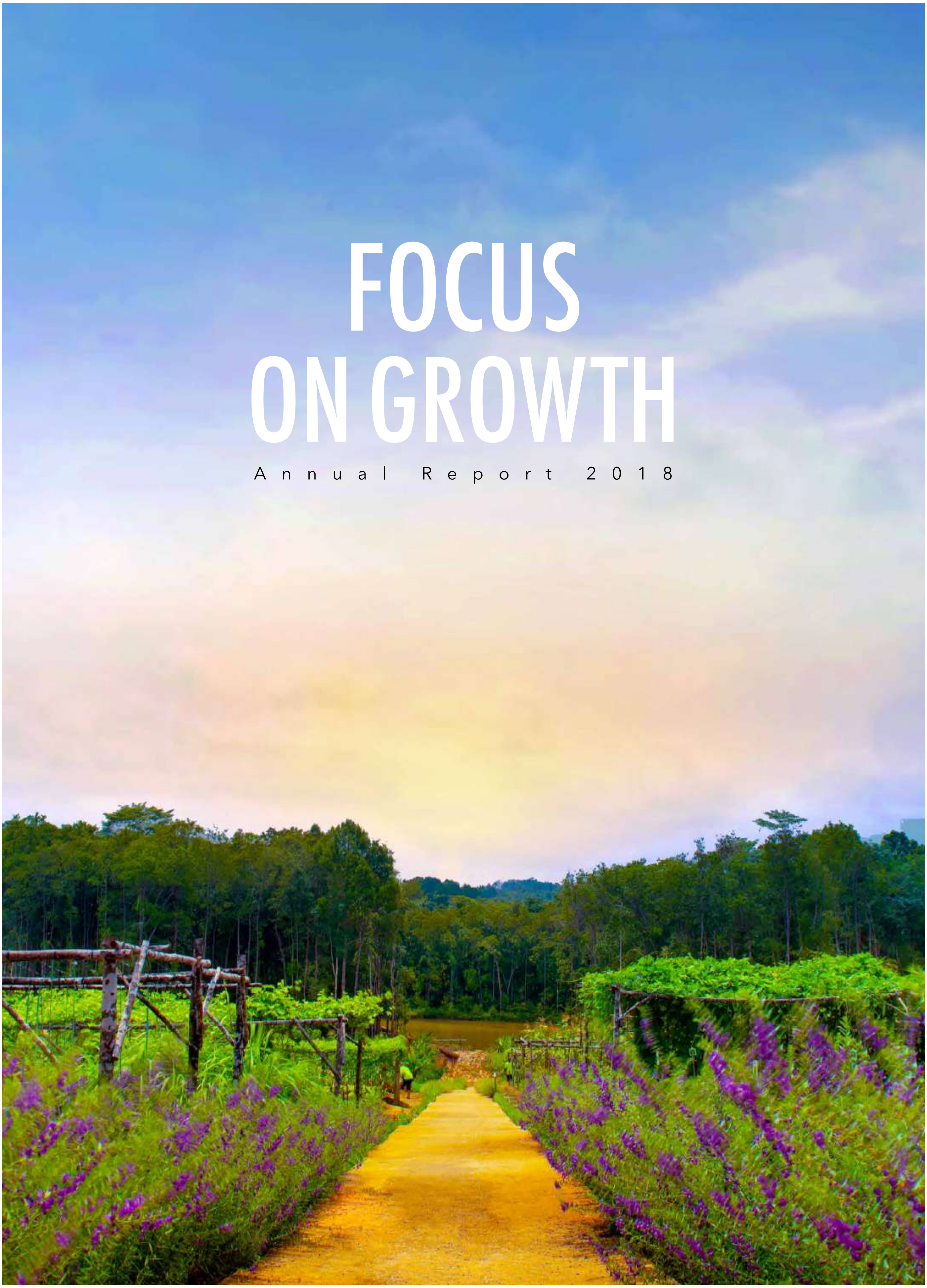
LANDMARKS

LANDMARKS BERHAD (185202 H)



FOCUS ON GROWTH

Annual Report 2018

9 Key Pillars of Treasure Bay Bintan

1

Wellness

2

Active Lifestyle

9

Yachting Community

8

Mangrove Nature Park

Sports

Wide-ranging Attractions

Community Living

Luxurious Living

Organic Farm

"SEEKING TO INSPIRE AND EMPOWER PEOPLE TO ACHIEVE LONGEVITY"

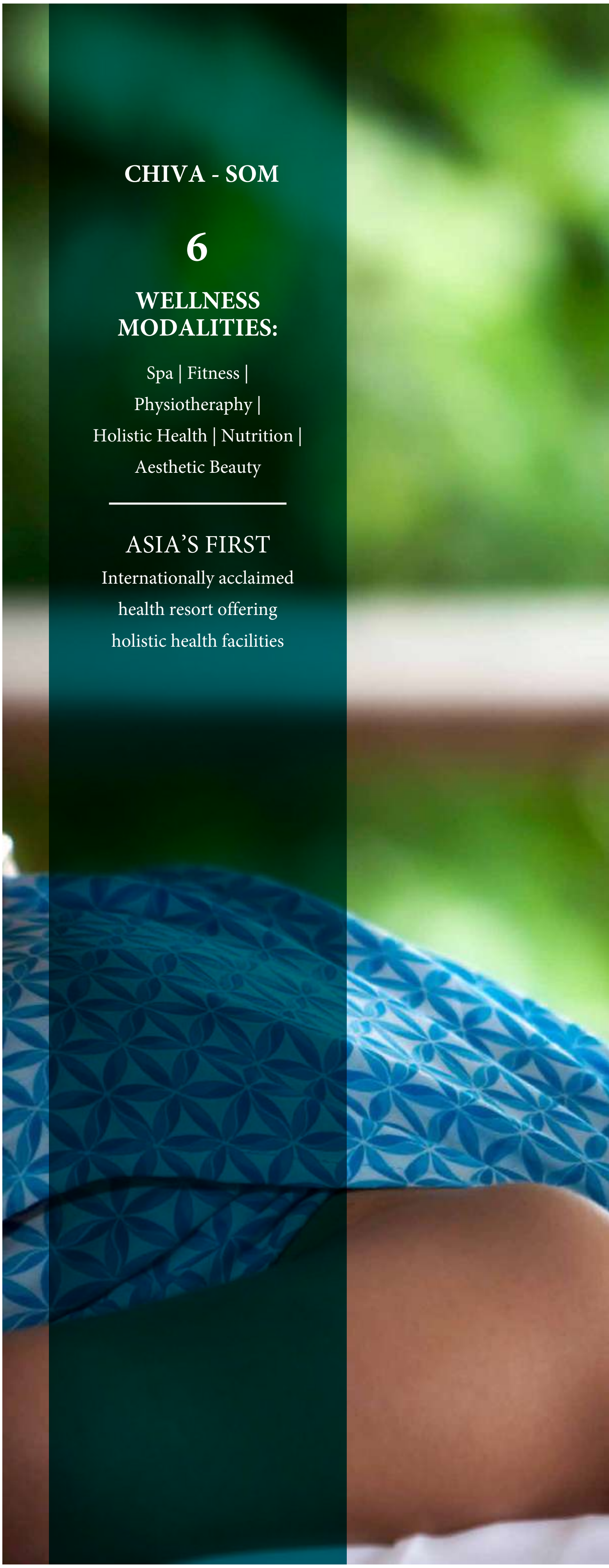
Bringing you Health & Wellness

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.

V INTEGRATED WELLNESS

Offering a holistic whole person approach, V Integrated Wellness blends innovative and integrative tools with traditional healing techniques, helping guests cultivate their life force or chi to attain wellness at all levels through a more conscious way of living.



CHIVA - SOM

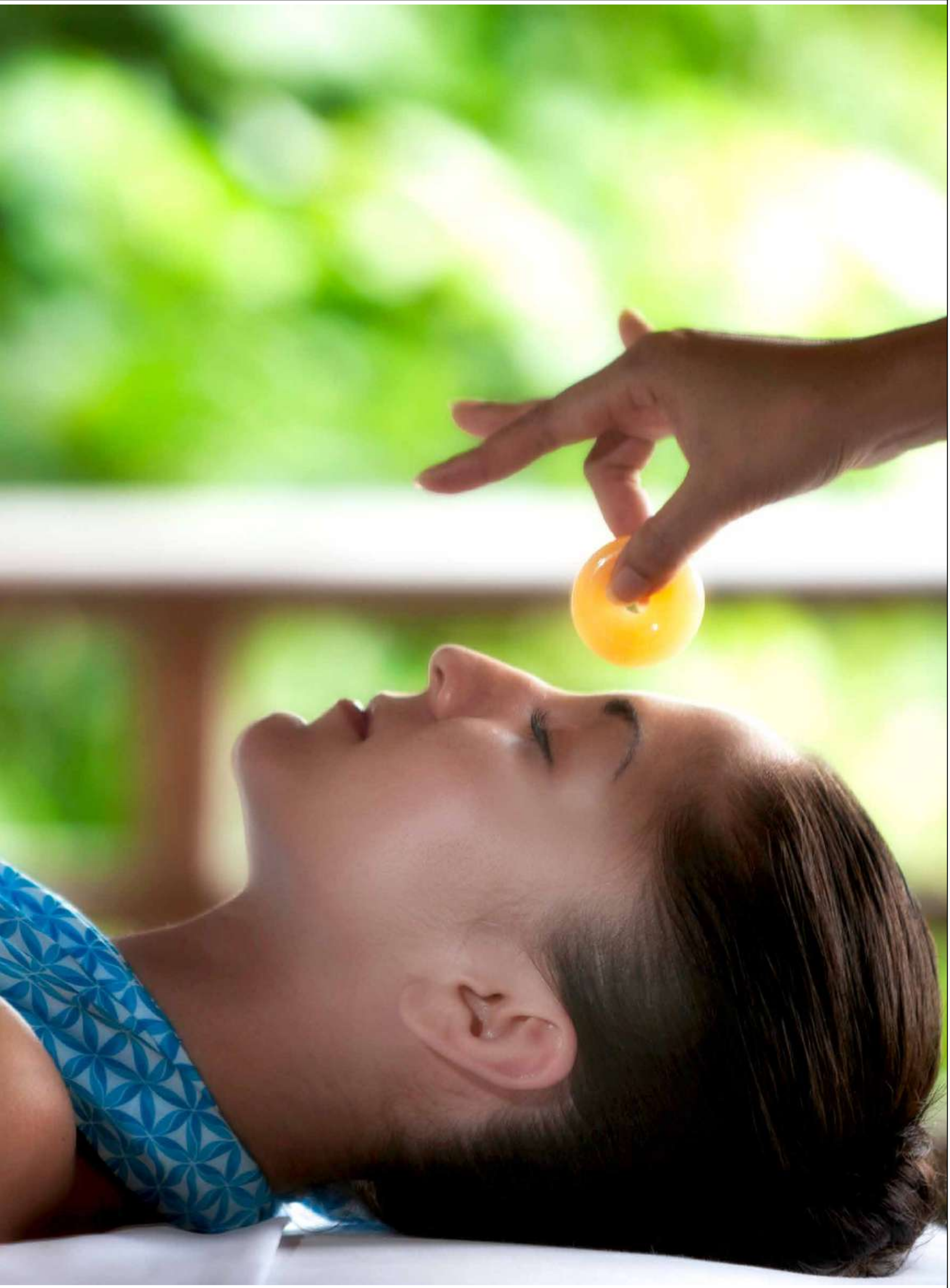
6

WELLNESS MODALITIES:

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

ASIA'S FIRST

Internationally acclaimed health resort offering holistic health facilities



"INTEGRATE WELLNESS BY PROVIDING HEALTHIER EATING OPTIONS TO GUESTS AND RESIDENTS"

Discover the World through Food

ORGANIC FARM

One of Treasure Bay Bintan's missions is to integrate wellness with sustainable operations which incorporates the experience of clean air, water and food. Organic farming is one of the drivers to provide a safe and high-quality food source for the community living in Treasure Bay Bintan.

V HEALTHY CUISINE

Celebrating and honouring sustainability and fair trade, V Healthy Cuisine offers the freshest possible macrobiotic, vegetarian, vegan and gluten free meals to suit guests' health and preference. Ingredients are locally sourced, some even harvested from the herb garden at The Andaman.

ORGANIC FARM
Located at
BINTAN INDONESIA

certified by International Federation of Organic Agriculture Movements

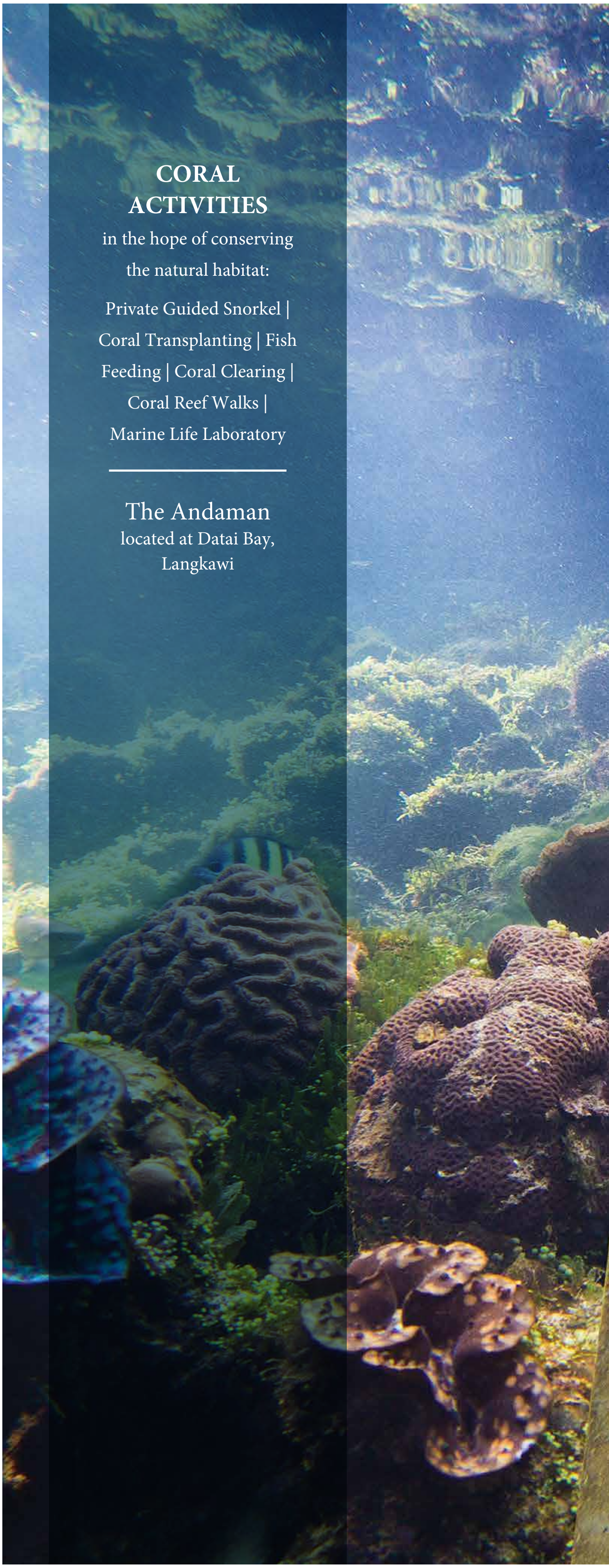
“CORALS ARE GROWN IN A CORAL NURSERY FOR TRANSPLANTATION AT DATAI BAY”

Rehabilitating Nature

CORAL CONSERVATION, THE ANDAMAN

The coral reef at Datai Bay is a unique offering at The Andaman. To restore and to rehabilitate the coral reef damaged by the tsunami in 2004, corals are grown in a Coral Nursery for transplantation at Datai Bay.

A Marine Life Laboratory was opened in collaboration with universities for students to undertake research as well as increase their understanding of coral reef ecosystems and effective artificial reef management.



Located within
TREASURE BAY BINTAN

A 60 hectares
mangrove forest
to protect and manage

"INTEGRATE WELLNESS BY PROVIDING A NATURAL LIVING ENVIRONMENT TO GUESTS AND RESIDENTS"

Provide Protective Greenbelts along Coastlines

MANGROVE FOREST

Mangrove forests 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.

what's inside

CEO's Management Discussion and Analysis

2018 has been a progressive and rewarding year for the Group. Turnaround strategies have been successfully implemented this year to achieve net operating cash flow for the Group for the first time since embarking on our Treasure Bay Bintan project. The Group registered revenue of RM109.1 million for financial year 2018, an increase of 5% over that recorded for 2017. This was attributed to better operational performances from The Andaman, A Luxury Collection Resort and V Integrated Wellness ("The Andaman") in Langkawi and Treasure Bay Bintan.

I am deeply appreciative of the support I have received from our team and colleagues and for all the hard work put in to achieve this milestone especially in the developments for Treasure Bay Bintan. Even though the positive operational cashflow for 2018 is not substantial, the Board and Management are certain that with the ongoing developments and planned projects to come, Landmarks is going to see improved financial results from here onwards. To keep the momentum going, I will ensure that we will continue rolling out new products, streamlining our operational efficiency and cost structure.

Malaysia

The Andaman in Langkawi continues to show great performance and returns. The Andaman contributed RM30.4 million to the Group's gross operating profit in 2018.

The Andaman remained as the main driver of the Group's revenue in 2018, contributing RM77.9 million or approximately 71.5% of the Group's revenue as compared with RM77.2 million or 74.4% in 2017. The Management continues its aggressive marketing strategy focusing on the European market which has returned favourable results. The Andaman achieved an Average Occupancy Rate ("AOR") of 75% in 2018 when compared with 77.9% for 2017. However Average Room Rate ("ARR") improved by 7.8% as compared with 2017.

Both The Andaman and V Integrated Wellness have received International Awards as follows:

- World Luxury Spa Awards - Best Luxury Jungle Resort Spa - Global Winner
- World Luxury Spa Awards - Best Luxury Eco Spa - Continent Winner
- World Luxury Spa Awards - Best Unique Experience Spa - Country Winner
- Haute Grandeur Global Awards - Best Eco Spa in Asia
- Haute Grandeur Global Awards - Best Boutique Spa in Malaysia
- Haute Grandeur Global Awards - Best Signature Spa Treatment in Malaysia (Journey Through Wellness)
- Global Health & Pharma: Wellness Retreat of the Year 2018 - Langkawi
- Global Luxury Hotel & Spa Awards: Most Outstanding Luxury Spa Retreat 2018 - Malaysia
- Trip Advisor 2017 Certificate of Excellence - Best Attractions in Langkawi
- Marriott International Luxury Brand Awards - The Most Improved Resort - Global Winner
- Marriott International Luxury Brand Awards - The Best Spa - Global Winner
- Marriott International Luxury Brand Awards - The Best Beach - Global ranked 5th

The Andaman will continue to perform well in 2019. The Management will continue to focus on its Andaman 2.0 strategic plan, concentrating on three main pillars, i.e., the rainforest, the corals and the wellness programmes by V Integrated Wellness. The weak Ringgit will remain an opportunity for The Andaman to enhance its pricing strategy further.

Barring unforeseen circumstances, we do not foresee any major risk affecting The Andaman other than outbreak of disease such as SARS, interest rate fluctuation and uncertainties from the Malaysian political situation.

