016	2,093
Carrying amount	
At 31 December 2015/1 January 2016	398
At 31 December 2016	245

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**3.1 Security**

Property, plant and equipment of the Group with carrying amounts of RM119,515,000 (2015: RM135,867,000) are charged to a financial institution to secure the term loan of the Group (Note 14).

3.2 Property, plant and equipment acquired under hire purchase arrangement

Included in property, plant and equipment of the Group with an aggregate carrying amount of RM634,000 (2015: RM237,000) was acquired under hire purchase arrangement.

3.3 Leasehold land transferred from property development costs

Leasehold land is transferred from property development costs when the Group intends to develop the land for own use.

3.4 Impairment testing of long term leasehold land

During the financial year, the Group has evaluated that the recoverable amount of the long term leasehold land in Treasure Bay Bintan, Indonesia, is stated in excess of their carrying amount. The Group has applied the fair value less cost to sell, which was determined with the assistance of an independent valuer. The date of the valuation report was on 31 December 2016 and the valuation was determined using both the Income and Market Approach.

3.5 Impairment testing of property, plant and equipment

During the financial year, the Group has evaluated that the recoverable amounts of the property, plant and equipment in Treasure Bay Bintan, Indonesia, are stated in excess of their carrying amounts. The Group has estimated the recoverable amounts based on the value in use approach by discounting the future cash flows generated from their operations.

The values assigned to the key assumptions are based on historical data from both external sources and internal sources as well as management's assessment of future trends in the industry.

3.6 Capital work-in-progress written off

During the financial year, capital work-in-progress amounting to RM11,622,000 was written off. The write off was mainly due to the termination of one of the planned projects.

4. INTANGIBLE ASSET

	Computer software	
	Group	Company
	RM'000	RM'000
Cost		
At 1 January 2015	1,010	-
Transfer from a subsidiary	-	1,010
Written off	(66)	(66)
At 31 December 2015/1 January 2016/31 December 2016	944	944
Accumulated amortisation		
At 1 January 2015	624	-
Amortisation for the year	189	189
Transfer from a subsidiary	-	624
At 31 December 2015/1 January 2016	813	813
Amortisation for the year	131	131
At 31 December 2016	944	944
Carrying amount		
At 31 December 2015/1 January 2016	131	131
At 31 December 2016	-	-

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY DEVELOPMENT COSTS

	Group			
	Non-current			Current
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Long term leasehold land				
At 1 January	773,975	784,375	72,790	66,230
Reclassification	84	(6,560)	-	6,560
Costs transferred to property, plant and equipment (Note 3)*	-	(3,840)	-	-
At 31 December	774,059	773,975	72,790	72,790
Property development costs				
At 1 January	7,881	3,622	4,458	1,148
Costs incurred during the year	-	4,259	25,112	26,627
Costs transferred to property, plant and equipment (Note 3)*	(3,040)	-	(8,229)	(23,317)
At 31 December	4,841	7,881	21,341	4,458
Total property development costs	778,900	781,856	94,131	77,248

* Total costs transferred to property, plant and equipment amounted to RM11,269,000 (2015: RM27,157,000).

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	2015
	RM'000	RM'000
Unquoted shares		
- Ordinary shares	123,345	123,345
Less: Accumulated impairment losses	(6,000)	(6,000)
	117,345	117,345
- Redeemable preference shares ("RPS")	985,001	985,001
	1,102,346	1,102,346
Amount due from a subsidiary	67,361	28,086
	1,169,707	1,130,432

Conditions of RPS

- The holders of the RPS shall be entitled to dividends at a rate to be determined by the Directors of the subsidiaries.
- The RPS holders shall, on winding up, be entitled to repayment in priority to ordinary shareholders.
- The subsidiaries may redeem all or any of the RPS subject to the provisions of the Companies Act, 1965 at par together with any premium payable on redemption.

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Amount due from a subsidiary

Amount due from a subsidiary is non-trade in nature, unsecured and interest free. The settlement of the amount is at the discretion of the subsidiary.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Landmarks Hotels & Realty Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
Landmarks Engineering & Development Sdn. Bhd. \varnothing	Malaysia	Property development and civil engineering works	100	100
Ikatan Perkasa Sdn. Bhd. \varnothing	Malaysia	Investment holding	100	100
Fokus Asas Sdn. Bhd. \varnothing	Malaysia	Investment holding	100	100
Primary Gateway Sdn. Bhd.	Malaysia	Investment holding	100	100
Capaian Tinggi Sdn. Bhd. \varnothing	Malaysia	Dormant	100	100
Tender Years Sdn. Bhd. \varnothing	Malaysia	Dormant	100	100
VIW Management Private Limited*	Singapore	Dormant	100	100
Subsidiaries of Landmarks Hotels & Realty Sdn. Bhd.				
Andaman Resort Sdn. Bhd.	Malaysia	Ownership and management of a hotel	100	100
Kuala Lumpur Suburban Centre Sdn. Bhd. \varnothing	Malaysia	Investment holding	100	100
Impian Makmur Sdn. Bhd. \varnothing	Malaysia	Investment holding	100	100
Maya Wilayah Sdn. Bhd. \varnothing	Malaysia	Investment holding	100	100
Wilayah Ehsan Sdn. Bhd. \varnothing	Malaysia	Investment holding	100	100
Success Sphere Sdn. Bhd. \varnothing	Malaysia	Investment holding	100	100
Escalibur Sdn. Bhd. \varnothing	Malaysia	Investment holding	100	100
Nustulin Sdn. Bhd. \varnothing	Malaysia	Investment holding	100	100
Landmarks Hotel & Resort Management Sdn. Bhd. \varnothing	Malaysia	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiaries of Landmarks Hotels & Realty Sdn. Bhd. (continued)				
Sungei Wang REIT Manager Sdn. Bhd. φ	Malaysia	Dormant	100	100
Tumbuk Estate Sdn. Bhd. φ	Malaysia	Dormant	100	100
The Railway Hotel (1991) Sdn. Bhd. φ^{**}	Malaysia	Dormant	100	100
Maya Baiduri Sdn. Bhd. φ^{**}	Malaysia	Dormant	51	51
Landmarks Healthcare Sdn. Bhd. φ	Malaysia	Dormant	100	100
Web Age Sdn. Bhd. φ	Malaysia	Dormant	100	100
Sungei Wang Ventures Sdn. Bhd. φ^{**}	Malaysia	Dormant	100	100
Subsidiary of The Railway Hotel (1991) Sdn. Bhd.				
Point Merge (M) Sdn. Bhd. φ	Malaysia	Dormant	100	100
Subsidiary of Landmarks Hotel & Resort Management Sdn. Bhd.				
Desa Lagoon Resort Sdn. Bhd. φ^{**}	Malaysia	Dormant	100	100
Subsidiary of Landmarks Healthcare Sdn. Bhd.				
AHC Consolidated Sdn. Bhd. φ	Malaysia	Dormant	100	100
Subsidiaries of AHC Consolidated Sdn. Bhd.				
AHC Enterprise Sdn. Bhd. φ	Malaysia	Dormant	100	100
Landmarks Healthcare Management Sdn. Bhd. φ	Malaysia	Dormant	100	100
Subsidiary of Web Age Sdn. Bhd.				
Web Portal Technologies Sdn. Bhd. φ	Malaysia	Dormant	100	100
Subsidiary of Web Portal Technologies Sdn. Bhd.				
Besetter Pty. Ltd. φ	Australia	Dormant	75	75
Subsidiary of Besetter Pty. Ltd.				
PT Sarana Logistik Medika Nusantara φ	Indonesia	Dormant	75	75