The Andaman, Langkawi

GROUP REVENUE

RM109.1 million

Indonesia

Treasure Bay Bintan, our destination development in Bintan is gaining mass and momentum. We are beginning to reap the benefits from the products that we have implemented so far. The new and unique products lined-up in the course of next 12 to 24 months will further improve our bottom line for the years to come. With the strategic geographical location, i.e., 45 km from Singapore, 28 km from Batam and 25 km from Johor Bahru, and the Kijang International Airport at Bintan, Treasure Bay Bintan will be poised to be the next tourist destination in Asia with the following strategic landscaping and natural attributes:

- ✓ A 6.3 hectares of Crystal Lagoon featuring water attractions
- ✓ A 60 hectares mangrove in a pristine nature for exploration
- ✓ 3,000++ islands and islets surrounding Kepulauan Riau province to sail to
- ✓ Our Resort development is strategically located at the entrance of Teluk Sebong Bay which is the only protected bay from the monsoons and is next to the Bintan Ferry Terminal with its CIQP

Treasure Bay Bintan's contribution to the Group revenue has increased to RM31.1 million or 28.5% which was an increase of approximately 2.9% as compared with RM26.6 million in 2017. This was mainly due to the higher ARR for The Canopi, which recorded an increase of 10% when compared with 2017. This was also coupled with an increase of revenue contribution from attractions and entrance fees by 3.7% compared with 2017. The Canopi contributed 73% of the total revenue with the remaining 27% from attractions and entrance fees.

We will be organising more events and activities to increase visitorship to Treasure Bay Bintan. Footfall at Treasure Bay Bintan for 2018 was about 222,000, an increase of 9.0% compared with the corresponding period in 2017. Average spend per visitor has increased by 7.5% in 2018 when compared with 2017. We are targeting the footfall to continue to grow in 2019 to 330,000 visitors with the introduction of new offerings, events, activities and opening of a new 100 tents resort named Anmon in the 2nd quarter during the year to increase revenue.

The Canopi remained very popular among the Singaporeans which make up approximately 75% of The Canopi's guests. It has achieved an AOR of 74.1% with an ARR which has increased by 9.0% for 2018. The Canopi has gained a lot of positive publicity and has started to attract regional guests from Jakarta, China and India. The Canopi has undergone a physical upgrading of its facilities for rebranding into a 5-Star resort named, "The Canopi, A Tribute Portfolio Resort by Marriott," in February this year. Since the rebranding exercise, The Canopi has been performing well.

We do not foresee any major risk affecting The Canopi other than outbreak of disease such as SARS, fires and uncertainties from the Indonesian political scene and changes on the country's laws and regulations. Firefighting measures and crisis management plans are in place to mitigate this risk.

We have set up a mangrove and sea sport division with special focus on the preservation and promotion of the mangrove within our land. Lots of sea sports and mangrove exploration activities and programmes such as kayaking, mangrove board walk, tour to Organite energy centre will be curated to attract and at the same time to educate visitors on the importance of maintaining mangrove swamps as part of the coastal ecology. The Group is committed to its mangrove preservation plan within its land.

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. We are actively looking for investors to jointly develop new resorts and offerings. The slow economy and investment risk in Indonesia will be the two main risks affecting the Group in the securing of investors.

The Group plans to roll out more projects in Treasure Bay Bintan. The projects lined up will be as follows:

Marine Life Discovery Park

Our Marine Life Discovery Park is scheduled to be ready by last quarter of 2019. The Management expects this product to complement the Crystal Lagoon and other current attractions by significantly enhancing the product offerings of Treasure Bay Bintan.

Operation, maintenance and sustaining of the marine life at the park will be the main operation risk which the management is focusing on. Other than that, at all times, guests and staff safety remains one of the main areas of concern for the Management. Safety measures and crisis management plans have been put in place to mitigate this risk.

Anmon Resort

With new attractions adding more footfalls, leading to increased demand for rooms, the Management has also planned Anmon Resort to boost the glamping resort theme. This is a new glampling cluster of "Tee Pees" with 100 keys to increase the new inventory of Treasure Bay Bintan Glamping City. The Anmon Resort is expected to be operational by 2nd quarter 2019.

Chiva-Som Health Retreat Bintan – Specialty Resort

A major pillar of Treasure Bay Bintan's theme is Wellness encompassing active lifestyle, fresh air, clean water and clean food. Treasure Bay Bintan has secured collaboration and cooperation to work together with Chiva-Som, Hua Hin, Thailand, a health retreat resort operator that has won many best spa resort awards in the world. Alongside this Chiva-Som Bintan project, Treasure Bay Bintan in support of this retreat project has also allocated 100 acres for Organic Farming to produce organic food for self-consumption.

Chiva-Som Bintan will feature the following:

Phase 1 – Starting construction 3rd Quarter 2019

70 Suite Rooms Resort

- All-day Dining Restaurant
- Organic Farm to Table Restaurant
- Asian Specialty Restaurant

State-of-Art Wellness Centre

that provides diagnostic management of posture structure, flexibility of muscles, balancing, physical training, detox, weight management, sports injury, stress management, fusion of East and West treatments and ultimately covering body, mind and soul wellbeing.

Phase 2 – After completion of the resort and wellness centre

Chiva-Som Villas

It will comprise 43 units in 5 variants of residential villas, adorned by a cascading lake of over 6 hectares.

This Chiva-Som Bintan project is designed by Jean-Michel Gathy of Denniston. Phase 1 project completion is 1st Quarter 2022. Chiva-Som Bintan project has secured USD85.6 million funding. The fluctuation of interest rate remains the main risk for the development of Chiva-Som Bintan.

New Luxury Resort

A new 80 keys luxury resort has also been planned for our mangrove area and work is expected to start in 3rd Quarter 2019.

This resort will feature land, lake and mangrove with some floating and on water accommodations as our next key resort offerings at Treasure Bay Bintan.

All the projects of Treasure Bay Bintan, except for Chiva-Som Resort's funding of USD85.6 million, have been internally self-funded by Landmarks. The Management is of the view that in year 2019, a rationalisation of financial repositioning needs to be made in order to maximise the yield potential with cost rationalisation and revenue planning together with modest gearing to be put in place.

The Group will not be declaring any dividend for 2018 as there is a need to conserve its cash resources for its continuing development and capital expenditure expansion plan for Treasure Bay Bintan.

Conclusion

The Management has and will continue to put in place strategic plans to enhance the competitive position of both Treasure Bay Bintan and The Andaman. We therefore expect the Group to be able to record further improvement of our business operations in 2019. We hope that the improving financial position of the Group will be similarly reflected in the value of our Company's shares.

I would like to record our appreciation to our shareholders, customers, business associates and financiers for their continued support and confidence in the Group. I would also like to thank the Board of Directors, the management and staff for their dedication and hard work to return us to profitability and to achieve the objectives of the Group.

MARK WEE LIANG YEE
Executive Deputy Chairman &
Chief Executive Officer

Corporate Information

BOARD OF DIRECTORS

TAN SRI ZAKARIA BIN ABDUL HAMID
Chairman
Non-Independent Non-Executive

MARK WEE LIANG YEE
Executive Deputy Chairman
& Chief Executive Officer

ROBIN TAN WEE HOONG
Executive Director

DATO' ABDUL MALEK BIN ABDUL HAMID
Non-Independent Non-Executive

BERNARD CHONG LIP TAU
Independent Non-Executive

JOHN KO WAI SENG
Independent Non-Executive

DATO' SRI RAMLI BIN YUSUFF
Independent Non-Executive

CHIN MUI KHIONG
Independent Non-Executive

AUDIT AND RISK MANAGEMENT COMMITTEE
Bernard Chong Lip Tau
Chairman
Dato' Abdul Malek bin Abdul Hamid
John Ko Wai Seng

NOMINATING 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
Bernard Chong Lip Tau
Chin Mui Khiong

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

PRINCIPAL BANKERS
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Export-Import Bank of Malaysia Berhad
CIMB Bank Berhad

SHARE REGISTRAR
Tricor Investor &
Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
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Fax : 03-2783 9222

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KPMG PLT
Level 10, KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor, Malaysia
Tel : 03-7721 3388
Fax : 03-7721 3399

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
General Manager, Group Public Relations &
Marketing/Group Head of Wellness

Lim Kian Guan
Senior Manager, Finance

TREASURE BAY BINTAN

Ong Jiin Shan
General Manager, Projects Development

Jimmy Tan Khiam Siew
Head of Attractions

Pardianawati
Director of Human Resources & Admin

Christopher Royston Spencer
Head of Operations

THE CANOPI BINTAN

Laurens Kritzinger
General Manager

THE ANDAMAN

Carlos Tarrero Letona
General Manager

TAN SRI ZAKARIA BIN ABDUL HAMID

Chairman, Non-Independent Non-Executive Director

MALE | MALAYSIAN | 75

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 Nominating Committee and Remuneration Committee of the Company. He is the Chairman of the Board of Directors 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 bodies during the financial year.

MARK WEE LIANG YEE

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

MALE | MALAYSIAN | 52

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. He is not a member of any Board Committee of the Company. He is a member of the Board of Governors of STEC Kidney Foundation. He has no 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 bodies during the financial year.

ROBIN TAN WEE HOONG

Non-Independent Executive Director

MALE | MALAYSIAN | 58

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, Victoria, Australia.

Mr Robin Tan has more than 25 years' experience in capital markets, corporate advisory and finance, particularly in Malaysia and Singapore. He has worked for renowned Malaysian as well as regional securities houses including RHB Bank Berhad and Kay Hian HSBC (now known as UOB Kay Hian). During his stint as the Director of Research at various securities houses, Mr Robin Tan was consistently recognised as among the top equity analysts in Malaysia by respected financial journals such as Asiamoney in the 1990s.

Mr Robin Tan is not a member of any Board Committee of the Company. He is an Independent Non-Executive Director of Omesti Berhad. He has no other directorship in public or public-listed companies.

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.

DATO' ABDUL MALEK BIN ABDUL HAMID

Non-Independent Non-Executive Director

MALE | MALAYSIAN | 70

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. 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 of the Company. He is a member of the Board of Governors of STEC Kidney Foundation. He has no directorship in public or public-listed companies.

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 bodies during the financial year.

BERNARD CHONG LIP TAU

Independent Non-Executive Director

MALE | MALAYSIAN | 67

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.

Mr Bernard Chong 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 Nominating Committee and Remuneration Committee of the Company. He has no directorship in public or public-listed companies.

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 bodies during the financial year.

JOHN KO WAI SENG

Independent Non-Executive Director

MALE | MALAYSIAN | 68

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 has resumed legal practice under an associateship with Messrs Battenberg & Talma, Advocates, Kuching on 1 January 2019.

Mr John Ko is a member of the Audit and Risk Management Committee and Nominating Committee of the Company. He is a member of the Board of Governors of STEC Kidney Foundation. He has no directorship in public or public-listed companies.

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 bodies during the financial year.

DATO' SRI RAMLI BIN YUSUFF

Independent Non-Executive Director

MALE | MALAYSIAN | 67

Dato' Sri Ramli bin Yusuff was appointed to the Board on 27 October 2017 as an Independent Non-Executive Director. He holds a Bachelor of Law (Honours) from International Islamic University, Malaysia and a Master of Laws from University College of London, United Kingdom.

Dato' Sri Ramli has served in various departments of the Royal Malaysian Police for 38 years, including as Officer-in-Charge of Sarawak Criminal Investigation Department ("CID"), Deputy Director of Bukit Aman CID, Sabah Police Commissioner, Pahang Chief Police Officer and Director of Bukit Aman Commercial Crime Investigation Department with the rank of Commissioner of Police. He was appointed the Deputy Chairman/Non-Independent Non-Executive Director and a member of the Audit Committee of Ho Hup Construction Company Berhad in 2010 until his retirement in 2014. He is presently the senior partner in his legal firm, Ramli Yusuff & Co and Executive Chairman of Ramli Security Sdn Bhd. He is also the Chairman of Ho Hup Jaya Sdn. Bhd. He was recently appointed by the Malaysian Government as one of the members of the Prevention of Terrorism Board, Ministry of Home Affairs, Malaysia, set up under the Prevention of Terrorism Act 2015.

Dato' Sri Ramli is not a member of any Board Committee of the Company. He is currently the Deputy President of the Asian Professional Security Association Malaysian Chapter and also the Deputy President of the Security Services Association of Malaysia. He has no directorship in public or public-listed companies.

Dato' Sri Ramli 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 bodies during the financial year.

CHIN MUI KHIONG

Independent Non-Executive Director

MALE | MALAYSIAN | 64

Mr Chin Mui Khiong was appointed to the Board on 27 October 2017 as an Independent Non-Executive Director. He is a Fellow of The Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

Mr Chin Mui Khiong has more than 35 years of professional experience in the areas of audit and business advisory services and was a Partner of Ernst & Young from 1997 until his retirement in June 2015. He has served as the Partner-in-charge of a number of companies listed on Bursa Malaysia Securities Berhad, as well as private and quasi-government corporations, which include industries such as manufacturing, plantation, banking, construction, transportation, hotel, hospital, education, stockbroking, unit trust and government agencies.

Mr Chin is a member of the Remuneration Committee of the Company. He is an Independent Non-Executive Director of Cahya Mata Sarawak Berhad, Hubline Berhad and Supreme Consolidated Resources Berhad. He has no other directorship in public or public-listed companies.

Mr Chin 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 bodies during the financial year.

FONG CHEE KHUEN

Group Chief Operating Officer & Chief Financial Officer

MALE | MALAYSIAN | 48

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 was concurrently appointed the Chief Financial Officer of the Company on 24 January 2017. He is responsible for managing the hospitality operations as well as the financial functions of the Group. He holds an honours degree in Accountancy and a Master 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 bodies during the financial year.

Group Financial Highlights

	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000
GROUP ASSETS					
Property, Plant & Equipment	**1,332,133**	1,321,246	1,339,017	1,346,209	1,328,100
Intangible Asset	-	-	-	131	386
Inventories/Property Development Cost	**774,059**	778,772	778,900	781,856	787,997
Investments in Associates	-	-	70,462	66,547	57,407
Other Investments	**2,085**	2,085	1,885	1,885	1,040
Deferred Tax Assets	**350**	350	350	350	1,631
Net Current Assets	**180,579**	170,926	75,175	112,439	142,549
	2,289,206	2,273,379	2,265,789	2,309,417	2,319,110
FINANCED BY					
Share Capital	**734,811**	734,811	480,810	480,810	480,810
Share Premium	-	-	218,272	218,272	218,272
Fair Value Reserve	-	1,260	1,260	1,260	415
Share Option Reserve	**3,781**	2,349	2,249	2,526	2,358
Translation Reserve	**(7,257)**	168	13,155	12,161	(2,152)
Retained Earnings	**966,714**	1,000,502	1,030,093	1,057,760	1,069,534
Non-Controlling Interests	**1,373**	1,373	1,373	1,373	1,224
Loans And Borrowings	**124,016**	69,222	57,430	70,183	79,855
Deferred Tax Liabilities	**465,768**	463,694	461,147	465,072	468,794
	2,289,206	2,273,379	2,265,789	2,309,417	2,319,110
RESULTS					
Loss Before Tax	**(34,373)**	(26,104)	(30,766)	(14,045)	(6,414)
Tax (Expense)/Credit	**(3,024)**	(3,722)	2,822	1,987	1,100
Loss for the year	**(37,397)**	(29,826)	(27,944)	(12,058)	(5,314)
Loss Attributable to Equity Holders	**(37,397)**	(29,826)	(27,944)	(12,058)	(5,314)
Profit Available for Appropriation	**966,714**	1,000,502	1,030,093	1,057,760	1,069,534

Sustainability Statement

The Board of Directors of Landmarks Berhad has always been mindful in integrating economic, environment and social ("EES") risks and opportunities into its strategies to ensure the Group's activities benefit its stakeholders, particularly to the economies and communities where it operates.

REPORTING PERIOD AND SCOPE

This statement covers the financial year ended 31 December 2018 encompassing the Group's hospitality activities at The Andaman, our luxury hotel at Langkawi, and Treasure Bay Bintan ("TBB"), our flagship hospitality and wellness destination being developed at Bintan, Indonesia. The activities at TBB comprises The Canopi, a tented luxury glamping resort, and Chill Cove, an activity hub surrounding the Crystal Lagoon. There are no other significant business operations of the Group to be included in this statement.

GOVERNANCE STRUCTURE

The Board of Directors has ultimate responsibility to ensure that EES risks and opportunities are evaluated and that internal control policies and procedures are in place to safeguard compliance and to protect the Group's assets. The Group's sustainability performance and management is under the purview of the Chief Executive Officer, reporting to the Board, and the Chief Operating Officers, who are responsible for implementing the strategies in the respective business units.

STAKEHOLDERS

As a responsible corporate citizen, the Group's goal is to operate its businesses in a responsible manner whilst advancing the interests of its stakeholders. The primary stakeholder groups that have been identified are investors, guests, employees, suppliers and the local communities where the Group operates.

The mechanisms that the Group uses to deliver its sustainability strategy include policies, management systems, audits and codes of conduct, amongst others.

MATERIAL SUSTAINABILITY ISSUES

The material sustainability issues of the Group have been identified as follows:

ECONOMIC

- **Guest Engagement**
- **Guest Safety & Security**
- **Procurement**
- **Community Investment**

ENVIRONMENTAL

- **Water & Energy Consumption**
- **Managing Waste & Effluents**
- **Biodiversity & Conservation**

SOCIAL

- **Occupational Safety & Health**
- **Diversity & Equal Opportunities**
- **Training & Development**
- **Employee Wellbeing**

ECONOMIC

Our guests' experience is our utmost priority in the hospitality business. We aim to provide our guests with excellent service in a safe and secure environment for them to experience our resorts and the activities that we offer. Additionally, our procurement practices and community investment are areas which give the Group opportunities to bring about economic development and benefit the local communities in the locations where we operate.

GUEST ENGAGEMENT

The Andaman was recognised as having delivered outstanding guest experiences by achieving the most improved resort amongst The Luxury Collection resorts as well as all luxury brands managed by Marriott International ("Marriott") worldwide. Guest Voice, a measure of guests' intention to recommend the resort, improved by 16.0 points from 60.3 in 2017 to 76.3 in 2018 for The Andaman. Staff service quality was a major contributor to the improvement of Guest Voice in 2018. In terms of amenities, V Integrated Wellness at The Andaman was recognised globally as the Best Spa amongst all the Marriott resorts. The beach at the resort was also rated as the 5th best globally.

In 2018, The Canopi at TBB was awarded the Gold Circle Award by Agoda, a leading online travel booking platform. The award recognises outstanding customer excellence based on peer-to-peer customer online reviews as well as the hotel's competitive pricing and availability. The award gives guests a clear indication of high service quality to be expected when they book with The Canopi, which was one of the 133 winners in Indonesia. It is indeed a significant achievement for The Canopi 3 years after its opening. We strive to continue to provide excellent service to our guests at The Canopi with its re-branding as a Tribute Portfolio resort managed by Marriott from February 2019 onwards.

The Group recognises that to continue providing excellent service quality to guests, competent service staff has to be recruited and provided with regular training to maintain consistent quality standards to our guests. Staff training is therefore crucial to uplift and maintain service standards at our resorts. We are assured that our guests would be able to enjoy the international Marriott brand and quality standards at our resorts.

The Andaman, Langkawi

GUEST SAFETY & SECURITY

Fire Life Safety

Both The Andaman and TBB undergo an annual fire life safety audit and inspection by the respective local Fire Department. The Emergency Response Team ("ERT") at both resorts are provided with regular fire life safety training. TBB also has a contract with Bintan Resorts, the master developer at Bintan, for assistance in fire life safety training and issues. In addition to the ERT, certified first aiders and first aid training are provided to employees at The Andaman. Apart from this, mock fire drills and table-top exercises are held regularly to ensure readiness in case of emergencies.

Food Safety

Both our resorts place strong emphasis in ensuring the highest level of food safety to mitigate the risk of guests' exposure to food poisoning. Maintaining standards in storage, handling and preparation of food items are essential elements to manage food safety risks. A Hygiene Manager at The Andaman is responsible to conduct a monthly food safety walk around in compliance with Marriott's food safety management system, a system based on HACCP standards. The Andaman is also subjected to audit from the Ministry of Health for hygiene standards compliance and this is conducted once in 2 years or as required by the local law. The Executive Sous Chef at The Canopi is a HACCP certified trainer who conducts regular training for the kitchen staff and food handlers. Health inspections are also undertaken by the local authorities. Employees who handle food are required to undergo compulsory training in food safety, hygiene and sanitation as well as be vaccinated against typhoid.

Guest Security

The security teams guard our resorts 24 hours a day with regular patrolling to safeguard our guests as well as provide assistance during emergencies. Surveillance systems such as CCTVs are regularly checked to ensure its effectiveness. The security teams are provided with regular training to ensure they are kept current to manage various emergencies.

As both our resorts have access to beaches and water-based activities, we have ensured that employees trained and certified in water life-saving skills are deployed to manage the said activities.

Data Privacy

The Group is committed to respecting the privacy and safeguarding of personal information of our guests. Private information of our guests is only accessible to employees who require such information in the course of their work. Data protection systems, including strong firewalls, and processes have been put in place to manage data security risks. Our Company is not aware of any data security breach of our guests' private information in 2018.

Food being prepared at The Canopi, Treasure Bay Bintan

PROCUREMENT

The Group's two business units, The Andaman and TBB, are located in Langkawi, Malaysia and Bintan, Indonesia, respectively. Both resorts are located on islands and it makes economic sense to source for goods and services from local suppliers as far as possible, for cost efficiency and timeliness of deliveries.

During the year, The Andaman procured about 45% of its operational goods and services from local suppliers in Langkawi. This was a reduction of 5% compared with 2017, due principally to cost savings from purchases of food and beverages. The main items purchased from local suppliers comprise food and beverages, engineering and maintenance services, event management services, kitchen supplies, and other operating supplies and equipment. As Langkawi is principally a tourism destination, the opportunities to improve local procurement is limited to supplies of operational goods and services.

Local sourcing of goods and services for TBB amounted to about 65% in 2018, mainly for operational requirements such as fresh food and beverages, hotel amenities, office equipment and stationery, local transport services, staff uniforms, diesel and gas, medical supplies and general store items. Local entrepreneurs have been invited to operate food stalls, convenience stores, souvenir shops and other retail activities in Chill Cove, TBB. This initiative serves to raise the socio-economic status of the people in Bintan and share the benefits with them by creating jobs, developing skills and encouraging enterprise. TBB is however, a new destination being developed by the Group located in a tourism area with limited supply of capital goods, technical services and related commercial activities. Hence, much of the procurement, especially for capital goods and services for resort development and recreational activities, is still being sourced from Singapore, China and other parts of Indonesia for cost efficiencies and the availability of a wider range of supply.

COMMUNITY INVESTMENT

The Group recognises that mutual growth of the communities where we operate is key to its success. As part of the community outreach programme, The Andaman and TBB have organised various community programmes at their respective locales.

As a good corporate citizen, The Andaman has put in place a programme to engage with the local community in Langkawi. Employees at The Andaman have volunteered to fix wash basins at the Rumah Nur Kasih, an orphanage in Langkawi that The Andaman works with. New uniforms costing RM2,500 were also provided to 30 students and teachers at the orphanage. On 24 August 2018, some areas in Langkawi were affected by a typhoon which required 200 persons from 43 families to be evacuated to a school. The resort supplied dry food valued at RM1,300 to the victims as well as sponsored the meals for the victims on 2 September 2018 costing RM3,000. Fifteen employees also volunteered to clean up the homes of the victims after the typhoon. A blood donation drive was held on 18 September 2018, collecting 50 bags of blood from employees for the Blood Bank of Langkawi Hospital. In conjunction with the 103rd anniversary celebration of the Langkawi Hospital, The Andaman prepared and donated 50 brunch boxes for students who had a field trip to the hospital. Marriott has, since 1995, worked on annual projects in partnership with UNICEF in the Check Out for Children programme. Guests at The Andaman may donate USD1.00 on check out to this initiative. In 2018, a total of approximately RM23,865 was collected and forwarded to UNICEF for its projects under the programme. This was however, a reduction from RM35,000 collected in 2017.

To promote the mutual growth of the community in Telok Sebong District, Bintan where TBB is located, various events and activities have been organised in 2018. On 20 August 2018, in conjunction with Eid Adha Qurban, 8 goats were donated to the villages in Telok Sebong District with contribution of RM5,000 from TBB and RM2,000 from staff. On 31 October 2018, TBB collaborated with Bintan Resorts in their Corporate Social Responsibility programme Kasih Sayang, where 58 students from the district were invited to visit Bintan Resorts for a day's journey to the resorts in Lagoi comprising team building activities and career insight. The purpose of the Kasih Sayang programme is to familiarise students in junior high school for careers in the hospitality industry with visits to Front Office, Housekeeping, F&B Service, Kitchen and Engineering. The cost of this programme was approximately RM2,000.

ENVIRONMENTAL

The Group is conscious of its responsibility to manage the impact that its business activities have on the environment and is committed to continuously improve its environmental performance. The restoration and conservation of the particular natural attributes at the places it operates remained high on the business agenda.

The Group's business activities in the hospitality industry consumes substantial amounts of water and energy. Added to that, non-hazardous and organic wastes are also constantly being generated from its operations. Recognising the effects these have on the environment, various practices have been implemented to reduce water and energy consumption as well as waste management.

WATER & ENERGY CONSUMPTION

At The Andaman, various initiatives have been implemented to reduce water usage. Large earthen jars are used to collect rain and stream water for guests to wash sand from their feet upon returning from the beach before entering the resort premises. Rain water is also harvested for watering garden plants around the resort and washing of floors.

To enhance energy efficiency, The Andaman has replaced all lighting in the lobby, main building, guest rooms, bathrooms, corridors and public toilets from halogen bulbs with energy-saving LED bulbs. All outdoor lighting at the resort has been replaced with LED bulbs. The next phase is to replace the conventional fluorescent tubes in the back office areas with LED bulbs. Lighting schedules at The Andaman have been pre-programmed to reduce electrical loads during the day to further reduce the use of energy. Air-conditioning in meeting rooms are set on programmable timer whilst temperatures are centrally controlled in accordance with the meeting schedules. The temperatures at guest rooms are also set to a minimum of 22°C for optimum energy usage. Battery-powered green buggies are used to transport guests from the hotel lobby to the spa which reduces the use of fuel. To reduce water and energy usage, a linen and towel reuse programme card is left in all guest rooms to encourage participation by the resort guests. Eco-friendly bags of bamboo charcoal are also used as a natural dehumidifier and deodoriser in guest rooms. The Andaman has also participated in the Earth Hour every year since 2010 to be in solidarity with the global business community to reduce energy consumption and support strategies that will help reduce the effects of global warming.

The Andaman has also invested in an energy efficient heat machine system for the supply of hot water to guest rooms. Laundry operations in the hotel of washing, drying and ironing is a major consumer of energy. Both the electric dryer and flat iron systems at The Andaman have been converted to gas systems, which reduces the usage of electricity. Feasibility tests are ongoing to replace dry liquified gas to liquid gas to further reduce energy costs. An old and underperforming chiller has also been replaced to further reduce energy and water usage.

With the efforts put in by The Andaman to reduce the use of water and energy resources, the consumption has decreased in 2018, albeit not significantly, as follows:

Total Water Consumption

2018: 155,411m^3

(2017: 160,708m^3)

Consumption Per Guest

2018: 1.47m^3

(2017: 1.48m^3)

Total Electricity Consumption

2018: 7,302,426kWh

(2017: 7,397,222kWh)

Consumption Per Available Room

2018: 112.40kWh

(2017: 113.86kWh)

Crystal Lagoon at Treasure Bay Bintan

The major energy action plans were completed in the second half of 2018 and the full effects of these plans on energy consumption will only be seen in 2019.

The Andaman has been recognised for its substantive efforts in environmental management and energy conservation. Based on the inspection conducted in 2017, The Andaman has been awarded the ASEAN Green Hotel Standard for 2017 – 2018 by the ASEAN Secretariat.

The Crystal Lagoon at Chill Cove, TBB, a 6.3-hectare lagoon, is South East Asia's largest sea water lagoon. Sea water is pumped from the bay and is specially filtered into crystal clear water, creating a safe environment for an extensive range of sea water recreational and sporting activities. The innovative eco-friendly technology from Crystal Lagoons® requires 100 times less chemical products than conventional swimming pools, and is sustainable and safe for the environment, allowing limited resources such as energy and water to be used efficiently. The lagoon is energy efficient and only consumes 2% of the energy needed compared with conventional filtration pools. The lagoon operates in a closed circuit that only needs to compensate for water loss caused by evaporation.

Electric bikes and buggies, and segways are provided as a recreational activity as well as an environmentally friendly form of transport within Chill Cove and The Canopi at TBB. Up to 80% of all lighting at TBB utilises LED bulbs. To further enhance the use of green initiatives and reduce usage of energy at TBB, street lighting has been designed using solar power and wind turbines as energy sources.

As TBB is still in a developmental stage with construction activities taking place, the usage of energy and water is presently not reflective as it would be in a stabilised operational stage. The Board and management are mindful to embed practices that reduce energy and water usage in the development planning of the destination.

MANAGING WASTE & EFFLUENTS

Waste management is a major concern for the communities and local authorities in the locations where we operate. Whilst we aim to reduce waste, we have also implemented measures to recycle and manage wastes generated from our operations.

At The Andaman, toxic and chemical wastes such as paint cans, and chemicals and its containers are stored outdoor to be collected by suppliers for proper disposal. The Andaman consciously sources for eco-friendly cleaning products for laundry, housekeeping and stewarding. The spa at the resort also uses natural and certified organic food grade products. Organic composting of kitchen, food and garden wastes are undertaken in a recycled pool sand filter at the resort, with the compost used for landscaping purposes. As part of waste management, the 3R Programme – Reduce, Reuse, Recycle – has been implemented at The Andaman. The various initiatives in this programme include recycling of cooking oil into bio-diesel through a third-party vendor, recycling of used soap from guest rooms to wash rags and cleaning cloths for housekeeping purposes, providing reusable bags for delivery of newspapers and laundry to guest rooms, providing recycling bins at all venues and offices in the resort for collection of recyclable items. Wood from fallen trees at the resort are recycled as menu cards, candle stands, side serving stations, place mats and display food trays at the various F&B outlets. To reduce waste from plastic bottles, filtered drinking service using glasses are provided at the poolside and the beach. Drinking

Biodegradable and eco-friendly wheat straws locally sourced from Langkawi being used at The Andaman

Coral Nursery at The Andaman

water is also provided in pitchers and writing paper at the stationery centre for meetings hosted at the hotel to reduce waste. In its efforts to reduce waste from single-use plastic straws, the resort has found biodegradable and eco-friendly wheat straws locally-sourced from Langkawi. The Andaman is the first resort in Langkawi to use these plant-based straws that are indigenous and unique since September 2018. In 2018, The Andaman collected about 12,500 kg of plastic and paper/cardboard generated from its operations which were sent for recycling to a third-party vendor.

The Andaman has invested in a waste water treatment plant which cleans sewage and water by removing solids and pollutants, breaks down organic matter and restores the oxygen content before returning it to the environment. After 4 stages of treatment, the water is almost free of harmful substances and chemicals which is then filtered through a bed of sand before being released into the mangrove swamp at the resort. The solid wastes are collected by the vendor of the treatment plant for proper disposal at the designated landfill at Langkawi.

BIODIVERSITY & CONSERVATION

Coral Rehabilitation and Conservation

The Andaman is located within an ancient tropical rainforest on the pristine sandy shores of Datai Bay, Langkawi which is home to a diverse variety of marine life and precious fringing reef said to be 6,000 to 8,000 years old. The Andaman continues to restore the coral reef damaged by the tsunami in 2004. Monthly coral cleaning activities and reef walks to educate guests and employees on the coral reef ecosystems have and continues to be a major activity at the resort. A Coral Nursery was launched in 2012 to grow corals for transplantation at Datai Bay to restore and rehabilitate the corals. Corals are grown at the nursery which are later transplanted at the bay.

On 8 June 2015, a Marine Life Laboratory ("MLL") was opened 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 encouraging guests to explore, experience and interact with the students. The MLL serves as the main research laboratory for the Artificial Reef Module System ("ARMS") which was launched in collaboration with a cement manufacturer and a Malaysian public university. On 8 June 2017, this coral conservation project was expanded by launching a Coral Garden in the ocean. The mini-ARMS were deployed at the Coral Garden for the growth of corals which will be a habitat for marine life. The number of mini-ARMS deployed in the Coral Garden has increased from 150 in 2017 to 288 in 2018. The number of corals planted at the garden has almost doubled from 1,040 in 2017 to 2,038 in 2018, which was aided by the enlarged variety of hard and soft coral species after successful growth at the nursery.

Since October 2018, The Andaman has successfully initiated a sea cucumber breeding project in the Coral Nursery. Two species of the sea cucumber have been bred at the Coral Nursery for transfer to the ocean. Sea cucumbers are vital in the marine ecosystem as a vacuum cleaner of the sea floor. The objective of this project is to increase its population at Datai Bay which is gradually being depleted due to harvesting for food and medicine by the local population.

Organic Farm at Treasure Bay Bintan

The Andaman also initiated cleaning of the Anak Datai, an extension of the beach at The Andaman, which is used for planting of corals and breeding coral fishes. The cleaning of the beach on 3 February 2018 collected more than 20 bags of rubbish.

The Andaman also offers unique teambuilding activities and events to guests 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 environmental conservation activities.

The Andaman provides non-motorised water sports activities for its guests at Datai Bay to protect the corals as fuel-based motors will cause water pollution and damage the corals.

To preserve the matured trees within the resort, there are regular inspections of the trees by a tree expert and pruning is undertaken when necessary.

Organic Farming

One of the missions of TBB is to integrate wellness with sustainable operations which incorporates the experience of clean air, water and food. Organic farming is one of the drivers to achieve this mission. Visitors will learn and participate in organic farming and the community at TBB will be able to enjoy "farm to table" dining options, providing a healthier eating option. The pilot organic farm started in 2016 and has seen more than 90 species of vegetables, fruits and herbs being planted. Its organic produce to-date are supplied to The Canopi, with excess distributed to staff. The farm was certified to be organic under the International Federation of Organic Agriculture Movements ("IFOAM") (European Union and Australia) on 13 July 2018. The IFOAM is the worldwide umbrella organisation for the organic agriculture movement which maintains an organic farming standard, and an organic accreditation and certification service.

Various sustainable practices were incorporated into the planning for this organic farm. The site was chosen to generate the best results with minimal efforts. The farm is located away from any form of industry and near to the Crystal Lagoon, and is naturally concealed yet easily accessible. The terrain has a natural gradient for drainage while effectively recycling nutrients and creating a scenic vista of the entire farm. The farm is orientated for an optimal distribution of sunlight for healthy growth, and seasonal and prevailing wind directions have been considered to provide good circulation for clean air and adequate ventilation under the tropical sun. Tapping on a natural underground stream, a natural pond has been created for stable and clean water supply all year round. In search of minimal efforts to have a suitable planting ground, soil tests were done to select the most suitable inherent soil condition. The existing secondary forests around the site provides a good natural barrier for a conducive enclave for farming to thrive and be protected. During construction, local timber and top soil were recycled in situ for immediate use for setting up.

In the design of the farm, adequate spaces, comfortable shelters, a visually pleasant work space and necessary amenities were incorporated to create a good environment for staff to learn, work and rest. The operational pattern and logistics were carefully planned to ensure an efficient workflow and safety for the staff. The design harvests in situ natural materials for structures and furniture. Structures were cleverly designed to optimise the strength of the materials, which minimises material use and wastage.

Operational staff were chosen from the local population in Bintan and provided with training and education to introduce new skills and confidence. A lesson plan has been established and will be part of the standards to train new staff. This has created awareness and jobs locally within the community. There is potential to seed and engage the local community for organic agricultural plots or animal farming outside TBB on Bintan island, which is an attractive proposition for local entrepreneurship or career alongside TBB's development blueprint. These start-ups can be a supplier of organic food to TBB.

Sustainable practices have been designed into the operations of the farm. There is no grid electricity on site and a generator is only turned on when necessary for watering of plants. A wind and solar powered lamp post acts as a security night light. With no piped water mains, the natural pond provides all the requirements for watering and preparations. To conserve energy, water is housed at a high level and relies on gravity for a pressure feed. The natural pond also serves as the collection point whereby "organically fertilised" watering runoffs are collected and reused. Organic composting is practised to produce different organic fertiliser types from different unwanted harvested materials. Plant waste are also recycled by shredding to be used as mulch for protective soil cover and dressing. To maximise the yield, deter pests and maintain a healthy planting bed, crop rotation is practised. This practice strategically plans crop selection, schedule and location to ensure sustainable agriculture. Beneficial living organisms are also introduced to enhance as well as protect the plants. Earthworms are used to loosen the soil and provide natural castings to enhance plant growth. To mitigate pests, protective nettings are used and natural beneficial predators are encouraged on site, e.g., aquatic plants encourage dragonflies to prey on flies and ants to reduce aphids. Reports and records are maintained regularly to inform and maintain the performance and accreditation of the farm. These documented items include records of harvest yield, planting schedule, compost/fertiliser usage, soil/water test results, amongst others.

Mangrove Forests

Mangrove forests 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.

There is located within TBB a 60 hectares mangrove forest which the Company intends to protect and manage to maintain their protective function and biodiversity value, whilst meeting the socio-economic development potential of the forest. With the objective of responding to climate change and to mitigate its effects through the protection, rehabilitation and wise use of the mangrove ecosystem, the planning for the mangrove nature park at TBB will take into consideration the following:

- administrative capacity for the management of the mangroves;
- promote sustainable management of mangrove forests;
- establish a legal framework for mangrove ecosystem management which encourages community-based participation;
- support research and development of mangrove forests;
- develop effective protection and/ or rehabilitation of mangrove ecosystems; and
- increase public awareness and education on the benefits of the mangrove forests.

TBB has on 28 September 2018, undertaken a mangrove planting programme at our site at Lagoi, Telok Sebong, supported by the Department of Environment of Bintan. The programme was undertaken together with 250 participants including students from several schools from Teluk Sebong, Bintan. A total of 2,000 mangrove saplings were planted as a programme to educate students on mangrove conservation as well as an initiative to increase the acreage of mangrove forests in Bintan.

Mangrove forest at Treasure Bay Bintan

SOCIAL

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 guests and business partners. The standards of behaviour expected of all employees are set out in the Code of Ethics and Conduct ("Code") which is published on the Company's website at www.landmarks.com.my. Staff are given an avenue to report any violations of the Code or discriminatory acts as set out in the Whistleblowing Policy without fear. The policy is publicly available on our website.

OCCUPATIONAL SAFETY & HEALTH

The Group places paramount importance on the health and safety of its employees and guests. We are committed to delivering high standards in health and safety across all aspects of our operations to ensure a safe and secure environment for both guests and employees. All employees at the Group's resorts receive comprehensive and regular training in health and safety awareness, food safety, hygiene and sanitation, and fire safety to ensure that they are able to provide the highest standards of service to our guests.