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiaries of PT Sarana Logistik Medika Nusantara				
PT Jasa Bersama Rumah Sakit Nusantara φ	Indonesia	Dormant	67.5	67.5
PT Jasa Logistik Kesehatan Nusantara φ	Indonesia	Dormant	66	66
Subsidiaries of Primary Gateway Sdn. Bhd.				
BTB Corporate Services Sdn. Bhd.	Malaysia	Provision of management services	100	100
Bintan Treasure Bay Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Tiara Gateway Pte. Ltd. *	Singapore	Investment holding	100	100
PG Construction Holdings Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Subsidiaries of Bintan Treasure Bay Pte. Ltd.				
Pioneer Investments Limited φ	Republic of Seychelles	Investment holding	100	100
Premier Investment Holding Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
PT Treasure Development Services *	Indonesia	Construction, maintenance and rental of buildings	100	100
Bay Development Services Pte. Ltd. *	Singapore	Provision of management and consultancy services	100	100
Subsidiary of Pioneer Investments Limited				
PT Pelangi Bintan Indah φ	Indonesia	Development of tourism complex and management of resort hotels	100	100
Subsidiaries of Tiara Gateway Pte. Ltd.				
Prime Holdings Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Bintan Resorts Holdings Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Bintan Land Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Bintan Resort Enterprise Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Bintan Leisure Resort Ventures Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Bangkaru Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiaries of Tiara Gateway Pte. Ltd. (continued)				
Enggano Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Gersik Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Hinako Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Kemaro Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Lasia Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Legundi Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Manawoka Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Manipa Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Mapor Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Marsela Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Mendol Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Mesawak Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Musala Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Nias Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Penasi Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Propos Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Raiba Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Rondo Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Samosir Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiaries of Tiara Gateway Pte. Ltd. (continued)				
Senua Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Sinabol Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Subi Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Tanabala Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Tayandu Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Tinopo Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Watubela Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Wetan Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Boana Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Fordate Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Tambelan Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Tarempa Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Temiyang Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Subsidiaries of PG Construction Holdings Pte. Ltd.				
PG Builders Pte. Ltd. φ	Republic of Seychelles	Property construction works	100	100
PG Contracts Pte. Ltd. φ	Republic of Seychelles	Property construction works	100	100
Bintan Beach Resorts Investments Pte. Ltd. φ	Republic of Seychelles	Investment holding	100	100
Subsidiaries of Prime Holdings Pte. Ltd.				
Prime Lagoon Pte. Ltd.*	Singapore	Investment holding	100	100
Prime Villa Pte. Ltd.*	Singapore	Investment holding	100	100
Subsidiaries of Bintan Resorts Holdings Pte. Ltd.				
Bintan Resorts Holdings (Singapore) Pte. Ltd. *	Singapore	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiaries of Bintan Resorts Holdings Pte. Ltd. (continued)				
Bintan Hotel Holdings Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiaries of Bintan Land Pte. Ltd.				
Bintan Land (Singapore) Pte. Ltd. *	Singapore	Investment holding	100	100
Bintan Hotel Utama Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiaries of Bintan Resort Enterprise Pte. Ltd.				
Bintan Resort Enterprise (Singapore) Pte. Ltd.*	Singapore	Investment holding	100	100
Bintan Hotel Development Pte. Ltd.*	Singapore	Investment holding	100	100
Subsidiaries of Bintan Leisure Resort Ventures Pte. Ltd.				
Bintan Leisure Resort Ventures (Singapore) Pte. Ltd. *	Singapore	Investment holding	100	100
Bintan Hotel Ventures Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiaries of Bintan Beach Resorts Investments Pte. Ltd.				
Bintan Beach Resorts Investments (Singapore) Pte. Ltd. *	Singapore	Investment holding	100	100
Bintan Hotel Management Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiaries of Bangkaru Investments Pte. Ltd.				
Bangkaru Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Bangkaru Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Enggano Investments Pte. Ltd.				
Enggano Alpha Pte.Ltd. φ	Singapore	Investment holding	100	100
Enggano Beta Pte. Ltd. φ	Singapore	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiaries of Gersik Investments Pte. Ltd.				
Gersik Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Gersik Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Hinako Investments Pte. Ltd.				
Hinako Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Hinako Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Kemaro Investments Pte. Ltd.				
Kemaro Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Kemaro Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Lasia Investments Pte. Ltd.				
Lasia Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Lasia Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Legundi Investments Pte. Ltd.				
Legundi Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Legundi Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Manawoka Investments Pte. Ltd.				
Manawoka Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Manawoka Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Manipa Investments Pte. Ltd.				
Manipa Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Manipa Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiaries of Mapor Investments Pte. Ltd.				
Mapor Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Mapor Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Marsela Investments Pte. Ltd.				
Marsela Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Marsela Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Mendol Investments Pte. Ltd.				
Mendol Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Mendol Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Mesawak Investments Pte. Ltd.				
Mesawak Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Mesawak Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Musala Investments Pte. Ltd.				
Musala Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Musala Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Nias Investments Pte. Ltd.				
Nias Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Nias Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Penasi Investments Pte. Ltd.				
Penasi Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Penasi Beta Pte. Ltd. φ	Singapore	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiaries of Propos Investments Pte. Ltd.				
Propos Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Propos Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Raiba Investments Pte. Ltd.				
Raiba Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Raiba Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Rondo Investments Pte. Ltd.				
Rondo Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Rondo Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Samosir Investments Pte. Ltd.				
Samosir Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Samosir Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Senua Investments Pte. Ltd.				
Senua Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Senua Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Sinabol Investments Pte. Ltd.				
Sinabol Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Sinabol Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Subi Investments Pte. Ltd.				
Subi Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subi Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiaries of Tanabala Investments Pte. Ltd.				
Tanabala Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Tanabala Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Tayandu Investments Pte. Ltd.				
Tayandu Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Tayandu Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Tinopo Investments Pte. Ltd.				
Tinopo Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Tinopo Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Watubela Investments Pte. Ltd.				
Watubela Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Watubela Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Wetan Investments Pte. Ltd.				
Wetan Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Wetan Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Boana Investments Pte. Ltd.				
Boana Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Boana Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Fordate Investments Pte. Ltd.				
Fordate Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Fordate Beta Pte. Ltd. φ	Singapore	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiaries of Tambelan Investments Pte. Ltd.				
Tambelan Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Tambelan Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Tarempa Investments Pte. Ltd.				
Tarempa Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Tarempa Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiaries of Temiyang Investments Pte. Ltd.				
Temiyang Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Temiyang Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiary of Prime Lagoon Pte. Ltd.				
PT Prime Villa Investment φ	Indonesia	Development, sales, management and operations of serviced villa	100	100
Subsidiary of Bintan Resorts Holdings (Singapore) Pte. Ltd.				
PT Resort Kirana Bintan φ	Indonesia	Development and management of resort hotels, and commercial and residential properties	100	100
Subsidiary of Bintan Land (Singapore) Pte. Ltd.				
PT Bintan Hotel Utama *	Indonesia	Development and management of resort hotels, and commercial and residential properties	100	100
Subsidiary of Bintan Resort Enterprise (Singapore) Pte. Ltd.				
PT Resorts Development and Management Bintan *	Indonesia	Development and management of resort hotels, and commercial and residential properties	100	100
Subsidiary of Bintan Leisure Resort Ventures (Singapore) Pte. Ltd.				
PT Bintan Leisure Resort Ventures φ	Indonesia	Development and management of resort hotels, and commercial and residential properties	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiary of Bintan Beach Resorts Investments (Singapore) Pte. Ltd.				
PT Hotel Management Bintan φ	Indonesia	Development and management of resort hotels, and commercial and residential properties	100	100
Subsidiary of Bangkaru Alpha Pte. Ltd.				
PT Bangkaru Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Enggano Alpha Pte. Ltd.				
PT Enggano Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Gersik Alpha Pte. Ltd.				
PT Gersik Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Hinako Alpha Pte. Ltd.				
PT Hinako Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Kemaro Alpha Pte. Ltd.				
PT Kemaro Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Lasia Alpha Pte. Ltd.				
PT Lasia Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Legundi Alpha Pte. Ltd.				
PT Legundi Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Manawoka Alpha Pte. Ltd.				
PT Manawoka Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Manipa Alpha Pte. Ltd.				
PT Manipa Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiary of Mapor Alpha Pte. Ltd.				
PT Mapor Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Marsela Alpha Pte. Ltd.				
PT Marsela Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Mendol Alpha Pte. Ltd.				
PT Mendol Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Mesawak Alpha Pte. Ltd.				
PT Mesawak Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Musala Alpha Pte. Ltd.				
PT Musala Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Nias Alpha Pte. Ltd.				
PT Nias Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Penasi Alpha Pte. Ltd.				
PT Penasi Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Propos Alpha Pte. Ltd.				
PT Propos Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Raiba Alpha Pte. Ltd.				
PT Raiba Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Rondo Alpha Pte. Ltd.				
PT Rondo Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Samosir Alpha Pte. Ltd.				
PT Samosir Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiary of Senua Alpha Pte. Ltd.				
PT Senua Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Sinabol Alpha Pte. Ltd.				
PT Sinabol Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Subi Alpha Pte. Ltd.				
PT Subi Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Tanabala Alpha Pte. Ltd.				
PT Tanabala Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Tayandu Alpha Pte. Ltd.				
PT Tayandu Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Tinopo Alpha Pte. Ltd.				
PT Tinopo Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Watubela Alpha Pte. Ltd.				
PT Watubela Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Wetan Alpha Pte. Ltd.				
PT Wetan Estate φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Boana Alpha Pte. Ltd.				
PT Boana Estate Villa φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Fordate Alpha Pte. Ltd.				
PT Fordate Estate Villa φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2016 %	2015 %
Subsidiary of Tambelan Alpha Pte. Ltd.				
PT Tambelan Estate Villa φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Tarempa Alpha Pte. Ltd.				
PT Tarempa Estate Villa φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Temiyang Alpha Pte. Ltd.				
PT Temiyang Estate Villa φ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of PT Treasure Development Services				
PT Pesona Lagoi Mandiri φ	Indonesia	Production and supply of ready mix and dry mix concrete and mortar	51	51

φ Not audited by KPMG PLT

* Audited by other member firms of KPMG International

** Subsequent to year end, these subsidiaries have been struck off from the Register of Companies (Note 29)

Additional investment from non-controlling interests

In the previous year, the Group via PT Treasure Development Services, invested additional capital of SGD58,973 (equivalent to RM179,000) in PT Pesona Lagoi Mandiri, whilst the non-controlling interests invested SGD56,660 (equivalent to RM172,000). There was no change in the ownership of interest subsequent to the additional investment. The Group recognised an increase in non-controlling interests of RM149,000.

Disposal of a subsidiary

In the previous year, the Group's wholly-owned subsidiary, Landmarks Hotels and Realty Sdn. Bhd., disposed of two ordinary shares of RM1.00 each representing the entire shareholding of Resorts Equities Sdn. Bhd. for a cash consideration of RM5,000. The gain on disposal amounted to RM4,998 was recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN ASSOCIATES

	Group	
	2016	2015
	RM'000	RM'000
Unquoted shares, at cost	300	300
Share of post acquisition reserves	70,262	66,347
Less: Impairment losses	(100)	(100)
	70,462	66,547

Details of material associates are as follows:

Name of entity	Principal place of business/Country of incorporation	Nature of the relationship	Effective ownership interest and voting interest	
			2016	2015
			MSL Properties Sdn. Bhd. ("MSL")	Malaysia

Included in the unquoted shares is also an investment in Teknologi Tenaga Perlis Sdn. Bhd., a company incorporated in Malaysia, of RM100,000 where an impairment loss of RM100,000 has been provided in prior years. Accordingly, the information of Teknologi Tenaga Perlis Sdn. Bhd. is not disclosed.

The following table summarises the information of MSL, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

	Group	
	2016	2015
	RM'000	RM'000
Summarised financial information		
As at 31 December		
Non-current assets	452,188	402,003
Current assets	27,725	43,643
Non-current liabilities	(45,655)	(45,520)
Current liabilities	(17,079)	(24,777)
Net assets	417,179	375,349

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

	Group	
	2016	2015
	RM'000	RM'000
Summarised financial information (continued)		
Year ended 31 December		
Profit from continuing operations/Total comprehensive income	52,573	48,700
Included in the total comprehensive income are:		
Revenue	46,308	32,289
Additional share of profit of equity accounted joint venture recognised due to completion of projects	27,500	-
Fair value (loss)/gain in investment properties	(6,837)	46,148
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	83,436	75,070
Consolidation adjustments	(12,974)	(8,523)
Carrying amount in the statements of financial position	70,462	66,547
Group's share of results		
Year ended 31 December		
Group's share of profit from continuing operations/Total comprehensive income	10,515	9,740
Other information		
Dividends received by the Group	6,600	600

8. OTHER INVESTMENTS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Non-current				
Available-for-sale				
Unquoted shares, at fair value	1,885	1,885	-	-
Current				
Fair value through profit or loss				
Quoted foreign cash funds, at fair value	-	7,882	-	7,882
Quoted local cash funds, at fair value	-	14,583	-	4,833
	-	22,465	-	12,715
	1,885	24,350	-	12,715

NOTES TO THE FINANCIAL STATEMENTS

9. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property development costs	-	-	(199,482)	(199,482)	(199,482)	(199,482)
Property, plant and equipment	-	-	(268,417)	(269,647)	(268,417)	(269,647)
Unabsorbed capital allowances	349	349	-	-	349	349
Others	6,753	4,058	-	-	6,753	4,058
Tax assets/(liabilities)	7,102	4,407	(467,899)	(469,129)	(460,797)	(464,722)
Set off of tax	(6,752)	(4,057)	6,752	4,057	-	-
Net tax assets/(liabilities)	350	350	(461,147)	(465,072)	(460,797)	(464,722)
Company						
Property, plant and equipment	-	-	(57)	(57)	(57)	(57)
Unabsorbed capital allowances	349	349	-	-	349	349
Others	58	58	-	-	58	58
Tax assets/(liabilities)	407	407	(57)	(57)	350	350
Set off of tax	(57)	(57)	57	57	-	-
Net tax assets	350	350	-	-	350	350

NOTES TO THE FINANCIAL STATEMENTS

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Movement in temporary differences during the year

	At 1.1.2015 RM'000	Recognised in profit or loss (Note 21) RM'000	Transfer RM'000	At 31.12.2015 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31.12.2016 RM'000
Group						
Property development costs	(200,384)	-	902	(199,482)	-	(199,482)
Property, plant and equipment	(268,258)	(487)	(902)	(269,647)	1,230	(268,417)
Unabsorbed capital allowances	522	(173)	-	349	-	349
Others	957	3,101	-	4,058	2,695	6,753
	(467,163)	2,441	-	(464,722)	3,925	(460,797)
Company						
Property, plant and equipment	(73)	16	-	(57)	-	(57)
Unabsorbed capital allowances	522	(173)	-	349	-	349
Others	1,182	(1,124)	-	58	-	58
	1,631	(1,281)	-	350	-	350

Unrecognised deferred tax assets

	Group	
	2016 RM'000	2015 RM'000
Other deductible temporary differences	3,602	1,692
Tax losses carried-forward	75,833	45,381
	79,435	47,073
Potential deferred tax assets at 21%	16,904	10,016

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

10. INVENTORIES

	Group	
	2016 RM'000	2015 RM'000
Spares and consumables	490	310
Saleable merchandise	150	141
	640	451

NOTES TO THE FINANCIAL STATEMENTS

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current Trade					
Trade receivables		5,700	2,854	-	-
Less: Impairment loss on trade receivables		(4)	-	-	-
		5,696	2,854	-	-
Non-trade					
Other receivables		3,505	3,226	77	71
Deposits		1,294	1,777	59	59
Amount due from subsidiaries	11.1	-	-	6,740	3,361
Dividend receivable from an associate		-	600	-	-
		4,799	5,603	6,876	3,491
		10,495	8,457	6,876	3,491

11.1 Amount due from subsidiaries

Amount due from subsidiaries is unsecured, interest free and repayable on demand.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash and bank balances	13,531	14,435	985	428
Deposits with licensed banks	1,312	21,324	-	10,777
	14,843	35,759	985	11,205

Included in the Group's and the Company's deposits with licensed banks are RM1,300,000 (2015: RM3,477,000) and RM Nil (2015: RM2,177,000) respectively, under the designated accounts of which the utilisation is subject to the terms and conditions of the term loan of the Group (Note 14) and banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS

13. CAPITAL AND RESERVES**13.1 Share capital**

	Group and Company			
	Amount	Number	Amount	Number
	2016	of shares	2015	of shares
	RM'000	2016	RM'000	2015
		'000		'000
Authorised:				
Ordinary shares of RM1 each	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of RM1 each	480,810	480,810	480,810	480,810

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets.

13.2 Capital reserve**Company**

The Company's capital reserve relates to the issuance of ordinary shares in exchange for the entire issued and fully paid capital of Landmarks Holdings Berhad.

13.3 Share premium**Group and Company**

Share premium comprises the premium paid on subscription of shares in the Group and the Company over and above the par value of the shares.

13.4 Translation reserve**Group**

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

13.5 Fair value reserve**Group**

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

NOTES TO THE FINANCIAL STATEMENTS

13. CAPITAL AND RESERVES (CONTINUED)**13.6 Share option reserve****Group and Company**

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire or are forfeited, the amount from the share option reserve is transferred to retained earnings.

14. LOANS AND BORROWINGS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Non-current				
Secured term loan	57,000	70,000	-	-
Finance lease liabilities	430	183	-	-
	57,430	70,183	-	-
Current				
Secured term loan	13,339	10,731	-	507
Finance lease liabilities	185	69	-	-
	13,524	10,800	-	507
	70,954	80,983	-	507

14.1 Securities

The Group's term loan is secured by:

- i) First party legal charge over leasehold land and hotel properties of a subsidiary.
- ii) First priority charge over Revenue Account and Reserve Account of a subsidiary.
- iii) A debenture by way of fixed and floating charge over all present and future assets of a subsidiary.
- iv) Assignment of subsidiary's rights, titles and beneficiaries arising from fire and peril and consequential loss insurance policies taken by the subsidiary whereby the bank is to be endorsed as the loss payee.

NOTES TO THE FINANCIAL STATEMENTS

14. LOANS AND BORROWINGS (CONTINUED)

14.2 Finance lease liabilities

	Future minimum lease payments 2016 RM'000	Interest 2016 RM'000	Present value of minimum lease payments 2016 RM'000	Future minimum lease payments 2015 RM'000	Interest 2015 RM'000	Present value of minimum lease payments 2015 RM'000
Group						
Less than one year	214	29	185	80	11	69
Between one and five years	474	44	430	197	14	183
	688	73	615	277	25	252

15. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade					
Trade payables		7,483	4,975	-	-
Non-trade					
Other payables		4,995	5,224	-	120
Accrued expenses		19,946	10,090	707	907
Amount due to subsidiaries	15.1	-	-	41,532	17,001
		24,941	15,314	42,239	18,028
		32,424	20,289	42,239	18,028

15.1 Amount due to subsidiaries

Amount due to subsidiaries is unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

16. EMPLOYEE BENEFITS

Share-based payments

On 2 January 2008, the Group established a share option programme that entitles key management and all employees to purchase shares in the Company. First tranche and second tranche options were both granted and vested on 22 January 2008 and 24 June 2010 respectively. On 27 August 2014, third tranche options were granted to directors and employees of the Group to subscribe for 5,145,000 shares under the Landmarks Employees' Share Option Scheme and will vest in the following manner.