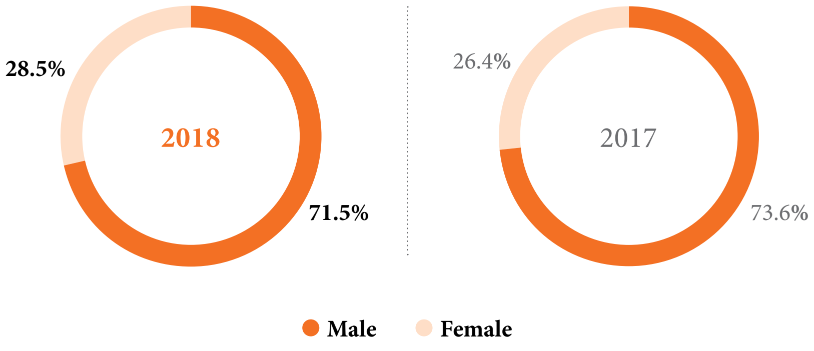
A Compliance and Safety Manager has been hired at TBB in 2018 to lead legal compliance as well as organise and implement procedures and efforts in identifying workplace hazards, reducing accidents and exposure to harmful situations and substances. The Safety and Health Committee has been formed to lead training of personnel in accident prevention, accident response, emergency preparedness and use of protective tools and equipment.

The Safety and Health Committee at The Andaman is responsible to manage occupational safety and health training for employees at the resort.

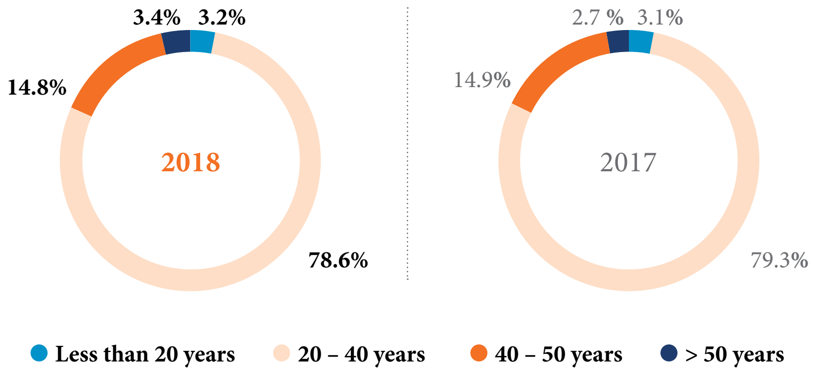
DIVERSITY & EQUAL OPPORTUNITIES

The Group employed a total of 773 permanent employees across Malaysia, Singapore and Indonesia as at 31 December 2018. The breakdown by gender, age and professional group of the employees is:

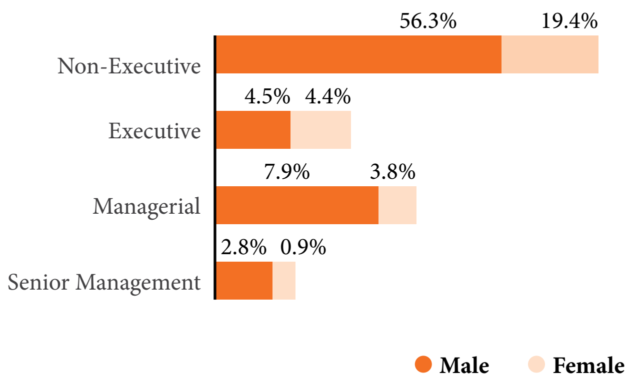
Gender



Age Group



Employment by Professional Group 2018



The employment of female personnel in the Group has improved to 28.5% in 2018, which is aligned with the Board's target to increase female employees to at least 30% within the next 1 year. However, there is room for improvement in terms of female participation at the senior management level.

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 grounds of colour, religion, ethnicity, age, national origin, gender or any other personal characteristics 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. The selection and recruitment of employees is made on an open competitive basis.

TRAINING AND DEVELOPMENT

The Group provides an environment that emphasises continuous development of all employees to achieve their potential as well as building on their capabilities for career progression and advancement. Employees are provided service and functional skills training to raise their competency and service levels. Training and development activities may be internal courses conducted by a dedicated training officer or employees may participate in a range of external training and development programmes to learn or upgrade specific skills.

TBB has achieved training of an average of 64 training hours per employee in 2018. This has exceeded the target of 45 training hours per employee as well as 50 training hours per employee achieved in 2017. The Andaman has achieved an average of 53 training hours per employee per annum, an improvement from 50 training hours in 2017.

TBB has formalised an internship programme in collaboration with various tourism and hospitality schools in Indonesia. Students pursuing courses in the local tourism school are offered internships of 6 months. In 2018, 72 internships were offered to students in 2 batches in Housekeeping, Front Office, F&B, Engineering, Guest Relations and Human Resources. Four of the interns were subsequently offered employment in Front Office, F&B and Guest Relations. The Andaman has a similar internship programme for students from local and international universities and colleges. Students from Malaysia, Indonesia, Nepal, Russia, Spain and Italy have undergone training at The Andaman and some have been offered employment in F&B, Front Office, Kitchen, and other support services after completion of their courses.

EMPLOYEE WELLBEING

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 employees.

To promote the physical wellbeing of our employees, regular sporting and exercise activities are scheduled. At The Andaman, the general manager leads an early morning running event twice a week and all employees as well as guests are encouraged to participate. Various team sporting activities such as football, volleyball, futsal, netball, to name a few, are held on a monthly basis where participation by employees is encouraged. At TBB, a weekly jogging/running session followed by zumba is held in the evening after working hours to encourage employees to maintain a healthy and active lifestyle. Table tennis equipment are also provided for employees to use at their convenience. Employees at TBB have also formed a band with equipment supplied by the Company as an additional recreational activity. These activities are avenues to promote interaction and team work amongst colleagues.

This Statement was approved by the Board of Directors on 28 February 2019.

Corporate Governance Overview Statement

The Board of Directors of Landmarks Berhad ("Company") is firmly committed to ensuring the practice of and subscription to high standards of corporate governance in delivering stakeholders' value. This Statement sets out the summary of corporate governance practices during the financial year ended 31 December 2018, including disclosures required in the Main Market Listing Requirements ("MMLR"). This Statement is supported by the Corporate Governance Report as prescribed in paragraph 15.25(2) of the MMLR which is accessible at www.landmarks.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board of Directors is collectively responsible for the performance and success of the Company and the Group. The Board sets the strategic direction for the Group whilst maintaining an oversight role of management. The Board Charter sets out the matters specifically reserved for its decision, its duties and responsibilities as well as that of the management, led by the Executive Deputy Chairman who is also designated as the Chief Executive Officer ("CEO").

There is a clear division of responsibility between the Board, headed by the non-executive Chairman, and the management, led by the CEO. 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.

The CEO is supported by the Executive Director, the Group Chief Operating Officer and Chief Operating Officer of Treasure Bay Bintan ("TBB"), the destination being developed by the Group in Indonesia, in the performance of his duties.

The roles of the Chairman and the CEO are clearly set out in the Board Charter. On 16 August 2018, the Board approved the revised Board Charter which clarified the role of the Directors and Independent Directors and the revised charter is accessible at the Company's website at www.landmarks.com.my.

Board Committees

The Board has delegated certain of its responsibilities to three (3) 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.

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 Terms of Reference of the ARMC is accessible at the Company's website at www.landmarks.com.my.

The Audit and Risk Management Committee Report for the financial year is set out on pages 40 to 42 of this Annual Report.

ii. Nominating Committee

The Nominating 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 Terms of Reference of the Nominating Committee is accessible at the Company's website at www.landmarks.com.my

The Nominating Committee is responsible for proposing and recommending 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 are 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 Nominating Committee met once during the financial year 2018 which was attended by all members for the following purposes:

i) assessed the performance of the Board with regard to its composition, structure, operations, roles and responsibilities, and the Chairman's role and responsibilities;
ii) assessed each of the Board 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 respective Board Committee in discharging their responsibilities and the communications by the Board Committees to the Board with regard to its quality and timeliness;
iii) assessed the independence of the Independent Directors based on their shareholding in the Company, their relationship with the Company and Group, family or business, past or present, their tenure of directorship as well as their independent judgment, and objective and constructive feedback;
iv) evaluated the training programmes undertaken by the Directors;
v) assessed each individual director in terms of fit and properness, their contribution and performance, and calibre and personality;
vi) considered and recommended the re-election of Directors and retainment of Independent Directors for shareholders' approval at the Annual General Meeting; and
vii) considered and recommended a gender diversity policy for adoption by the Board.

Subsequent to the financial year-end, on 25 January 2019, the Nominating Committee has considered and recommended a Succession Planning Policy for approval by the Board. The Board has on 28 February 2019 approved the said policy. The Succession Planning Policy is accessible at the Company's website at www.landmarks.com.my

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
Bernard Chong Lip Tau *(Independent Non-Executive Director)*	Member
Chin Mui Khiong *(Independent Non-Executive Director)*	Member

The Remuneration Committee was appointed by the Board on 16 August 2018 to be responsible to implement and administer the Landmarks Employees' Share Option Scheme ("ESOS"). The Terms of Reference of the Remuneration Committee was accordingly amended and is accessible at the Company's website at www.landmarks.com.my

The Remuneration Committee met once 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 2017;
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;
iv) reviewed the Survey of Directors' Remuneration and recommended for the Board's approval the increase in meeting allowance for Non-Executive Directors; and
v) considered and approved the offers of options in accordance with the By-Laws of the ESOS.

Code of Ethics and Conduct

The Code of Ethics and Conduct ("Code") sets out the principles and standards of business ethics and conduct expected of the Directors and employees of the Group and is accessible at the Company's website at www.landmarks.com.my. The Code was updated to incorporate anti-corruption conduct and approved by the Board on 19 November 2018. The Board also approved the Anti-Money Laundering Policy on 19 November 2018 which is accessible at the Company's website at www.landmarks.com.my

Any Director or employee who becomes aware of, or suspects a violation of the Code is encouraged to whistle blow or report the concerns through the Whistleblowing Policy, which was updated and approved by the Board on 19 November 2018. The policy is accessible at the Company's website at www.landmarks.com.my

Board Meetings

During the year under review, the Board met on six (6) 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 budget, and direction of the Group.

The annual schedule of the Board and Board Committee Meetings are notified 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 attendance of Directors at Board meetings held during the financial year is:

Directors	Attendance
Tan Sri Zakaria bin Abdul Hamid	6 out of 6
Mark Wee Liang Yee	5 out of 6
Tan Wee Hoong, Robin	6 out of 6
Dato' Abdul Malek bin Abdul Hamid	6 out of 6
Bernard Chong Lip Tau	6 out of 6
John Ko Wai Seng	6 out of 6
Dato' Sri Ramli bin Yusuff	5 out of 6
Chin Mui Khiong	5 out of 6

The proceedings of each meeting of the Board and Board Committee are recorded in the minutes. The draft minutes of each meeting are circulated to all Board and Board Committee members by the Company Secretary for review and comments not later than three (3) weeks after the respective meetings. The minutes are confirmed at the next meeting of the Board or Board Committee and kept at the Registered Office.

Supply of Information

The Board is supplied with appropriate and timely information to enable it to discharge its duties. The CEO, after consultation with the Chairman when necessary, ensures that all Directors have complete and timely access to information. The Directors have direct and individual 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 CEO 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, CEO and members of senior management maintain regular contact with all Directors.

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 prescribed by Bursa Malaysia Securities Berhad.

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 and to 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
Aram Global Sdn. Bhd. ("AGSB") – Annual Combatting Procurement Fraud and Corruption in the Public & Private Sectors Seminar 2018: "Prevention, Detection and Elimination of Corruption and Fraud in Procurement"	Dato' Abdul Malek bin Abdul Hamid
AGSB – Corporate Governance, Directors' Duties and Regulatory Updates Seminar 2018	Dato' Abdul Malek bin Abdul Hamid
Malaysian Institute of Corporate Governance ("MICG") – Seminar on 'Corporate Governance Guide 3rd Edition: "Moving from Aspiration to Actualisation"'	John Ko Wai Seng Dato' Sri Ramli bin Yusuff Chin Mui Khiong
AGV Environment Sdn. Bhd. – Sustainability Reports Workshop	Tan Sri Zakaria bin Abdul Hamid
Malaysian Institute of Accountants ("MIA") – Audit Committee Conference 2018 - Internal Auditing in the Age of Disruption	John Ko Wai Seng
Bursatra Sdn. Bhd. ("Bursatra") – Malaysian Financial Reporting Standards ("MFRS") made simple for Directors & Senior Management	Dato' Abdul Malek bin Abdul Hamid John Ko Wai Seng
MICG – Annual Report & Sustainability Statement Disclosure Standards	Dato' Sri Ramli bin Yusuff Chin Mui Khiong
MICG – Installing a Culture of Corporate Governance	Dato' Sri Ramli bin Yusuff John Ko Wai Seng
MICG – Preparation for Corporate Liability on Corruption: 'How Ready is your Company to Safeguard your Directors, Top Management and Personnel against a Corruption Prosecution?'	Dato' Abdul Malek bin Abdul Hamid Bernard Chong Lip Tau Dato' Sri Ramli bin Yusuff
Bursatra – The Annual Report of Tomorrow: Guide to Forward-Looking Information	Tan Sri Zakaria bin Abdul Hamid Dato' Abdul Malek bin Abdul Hamid
The Institute of Internal Auditors Malaysia ("IIAM") – Internal Controls Essentials	John Ko Wai Seng
MICG – Financial Reporting by Listed Issuers – "Interpreting Financial Numbers and Overcoming Challenges in Facing Timely and Accurate Reporting"	Dato' Sri Ramli bin Yusuff
Bursatra – Comprehending Financial Statements for Directors and Senior Management	John Ko Wai Seng Dato' Sri Ramli bin Yusuff
Crowe CPE Sdn. Bhd. – Seminar on "Annual Report & Sustainability Statement Disclosure Standards"	Chin Mui Khiong
MIA – Risk Management Conference 2018	Chin Mui Khiong
MIA – Engagement Session with Public Practitioners: Strengthening the Profession Together (Sarawak)	Chin Mui Khiong
MIA – Companies Act 2016 - Are You Complying with the Latest Updates on Regulations & the Correct Compliance Procedures Guides?	John Ko Wai Seng
Ernst & Young – Seminar on "MFRS 16 Leases and Consideration of Tax Issues on Adoption of MFRS 15 Revenue from Contracts with Customers and MFRS 16 Leases"	Chin Mui Khiong
IIAM – Asian Confederation of Institutes of Internal Auditors Conference 2018	John Ko Wai Seng
AGSB & Transparency International Malaysia – Anti-Corruption Summit 2018	Chin Mui Khiong
MICG – Seminar on Building an Enterprise Risk Management Framework	Dato' Sri Ramli bin Yusuff
Securities Industry Development Corporation – 2019 Budget: What you need to know: The Economy, Capital Market and You	Robin Tan Wee Hoong
Tricor Tax Services Sdn Bhd & JK Corporate Services Sdn. Bhd. – Tax Seminar – 2019 Malaysia Budget Proposals	Chin Mui Khiong
Rahmat Lim & Partners – Seminar on Anti-Corruption and Anti-Bribery in Malaysia	Chin Mui Khiong
Bursa Malaysia – Breakfast Series: Non-Financials - Does It Matter?	Tan Sri Zakaria bin Abdul Hamid
Bank Negara Malaysia – Anti-Money Laundering & Counter Financing of Terrorism	John Ko Wai Seng
Institute of Corporate Directors Malaysia – Would a Business Judgment Rule Help Directors Sleep Better at Night?	John Ko Wai Seng Dato' Sri Ramli bin Yusuff

Mr Mark Wee did not attend any training during the year due to his various work commitments as the key executive of the Company.

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

Company Secretary

All Directors have access to the advice and services of the Company Secretary who is a full-time permanent employee of the Company. She is responsible for managing and monitoring the company secretarial functions in all jurisdictions where the Group operates, i.e., Malaysia, Singapore, Indonesia and Seychelles. She has and continues to undertake regular professional development programmes on an annual basis to keep updated on corporate and compliance developments and to meet the practising requirements as an associate member of the Malaysian Institute of Chartered Secretaries and Administrators.

II. BOARD COMPOSITION

The Board had, at all times during the financial year, comprised at least one-third Independent Directors in compliance with the MMLR. During the financial year, the Board comprised eight (8) members, of whom 50% are independent. There were four (4) independent non-executive directors, two (2) non-independent executive directors and two (2) non-independent non–executive directors.

The Board believes that its current size and composition is adequate and appropriate for its purpose. The Board is satisfied that the current composition with half its membership comprising Independent Directors adequately protects the interests of minority shareholders of the Company. The Board opines that its current size allows for 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 had, on 27 February 2018, approved a policy to appoint at least a woman member to the Board within the next three (3) years. This would allow adequate time for the Board to seek out suitable candidates with the relevant skills and experience to contribute to the Group.

The Directors, with their diverse backgrounds and specialisations from the legal and accounting fraternities, former 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.

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 Nominating Committee has undertaken an assessment of the independence of the Independent Directors based on their relationship, whether family, employment, professional or business, with the Company and the Group, 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 providing constructive feedback in the Board's deliberations to safeguard the interests of minority shareholders.

Based on the assessment and review, the Board is satisfied that the Independent Directors have remained independent.

The Board has consented to obtain annual shareholders' approval at the Annual General Meeting ("AGM") for Independent Directors who have served a cumulative period of more than nine (9) years to be retained as an Independent Director of the Company.

Annual Directors' Evaluation

The Nominating Committee has undertaken the annual assessment of the Board, the Board Committees as well as each member of the Board, including their fit and properness, contribution and performance, and calibre and personality.

III. REMUNERATION

The Remuneration Committee is responsible to review and recommend to the Board the fees, allowances and benefits payable to the members of the Board and the Board Committees in accordance with their 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 each of the Directors of the Company categorised into the appropriate components for the financial year ended 31 December 2018 are set out below:

(All figures in RM)	**Salaries & Bonus***	**Fees**	**Allowances**	**Benefits-in-Kind**	**Total**
Group					
Executive Directors					
- Mark Wee Liang Yee	2,598,395	-	-	156,624	2,755,019
- Robin Tan Wee Hoong	761,766	-	-	36,677	798,443
Non-Executive Directors					
- Tan Sri Zakaria bin Abdul Hamid	-	84,000	11,250	8,005	103,255
- Dato' Abdul Malek bin Abdul Hamid	-	57,750	13,750	7,453	78,953
- Bernard Chong Lip Tau	-	69,300	16,250	6,562	92,112
- John Ko Wai Seng	-	60,900	15,000	4,214	80,114
- Dato' Sri Ramli bin Yusuff	-	31,500	7,500	21,277	60,277
- Chin Mui Khiong	-	34,650	8,750	1,183	44,583
Company					
Executive Directors					
- Mark Wee Liang Yee	749,514	-	-	140,666	890,180
- Robin Tan Wee Hoong	190,846	-	-	36,677	227,523
Non-Executive Directors					
- Tan Sri Zakaria bin Abdul Hamid	-	73,500	11,250	8,005	92,755
- Dato' Abdul Malek bin Abdul Hamid	-	57,750	13,750	7,453	78,953
- Bernard Chong Lip Tau	-	69,300	16,250	6,562	92,112
- John Ko Wai Seng	-	60,900	15,000	4,214	80,114
- Dato' Sri Ramli bin Yusuff	-	31,500	7,500	21,277	60,277
- Chin Mui Khiong	-	34,650	8,750	1,183	44,583

* *inclusive employer contributions to provident fund*

The remuneration of the senior management of the Group for the financial year 2018, comprising salary and bonus, inclusive of employer contributions to provident fund, and benefits-in-kind is set out below:

Name	**Remuneration in 2018**
Fong Chee Khuen	RM950,001 – 1,000,000
Lee Tak Meng	RM800,001 – 850,000

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

The Board is assisted by the Audit and Risk Management Committee ("ARMC") in financial reporting, internal controls, risk management and governance. The ARMC supports the Board in financial reporting to ensure integrity in the quarterly and annual financial statements, compliance with new accounting standards and practices, external audit, review of related party transactions and conflict of interest situations. The ARMC works independently within its defined Terms of Reference approved by the Board which is assessible at www.landmarks.com.my.