Period	% of Options
Immediately after acceptance of offer	40
2 January 2015 - 1 January 2016	20
2 January 2016 - 1 January 2017	20
2 January 2017 - 1 January 2018	20

In accordance with this programme, options are exercisable at the 5 days weighted average market price of the shares at the date of grant. On 14 December 2012, the Group had extended its existing share options expiring on 1 January 2013 for another 5 years from 2 January 2013 to 1 January 2018.

Grant date	Remaining life of options	Weighted average exercise price	Outstanding at 1.1.2016	Movement during the year Number of options over ordinary shares of RM1.00 each			
				Exercised	Forfeited	Outstanding at 31.12.2016	Exercisable at 31.12.2016
22.1.2008	1 year	RM2.91	743,800	-	-	743,800	743,800
24.6.2010	1 year	RM1.14	688,500	-	(175,000)	513,500	513,500
27.8.2014	1 year	RM1.44	4,390,000	-	(570,000)	3,820,000	3,056,000
			5,822,300	-	(745,000)	5,077,300	4,313,300

NOTES TO THE FINANCIAL STATEMENTS

16. EMPLOYEE BENEFITS (CONTINUED)

The fair value of services received in return for share options extended was estimated based on the fair value of share options extended, measured using Black Scholes model, with the following inputs:

	Key management personnel and other employees
Fair value of share options	
Incremental fair value at date of extension	
- Options granted on 22.1.2008	RM0.06
- Options granted on 24.6.2010	RM0.28
- Options granted on 27.8.2014	RM0.42
Key assumptions	
Expected volatility	36.4%
Risk-free interest rate (based on Malaysian government bonds)	3.9%

	Group and Company	
	2016	2015
	RM'000	RM'000
Share options granted on 27.8.2014	-	452
Total expenses recognised as share-based payments	-	452

During the financial year, 745,000 (2015: 765,500) share options were forfeited and the total amount of RM277,000 (2015: RM284,000) was transferred to retained earnings of the Group and of the Company.

17. REVENUE

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Hotel operations	83,158	61,920	-	-
Management fees	-	-	3,156	3,210
Dividend income from other investments	-	-	130	354
	83,158	61,920	3,286	3,564

NOTES TO THE FINANCIAL STATEMENTS

18. FINANCE COSTS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Interest expense	4,080	5,187	25	124

19. LOSS BEFORE TAX

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Loss before tax is arrived at after charging:				
Auditors' remuneration:				
Statutory audit				
- KPMG PLT Malaysia	286	271	100	100
- Overseas affiliates of KPMG PLT Malaysia	380	102	-	-
- Other auditors	232	212	-	-
Other services				
- KPMG PLT Malaysia	25	25	25	25
- Local affiliates of KPMG PLT Malaysia	59	61	11	11
- Overseas affiliates of KPMG PLT Malaysia	131	127	-	-
- Other auditors	100	95	-	-
Depreciation of property, plant and equipment	16,735	10,917	157	144
Amortisation of intangible asset	131	189	131	189
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	2,048	1,709	445	442
- Wages, salaries and others	36,059	26,451	3,608	3,663
- Share-based payments	-	452	-	452
Loss on disposal of property, plant and equipment	-	1	-	1
Property, plant and equipment written off	11,622	3,378	-	-
Intangible asset written off	-	66	-	66
Fair value loss in other investments	-	1,050	-	1,213
Rental of office	3,162	2,635	278	233
Foreign exchange loss	326	-	355	-
Loss on disposal of other investments	1,595	-	1,602	-
Impairment loss on trade receivables	4	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

19. LOSS BEFORE TAX (CONTINUED)

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
and after crediting:				
Foreign exchange gains	-	6,393	-	3,416
Dividend income from other investments	499	390	130	354
Rental income	349	225	-	-
Gain on disposal of other investments	-	414	-	414
Gain on disposal of a subsidiary	-	5	-	-
Fair value gain in other investments	1,259	-	1,312	-
Gain on disposal of property, plant and equipment	90	-	-	-
Reversal of impairment loss on trade receivables	-	20	-	-

20. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Executive Directors				
- Salaries	727	-	180	-
- Contributions to Employees Provident Fund	27	-	27	-
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	6	-	3	-
	760	-	210	-
Non-Executive Directors				
- Fees	330	362	317	347
- Allowance	71	62	71	62
Other short-term benefits (including estimated monetary value of benefits-in-kind)	24	29	24	29
Share-based payments	-	93	-	93
	425	546	412	531
Total short-term employee benefits	1,185	546	622	531

NOTES TO THE FINANCIAL STATEMENTS

21. TAX (CREDIT)/EXPENSE

Recognised in profit or loss

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current tax expense					
- current		1,182	599	429	-
- prior year		(79)	(145)	-	(173)
Total current tax recognised in profit or loss		1,103	454	429	(173)
Deferred tax expense					
- Origination and reversal of temporary differences		1,177	1,087	-	190
- (Over)/Under provision in prior year ***		(5,102)	(3,528)	-	1,091
Total deferred tax recognised in profit or loss	9	(3,925)	(2,441)	-	1,281
Total tax (credit)/expense		(2,822)	(1,987)	429	1,108
Reconciliation of effective tax expense					
Loss for the year		(27,944)	(12,058)	(4,231)	(1,438)
Total tax (credit)/expense		(2,822)	(1,987)	429	1,108
Loss excluding tax		(30,766)	(14,045)	(3,802)	(330)
Share of profit after tax of an equity accounted associate		(10,515)	(9,740)	-	-
		(41,281)	(23,785)	(3,802)	(330)
Tax calculated using Malaysian tax rate of 24% (2015: 25%) *		(9,907)	(5,946)	(912)	(82)
Effect of tax rate in foreign jurisdictions **		4,166	1,043	-	-
Non-deductible expenses		1,915	3,492	414	272
Current year losses of which no deferred tax asset is recognised		6,888	3,097	894	-
Other items		(703)	-	33	-
		2,359	1,686	429	190
(Over)/Under provision in prior year ***		(5,181)	(3,673)	-	918
		(2,822)	(1,987)	429	1,108

* Effective from the current year, the applicable tax rate is reduced by 1% from 25% to 24%.

** Subsidiaries operate in a tax jurisdiction with lower tax rate.

*** Over provision in prior year is mainly due to approval obtained by a subsidiary from the Ministry of Finance for Income Tax (Exemption) (No.12) Order 2006 [PU (A) 113] whereby allowance of 60% is granted on qualifying expenditure incurred for a 5 year period ended 2015.

NOTES TO THE FINANCIAL STATEMENTS

22. LOSS PER ORDINARY SHARE**Basic loss per ordinary share**

The calculation of basic loss per share at 31 December 2016 was based on the loss attributable to ordinary equity holders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2016	2015
	RM'000	RM'000
Loss for the year attributable to owners of the Company	(27,944)	(12,058)

Weighted average number of ordinary shares

	Group	
	2016	2015
	'000	'000
Weighted average number of ordinary shares at 31 December	480,810	480,810

Basic loss per ordinary share

	Group	
	2016	2015
	Sen	Sen
From continuing operations	(5.81)	(2.51)

Diluted loss per ordinary share

The diluted loss per share is the same as the basic loss per share for the current year because the effect of the exercise of ESOS is anti-dilutive since the exercise prices were higher than the average market price.

NOTES TO THE FINANCIAL STATEMENTS

23. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Board of Directors (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Hospitality and wellness	Provision of hotel management and wellness services
Resort and destination development	Development of resorts and properties

Performance is measured based on segment results from operating activities and segment revenue as included in the internal management reports that are reviewed by the Board of Directors (the chief operating decision maker). Segment results from operating activities (excluding finance cost, finance income, share of associate's profit and tax expense) are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Board of Directors. Segment total assets are used to measure the return of assets of each segment.

Segment liabilities

Information on segment liabilities is neither included in the internal management reports nor provided regularly to the Board of Directors. Hence, no disclosure is made on segment liabilities.