The Board is satisfied that the ARMC has been independent and has effectively discharged its duties in accordance with its Terms of Reference.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is responsible for the Group's risk management and internal control systems and reviewing its effectiveness. The ARMC assists the Board in 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 that the Group operates particularly in Malaysia, Indonesia and Singapore, approving and monitoring the risk management strategy, internal controls and reporting systems, evaluating their effectiveness, and identifying and rectifying deficiencies.

An overview of the risk management framework and state of internal controls are detailed in the Statement on Risk Management and Internal Control set out on pages 43 to 45 of this Annual Report.

In the performance of its risk management and internal audit functions, the Board is supported by the internal audit function which reports directly to the ARMC. A summary of the activities of the internal audit function during the financial year is presented in the Audit and Risk Management Committee Report set out on pages 40 to 42 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

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.

II. CONDUCT OF GENERAL MEETINGS

The Board has always welcomed attendance at the Company's general meetings. In compliance with the MMLR and the Companies Act 2016, a minimum notice period of 21 days was given to shareholders for the Company's AGM held on 23 May 2018.

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. 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. Members of the Board would engage with individual shareholders after the general meetings.

FUTURE PRIORITIES

The Board is satisfied that the Company has applied the principles of the Malaysian Code on Corporate Governance for the financial year ended 31 December 2018 except in the areas as highlighted in the Corporate Governance Report.

Going forward, the Board will, in addition to routine business during the current financial year, continue to review the composition of the Board, with consideration to the experience and skills, giving particular attention to gender diversity.

OTHER DISCLOSURES

Directors' Responsibility Statement in Respect of the Preparation of the Annual 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.

This Statement was approved by the Board of Directors on 28 February 2019.

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 ended 31 December 2018 are as follows:-

Name	Attendance at Meetings
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

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.

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 it. 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 which reports to the Committee was established in 2014. The internal audit function is supported by an Independent Professional Services Firm ("IPSF").

The Nominating Committee has conducted an annual review and assessment of the composition, the assistance given by the Committee in Board decision-making, the expertise and skills of Committee members in fulfilling their roles, the role of the chair of the Committee in the discharge of its responsibilities and the process and conduct of meetings of the Committee.

The Board is satisfied that the Committee and its members have effectively discharged its duties in accordance with its Terms of Reference.

The Terms of Reference of the Committee is accessible at the Company's website at www.landmarks.com.my.

SUMMARY OF ACTIVITIES

The Committee monitors internal control policies and procedures designed to safeguard the Group 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 ended 31 December 2018, 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 financial statements including notes thereof to ensure that the financial statements taken as a whole provide a true and fair view of the Company's financial position and performance.

(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) Recommended for approval of the unaudited quarterly financial results and audited financial statements by the Board.

External Audit

(e) Reviewed the external auditor's scope of work and discussed annual audit plan and audit report for financial year ended 31 December 2018 with the external auditors. The Committee also noted that the employees have given full support and assistance to the external auditors to complete their work.

(f) Discussed audit matters raised by external auditors and their evaluation of the system of internal controls and follow up actions by management.

(g) Considered the appropriateness of the level of external audit fees and recommended for Board approval, taking into account the amounts of audit and non-audit fees.

(h) Performed an annual assessment of the suitability, objectivity and independence of the external auditors. The assessment encompasses their resources, quality of process and performance, audit planning and communications, and independence and objectivity. During the assessment the Committee sought feedback from management personnel related to the work and interviewed the external auditors. The Committee members are also required to complete an evaluation form on the performance of external auditors. The Committee has, during the year, approved the Policy and Procedures for Annual Assessment of External Auditors which is accessible at the the Company's website at www.landmarks.com.my.

The Committee received written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Having assessed the external auditors' independence and objectivity, the Committee is satisfied with its competence, audit quality and resource capacity of the external auditors in relation to the audit. The Committee is also satisfied with the nature and extent of the non-audit services rendered, the appropriateness of the level of the fees and recommended for the re-appointment of KPMG PLT.

The Committee met with the external auditors on 27 February 2018 and 19 November 2018 without the presence of the members of the management to discuss any matters of concern by the external auditors.

Internal Audit

(i) Reviewed and approved the internal auditor's scope of work and audit plans for the Group.

(j) Reviewed the internal audit findings and appropriate remedial actions.

(k) Monitored the actions taken by management to improve the system of internal controls based on recommendations from the internal audits.

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

Governance

(m) Reviewed the Statement on Risk Management and Internal Control, and the Audit and Risk Management Committee Report for inclusion in the Annual Report.

(n) 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

There were no related party transactions and conflict of interest transactions during the financial year.

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 whether procedures, systems and controls put in place by the Board and management are present and functioning to ensure that the organisation meets its objectives. In relation thereto, a review of the accounting system of a major subsidiary was carried out for its reporting integrity in terms of completeness and accuracy. The findings were generally satisfactory and consistent with the expectation of the Committee.

Additionally, the following Information Technology ("IT") general control of a main business unit was reviewed:

- Framework for IT continuity
- Control implemented in managing security services
- Process in managing service requests & incidents
- Problem management

During the course of audit, there were no significant risks discovered that would have significant impact on the Group's business. The critical risk areas were identified and relevant control activities were implemented/improved accordingly during the year.

In discharging its duties with respect to internal audit, the Committee is supported by the in-house internal audit department and the IPSF.

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 2018 was RM375,280.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Committee had verified that the allocation of options pursuant to the ESOS of the Company for the financial year ended 31 December 2018 was in accordance with the criteria determined by the Remuneration Committee.

This Report was approved by the Board of Directors on 28 February 2019.

Statement on Risk Management and Internal Control

BOARD RESPONSIBILITY

The Board of Directors ("Board") 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 financial reporting system, shareholders' investments and the Group's assets and is guided by the Statement on Risk Management and Internal Control – Guidelines 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 conducted quarterly reviews of 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 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 implemented with the assistance of the senior 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. It takes into consideration the level of risk deemed acceptable in relation to the environment the business unit operates in, 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;

- 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; and

- performance of all operating units across the Company is monitored closely to ensure risks are managed within the Group's acceptable risk appetite.

ERM PROCESS

ERM Process encompasses 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 ARMC and Board.

The Group adopts the matrix risk assessment technique as its main risk assessment tool in identifying, evaluating and improving the effectiveness of the internal control systems of the Group.

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 the ARMC via ERM Reports.

During the financial year, a review of the risk profile was conducted on a quarterly basis with the respective Head of 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 ARMC on the adequacy and application of risk management systems in the respective business units on a consolidated basis across the Group.

The ARMC was updated and informed quarterly about significant audit issues related to the Company and Group. It 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.

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

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 internal control system 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 establishment of standard operating procedures, 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 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 programmes 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 financial year ended 31 December 2018 are set out in the Audit and Risk Management Committee Report on pages 40 to 42 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 in place a Whistleblowing Policy setting out the reporting process by individuals to raise genuine concerns without fear of reprisal. The Group Whistleblowing Policy is accessible at the Company's website at www.landmarks.com.my.

Performance Monitoring

There is a strategic planning, annual budgeting and target-setting process, which includes 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.

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 Audit & Assurance Practice Guide 3 ("AAPG 3"), *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 2018 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.

AAPG 3 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 systems 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 Executive Deputy Chairman & Chief Executive Officer and Group COO & 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 4 April 2019.

Financial Statements

Directors' Report

for the year ended 31 December 2018

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2018.

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	37,397	7,940

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
Tan Wee Hoong, Robin
Dato' Sri Ramli bin Yusuff
Chin Mui Khiong

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 themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
Directors' interests in the Company	**Balance at 1.1.2018**	**Bought**	**Sold**	**Balance at 31.12.2018**
Tan Sri Zakaria bin Abdul Hamid				
- Direct interest	8,650,000	-	(1,481,600)	7,168,400
Mark Wee Liang Yee				
- Indirect interest^	69,200,000	1,400,000	-	70,600,000
- 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. and Top Bridge Assets Management Limited pursuant to Section 8 of the Companies Act 2016 ("Act").
# Interest held by spouse pursuant to the Act.

The other Directors holding office at 31 December 2018 do not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

	Number of options over ordinary shares			
Company	**Balance at 1.1.2018**	**Granted***	**Lapsedφ**	**Balance at 31.12.2018**
Tan Sri Zakaria bin Abdul Hamid	825,000	1,000,000	(825,000)	1,000,000
Bernard Chong Lip Tau	212,500	1,000,000	(212,500)	1,000,000
Dato' Abdul Malek bin Abdul Hamid	337,500	1,000,000	(337,500)	1,000,000
John Ko Wai Seng	-	1,000,000	-	1,000,000
Mark Wee Liang Yee	-	3,000,000	-	3,000,000
Tan Wee Hoong, Robin	-	3,000,000	-	3,000,000
Dato' Sri Ramli bin Yusuff	-	1,000,000	-	1,000,000
Chin Mui Khiong	-	1,000,000	-	1,000,000

* Interest in options granted on 29 October 2019.
φ Interest in options granted on 22 January 2008, 24 June 2010 and 27 August 2014 which have lapsed on 1 January 2018.

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").

Issue of shares

There were no changes in the issued share capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up the unissued shares of the Company during the year apart from the issue of options pursuant to the ESOS.

The ESOS approved by the shareholders on 2 November 2007, which was extended on 14 December 2012, expired on 1 January 2018. All outstanding options granted in accordance with the ESOS have accordingly lapsed on the said date.

An ESOS was approved by the shareholders at an Extraordinary General Meeting held on 23 May 2018 which became effective on 29 June 2018 for a period of five years to 28 June 2023. 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.

Two tranches of options have been granted under the ESOS, i.e., on 29 October 2018 and 19 November 2018 at an exercise price of RM0.55 per share and RM0.56 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 Remuneration 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.

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.

Options granted over unissued shares (Continued)

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

			Number of option over ordinary shares			
Date of offer	**Expiry date**	**Exercise price**	**Balance at 1.1.2018**	**Granted**	**Forfeited**	**Balance at 31.12.2018**
22.01.2008	01.01.2018	RM2.91	718,800	-	(718,800)	-
24.06.2010	01.01.2018	RM1.14	497,200	-	(497,200)	-
27.08.2014	01.01.2018	RM1.44	3,325,000	-	(3,325,000)	-
29.10.2018	28.06.2023	RM0.55	-	40,020,000	(4,760,000)	35,260,000
19.11.2018	28.06.2023	RM0.56	-	2,635,000	(670,000)	1,965,000
			4,541,000	42,655,000	(9,971,000)	37,225,000

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.

There were no indemnity and insurance costs effected for auditor of the Group and the Company during the financial year.

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.

Other statutory information (Continued)

The financial performance of the Group and of the Company for the year ended 31 December 2018 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, 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: 4 April 2019

Statements of Financial Position

as at 31 December 2018

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Assets					
Property, plant and equipment	3	**1,332,133**	1,321,246	**314**	154
Intangible asset	4	**-**	-	**-**	-
Inventories	5	**774,059**	778,772	**-**	-
Investments in subsidiaries	6	**-**	-	**1,273,465**	1,221,062
Investment in an associate	7	**-**	-	**-**	-
Other investments	8	**2,085**	2,085	**-**	-
Deferred tax assets	9	**350**	350	**350**	350
Total non-current assets		**2,108,627**	2,102,453	**1,274,129**	1,221,566
Inventories	5	**91,901**	105,190	**-**	-
Trade and other receivables	10	**14,233**	13,899	**10,986**	23,425
Prepayments		**1,226**	1,071	**79**	96
Current tax assets		**745**	737	**718**	643
Other investments	8	**85,299**	71,151	**85,299**	71,151
Cash and cash equivalents	11	**30,934**	33,527	**3,037**	805
Total current assets		**224,338**	225,575	**100,119**	96,120
Total assets		**2,332,965**	2,328,028	**1,374,248**	1,317,686
Equity					
Share capital		**734,811**	734,811	**734,811**	734,811
Reserves		**(3,476)**	3,777	**25,494**	24,062
Retained earnings		**966,714**	1,000,502	**481,790**	487,381
Total equity attributable to owners of the Company		**1,698,049**	1,739,090	**1,242,095**	1,246,254
Non-controlling interests		**1,373**	1,373	**-**	-
Total equity	12	**1,699,422**	1,740,463	**1,242,095**	1,246,254
Liabilities					
Loans and borrowings	13	**124,016**	69,222	**-**	15,642
Deferred tax liabilities	9	**465,768**	463,694	**-**	-
Total non-current liabilities		**589,784**	532,916	**-**	15,642
Trade and other payables	14	**32,799**	27,596	**132,153**	45,790
Loans and borrowings	13	**9,403**	25,628	**-**	10,000
Current tax liabilities		**1,557**	1,425	**-**	-
Total current liabilities		**43,759**	54,649	**132,153**	55,790
Total liabilities		**633,543**	587,565	**132,153**	71,432
Total equity and liabilities		**2,332,965**	2,328,028	**1,374,248**	1,317,686

The notes set out on pages 60 to 130 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Revenue	16	**109,053**	103,812	**5,219**	85,301
Cost of sales		**(48,750)**	(46,239)	**-**	-
Gross profit		**60,303**	57,573	**5,219**	85,301
Administrative expenses		**(54,313)**	(59,539)	**(12,140)**	(8,380)
Other operating expenses		**(36,240)**	(32,686)	**(355)**	(844)
Other income/(expense)		**1,810**	5,401	**(532)**	32
Results from operating activities		**(28,440)**	(29,251)	**(7,808)**	76,109
Finance costs	17	**(6,099)**	(5,006)	**(193)**	(825)
Finance income	18	**166**	128	**61**	84
Share of profit of an equity accounted associate, net of tax	7	**-**	8,025	**-**	-
(Loss)/Profit before tax	19	**(34,373)**	(26,104)	**(7,940)**	75,368
Tax expense	21	**(3,024)**	(3,722)	**-**	(1,209)
(Loss)/Profit for the year		**(37,397)**	(29,826)	**(7,940)**	74,159
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		**(7,425)**	(12,987)	**-**	-
Other comprehensive expense for the year		**(7,425)**	(12,987)	**-**	-
Total other comprehensive (expense)/income for the year		**(44,822)**	(42,813)	**(7,940)**	74,159
(Loss)/Profit attributable to:					
Owners of the Company		**(37,397)**	(29,826)	**(7,940)**	74,159
Non-controlling interests		**-**	-	**-**	-
(Loss)/Profit for the year		**(37,397)**	(29,826)	**(7,940)**	74,159
Total comprehensive (expense)/income attributable to:					
Owners of the Company		**(44,822)**	(42,813)	**(7,940)**	74,159
Non-controlling interests		**-**	-	**-**	-
Total comprehensive (expense)/income for the year		**(44,822)**	(42,813)	**(7,940)**	74,159
Basic and diluted loss per ordinary share (sen)	22	**(7.07)**	(5.84)		

The notes set out on pages 60 to 130 are an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2018

		← Attributable to owners of the Company						→		
		← Non-distributable				→	Distributable			
Group	Note	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 2017		480,810	13,155	218,272	1,260	2,249	1,030,093	1,745,839	1,373	1,747,212
Foreign currency translation differences for foreign operations		-	(12,987)	-	-	-	-	(12,987)	-	(12,987)
Total other comprehensive expense for the year		-	(12,987)	-	-	-	-	(12,987)	-	(12,987)
Loss for the year		-	-	-	-	-	(29,826)	(29,826)	-	(29,826)
Total comprehensive expense for the year		-	(12,987)	-	-	-	(29,826)	(42,813)	-	(42,813)
Issue of new ordinary shares	12	36,542	-	-	-	-	-	36,542	-	36,542
Share issue expenses	12	(813)	-	-	-	-	-	(813)	-	(813)
Share-based payment transactions	15	-	-	-	-	335	-	335	-	335
Share options forfeited	15	-	-	-	-	(235)	235	-	-	-
Total contribution from owners		35,729	-	-	-	100	235	36,064	-	36,064
Transfer in accordance with Section 618(2) of the Companies Act 2016*	12	218,272	-	(218,272)	-	-	-	-	-	-
At 31 December 2017		734,811	168	-	1,260	2,349	1,000,502	1,739,090	1,373	1,740,463

		← Attributable to owners of the Company →							
		← Non-distributable			→	Distributable			
Group	**Note**	**Share capital RM'000**	**Translation reserve RM'000**	**Fair value reserve RM'000**	**Share option reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2018, as previously reported		**734,811**	**168**	**1,260**	**2,349**	**1,000,502**	**1,739,090**	**1,373**	**1,740,463**
Adjustment on initial application of MFRS 9, net of tax	29	-	-	(1,260)	-	1,260	-	-	-
At 1 January 2018, restated		**734,811**	**168**	**-**	**2,349**	**1,001,762**	**1,739,090**	**1,373**	**1,740,463**
Foreign currency translation differences for foreign operations		-	(7,425)	-	-	-	(7,425)	-	(7,425)
Total other comprehensive expense for the year		-	(7,425)	-	-	-	(7,425)	-	(7,425)
Loss for the year		-	-	-	-	(37,397)	(37,397)	-	(37,397)
Total comprehensive expense for the year		**-**	**(7,425)**	**-**	**-**	**(37,397)**	**(44,822)**	**-**	**(44,822)**
Share-based payment transactions	15	-	-	-	3,781	-	3,781	-	3,781
Share options lapsed	15	-	-	-	(2,349)	2,349	-	-	-
Total contribution from owners		**-**	**-**	**-**	**1,432**	**2,349**	**3,781**	**-**	**3,781**
At 31 December 2018		**734,811**	**(7,257)**	**-**	**3,781**	**966,714**	**1,698,049**	**1,373**	**1,699,422**

Statements of Changes in Equity

for the year ended 31 December 2018

		Attributable to owners of the Company					
		Non-distributable				Distributable	
Company	**Note**	**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 2017		480,810	21,713	218,272	2,249	412,987	1,136,031
Profit/Total comprehensive income for the year		-	-	-	-	74,159	74,159
Issue of new ordinary shares	12	36,542	-	-	-	-	36,542
Share issue expenses	12	(813)	-	-	-	-	(813)
Share-based payment transactions	15	-	-	-	335	-	335
Share options forfeited	15	-	-	-	(235)	235	-
Total contribution from owners		35,729	-	-	100	235	36,064
Transfer in accordance with Section 618(2) of the Companies Act 2016*	12	218,272	-	(218,272)	-	-	-
At 31 December 2017/1 January 2018		**734,811**	**21,713**	-	**2,349**	**487,381**	**1,246,254**
Loss/Total comprehensive expenses for the year		-	-	-	-	**(7,940)**	**(7,940)**
Share-based payment transactions	15	-	-	-	**3,781**	-	**3,781**
Share options lapsed	15	-	-	-	**(2,349)**	**2,349**	-
Total contribution from owners		-	-	-	**1,432**	**2.349**	**3,781**
At 31 December 2018		**734,811**	**21,713**	-	**3,781**	**481,790**	**1,242,095**

* *Pursuant to Section 618(2) of the Companies Act 2016, any outstanding share premium account shall become part of share capital.*