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
2016			
Total segment revenue	70,674	12,484	83,158
Results from operating activities	14,871	(45,088)	(30,217)
Included in the measure of segment results from operating activities are:			
Depreciation and amortisation	(6,415)	(10,163)	(16,578)
Not included in the measurement of results from operating activities but provided to the Board of Directors:			
Finance costs	(4,047)	-	(4,047)
Income tax expense	2,897	355	3,252
Segment assets	152,643	2,086,354	2,238,997
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	2,520	6,960	9,480

NOTES TO THE FINANCIAL STATEMENTS

23. OPERATING SEGMENTS (CONTINUED)

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
2015			
Total segment revenue	61,656	264	61,920
Results from operating activities	11,890	(27,750)	(15,860)
Included in the measure of segment results from operating activities are:			
Depreciation and amortisation	(6,436)	(4,370)	(10,806)
Not included in the measurement of results from operating activities but provided to the Board of Directors:			
Finance costs	(5,092)	-	(5,092)
Income tax expense	(1,839)	-	(1,839)
Segment assets	167,181	2,080,506	2,247,687
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	1,297	2,783	4,080

Reconciliations of reportable segment revenue, results from operating activities, segment assets and other material items

	2016 RM'000	2015 RM'000
Segment results from operating activities		
Total results from operating activities for reportable segment	(30,217)	(15,860)
Other non-reportable segments	(7,186)	(3,641)
Finance costs	(4,080)	(5,187)
Finance income	202	903
Share of profit of an equity accounted associate	10,515	9,740
Tax credit	2,822	1,987
Consolidated loss after tax	(27,944)	(12,058)

NOTES TO THE FINANCIAL STATEMENTS

23. OPERATING SEGMENTS (CONTINUED)

	Revenue RM'000	Depreciation and amortisation RM'000	Income tax expense RM'000	Segment assets RM'000	Additions to non- current assets RM'000
2016					
Total reportable segment	83,158	(16,578)	3,252	2,238,997	9,480
Other non-reportable segments	-	(288)	(430)	74,721	4
Consolidated total	83,158	(16,866)	2,822	2,313,718	9,484
2015					
Total reportable segment	61,920	(10,806)	(1,839)	2,247,687	4,080
Other non-reportable segments	-	(300)	3,826	94,578	123
Consolidated total	61,920	(11,106)	1,987	2,342,265	4,203

Geographical segments

The hospitality and wellness and resort and destination development operate in Malaysia and Indonesia respectively. In presenting information on the basis of geographical segments, segment assets are based on the operation of the segment and the amount does not include financial instruments (including investments in associates) and deferred tax assets.

	Non-current assets		Revenue	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Malaysia	138,295	142,375	70,674	61,656
Indonesia	1,978,655	1,984,628	12,484	264
Other countries	968	1,193	-	-
	2,117,918	2,128,196	83,158	61,920

For the hospitality and wellness operations, the revenue is analysed based on the location of the hotel.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS**24.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables (“L&R”);
- (b) Fair value through profit or loss (“FVTPL”);
- (c) Available-for-sale financial assets (“AFS”); and
- (d) Other financial liabilities measured at amortised cost (“OL”).

	Carrying amount RM'000	L&R RM'000	FVTPL RM'000	AFS RM'000
2016				
Financial assets				
Group				
Other investments	1,885	-	-	1,885
Trade and other receivables	10,495	10,495	-	-
Cash and cash equivalents	14,843	14,843	-	-
	27,223	25,338	-	1,885
Company				
Trade and other receivables	6,876	6,876	-	-
Cash and cash equivalents	985	985	-	-
	7,861	7,861	-	-
2015				
Financial assets				
Group				
Other investments	24,350	-	22,465	1,885
Trade and other receivables	8,457	8,457	-	-
Cash and cash equivalents	35,759	35,759	-	-
	68,566	44,216	22,465	1,885
Company				
Other investments	12,715	-	12,715	-
Trade and other receivables	3,491	3,491	-	-
Cash and cash equivalents	11,205	11,205	-	-
	27,411	14,696	12,715	-

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.1 Categories of financial instruments (continued)

	Carrying amount RM'000	OL RM'000
2016		
Financial liabilities		
Group		
Loans and borrowings	70,954	70,954
Trade and other payables	32,424	32,424
	103,378	103,378
Company		
Other payables	42,239	42,239
	42,239	42,239
2015		
Financial liabilities		
Group		
Loans and borrowings	80,983	80,983
Trade and other payables	20,289	20,289
	101,272	101,272
Company		
Loans and borrowings	507	507
Other payables	18,028	18,028
	18,535	18,535

24.2 Net (losses)/gains arising from financial instruments

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Net (losses)/gains arising on:				
Loans and receivables	(128)	7,316	(211)	4,049
Financial liabilities measured at amortised cost	(4,080)	(5,187)	(25)	(124)
Fair value through profit or loss	163	(246)	(160)	(445)
	(4,045)	1,883	(396)	3,480

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)**24.3 Financial risk management**

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.3.1 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and balances and deposits with banks. The Company's exposure to credit risk arises principally from balances and deposits with banks and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables**Risk management objectives, policies and processes for managing the risk**

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.3 Financial risk management (continued)

24.3.1 Credit risk (continued)

Receivables (continued)

Impairment losses

The ageing of trade receivables as at the end of the reporting period was:

	Gross RM'000	Individual impairment RM'000	Net RM'000
Group			
2016			
Not past due	4,431	-	4,431
Past due 1-60 days	1,020	-	1,020
Past due more than 60 days	249	(4)	245
	5,700	(4)	5,696
2015			
Not past due	2,759	-	2,759
Past due 1-60 days	87	-	87
Past due more than 60 days	8	-	8
	2,854	-	2,854

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	Group 2016 RM'000	2015 RM'000
At 1 January	-	20
Impairment loss recognised/(reversed)	4	(20)
At 31 December	4	-

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)**24.3 Financial risk management (continued)****24.3.1 Credit risk (continued)****Financial guarantees****Risk management objectives, policies and processes for managing the risk**

The Company provides unsecured financial guarantee to a bank in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary.

Exposure to credit risk and credit quality

The maximum exposure to credit risk amounts to RM70,339,000 (2015: RM80,224,000) representing the outstanding financial guarantees granted to a subsidiary as at the end of reporting period.

As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

The financial guarantee have not been recognised since the fair value on initial recognition was not material.

Cash and cash equivalents**Risk management objectives, policies and processes for managing the risk**

The Group and the Company place deposits in fixed rate investments and invest in cash funds, upon which management endeavours to obtain the best rate available in the market.

Cash and cash equivalents are placed with licensed financial institutions.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that cash and cash equivalents were not recoverable.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.3 Financial risk management (continued)

24.3.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables and loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2016						
Group						
Secured term loan	70,339	5.15%-5.47%	78,131	16,549	17,470	44,112
Finance lease liabilities	615	2.47%-3.75%	688	214	204	270
Trade and other payables	32,424	-	32,424	32,424	-	-
	<u>103,378</u>		<u>111,243</u>	<u>49,187</u>	<u>17,674</u>	<u>44,382</u>
Company						
Other payables	42,239	-	42,239	42,239	-	-
Financial guarantees	-	-	70,339	70,339	-	-
	<u>42,239</u>		<u>112,578</u>	<u>112,578</u>	<u>-</u>	<u>-</u>
2015						
Group						
Secured term loan	80,731	5.23% - 5.88%	92,551	14,520	16,346	61,685
Finance lease liabilities	252	2.47% - 2.85%	277	80	69	128
Trade and other payables	20,289	-	20,289	20,289	-	-
	<u>101,272</u>		<u>113,117</u>	<u>34,889</u>	<u>16,415</u>	<u>61,813</u>
Company						
Secured term loan	507	5.65% - 5.88%	507	507	-	-
Other payables	18,028	-	18,028	18,028	-	-
Financial guarantees	-	-	80,224	80,224	-	-
	<u>18,535</u>		<u>98,759</u>	<u>98,759</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)**24.3 Financial risk management (continued)****24.3.3 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's financial position or cash flows.

24.3.3.1 Currency risk

The Group is exposed to foreign currency risk on hotel revenue and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollar ("SGD") and Indonesian Rupiah ("IDR").

The Group does not engage in foreign currency hedging on its foreign currency exposures but the Group monitors these exposures on an ongoing basis.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in		
	USD RM'000	SGD RM'000	IDR RM'000
Group			
2016			
Trade and other receivables	271	-	3,309
Trade and other payables	(338)	-	(5,969)
Cash and cash equivalents	65	2,319	1,346
Net exposure	(2)	2,319	(1,314)
2015			
Other investments	-	7,882	-
Trade and other receivables	691	-	178
Trade and other payables	(178)	-	(670)
Cash and cash equivalents	50	2,915	766
Net exposure	563	10,797	274

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.3 Financial risk management (continued)

24.3.3 Market risk (continued)

24.3.3.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

	Denominated in SGD	
	2016	2015
	RM'000	RM'000
Company		
Other investments	-	7,882
Cash and cash equivalents	137	2,814
	137	10,696

Currency risk sensitivity analysis

A 10% strengthening of RM against the following currencies at the end of the reporting period would have increased/ (decreased) pre-tax profit or loss by the amounts shown below.