The notes set out on pages 60 to 130 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Cash flows from operating activities					
(Loss)/Profit before tax		**(34,373)**	(26,104)	**(7,940)**	75,368
Adjustments for:					
Depreciation of property, plant and equipment	3	**18,578**	17,934	**73**	107
Dividend income from a subsidiary		**-**	-	**-**	(81,480)
Dividend income from other investments		**(2,384)**	(849)	**(2,384)**	(849)
Fair value loss/(gain) in other investments		**180**	(242)	**180**	(242)
Finance costs	17	**6,099**	5,006	**193**	825
Finance income	18	**(166)**	(128)	**(61)**	(84)
Gain on disposal of an associate	7	**-**	(4,540)	**-**	-
Impairment of property, plant and equipment	3	**-**	1,446	**-**	-
Loss/(gain) on disposal of other investments		**256**	(1)	**256**	(1)
Loss on disposal of property, plant and equipment		**321**	-	**-**	-
Property, plant and equipment written off		**1,339**	1,061	**-**	-
Inventories written off		**4,455**	192	**-**	-
Share-based payments	15	**3,781**	335	**3,781**	335
Share of profit of an equity accounted associate, net of tax		**-**	(8,025)	**-**	-
Operating loss before changes in working capital		**(1,914)**	(13,915)	**(5,902)**	(6,021)
Changes in working capital					
Inventories		**(2,623)**	(23,914)	**-**	-
Trade and other receivables		**(1,696)**	(1,578)	**(22)**	(36)
Trade and other payables		**4,407**	(1,530)	**84**	580
Cash used in operations		**(1,826)**	(40,937)	**(5,840)**	(5,477)
Income tax paid		**(1,126)**	(3,164)	**(75)**	(1,851)
Income tax refunded		**297**	36	**-**	-
Net cash used in operating activities		**(2,655)**	(44,065)	**(5,915)**	(7,328)

Statements of Cash Flows

for the year ended 31 December 2018

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Cash flows from investing activities					
Acquisition of other investments		**(77,152)**	(91,048)	**(77,152)**	(90,848)
Acquisition of property, plant and equipment		**(29,031)**	(6,499)	**(233)**	(16)
Advances from/(to) subsidiaries		**-**	-	**46,353**	(64,887)
(Increase)/Decrease in pledge deposits placed with licensed bank		**(845)**	(385)	**385**	(385)
Interest received		**166**	128	**61**	84
Net proceeds from disposal of an associate		**-**	84,760	**-**	-
Proceeds from disposal of other investments		**62,569**	19,940	**62,569**	19,940
Proceeds from disposal of property, plant and equipment		**15**	-	**-**	-
Dividend received from:					
- other investments		**2,384**	849	**2,384**	849
- subsidiary		**-**	-	**-**	81,480
Net cash (used in)/generated from investing activities		**(41,894)**	7,745	**34,367**	(53,783)
Cash flows from financing activities					
Interest paid		**(5,613)**	(4,876)	**(193)**	(825)
Net proceeds from issue of new ordinary shares	12	**-**	35,729	**-**	35,729
Proceeds from/(Repayment of) loans and borrowings		**46,928**	23,959	**(25,642)**	25,642
Repayment of finance lease liabilities		**(204)**	(193)	**-**	-
Net cash generated from/(used in) financing activities		**41,111**	54,619	**(25,835)**	60,546
Net (decrease)/increase in cash and cash equivalents		**(3,438)**	18,299	**2,617**	(565)
Cash and cash equivalents at 1 January	(i)	**31,842**	13,543	**420**	985
Cash and cash equivalents at 31 December	(i)	**28,404**	31,842	**3,037**	420

(i) **Cash and cash equivalents**

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

		Group		Company	
	Note	**2018 RM'000**	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Cash and bank balances	11	**28,404**	17,330	**3,037**	420
Deposits with licensed banks	11	**2,530**	16,197	**-**	385
		30,934	33,527	**3,037**	805
Less: Deposits pledged		**(2,530)**	(1,685)	**-**	(385)
		28,404	31,842	**3,037**	420

(ii) **Acquisition of property, plant and equipment**

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM29,031,000 (2017: RM6,499,000).

The notes set out on pages 60 to 130 are an integral part of these financial statements.

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 2018 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 2018 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 4 April 2019.

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 2016 in Malaysia.

The following are the accounting standards, amendments and interpretations 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 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations*
- Amendments to MFRS 101, *Presentation of Financial Statements*
- Amendments to MFRS 108, *Accounting Policies, Changes in Estimates and Errors*

1. **BASIS OF PREPARATION (CONTINUED)**

(a) Statement of compliance (Continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

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*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 January 2019 for those accounting standards, interpretations and amendments, that are effective for annual periods beginning on or after 1 January 2019, except for Amendments to MFRS 11 which is not applicable to the Group and the Company.

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 January 2020 for those accounting standards, interpretations and amendments, that are effective for annual periods beginning on or after 1 January 2020.

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group and the Company.

The initial application of the accounting standards, interpretations or amendments 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:

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.*

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

Based on the Group's preliminary assessment, the estimated impact on the initial application of MFRS 16 on its consolidated financial statements as at 1 January 2019 is an additional lease liabilities of approximately RM15,710,000 with a corresponding additional right-to-use assets of RM15,710,000 recognised in the statement of financial position. The actual impact of adopting the standard may change because the testing and controls over its new accounting systems and new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

(b) Basis of measurement

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

(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.

1. **BASIS OF PREPARATION (CONTINUED)**

(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.

Arising from the adoption of MFRS 15, Revenue from Contracts with Customers and MFRS 9, Financial Instruments, there are changes to the accounting policies of:

i) financial instruments;
ii) revenue recognition; and
iii) impairment losses of financial instruments

as compared to those adopted in previous financial statements. The impacts arising from the changes are disclosed in Note 29.

(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 also 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 affects 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (Continued)

(ii) Business combinations (Continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (Continued)

(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.

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 equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency (Continued)

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

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

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, Financial Instruments, the Group and the Company have elected not to restate the comparatives.

(i) Recognition and initial 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.

Current financial year

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

Previous financial year

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

Current financial year

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) **Financial instruments (Continued)**

(ii) **Financial instrument categories and subsequent measurement (Continued)**

Financial assets (Continued)

Current financial year (Continued)

(a) ***Amortised cost (Continued)***

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see note 2(i)(i)) where the effective interest rate is applied to the amortised cost.

(b) ***Fair value through other comprehensive income***

(i) ***Debt investments***

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see note 2(i)(i)) where the effective interest rate is applied to the amortised cost.

(ii) ***Equity investments***

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and lossesaccumulated in other comprehensive income are not reclassified to profit or loss.

(c) ***Fair value through profit or loss***

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see note 2(i)(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial assets (Continued)

Previous financial year

In the previous financial year, financial assets of the Group and the Company were classified and measured under MFRS 139, Financial Instruments: Recognition and Measurement as follows:

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

Fair value through profit or loss category comprised financial assets that were held for trading, including derivatives (except for a derivative that was a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination or financial assets that were specifically designated into this category upon initial recognition.

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

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

(b) ***Loans and receivables***

Loans and receivables category comprised debt instruments that were not quoted in an active market, trade and other receivables and cash and cash equivalents.

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

(c) ***Available-for-sale financial assets***

Available-for-sale category comprised investments in equity and debt instruments that were not held for trading.

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

All financial assets, except for those measured at fair value through profit or loss were subject to impairment assessment (see note 2(i)(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (Continued)

(ii) Financial instrument categories and subsequent measurement (Continued)

Financial liabilities

Current financial year

The categories of financial liabilities at initial recognition are as follows:

(a) ***Fair value through profit or loss***

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) ***Amortised cost***

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Previous financial year

In the previous financial year, financial liabilities of the Group and the Company were subsequently measured at amortised cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (Continued)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

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.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and
(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) 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.

Current financial year

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers.*

Liabilities arising from financial guarantees are presented together with other provisions.

Previous financial year

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (Continued)

(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 transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in 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, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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.

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.

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

(d) Property, plant and equipment (Continued)

(iii) Depreciation (Continued)

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*	5 - 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.

(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.

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

(f) Intangible assets (Continued)

(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.

(g) Inventories

(i) Land held for development

Land held for development 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 inventory under 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.

(ii) 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 are initially measured at cost and subsequently recognised as an expense to profit or loss when the control of the inventory is transferred to the customer.

(iii) Other inventories

Consumables and saleable merchandise are 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) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment

(i) Financial assets

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9, *Financial Instruments*, the Group and the Company elected not to restate the comparatives.

Current financial year

The Group and the Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

Previous financial year

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and associates) were assessed at each reporting date whether there was 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, were not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost was an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset was estimated.

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

(i) Impairment (Continued)

(i) Financial assets (Continued)

Previous financial year (Continued)

An impairment loss in respect of loans and receivables and held-to-maturity investments was recognised in profit or loss and was 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 was reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets was recognised in profit or loss and was 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 had been recognised in the other comprehensive income, the cumulative loss in other comprehensive income was reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that was carried at cost was recognised in profit or loss and was 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 was not reversed through profit or loss.

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

(ii) Other assets

The carrying amounts of other assets (except for inventories 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.

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 financial year in which the reversals are recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

(k) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Revenue and other income (Continued)

(ii) 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, which in the case of quoted securities is the ex-dividend date.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Management fee

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

(l) 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.

(m) 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Income tax (Continued)

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.

(n) 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.

(o) 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.

(p) 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

Group	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
Cost										
At 1 January 2017	1,096,689	11,490	148,963	40,060	28,547	24,257	2,949	61,377	3,479	1,417,811
Additions	-	317	-	1,470	2,723	1,219	770	-	-	6,499
Written off	-	-	-	-	(52)	(849)	-	-	(236)	(1,137)
Transfer from/ (to) property development costs	-	1,415	7,244	460	-	4,281	-	(1,401)	-	11,999
Foreign currency translation differences	-	(902)	892	(7,809)	-	(2,035)	(288)	(8,185)	(379)	(18,706)
Reclassification	-	(423)	-	5,690	-	(2,574)	-	-	(2,693)	-
At 31 December 2017/ 1 January 2018	**1,096,689**	**11,897**	**157,099**	**39,871**	**31,218**	**24,299**	**3,431**	**51,791**	**171**	**1,416,466**
Additions	**-**	**140**	**293**	**348**	**1,722**	**5,394**	**436**	**-**	**20,698**	**29,031**
Disposals	**-**	**-**	**-**	**-**	**(494)**	**(317)**	**(19)**	**-**	**-**	**(830)**
Written off	**-**	**-**	**-**	**(146)**	**(14)**	**(1,689)**	**-**	**-**	**(558)**	**(2,407)**
Transfer from property development costs	**-**	**361**	**-**	**-**	**-**	**-**	**-**	**-**	**8,367**	**8,728**
Foreign currency translation differences	**-**	**(198)**	**(445)**	**(1,510)**	**-**	**(945)**	**(102)**	**(4,326)**	**(137)**	**(7,663)**
Reclassification	**-**	**-**	**767**	**-**	**-**	**1,031**	**-**	**-**	**(1,798)**	**-**
At 31 December 2018	**1,096,689**	**12,200**	**157,714**	**38,563**	**32,432**	**27,773**	**3,746**	**47,465**	**26,743**	**1,443,325**

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

Group	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
Accumalated depreciation and impairment loss										
At 1 January 2017										
Accumulated depreciation	5,229	3,097	34,740	5,480	15,843	11,029	1,718	1,658	-	78,794
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	1,873	445	4,981	4,549	1,869	2,788	463	966	-	17,934
Impairment	-	-	-	1,446	-	-	-	-	-	1,446
Written off	-	-	-	-	(51)	(25)	-	-	-	(76)
Foreign currency translation differences	-	(72)	(122)	(668)	-	(1,691)	(113)	(212)	-	(2,878)
At 31 December 2017										
Accumulated depreciation	7,102	3,470	39,599	9,361	17,661	12,101	2,068	2,412	-	93,774
Accumulated impairment loss	-	-	-	1,446	-	-	-	-	-	1,446
	7,102	3,470	39,599	10,807	17,661	12,101	2,068	2,412	-	95,220

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	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
At 1 January 2018										
Depreciation for the year	**1,868**	**666**	**5,362**	**4,801**	**1,986**	**2,429**	**515**	**951**	**-**	**18,578**
Disposals	**-**	**-**	**-**	**-**	**(311)**	**(168)**	**(15)**	**-**	**-**	**(494)**
Written off	**-**	**-**	**-**	**(37)**	**(12)**	**(1,019)**	**-**	**-**	**-**	**(1,068)**
Foreign currency translation differences	**-**	**(26)**	**(45)**	**(358)**	**-**	**(406)**	**(69)**	**(140)**	**-**	**(1,044)**
At 31 December 2018										
Accumulated depreciation	**8,970**	**4,110**	**44,916**	**13,767**	**19,324**	**12,937**	**2,499**	**3,223**	**-**	**109,746**
Accumulated impairment loss	**-**	**-**	**-**	**1,446**	**-**	**-**	**-**	**-**	**-**	**1,446**
	8,970	**4,110**	**44,916**	**15,213**	**19,324**	**12,937**	**2,499**	**3,223**	**-**	**111,192**
Carrying amounts										
At 31 December 2017/ 1 January 2018	1,089,587	8,427	117,500	29,064	13,557	12,198	1,363	49,379	171	1,321,246
At 31 December 2018	**1,087,719**	**8,090**	**112,798**	**23,350**	**13,108**	**14,836**	**1,247**	**44,242**	**26,743**	**1,332,133**

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment, furniture and fittings RM'000
Cost	
At 1 January 2017	2,338
Additions	16
At 31 December 2017/1 January 2018	2,354
Additions	233
At 31 December 2018	**2,587**
Accumulated depreciation	
At 1 January 2017	2,093
Depreciation for the year	107
At 31 December 2017/1 January 2018	2,200
Depreciation for the year	73
At 31 December 2018	**2,273**
Carrying amount	
At 31 December 2017/1 January 2018	154
At 31 December 2018	**314**

3.1 Security

Property, plant and equipment of the Group with carrying amounts of RM106,150,000 (2017: RM 109,442,000) are charged to a financial institution to secure the term loan of the Group (Note 13).

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 RM323,000 (2017: RM459,000) 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 costs to sell, which was determined with the assistance of an independent valuer. Based on the latest available valuation reports, the valuation was determined using both the Income and Market Approach.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.5 Impairment testing of property, plant and equipment

(i) 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.

(ii) In the previous financial year, the Group has recognised an impairment loss of RM1,446,000 on a batching plant equipment as the asset was no longer in use and the recoverable amount is assessed to be lower than the carrying amount.

4. INTANGIBLE ASSET

	Computer software	
	Group RM'000	**Company RM'000**
Cost		
At 1 January 2017/31 December 2017/1 January 2018/31 December 2018	944	944
Accumulated amortisation		
At 1 January 2017/31 December 2017/1 January 2018/31 December 2018	**944**	**944**
Carrying amount		
At 31 December 2017/1 January 2018/31 December 2018	**-**	**-**

5. INVENTORIES

	Group	
	2018 RM'000	**2017 RM'000**
Non-current		
Land held for development	**774,059**	774,059
Property development costs		
Balance as at 1 January	**4,713**	4,841
Costs incurred during the year	**25**	-
Costs written off during the year (Note 19)	**(4,455)**	-
Costs transferred from property, plant and equipment (Note 3)	**-**	294
Foreign currency translation differences	**(283)**	(422)
Balance as at 31 December	**-**	4,713
Total non-current inventories	**774,059**	778,772

5. INVENTORIES (CONTINUED)

	Group	
	2018 RM'000	2017 RM'000
Current		
Land held for development	**72,790**	72,790
Property development costs		
Balance as at 1 January	**31,573**	21,341
Costs incurred during the year	**2,345**	23,727
Costs written off during the year (Note 19)	**-**	(192)
Costs transferred to property, plant and equipment (Note 3)	**(8,728)**	(12,293)
Foreign currency translation differences	**538**	(1,010)
Reclassification	**(7,697)**	-
Balance as at 31 December	**18,031**	31,573
Other inventories		
Spares and consumables	**930**	669
Saleable merchandise	**150**	158
	1,080	827
Total current inventories	**91,901**	105,190

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2018 RM'000	2017 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	**171,119**	118,716
	1,273,465	1,221,062

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Conditions of RPS

a) The holders of the RPS shall be entitled to dividends at a rate to be determined by the Directors of the subsidiaries.

b) The RPS holders shall, on winding up, be entitled to repayment in priority to ordinary shareholders.

c) The subsidiaries may redeem all or any of the RPS subject to the provisions of the Companies Act 2016 at par together with any premium payable on redemption.

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 2018 %	Effective ownership interest 2017 %
Landmarks Hotels & Realty Sdn Bhd	Malaysia	Investment holding	**100**	100
Landmarks Engineering & Development Sdn Bhd φ	Malaysia	Property development and civil engineering works	**100**	100
Ikatan Perkasa Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Fokus Asas Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Primary Gateway Sdn Bhd	Malaysia	Investment holding	**100**	100
Capaian Tinggi Sdn Bhd φ	Malaysia	Dormant	**100**	100
Tender Years Sdn Bhd φ	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 φ	Malaysia	Investment holding	**100**	100
Impian Makmur Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Maya Wilayah Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Wilayah Ehsan Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Success Sphere Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Escalibur Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Nustulin Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Landmarks Hotel & Resort Management Sdn Bhd φ	Malaysia	Dormant	**100**	100
Sungei Wang REIT Manager Sdn Bhd φ	Malaysia	Dormant	**100**	100
Tumbuk Estate Sdn Bhd φ	Malaysia	Dormant	**100**	100
Landmarks Healthcare Sdn Bhd φ	Malaysia	Dormant	**100**	100
Web Age Sdn Bhd φ	Malaysia	Dormant	**100**	100

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

			Effective ownership interest	
Name of subsidiary	Country of incorporation	Principal activities	2018 %	2017 %
Subsidiaries of Landmarks Hotels & Realty Sdn Bhd (continued)				
Point Merge (M) 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
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

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2018 %	Effective ownership interest 2017 %
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
Benuwa Investments Pte Ltd φ^	Republic of Seychelles	Investment holding	**100**	-
Boana Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Enggano Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Fordate 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

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2018 %	Effective ownership interest 2017 %
Subsidiaries of Tiara Gateway Pte Ltd (Continued)				
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
Midai Investments Pte Ltd [φ^]	Republic of Seychelles	Investment holding	**100**	-
Mubur Investments Pte Ltd [φ^]	Republic of Seychelles	Investment holding	**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
Senua Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Serasan Investments Pte Ltd [φ^]	Republic of Seychelles	Investment holding	**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
Tambelan Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Tanabala Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Tarempa Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Tayandu Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Temiyang Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2018 %	Effective ownership interest 2017 %
Subsidiaries of Tiara Gateway Pte Ltd (Continued)				
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
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
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