	Group		Company	
	Profit or loss		Profit or loss	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
USD	-	(56)	-	-
SGD	(232)	(1,080)	(14)	(1,070)
IDR	131	(27)	-	-

A 10% weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

24.3.3.2 Interest rate risk

The Group's investments in fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)**24.3 Financial risk management (continued)****24.3.3 Market risk (continued)****24.3.3.2 Interest rate risk (continued)**

The Group does not use derivative financial instruments to hedge its interest rate exposures but the Group monitors these exposures on an ongoing basis.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fixed rate instruments				
Financial assets	1,312	21,324	-	10,777
Financial liabilities	(615)	(252)	-	-
	697	21,072	-	10,777
Floating rate instruments				
Financial liabilities	(70,339)	(80,731)	-	(507)

Interest rate risk sensitivity analysis**(a) Fair value sensitivity analysis for fixed rate instruments**

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

An increase/(decrease) of 100 basis points in interest rates at the end of the reporting period would have increased/(decreased) loss before tax by RM703,000 (2015: RM807,000) for the Group. This analysis assumes that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

24.4.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amount shown in the statement of financial position.

	Fair value of financial instruments ← carried at fair value →				Fair value of financial instruments ← not carried at fair value →				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2016										
Group										
Financial assets										
Other investments	-	-	1,885	-	-	-	-	-	1,885	1,885
Financial liabilities										
Secured term loan	-	-	-	-	-	-	70,339	70,339	70,339	70,339
Finance lease liabilities	-	-	-	-	-	-	592	592	592	615
	-	-	-	-	-	-	70,931	70,931	70,931	70,954
2015										
Group										
Financial assets										
Other investments	-	22,465	1,885	24,350	-	-	-	-	24,350	24,350
Financial liabilities										
Secured term loan	-	-	-	-	-	-	80,731	80,731	80,731	80,731
Finance lease liabilities	-	-	-	-	-	-	241	241	241	252
	-	-	-	-	-	-	80,972	80,972	80,972	80,983

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCIAL INSTRUMENTS (CONTINUED)**24.4 Fair value of financial instruments (continued)****24.4.1 Fair value hierarchy (continued)****Level 2 fair value**

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2015 : no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The fair values within level 3 of the term loan and finance lease liabilities are determined by using the discounted cash flow technique except for investments in unquoted shares of golf club which is based on indicative prices published in the golf club's official website.

25. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Securities Berhad Practice Note No. 17, the Company is required to maintain a consolidated shareholders' equity of not less than 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

26. CAPITAL AND OTHER COMMITMENTS

	Group	
	2016	2015
	RM'000	RM'000
Authorised but not contracted for	-	50,057
Contracted but not provided for	56,057	20,582

NOTES TO THE FINANCIAL STATEMENTS

27. OPERATING LEASE**Leases as a lessee**

The Group and the Company had entered into operating leases for premises with non-cancellable operating lease rentals payable as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Less than one year	3,195	2,941	244	240
Between one and five years	2,151	4,282	285	529
	5,346	7,223	529	769

28. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

There were no significant transactions with related parties during the year except for payment on behalf of subsidiaries and advances from subsidiaries. Key management personnel compensation is disclosed in Note 20.

Amount due from subsidiaries is disclosed in Note 11 and amount due to subsidiaries is disclosed in Note 15.

29. SUBSEQUENT EVENT

- (i) On 15 February 2017, the Group received notices of striking off of its dormant subsidiaries, namely Desa Lagoon Resort Sdn. Bhd., Maya Baiduri Sdn. Bhd., Sungei Wang Ventures Sdn. Bhd. and The Railway Hotel (1991) Sdn. Bhd., from the Registrar of Companies pursuant to Section 308(4) of the Companies Act, 1965. The striking off of the aforementioned subsidiaries has been completed on 24 February 2017.
- (ii) On 29 March 2017, the Commercial Court of District Court of Medan, Republic of Indonesia, ordered a temporary suspension of payments by one of its subsidiaries, BHU, for 45 days, pursuant to Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligation, to enable BHU to propose a composition plan to its creditors ("Order"). The Order was received by BHU on 6 April 2017.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2016, into realised and unrealised profits, pursuant to the Bursa Malaysia Securities Berhad's directive, is as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained earnings of the Company and its subsidiaries:				
- Realised	(134,435)	(94,343)	412,901	416,626
- Unrealised	(4,110)	(6,021)	86	315
	(138,545)	(100,364)	412,987	416,941
Total share of retained earnings from an associate	81,428	73,071	-	-
Consolidation adjustments	1,087,210	1,085,053	-	-
Total retained earnings	1,030,093	1,057,760	412,987	416,941

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

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.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

In the opinion of the Directors, the financial statements set out on pages 46 to 116 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2016 and of their financial performance and cash flows for the year then ended.

In the opinion of the Directors, the information set out in Note 30 on page 117 to the financial statements has been compiled in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Mark Wee Liang Yee

Director

Tan Wee Hoong, Robin

Director

Date: 14 April 2017

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, **Fong Chee Khuen**, the officer primarily responsible for the financial management of Landmarks Berhad, do solemnly and sincerely declare that the financial statements set out on pages 46 to 117 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Fong Chee Khuen in Kuala Lumpur on 14 April 2017.

Fong Chee Khuen

Before me:

P. Valliamah

Pesuruhjaya Sumpah
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the members of Landmarks Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Landmarks Berhad, which comprise the statements of financial position as at 31 December 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements of the Group and of the Company, including a summary of significant accounting policies, as set out on pages 46 to 116.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Net losses and negative operating cash flows of the Group and the Company

Refer to Note 1(b) and Statement of Cash Flows (page 51)

The key audit matter

During the year, the Group and the Company incurred a net loss after tax of RM27,944,000 and RM4,231,000 and recorded a negative operating cash flows of RM26,844,000 and RM4,291,000 respectively.

The assessment on the ability of the Group to generate sufficient cash flows to meet their liabilities as and when they fall due is a key audit matter as it involved consideration of future events which are uncertain and required significant judgement.

How our audit addressed the key audit matter

Our audit procedures included, amongst others:

- We considered the available financing facilities of the Group and assessed the drawdown and repayment timings to ascertain whether funds are available for the Group to meet their obligations as and when they fall due.
- We have considered any breach of loan covenants and its potential impact, by reading the terms of loan agreements.
- We have compared the achievability of operating results for the financial year ended and its budget. We evaluated the Group's ability to achieve the budget by analysing the historical forecasting accuracy of the budget, business plan and its key assumptions.

We considered the adequacy of disclosures in the financial statements in relation to the going concern basis of preparation in compliance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

INDEPENDENT AUDITORS' REPORT
to the members of Landmarks Berhad

Key Audit Matters (continued)

2. Valuation of assets in Treasure Bay Bintan, Indonesia

Refer to page 64 (Note 2(j) Significant Accounting Policies)

The key audit matter

The Group owns 338 hectare of leasehold land in Indonesia's Bintan island and plans to develop the leasehold land into an integrated resort city that will comprise leisure facilities, residential, cultural and commercial real estate, referred to as the Treasure Bay Bintan project.

As at year end, property, plant and equipment, land held for development and property development costs which relate to Treasure Bay Bintan project constitute 90% of the Group's total assets.

In view of the current slowdown in the property market and the investment in Treasure Bay Bintan project continues to register losses during the year, there is an indication of impairment as the carrying amount of these assets may be stated above their recoverable amount. The recoverability of these assets is dependent upon the project achieving sufficient level of profitability in the future.

We identified the valuation of assets in Treasure Bay Bintan, Indonesia as a key audit matter due to the degree of management judgment involved in assessing the future performance and prospects of the investments in this project.

How our audit addressed the key audit matter

Our audit procedures included, amongst others:

We evaluated management's control process over the assessments performed which has been approved by the Board, in estimating the recoverable amounts of these property, plant and equipment, land held for development and property development costs in Treasure Bay Bintan, Indonesia, as follows:

Property, plant and equipment and property development costs

We obtained the cash flow projections from management, inquired and challenged the appropriateness and reasonableness of assumptions used, and the methodology used by the management in determining the recoverable amount (i.e. value-in-use). These include the determination of cash-generating units, cash flow projections, discount rate used, and the assumptions underlying the forecast growth and terminal growth rates.

Land held for development

We obtained the latest external valuation report of Treasure Bay Bintan and compared the value estimated to the carrying amount of the assets and assessed whether there is any impairment.

We evaluated the impairment assessed by management, inquired the management and challenged the appropriateness and reasonableness of the key assumptions used and the methodology used by the external valuer in determining the valuation amount.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
to the members of Landmarks Berhad

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
to the members of Landmarks Berhad

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 30 on page 117 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF0758)
Chartered Accountants

Chong Dee Shiang
Approval Number: 02782/09/2018 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 14 April 2017

OTHER INFORMATION

1. ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2017

Share Capital

Number of Issued Shares	:	480,809,700
Class of Shares	:	Ordinary Shares
Voting Rights		
- on show of hands	:	One vote
- on a poll	:	One vote for each share held

Distribution of Shareholdings

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	201	1.55	5,709	0.00
100 – 1,000	3,880	29.98	3,627,844	0.76
1,001 – 10,000	6,701	51.78	29,486,211	6.13
10,001 – 100,000	1,903	14.70	60,069,550	12.49
100,001 – 24,040,484	255	1.97	140,289,386	29.18
24,040,485 and above	2	0.02	247,331,000	51.44
Total	12,942	100.00	480,809,700	100.00

Substantial Shareholders

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Phoenix Spectrum Sdn Bhd	145,691,000	30.30	-	
Genting Berhad	-		145,691,000 *	30.30
Zimulia Sdn Bhd	69,200,000	14.39	-	
North Symphony Shd Bhd	-		69,200,000 *	14.39
Winning Elite Holdings Limited	-		69,200,000 *	14.39
Rilms Singapore Pte Ltd	-		69,200,000 *	14.39
Mark Wee Liang Yee	-		69,500,000 **	14.45

* Deemed interest pursuant to Section 8 of the Companies Act, 2016 ("Act")

** Deemed interest pursuant to Section 8 and Section 59 (11) (c) of the Act

OTHER INFORMATION

1. ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2017 (CONTINUED)

Directors' Interests

	Ordinary Shares				Options over
	Direct Interest		Indirect Interest		Ordinary Shares
	No.	%	No.	%	Direct Interest
	No.	%	No.	%	No.
Tan Sri Zakaria bin Abdul Hamid	8,650,000	1.80	-	-	825,000
Mark Wee Liang Yee	-	-	69,500,000	14.45*	-
Robin Tan Wee Hoong	8,968,000	1.87	-	-	-
Dato' Abdul Malek bin Abdul Hamid	-	-	-	-	337,500
Bernard Chong Lip Tau	-	-	-	-	212,500

* Deemed interest pursuant to Section 8 and Section 59 (11) (c) of the Act

None of the Non-Executive Directors have exercised the options granted to them pursuant to the Employees' Share Option Scheme during the financial year ended 31 December 2016.

Thirty Largest Shareholders

No.	Name	No. of Shares Held	%
1.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	101,640,000	21.14
2.	Phoenix Spectrum Sdn Bhd	62,361,700	12.97
3.	Phoenix Spectrum Sdn Bhd	39,958,300	8.31
4.	Phoenix Spectrum Sdn Bhd	22,371,000	4.65
5.	Phoenix Spectrum Sdn Bhd	21,000,000	4.37
6.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa	14,980,000	3.12
7.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Bch)	14,319,000	2.98
8.	Prestasi Cergas Sdn Bhd	12,469,250	2.59
9.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	5,083,009	1.06
10.	Lim Li Li	3,000,000	0.62
11.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	2,740,866	0.57
12.	Citigroup Nominees (Asing) Sdn Bhd UBS AG for SFC Foresta Master Fund, L.P.	2,615,510	0.54
13.	Lee Eng Hock & Co. Sendirian Berhad	2,450,000	0.51
14.	Amsec Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Pacific Pearl Fund (UT-PM-PPF)	2,167,400	0.45
15.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	2,119,208	0.44

OTHER INFORMATION

1. ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2017 (CONTINUED)**Thirty Largest Shareholders (continued)**

No.	Name	No. of Shares Held	%
16.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa @ Chan Teik Chuan	1,920,000	0.40
17.	Cimsec Nominees (Asing) Sdn Bhd Exempt AN for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	1,855,699	0.39
18.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	1,775,200	0.37
19.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	1,766,192	0.37
20.	Amsec Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	1,556,800	0.32
21.	Tham Kin Foong (John)	1,520,700	0.32
22.	Citigroup Nominees (Asing) Sdn Bhd UBS AG for Stone Forest Em Master Fund, L.P.	1,499,790	0.31
23.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund J728 for SPDR S&P Emerging Asia Pacific ETF	1,490,000	0.31
24.	Geo-Mobile Asia Sdn. Bhd.	1,420,000	0.30
25.	Lee Hong Choon	1,241,000	0.26
26.	David Lee Bair En	1,209,500	0.25
27.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt AN for Bank Of Singapore Limited	1,200,000	0.25
28.	YTL Power International Berhad	1,144,000	0.24
29.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt AN for Bank Of Singapore Limited	1,120,000	0.23
30.	Focus Asia Strategies Ltd.	1,050,000	0.22

2. MATERIAL CONTRACTS

There were no material contracts of the Company and subsidiaries involving Directors and major shareholders, either still subsisting at the end of the financial year 2016 or entered into since the end of the previous financial year.

3. AUDIT AND NON-AUDIT FEES

The fees paid and/or payable to the external auditors and its affiliates, for the financial year ended 31 December 2016 are as follows:

	Group RM'000	Company RM'000
Audit Services	898	100
Non-Audit Services	315	36
Total Fees	1,213	136

The non-audit services comprise:

- i. review of statements for inclusion in the audited financial statements and Annual Report;
- ii. consolidation and submission to authorities for subsidiaries in foreign jurisdictions; and
- iii. tax services.

OTHER INFORMATION

4. PROPERTIES AS AT 31 DECEMBER 2016

Held by Subsidiary	Name Description Location	Tenure	Approx Age of Building (years)	Approx Land Area (sq. metres)	Net Book Value as at 31.12.2016 RM' million	Date of Valuation	Date of Acquisition / Completion
ANDAMAN RESORT SDN BHD	The Andaman - a five star, 178 room hotel and V Integrated Wellness located at Datai Bay, Langkawi	Leasehold expiring in 2087, 2089 and 2104	20	164,861	123.83	2.5.2012	1996
PT PELANGI BINTAN INDAH	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	3,062,239	1,749.51	28.3.2014	2008
PT RESORTS DEVELOPMENT AND MANAGEMENT BINTAN	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024* and expiring in 2028*	-	37,086 85,288	21.20 48.76	28.3.2014 28.3.2014	2009 2010
PT BINTAN LEISURE RESORT VENTURES	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	55,128	31.52	28.3.2014	2009
PT BINTAN HOTEL UTAMA	The Canopi - a three star, 40 tent suite hotel and resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	1	95,628	59.81	28.3.2014	2009
PT HOTEL MANAGEMENT BINTAN	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	46,011	26.31	28.3.2014	2009

* The lease on the land is extendable for twenty (20) years and renewable for an additional thirty (30) years thereafter.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-eighth Annual General Meeting of Landmarks Berhad (“Landmarks” or “Company”) will be held at the Millennium Ballroom, Level 2, Grand Millennium Kuala Lumpur, 160 Jalan Bukit Bintang, 55100 Kuala Lumpur on Wednesday, 24 May 2017 at 10.00 a.m. for the following purposes:-

As Ordinary Business

- | | |
|---|---|
| 1. To receive the audited financial statements for the year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon. | Please refer to Note 1 |
| 2. To approve the payment of Directors’ fees of RM316,790.00. | Resolution 1 |
| 3. To re-elect Bernard Chong Lip Tau who retires in accordance with Article 63 of the Company’s Articles of Association. | Resolution 2 |
| 4. To re-elect the following Directors who retire in accordance with Article 68 of the Company’s Articles of Association:-
(a) Mark Wee Liang Yee
(b) Tan Wee Hoong | Resolution 3
Resolution 4 |
| 5. To re-appoint Tan Sri Zakaria bin Abdul Hamid to continue in office as Director of the Company. | Resolution 5
Please refer to Note 2 |
| 6. To re-appoint Messrs KPMG PLT as auditors and to authorise the Directors to fix their remuneration. | Resolution 6
Please refer to Note 3 |

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolutions:

- | | |
|--|---------------------|
| 7. Authority to Issue and Allot Shares | Resolution 7 |
| <p>THAT pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorised to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution during the preceding 12 months does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also authorised to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.</p> | |
| 8. Proposed Grant of Options to John Ko Wai Seng | Resolution 8 |
| <p>THAT the Board of Directors of the Company be and is hereby authorised, at any time and from time to time, to offer and grant to John Ko Wai Seng, the Independent Non-Executive Director of the Company, options to subscribe for such number of new ordinary shares in Landmarks (“Landmarks Shares”) to be allocated to him under the Employees’ Share Option Scheme (“Scheme”), subject to the following :</p> <p>i. not more than fifty per centum (50%) of the total new Landmarks Shares made available under the Scheme shall be allocated, in aggregate, to the executive directors, non-executive directors and senior management of the Company and its subsidiaries (excluding subsidiaries which are dormant); and</p> <p>ii. not more than ten per centum (10%) of the total new Landmarks Shares made available under the Scheme shall be allocated to any Eligible Person (as defined in the By-Laws of the Scheme) who, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the issued share capital of Landmarks,</p> | |

provided always that it is in accordance with the By-Laws of the Scheme, any prevailing guidelines issued by Bursa Malaysia Securities Berhad (“Bursa Securities”), the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

NOTICE OF ANNUAL GENERAL MEETING

9. **Proposed Grant of Options to Mark Wee Liang Yee**

Resolution 9

THAT the Board of Directors of the Company be and is hereby authorised, at any time and from time to time, to offer and grant to Mark Wee Liang Yee, the Executive Deputy Chairman of the Company, options to subscribe for such number of new ordinary shares in Landmarks (“Landmarks Shares”) to be allocated to him under the Employees’ Share Option Scheme (“Scheme”), subject to the following :