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2018 %	Effective ownership interest 2017 %
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 Benuwa Investments Pte Ltd				
Benuwa Alpha Pte Ltd [φ^]	Singapore	Investment holding	**100**	-
Benuwa Beta Pte Ltd [φ^]	Singapore	Investment holding	**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 Enggano Investments Pte Ltd				
Enggano Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Enggano 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
Subsidiaries of Gersik Investments Pte Ltd				
Gersik Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Gersik Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Hinako Investments Pte Ltd				
Hinako Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Hinako Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Kemaro Investments Pte Ltd				
Kemaro Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Kemaro Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Lasia Investments Pte Ltd				
Lasia Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Lasia Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Legundi Investments Pte Ltd				
Legundi Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Legundi Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Manawoka Investments Pte Ltd				
Manawoka Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Manawoka Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2018 %	Effective ownership interest 2017 %
Subsidiaries of Manipa Investments Pte Ltd				
Manipa Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Manipa Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
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 Midai Investments Pte Ltd				
Midai Alpha Pte Ltd [φ^]	Singapore	Investment holding	**100**	-
Midai Beta Pte Ltd [φ^]	Singapore	Investment holding	**100**	-
Subsidiaries of Mubur Investments Pte Ltd				
Mubur A Pte Ltd [φ^]	Singapore	Investment holding	**100**	-
Mubur B Pte Ltd [φ^]	Singapore	Investment holding	**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
Subsidiaries of Propos Investments Pte Ltd				
Propos Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Propos Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2018 %	2017 %
Subsidiaries of Raiba Investments Pte Ltd				
Raiba Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Raiba Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Rondo Investments Pte Ltd				
Rondo Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Rondo Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Samosir Investments Pte Ltd				
Samosir Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Samosir Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Senua Investments Pte Ltd				
Senua Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Senua Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Serasan Investments Pte Ltd				
Serasan Alpha Pte Ltd φ^	Singapore	Investment holding	**100**	-
Serasan Beta Pte Ltd φ^	Singapore	Investment holding	**100**	-
Subsidiaries of Sinabol Investments Pte Ltd				
Sinabol Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Sinabol Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Subi Investments Pte Ltd				
Subi Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Subi Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
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 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 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 Tayandu Investments Pte Ltd				
Tayandu Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Tayandu Beta Pte Ltd φ	Singapore	Investment holding	**100**	100

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2018 %	2017 %
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
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 Prime Lagoon Pte Ltd				
PT Treasure Bay Attractions *(Formerly known as PT Prime Villa Investment)* φ	Indonesia	Operation and management of a recreational park	**100**	100
PT Marine Life Discovery Park φ^	Indonesia	Operation and management of a recreational park	**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

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2018 %	2017 %
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	Provision of accommodation services	**100**	100
Subsidiary of Boana Alpha Pte Ltd				
PT Boana Estate Villa φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Enggano Alpha Pte Ltd				
PT Enggano Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Fordate Alpha Pte Ltd				
PT Fordate Estate Villa φ	Indonesia	Development and management of resort hotels, and commercial and residential properties	**100**	100
Subsidiary of Gersik Alpha Pte Ltd				
PT Gersik Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Hinako Alpha Pte Ltd				
PT Hinako Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Kemaro Alpha Pte Ltd				
PT Kemaro Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Lasia Alpha Pte Ltd				
PT Lasia Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Legundi Alpha Pte Ltd				
PT Legundi Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Manawoka Alpha Pte Ltd				
PT Manawoka Estate φ	Indonesia	Provision of accommodation services	**100**	100

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2018 %	Effective ownership interest 2017 %
Subsidiary of Manipa Alpha Pte Ltd				
PT Manipa Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Mapor Alpha Pte Ltd				
PT Mapor Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Marsela Alpha Pte Ltd				
PT Marsela Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Mendol Alpha Pte Ltd				
PT Mendol Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Mesawak Alpha Pte Ltd				
PT Mesawak Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Musala Alpha Pte Ltd				
PT Musala Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Nias Alpha Pte Ltd				
PT Nias Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Penasi Alpha Pte Ltd				
PT Penasi Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Propos Alpha Pte Ltd				
PT Propos Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Raiba Alpha Pte Ltd				
PT Raiba Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Rondo Alpha Pte Ltd				
PT Rondo Estate [φ]	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Samosir Alpha Pte Ltd				
PT Samosir Estate [φ]	Indonesia	Provision of accommodation services	**100**	100

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2018 %	2017 %
Subsidiary of Senua Alpha Pte Ltd				
PT Senua Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Sinabol Alpha Pte Ltd				
PT Sinabol Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Subi Alpha Pte Ltd				
PT Subi Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Tambelan Alpha Pte Ltd				
PT Tambelan Estate Villa φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Tanabala Alpha Pte Ltd				
PT Tanabala Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Tarempa Alpha Pte Ltd				
PT Tarempa Estate Villa φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Tayandu Alpha Pte Ltd				
PT Tayandu Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Temiyang Alpha Pte Ltd				
PT Temiyang Estate Villa φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Tinopo Alpha Pte Ltd				
PT Tinopo Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Watubela Alpha Pte Ltd				
PT Watubela Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Wetan Alpha Pte Ltd				
PT Wetan Estate φ	Indonesia	Provision of accommodation services	**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
# In the process of striking off
^ Newly incorporated during the year

7. INVESTMENT IN AN ASSOCIATE

	Group	
	2018 RM'000	**2017 RM'000**
Unquoted shares, at cost	**100**	100
Less: Impairment losses	**(100)**	(100)
	-	-

This is in respect of an investment in Teknologi Tenaga Perlis Sdn. Bhd., a company incorporated in Malaysia, 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.

In the previous financial year, the Company's indirect wholly-owned subsidiary, Kuala Lumpur Suburban Centre Sdn Bhd disposed of its equity interest comprising 200,001 ordinary shares in MSL Properties Sdn. Bhd. ("MSL") for a total cash consideration of RM87,380,437 with gain on disposal to the Group of RM4,540,000.

The disposal was completed on 15 August 2017 and accordingly, MSL ceased to be an associate of the Group.

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.

MSL Properties Sdn. Bhd.	Group	
	2018 RM'000	**2017 RM'000**
Summarised financial information **Year ended 31 December**		
Profit from continuing operations/Total comprehensive income	-	40,123*
Included in the total comprehensive income are:		
Revenue	-	19,388*
Additional share of profit of equity accounted joint venture recognised due to completion of projects	-	26,095*
Group's share of results **Year ended 31 December**		
Group's share of profit from continuing operations/Total comprehensive income	-	8,025

* *The summarised financial information was for financial period ended 31 July 2017.*

8. **OTHER INVESTMENTS**

	Group RM'000	Company RM'000
2018		
Non-current		
Fair value through profit or loss		
Unquoted shares	**1,885**	**-**
Unquoted redeemable preference shares	**200**	**-**
	2,085	**-**
Current		
Fair value through profit or loss		
Quoted local cash funds, at fair value*	**85,299**	**85,299**
	87,384	**85,299**
2017		
Non-current		
Available-for-sale		
Unquoted shares	1,885	-
Unquoted redeemable preference shares, at cost	200	-
	2,085	-
Current		
Fair value through profit or loss		
Quoted local cash funds, at fair value*	71,151	71,151
	73,236	71,151

* *The Group and the Company's investment in quoted local cash funds consist of funds invested in cash/deposits or Islamic deposits with financial institutions/Islamic money market instruments.*

9. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Group						
Property development costs	-	-	**(199,482)**	(199,482)	**(199,482)**	(199,482)
Property, plant and equipment	-	-	**(269,199)**	(269,288)	**(269,199)**	(269,288)
Unabsorbed capital allowances	**349**	349	-	-	**349**	349
Others	**2,914**	5,077	-	-	**2,914**	5,077
Tax assets/(liabilities)	**3,263**	5,426	**(468,681)**	(468,770)	**(465,418)**	(463,344)
Set off of tax	**(2,913)**	(5,076)	**2,913**	5,076	-	-
Net tax assets/(liabilities)	**350**	350	**(465,768)**	(463,694)	**(465,418)**	(463,344)
Company						
Property, plant and equipment	-	-	**(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

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

Recognised deferred tax assets/(liabilities) (Continued)

Movement in temporary differences during the year are as follow:

	At 1.1.2017 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31.12.2017 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31.12.2018 RM'000
Group					
Property development costs	(199,482)	-	(199,482)	-	**(199,482)**
Property, plant and equipment	(268,417)	(871)	(269,288)	89	**(269,199)**
Unabsorbed capital allowances	349	-	349	-	**349**
Others	6,753	(1,676)	5,077	(2,163)	**2,914**
	(460,797)	(2,547)	(463,344)	(2,074)	**(465,418)**
Company					
Property, plant and equipment	(57)	-	(57)	-	**(57)**
Unabsorbed capital allowances	349	-	349	-	**349**
Others	58	-	58	-	**58**
	350	-	350	-	**350**

Unrecognised deferred tax assets

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Other deductible temporary differences		**8,609**	6,453	**2,659**	2,566
Tax losses carried-forward	9.1	**124,275**	106,159	**11,299**	6,770
		132,884	112,612	**13,958**	9,336

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 and Company can utilise the benefits therefrom.

9.1 Tax losses carried-forward

Included in tax losses carried-forward of the Group is RM36,624,000 (2017: RM31,115,000) subject to Income Tax Act 1967 of which the accumulated losses can be carried forward up to 7 years. This is effective from the year of assessment 2018. The remaining tax losses carried-forward of RM50,657,000 (2017: RM38,252,000) and RM36,994,000 (2017: RM36,792,000) are subjected to income tax law in Indonesia and income tax law in Singapore, of which the accumulated losses can be carried forward up to 5 years and indefinitely respectively.

10. TRADE AND OTHER RECEIVABLES

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Current					
Trade					
Trade receivables		**3,029**	5,057	**-**	-
Less: Loss allowance		**(110)**	(84)	**-**	-
		2,919	4,973	**-**	-
Non-trade					
Other receivables		**9,459**	7,370	**132**	86
Deposits		**1,855**	1,556	**88**	96
Amount due from subsidiaries	10.1	**-**	-	**10,766**	23,243
		11,314	8,926	**10,986**	23,425
		14,233	13,899	**10,986**	23,425

10.1 Amount due from subsidiaries

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

11. CASH AND CASH EQUIVALENTS

	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Cash and bank balances	**28,404**	17,330	**3,037**	420
Deposits with licensed banks	**2,530**	16,197	**-**	385
	30,934	33,527	**3,037**	805

Included in the Group's and the Company's deposits with licensed banks are RM2,530,000 (2017: RM1,685,125) and RM Nil (2017: RM385,125) respectively, under the designated accounts of which the utilisation is subject to the terms and conditions of the term loan of the Group (Note 13) and banking facilities granted to the Group.

12. CAPITAL AND RESERVES

12.1 Share capital

	Group and Company			
	Amount 2018 RM'000	Number of shares 2018 '000	Amount 2017 RM'000	Number of shares 2017 '000
Issued Ordinary Shares:				
At 1 January	**734,811**	**528,891**	480,810	480,810
Issuance of new ordinary shares (Note 1)	-	-	36,542	48,081
Share issue expenses	-	-	(813)	-
Transfer from share premium in accordance with Section 618(2) of the Companies Act 2016 (Note 2)	-	-	218,272	-
At 31 December	**734,811**	**528,891**	734,811	528,891

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.

Note 1: In the previous financial year, the issued share capital of the Company was increased from 480,809,700 to 528,890,670 ordinary shares by way of a private placement of 48,080,970 ordinary shares at an issue price of RM0.76 per share for a total cash consideration of RM36,541,537.

Note 2: In accordance with Section 618(2) of Companies Act 2016, any amount standing to the credit of the share premium account has become part of the Company's share capital. The Company has 24 months upon the commencement of Companies Act 2016 on 31 January 2017 to utilise the credit included in the share capital amounting to RM218,272,000.

12.2 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.

12.3 Share premium

Group and Company

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares. As disclosed in Note 12.1, share premium has become part of the Company's share capital.

12.4 Translation reserve

Group

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

12. CAPITAL AND RESERVES (CONTINUED)

12.5 Fair value reserve

Group

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income (2017: available-for-sale financial assets) until the investments are derecognised or impaired.

12.6 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 capital. When the share options expire or are forfeited, the amount from the share option reserve is transferred to retained earnings.

13. LOANS AND BORROWINGS

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Non-current				
Secured term loan	**123,931**	68,959	-	15,642
Finance lease liabilities	**85**	263	-	-
	124,016	69,222	-	15,642
Current				
Secured term loan	**9,223**	15,443	-	-
Revolving credit	-	10,000	-	10,000
Finance lease liabilities	**180**	185	-	-
	9,403	25,628	-	10,000
	133,419	94,850	-	25,642

13.1 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 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.

13. LOANS AND BORROWINGS (CONTINUED)

13.1 Securities (Continued)

In previous financial year, the Company's term loan and revolving credit are secured by:

i) Third party further legal charge over leasehold land and hotel properties of a subsidiary.

ii) Legal charge and assignment over Revenue Account of a subsidiary.

iii) Irrevocable and unconditional undertaking to cover any cost overrun in relation to 60 canopi tents, marine life park, spray park, slip and slides and other attractions in Treasure Bay.

iv) Assignment of rights, titles and beneficiaries arising from all insurance policies taken whereby the bank is to be endorsed as the loss payee.

13.2 Finance lease liabilities

Group	Future minimum lease payments 2018 RM'000	Interest 2018 RM'000	Present value of minimum lease payments 2018 RM'000	Future minimum lease payments 2017 RM'000	Interest 2017 RM'000	Present value of minimum lease payments 2017 RM'000
Less than one year	**191**	**11**	**180**	204	19	185
Between one and five years	**100**	**15**	**85**	291	28	263
	291	**26**	**265**	495	47	448

13.3 Reconciliation of movement of liabilities to cash flows arising from financing activities

		Group			Company	
	2017 RM'000	Net changes from financing cash flows RM'000	2018 RM'000	2017 RM'000	Net changes from financing cash flows RM'000	2018 RM'000
Secured loan and borrowings	94,402	38,752	**133,154**	25,642	(25,642)	-
Finance lease liabilities	448	(183)	**265**	-	-	-
	94,850	38,569	**133,419**	25,642	(25,642)	-

14. TRADE AND OTHER PAYABLES

	Note	Group 2018 RM'000	Group 2017 RM'000	Company 2018 RM'000	Company 2017 RM'000
Trade					
Trade payables		**4,351**	5,924	**-**	-
Non-trade					
Other payables		**5,103**	3,751	**-**	31
Accrued expenses		**23,345**	17,921	**1,371**	1,255
Amount due to subsidiaries	14.1	**-**	-	**130,782**	44,504
		28,448	21,672	**132,153**	45,790
		32,799	27,596	**132,153**	45,790

14.1 Amount due to subsidiaries

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

15. 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. 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. The ESOS expired on 1 January 2018 and all outstanding options granted have accordingly lapsed on the said date. A total of 4,541,000 (2017: 536,300) share options were lapsed and the total amount of RM2,349,000 (2017: RM235,000) was transferred to retained earnings of the Group and of the Company.

On 29 June 2018, the Group established a share option programme that entitles the Directors, key management and all employees to purchase shares in the Company. The options were granted on 29 October 2018 and 19 November 2018. During the year, 5,430,000 share options were forfeited as they were granted to employees who declined the options subsequent to the grant dates.

The options will vest in the following manner:

Period	% of Options
Immediately after acceptance of offer	50
29 June 2019 - 28 June 2020	12.5
29 June 2020 - 28 June 2021	12.5
29 June 2021 - 28 June 2022	12.5
29 June 2022 - 28 June 2023	12.5

In accordance with this programme, options are exercisable at the 5 days weighted average market price of the shares at the date of grant.

15. EMPLOYEE BENEFITS (CONTINUED)

Share-based payments (Continued)

Grant date	Remaining life of options	Weighted average exercise price	Outstanding At 1.1.2018	Movement during the year Number of options over ordinary shares: Granted	Lapsed/ Forfeited	Outstanding at 31.12.2018	Exercisable at 31.12.2018
22.01.2008	-	RM2.91	**718,800**	-	(718,800)	-	-
24.06.2010	-	RM1.14	**497,200**	-	(497,200)	-	-
27.08.2014	-	RM1.44	**3,325,000**	-	(3,325,000)	-	-
29.10.2018	5 years	RM0.55	-	40,020,000	(4,760,000)	**35,260,000**	**17,630,000**
19.11.2018	5 years	RM0.56	-	2,635,000	(670,000)	**1,965,000**	**982,500**
			4,541,000	42,655,000	(9,971,000)	**37,225,000**	**18,612,500**

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

	Key management personnel and other employees
Fair value of share options	
- Options granted on 29.10.2018 and 19.11.2018	RM0.18
Key assumptions	
Expected volatility	32.5%
Risk-free interest rate (based on Malaysian government bonds)	3.9%

	Group and Company	
	2018 RM'000	**2017 RM'000**
Share options granted on 27.8.2014	-	335
Share options granted on 29.10.2018 and 19.11.2018	**3,781**	-
Total expenses recognised as share-based payments	**3,781**	335

16. REVENUE

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Hotel operations	**109,053**	103,812	-	-
Management fees	-	-	**2,835**	2,972
Dividend income from a subsidiary	-	-	-	81,480
Dividend income from other investments	-	-	**2,384**	849
Total revenue	**109,053**	103,812	**5,219**	85,301

16.1 Disaggregation of revenue

	Hospitality and wellness		Resort and destination development		Total	
Group	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Primary geographical markets						
Malaysia	**77,960**	77,242	-	-	**77,960**	77,242
Indonesia	-	-	**31,093**	26,570	**31,093**	26,570
	77,960	77,242	**31,093**	26,570	**109,053**	103,812
Timing and recognition						
Over time	**48,126**	46,736	**23,627**	20,225	**71,753**	66,961
At a point in time	**29,834**	30,506	**7,466**	6,345	**37,300**	36,851
	77,960	77,242	**31,093**	26,570	**109,053**	103,812
Total revenue	**77,960**	77,242	**31,093**	26,570	**109,053**	103,812

16. REVENUE (CONTINUED)

16.2 Nature of goods and services

Room revenue

Room revenue generally relates to contracts with customers in which performance obligations are to provide accommodations to hotel guests. As compensation for such services, the Group is typically entitled to a fixed nightly fee for an agreed upon period. These fees are generally payable at the time hotel guests check out from the hotel. The Group generally satisfies its performance obligations over time, and recognise the revenue from room sales on a daily basis, as the rooms are occupied and the services are rendered.

The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component. The customers will notify the hotel in writing of any cancellation to the confirmed reservations at least 30 days (Malaysia) or 7 days (Indonesia) before arrival.

Food and beverages revenue

Food and beverages revenue primarily relates to ancillary services that is provided to hotel guests for the period of stay. These fees are generally payable at the time hotel guests consume the service or upon check out from the hotel. The Group generally satisfies its the performance obligations at a point in time, and recognise the revenue from food and beverages on a daily basis as the services are performed.

The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component. There are no variable considerations, and no obligations for returns or refunds or warranties for hotel-related services.

Attractions revenue

Attractions revenue primarily consists of recreational fees in which the performance obligations are to provide rights of enjoyment of facilities to hotel guests. These fees are generally payable upon check out from the hotel. The Group generally satisfies its performance obligations over time, and recognise the revenue from attraction sales on a daily basis, as the services are rendered.

The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component. There are no variable considerations, and no obligations for returns or refunds or warranties for hotel-related services.