- i. not more than fifty per centum (50%) of the total new Landmarks Shares made available under the Scheme shall be allocated, in aggregate, to the executive directors, non-executive directors and senior management of the Company and its subsidiaries (excluding subsidiaries which are dormant); and
- ii. not more than ten per centum (10%) of the total new Landmarks Shares made available under the Scheme shall be allocated to any Eligible Person (as defined in the By-Laws of the Scheme) who, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the issued share capital of Landmarks,

provided always that it is in accordance with the By-Laws of the Scheme, any prevailing guidelines issued by Bursa Malaysia Securities Berhad (“Bursa Securities”), the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

10. **Proposed Grant of Options to Tan Wee Hoong**

Resolution 10

THAT the Board of Directors of the Company be and is hereby authorised, at any time and from time to time, to offer and grant to Tan Wee Hoong, the Executive Director of the Company, options to subscribe for such number of new ordinary shares in Landmarks (“Landmarks Shares”) to be allocated to him under the Employees’ Share Option Scheme (“Scheme”), subject to the following :

- i. not more than fifty per centum (50%) of the total new Landmarks Shares made available under the Scheme shall be allocated, in aggregate, to the executive directors, non-executive directors and senior management of the Company and its subsidiaries (excluding subsidiaries which are dormant); and
- ii. not more than ten per centum (10%) of the total new Landmarks Shares made available under the Scheme shall be allocated to any Eligible Person (as defined in the By-Laws of the Scheme) who, either singly or collectively through persons connected with him, holds twenty per centum (20%) or more of the issued share capital of Landmarks,

provided always that it is in accordance with the By-Laws of the Scheme, any prevailing guidelines issued by Bursa Malaysia Securities Berhad (“Bursa Securities”), the Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

11. **Payment of Benefits to Directors**

Resolution 11

To approve the payment of Benefits to Directors for the period from 31 January 2017 through to the conclusion of the next Annual General Meeting of the Company capped at a maximum amount of RM300,000.00.

12. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

IRENE LOW YUET CHUN

Secretary

Kuala Lumpur
28 April 2017

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Ordinary Business

1. Agenda 1 is meant for discussion only as the provisions of Section 340(1)(a) of the Companies Act, 2016 do not require a formal approval by the members and hence, is not put forward for voting.
2. Tan Sri Zakaria bin Abdul Hamid was re-appointed as Director on 24 May 2016 pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the Twenty-eighth Annual General Meeting. The Companies Act, 2016 does not require a person who has attained the age of 70 years to submit himself for re-appointment as Director. As Tan Sri Zakaria bin Abdul Hamid's tenure as a Director expires at the conclusion of the Twenty-eighth Annual General Meeting, he has offered himself for re-appointment to continue in office as Director of the Company.
3. Messrs KPMG, the auditors of the Company, has converted from a conventional partnership to a Limited Liability Partnership (Perkongsian Liabiliti Terhad) on 27 December 2016, and the conventional partnership, KPMG, was deemed dissolved on the same date.

Explanatory Notes on Special Business*Resolution 7 - Authority to Issue and Allot Shares*

The proposed Ordinary Resolution on the Authority to Issue and Allot Shares, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the number of issued shares of the Company for the time being. The proposed resolution would enable the Directors to avoid delay and cost of convening further general meetings to approve the issue of shares for such purposes. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Resolutions 8, 9 and 10 - Proposed Grant of Options to John Ko Wai Seng, Mark Wee Liang Yee and Tan Wee Hoong

The Employees' Share Option Scheme ("Scheme") was implemented by the Company on 2 January 2008. The Company had on 14 December 2012 extended the Scheme which expired on 1 January 2013 for another five years from 2 January 2013 to 1 January 2018 pursuant to the By-Laws of the Scheme.

The proposed grant of options to John Ko Wai Seng, Mark Wee Liang Yee and Tan Wee Hoong is to allow for the participation of the respective Directors, who meet the criteria of eligibility set out in the By-Laws, in the Scheme. Pursuant to the By-Laws, prior approval has to be obtained from the members in order for the Board of Directors to offer and grant to the respective Directors of Landmarks, options to subscribe for new shares pursuant to the Scheme.

The Directors who will benefit from the Scheme will abstain from voting in respect of their direct and indirect shareholdings in Landmarks pertaining to the respective resolution granting them options under the Scheme. They will also ensure that persons connected with them, if any, will abstain from voting on the relevant resolution.

Resolution 11 - Payment of Benefits to Directors

The benefits payable to the Directors comprise meeting allowance for members of the Board and Board Committees, subscription to club membership, outpatient medical expenses, hospitalisation and surgical insurance, handphone allowances, travelling allowances and such other benefits which have been/may be approved by the Board of Directors. This approval, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Notes:

1. Each member may vote in person or by proxy or by attorney or, being a corporation, by a duly authorised representative.
2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
3. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting.

Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where a member or an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the member, authorised nominee or exempt authorised nominee specifies the proportions of the member's, authorised nominee's or exempt authorised nominee's holdings, as the case may be, to be represented by each proxy in the instrument appointing the proxies.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Company's Registered Office at 20th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 May 2017 shall be entitled to attend and vote at the Meeting or appoint proxy(ies) to attend and vote on his behalf.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individuals who are standing for election as Directors

No individual is seeking election as a Director of the Company at the Twenty-eighth Annual General Meeting.

2. General mandate for issue of shares

The Company had at the Twenty-seventh Annual General Meeting held on 24 May 2016 obtained members' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965. As at the date of this notice, the Company did not issue any new shares pursuant to the general mandate.

The Company is seeking a renewal of the general mandate for the issue of shares at the Twenty-eighth Annual General Meeting pursuant to Sections 75 and 76 of the Companies Act, 2016. With the renewed authority to issue shares, the Company will be able to raise funds for the purpose of funding future investment, working capital and/or acquisitions.

The Company has on 18 April 2017 announced that it proposes to undertake a private placement of up to 10% of the total number of issued shares of the Company for the time being ("Private Placement"). The application for the listing of and quotation of the shares to be issued in connection with the Private Placement was made to Bursa Malaysia Securities Berhad on 18 April 2017.

FORM OF PROXY

LANDMARKS

LANDMARKS BERHAD (185202-H)
(Incorporated in Malaysia)

I/We _____

of _____

being a member of **LANDMARKS BERHAD**, hereby appoint _____

NRIC No/Passport No: _____ of _____

and/or failing him/her _____ NRIC No/Passport No: _____

of _____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Twenty-eighth Annual General Meeting of the Company, to be held on Wednesday, 24 May 2017 at 10.00 a.m. at the Millennium Ballroom, Level 2, Grand Millennium Kuala Lumpur, 160 Jalan Bukit Bintang, 55100 Kuala Lumpur and at any adjournment thereof.

My/Our proxies shall vote as follows:

Resolutions	For	Against
1. Payment of Directors' Fees		
2. Re-election of Bernard Chong Lip Tau		
3. Re-election of Mark Wee Liang Yee		
4. Re-election of Tan Wee Hoong		
5. Re-appointment of Tan Sri Zakaria bin Abdul Hamid		
6. Re-appointment of Messrs KPMG PLT		
7. Authority to Issue and Allot Shares		
8. Proposed Grant of Options to John Ko Wai Seng		
9. Proposed Grant of Options to Mark Wee Liang Yee		
10. Proposed Grant of Options to Tan Wee Hoong		
11. Payment of Benefits to Directors		

Please indicate with an "X" where appropriate against each resolution how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Number of Shares Held

Where a member appoints two (2) proxies (refer to Note 4), please specify the proportion of the member's holdings to be represented by each proxy:-

Name of Proxy	Number of Shares Represented

Dated this _____ day of _____ 2017

Signature(s)/Common Seal of Member(s)

Notes:

- Each member may vote in person or by proxy or by attorney or, being a corporation, by a duly authorised representative.
- If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
- A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting.
Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member or an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the member, authorised nominee or exempt authorised nominee specifies the

- proportions of the member's, authorised nominee's or exempt authorised nominee's holdings, as the case may be, to be represented by each proxy in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Company's Registered Office at 20th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 May 2017 shall be entitled to attend and vote at the Meeting or appoint proxy(ies) to attend and vote on his/her behalf.

Personal Data Privacy

By submitting the proxy form, the member accepts and agrees to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of preparation and compilation of documents relating to the Annual General Meeting (including any adjournment thereof).

FOLD HERE

Affix stamp

The Company Secretary
LANDMARKS BERHAD (185202-H)
20th Floor, Menara Haw Par
Jalan Sultan Ismail
50250 Kuala Lumpur

FOLD HERE

Landmarks Berhad (185202-H)
20th Floor, Menara Haw Par
Jalan Sultan Ismail
50250 Kuala Lumpur

Tel: 603-2026 0088
Fax: 603-2026 0099