17. FINANCE COSTS

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Interest expense	**6,099**	5,006	**193**	825

18. FINANCE INCOME

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Interest income of financial assets calculated using the effective interest method that are:				
- at amortised cost	**166**	112	**61**	84
	166	112	**61**	84
Other finance income	**-**	16	**-**	-
	166	128	**61**	84

19. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
(Loss)/Profit before tax is arrived at after charging:				
Auditors' remuneration:				
Statutory audit				
- KPMG PLT Malaysia	**296**	286	**90**	85
- Overseas affiliates of KPMG PLT Malaysia	**381**	397	**-**	-
- Other auditors	**239**	219	**-**	-
Other services				
- KPMG PLT Malaysia	**15**	15	**15**	15
- Local affiliates of KPMG PLT Malaysia	**42**	127	**12**	91
- Overseas affiliates of KPMG PLT Malaysia	**144**	138	**-**	-
- Other auditors	**115**	108	**-**	-
Material expenses/(incomes)				
Depreciation of property, plant and equipment	**18,578**	17,934	**73**	107
Fair value loss/(gain) in other investments	**180**	(242)	**180**	(242)
Foreign exchange loss/(gain)	**333**	(2,409)	**353**	210
Impairment on property, plant and equipment	**-**	1,446	**-**	-
Net impairment loss on trade receivables	**30**	80	**-**	-
Loss/(Gain) on disposal of other investments	**256**	(1)	**256**	(1)

19. (LOSS)/PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
(Loss)/Profit before tax is arrived at after charging: (continued)				
Material expenses/(incomes) (continued)				
Loss on disposal of property, plant and equipment	**321**	-	-	-
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	**2,437**	2,207	**631**	627
- Wages, salaries and others	**44,573**	39,864	**5,128**	4,790
- Share-based payments	**3,781**	335	**3,781**	335
Inventories written off	**4,455**	192	-	-
Property, plant and equipment written off	**1,339**	1,061	-	-
Rental of office	**3,868**	3,349	**391**	387
Dividend income from a subsidiary	-	-	-	(81,480)
Dividend income from other investments	**(2,384)**	(849)	**(2,384)**	(849)
Gain on disposal of an associate	-	(4,540)	-	-
Rental income	**(349)**	(356)	-	-

20. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Executive Directors				
- Salaries	**3,237**	3,011	**818**	738
- Contributions to Employees Provident Fund	**123**	111	**123**	111
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**193**	322	**176**	195
Share-based payments	**611**	-	**611**	-
	4,164	3,444	**1,728**	1,044
Non-Executive Directors				
- Fees	**338**	280	**328**	270
- Allowance	**73**	51	**73**	51
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**49**	33	**49**	33
Share-based payments	**611**	-	**611**	-
	1,071	364	**1,061**	354
	5,235	3,808	**2,789**	1,398

21. TAX EXPENSE

Recognised in profit or loss

		Group		Company	
	Note	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current tax expense					
- current		**1,048**	1,000	**-**	-
- prior year		**(98)**	175	**-**	1,209
Total current tax recognised in profit or loss		**950**	1,175	**-**	1,209
Deferred tax expense					
- Origination of temporary differences		**2,367**	1,153	**-**	-
- prior year		**(293)**	1,394	**-**	-
Total deferred tax recognised in profit or loss	9	**2,074**	2,547	**-**	-
Total tax expense		**3,024**	3,722	**-**	1,209

21. TAX EXPENSE (CONTINUED)

Reconciliation of tax expense

	Group		Company	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
(Loss)/Profit for the year	**(37,397)**	(29,826)	**(7,940)**	74,159
Total tax expense	**3,024**	3,722	**-**	1,209
(Loss)/Profit excluding tax	**(34,373)**	(26,104)	**(7,940)**	75,368
Share of profit after tax of an equity accounted associate	**-**	(8,025)	**-**	-
	(34,373)	(34,129)	**(7,940)**	75,368
Tax calculated using Malaysian tax rate of 24% (2017: 24%)	**(8,250)**	(8,191)	**(1,906)**	18,088
Effect of tax rate in foreign jurisdictions*	**2,033**	1,187	**-**	-
Non-deductible expenses	**6,473**	4,243	**1,370**	736
Non-taxable income	**(933)**	(1,603)	**(573)**	(19,817)
Current year losses of which no deferred tax asset is recognised	**4,460**	7,299	**1,109**	993
Other items	**(368)**	(782)	**-**	-
	3,415	2,153	**-**	-
(Over)/Under provision in prior year	**(391)**	1,569	**-**	1,209
	3,024	3,722	**-**	1,209

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

22. BASIC LOSS PER ORDINARY SHARE

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

	Group	
	2018 RM'000	**2017 RM'000**
Loss for the year attributable to owners	**37,397**	29,826

Weighted average number of ordinary shares

	Group	
	2018 '000	**2017 '000**
Weighted average number of ordinary shares at 1 January	**528,891**	480,810
Effect of issue of new ordinary shares	**-**	30,297
Weighted average number of ordinary shares at 31 December	**528,891**	511,107

22. BASIC LOSS PER ORDINARY SHARE (CONTINUED)

The calculation of basic loss per share was based on the loss attributable to ordinary equity holders and a weighted average number of ordinary shares outstanding calculated as follows: (Continued)

Basic loss per ordinary share

	Group	
	2018	**2017**
	Sen	**Sen**
From continuing operations	**7.07**	5.84

In the previous financial year, the Group disposed of its investment in an associate (as disclosed in Note 7 to the financial statements). The basic loss per ordinary share excluding the share of profit of this associate would be 7.41 sen as at 31 December 2017.

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.

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, properties and attractions

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.

23. OPERATING SEGMENTS (CONTINUED)

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
2018			
Total segment revenue	**77,960**	**31,093**	**109,053**
Results from operating activities	**18,772**	**(37,694)**	**(18,922)**
Included in the measure of segment results from operating activities are:			
Depreciation	**(6,076)**	**(12,429)**	**(18,505)**

Not included in the measurement of results from operating activities but provided to the Board of Directors:

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
2018			
Finance costs	**(5,115)**	**(783)**	**(5,898)**
Tax expense	**(3,397)**	**369**	**(3,028)**
Segment assets	**238,264**	**2,090,409**	**2,328,673**
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	**2,028**	**26,770**	**28,798**

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
2017			
Total segment revenue	77,242	26,570	103,812
Results from operating activities	13,457	(38,755)	(25,298)
Included in the measure of segment results from operating activities are:			
Depreciation	(6,044)	(11,783)	(17,827)

Not included in the measurement of results from operating activities but provided to the Board of Directors:

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
2017			
Finance costs	(3,324)	(857)	(4,181)
Tax expense	(3,988)	362	(3,626)
Segment assets	167,229	2,085,037	2,252,266
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	2,842	3,640	6,482

23. OPERATING SEGMENTS (CONTINUED)

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

	2018 RM'000	2017 RM'000
Segment results from operating activities		
Total results from operating activities for reportable segment	**(18,922)**	(25,298)
Other non-reportable segments	**(9,518)**	(3,953)
Finance costs	**(6,099)**	(5,006)
Finance income	**166**	128
Share of profit of an equity accounted associate	**-**	8,025
Tax expense	**(3,024)**	(3,722)
Consolidated loss after tax	**(37,397)**	(29,826)

	Revenue RM'000	Depreciation RM'000	Income tax expense RM'000	Segment assets RM'000	Additions to non-current assets RM'000
2018					
Total reportable segment	**109,053**	**(18,505)**	**(3,028)**	**2,328,673**	**28,798**
Other non-reportable segments	**-**	**(73)**	**4**	**4,292**	**233**
Consolidated total	**109,053**	**(18,578)**	**(3,024)**	**2,332,965**	**29,031**
2017					
Total reportable segment	103,812	(17,827)	(3,626)	2,252,266	6,482
Other non-reportable segments	-	(107)	(96)	75,762	17
Consolidated total	103,812	(17,934)	(3,722)	2,328,028	6,499

24. FINANCIAL INSTRUMENTS

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 December 2018 categorised as follows:

(a) Amortised cost ("AC")
(b) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9

	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
2018			
Financial assets			
Group			
Other investments	**87,384**	**-**	**87,384**
Trade and other receivables	**14,233**	**14,233**	**-**
Cash and cash equivalents	**30,934**	**30,934**	**-**
	132,551	**45,167**	**87,384**
Company			
Other investments	**85,299**	**-**	**85,299**
Trade and other receivables	**10,986**	**10,986**	**-**
Cash and cash equivalents	**3,037**	**3,037**	**-**
	99,322	**14,023**	**85,299**
Financial liabilities			
Group			
Loans and borrowings	**133,419**	**133,419**	**-**
Trade and other payables	**32,799**	**32,799**	**-**
	166,218	**166,218**	**-**
Company			
Other payables	**132,153**	**132,153**	**-**
	132,153	**132,153**	**-**

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.1 Categories of financial instruments (Continued)

The table below provides an analysis of financial instruments as at 31 December 2017 categorised as follows:

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

	Carrying amount RM'000	L&R RM'000	FVTPL RM'000	AFS RM'000
2017				
Financial assets				
Group				
Other investments	73,236	-	71,151	2,085
Trade and other receivables	13,899	13,899	-	-
Cash and cash equivalents	33,527	33,527	-	-
	120,662	47,426	71,151	2,085
Company				
Other investments	71,151	-	71,151	-
Trade and other receivables	23,425	23,425	-	-
Cash and cash equivalents	805	805	-	-
	95,381	24,230	71,151	-

	Carrying amount RM'000	OL RM'000
2017		
Financial liabilities		
Group		
Loans and borrowings	94,850	94,850
Trade and other payables	27,596	27,596
	122,446	122,446
Company		
Loans and borrowings	25,642	25,642
Other payables	45,790	45,790
	71,432	71,432

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.2 Net (losses)/gains arising from financial instruments

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Net (losses)/gains arising on:				
Financial assets at fair value through profit or loss:				
- Mandatorily required by MFRS 9	**1,948**	1,091	**1,948**	1,091
Financial assets at amortised cost	**(197)**	-	**(292)**	-
Financial liabilities at amortised cost	**(6,099)**	(5,006)	**(193)**	(825)
Loans and receivables	**-**	2,457	**-**	(126)
	(6,296)	(2,549)	**(485)**	(951)
	(4,348)	(1,458)	**1,463**	140

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 the individual characteristics of each customer 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. There are no significant changes as compared to prior periods.

Trade 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 financial guarantees given by banks, shareholders or directors of customers are obtained and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.3 Financial risk management (Continued)

24.3.1 Credit risk (Continued)

Trade receivables (Continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade 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.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days. The Group's debt recovery process is above 60 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2018.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2018			
Current (not past due)	**2,763**	**-**	**2,763**
1 – 60 days past due	**134**	**-**	**134**
	2,897	**-**	**2,897**
Credit impaired			
More than 60 days past due	**22**	**-**	**22**
Individually impaired	**110**	**(110)**	**-**
	132	**(110)**	**22**
Total receivables	**3,029**	**(110)**	**2,919**

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.3 Financial risk management (Continued)

24.3.1 Credit risk (Continued)

Trade receivables (Continued)

Recognition and measurement of impairment loss (Continued)

The movements in the allowance for impairment in respect of trade receivables during the year are shown below:

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
2018			
Balance at 1 January as per MFRS 9	**-**	**84**	**84**
Net remeasurement of loss allowance	**-**	**30**	**30**
Foreign currency translation differences	**-**	**(4)**	**(4)**
Balance at 31 December	**-**	**110**	**110**

Comparative information under MFRS 139, Financial Instruments: Recognition and Measurement

The aging of trade receivables as at 31 December 2017 was as follows:

	Gross carrying amount RM'000	Individual impairment RM'000	Net balance RM'000
Group			
2017			
Not past due	4,462	-	4,462
Past due 1 - 60 days	457	-	457
Past due more than 60 days	138	(84)	54
	5,057	(84)	4,973

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

	Group 2017 RM'000
At 1 January	4
Impairment loss recognised	80
At 31 December	84

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 RM141,149,000 (2017: RM68,760,000) representing the outstanding financial guarantees granted to a subsidiary as at the end of reporting period.

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

Recognition and measurement of impairment loss

The Group considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

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

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.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for office buildings and fixtures rented. These deposits will be received at the end of each lease terms. The Group and the Company manage the credit risk together with the leasing arrangement.

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

As at the end of the reporting period, the Group and the Company did not recognised any allowance for impairment losses.

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	>5 years RM'000
2018							
Group							
Secured term loan	133,154	5.95%-6.89%	174,533	17,189	19,453	45,681	92,210
Finance lease liabilities	265	2.50%-3.75%	291	191	100	-	-
Trade and other payables	32,799	-	32,799	32,799	-	-	-
	166,218	-	207,623	50,179	19,553	45,681	92,210
Company							
Other payables	132,153	-	132,153	132,153	-	-	-
Financial guarantees	-	-	141,149	141,149	-	-	-
	132,153	-	273,302	273,302	-	-	-

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.3 Financial risk management (Continued)

24.3.2 Liquidity risk (Continued)

Maturity analysis (Continued)

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: (Continued)

	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	>5 years RM'000
2017							
Group							
Secured term loan	84,402	5.12%-6.16%	94,361	19,499	20,720	48,589	5,553
Revolving credit	10,000	6.06%	10,032	10,032	-	-	-
Finance lease liabilities	448	2.47%-3.75%	495	204	291	-	-
Trade and other payables	27,596	-	27,596	27,596	-	-	-
	122,446	-	132,484	57,331	21,011	48,589	5,553
Company							
Secured term loan	15,642	6.16%	19,738	964	1,458	11,763	5,553
Revolving credit	10,000	6.06%	10,032	10,032	-	-	-
Other payables	45,790	-	45,790	45,790	-	-	-
Financial guarantees	-	-	68,760	68,760	-	-	-
	71,432	-	144,320	125,546	1,458	11,763	5,553

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			
2018			
Trade and other receivables	**124**	**951**	**-**
Trade and other payables	**(494)**	**(618)**	**(153)**
Cash and cash equivalents	**60**	**963**	**17**
Net exposure	**(310)**	**1,296**	**(136)**
2017			
Trade and other receivables	50	574	555
Trade and other payables	(221)	(344)	(105)
Cash and cash equivalents	51	1,554	142
Net exposure	(120)	1,784	592

	Denominated in SGD	
	2018 RM'000	**2017 RM'000**
Company		
Cash and cash equivalents	**405**	119
	405	119

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.3 Financial risk management (Continued)

24.3.3 Market risk (Continued)

24.3.3.1 Currency risk (Continued)

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 Profit or loss		Company Profit or loss	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
USD	**31**	12	**-**	-
SGD	**(130)**	(178)	**(41)**	(12)
IDR	**14**	(59)	**-**	-

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.

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	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Fixed rate instruments				
Financial assets	**2,530**	16,197	**-**	385
Financial liabilities	**(265)**	(448)	**-**	-
	2,265	15,749	**-**	385
Floating rate instruments				
Financial liabilities	**(133,154)**	(94,402)	**-**	(25,642)

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.3 Financial risk management (Continued)

24.3.3 Market risk (Continued)

24.3.3.2 Interest rate risk (Continued)

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/(decrease) loss/profit before tax by RM1,332,000 (2017: RM944,000) and RM Nil (2017: 256,000) for the Group and the Company respectively. This analysis assumes that all other variables remain constant.

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					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
2018										
Group										
Financial assets										
Other investments	85,299	-	1,885	87,184	-	-	200	200	87,384	87,384
Financial liabilities										
Secured term loan	-	-	133,154	133,154	-	-	-	-	133,154	133,154
Finance lease liabilities	-	-	-	-	-	-	262	262	262	265
	-	-	133,154	133,154	-	-	262	262	133,416	133,419
Company										
Financial assets										
Other investments	85,299	-	-	85,299	-	-	-	-	85,299	85,299

24. FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Fair value of financial instruments (Continued)

24.4.1 Fair value hierarchy (Continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
2017										
Group										
Financial assets										
Other investments	71,151	-	1,885	73,036	-	-	200	200	73,236	73,236
Financial liabilities										
Secured term loan	-	-	84,402	84,402	-	-	-	-	84,402	84,402
Finance lease liabilities	-	-	-	-	-	-	438	438	438	448
	-	-	84,402	84,402	-	-	438	438	84,840	84,850
Company										
Financial assets										
Other investments	71,151	-	-	71,151	-	-	-	-	71,151	71,151
Financial liabilities										
Secured term loan	-	-	15,642	15,642	-	-	-	-	15,642	15,642

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 (2017: 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.

26. CAPITAL AND OTHER COMMITMENTS

	Group	
	2018 RM'000	2017 RM'000
Contracted but not provided for	**13,252**	21,533

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	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Less than one year	**3,219**	3,911	**396**	391
Between one and five years	**13,853**	11,860	**1,086**	1,007
More than five years	**2,113**	2,944	**292**	-
	19,185	18,715	**1,774**	1,398

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 comprise all the Directors of the Company.

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 10 and amount due to subsidiaries is disclosed in Note 14.

29. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

During the year, the Group and the Company adopted MFRS 15, Revenue from Contracts with Customers and MFRS 9, Financial Instruments on their financial statements. The Group and the Company generally applied the requirements of these accounting standards retrospectively with practical expedients and transitional exemptions as allowed by the standards. Nevertheless, as permitted by MFRS 9, the Group and the Company have elected not to restate the comparatives.

The application of MFRS 15 and MFRS 9 had no material impact on the financial statements of the Group and the Company.

29.1 Accounting for financial instruments

a. Transition

In the adoption of MFRS 9, the following transitional exemptions as permitted by the standard have been adopted:

i) The Group and the Company have not restated comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of MFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of MFRS 9, but rather those of MFRS 139, Financial Instruments: Recognition and Measurement.

ii) The following assessments have been made based on the facts and circumstances that existed at the date of initial application:

- the determination of the business model within which a financial asset is held;
- the designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL; and
- the designation of certain investments in equity instruments not held for trading as at FVOCI.

iii) Loss allowance for receivables (other than trade receivables) is recognised at an amount equal to lifetime expected credit losses until the receivable is derecognised.

29. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

29.1 Accounting for financial instruments (Continued)

b. Classification of financial assets and financial liabilities on the date of initial application of MFRS 9

The following table shows the measurement categories under MFRS 139 and the new measurement categories under MFRS 9 for each class of the Group's and the Company's financial assets and financial liabilities as at 1 January 2018:

Category under MFRS 139	31 December 2017 RM'000	1 January 2018 Remeasurement RM'000	Reclassification to new MFRS 9 Category: Amortised Cost ("AC") RM'000	Fair value through other comprehensive income ("FVOCI") RM'000	Fair value through profit or loss ("FVTPL") RM'000	Notes
Group						
Financial Assets						
Loan and receivables						
Trade and other receivables	13,899	-	**13,899**	-	-	29.1(b)(i)
Cash and cash equivalents	33,527	-	**33,527**	-	-	29.1(b)(i)
	47,426	-	**47,426**	-	-	
Available-for-sale						
Other investments	2,085	-	-	-	**2,085**	29.1(b)(ii)
Fair value through profit or loss-held-for-trading						
Other investments	71,151	-	-	-	**71,151**	
Company						
Financial Assets						
Loan and receivables						
Trade and other receivables	23,425		**23,425**	-	-	29.1(b)(i)
Cash and cash equivalents	805	-	**805**	-	-	29.1(b)(i)
	24,230	-	**24,230**	-	-	
Fair value through profit or loss-held-for-trading						
Other investments	71,151	-	-	-	**71,151**	

29. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

29.1 Accounting for financial instruments (Continued)

b. Classification of financial assets and financial liabilities on the date of initial application of MFRS 9 (Continued)

		1 January 2018		
			Reclassification to new MFRS 9 Category	
Category under MFRS 139	**31 December 2017 RM'000**	**Remeasurement RM'000**	**Amortised Cost ("AC") RM'000**	**Fair value through profit or loss ("FVTPL") RM'000**
Group				
Financial liabilities				
Financial liabilities measured at amortised cost				
Loans and borrowings	**94,850**	-	**94,850**	-
Trade and other payables	**27,596**	-	**27,596**	-
	122,446	-	**122,446**	-
Company				
Financial liabilities measured at amortised cost				
Loans and borrowings	**25,642**	-	**25,642**	-
Trade and other payables	**45,790**	-	**45,790**	-
	71,432	-	**71,432**	-

(i) Reclassification from loans and receivables to amortised cost

Trade and other receivables and cash and cash equivalents that were classified as loans and receivables under MFRS 139 are now reclassified at amortised cost.

(ii) Reclassification from AFS to FVTPL

These are equity investments which are not held for strategic purposes. As a result, the carrying amount of RM2,085,000 was reclassified from available-for-sale to fair value through profit or loss. The fair value gains of RM1,260,000 were reclassified from fair value reserve to retained earnings at 1 January 2018.

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 52 to 130 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and requirements of the Companies Act 2016 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 2018 and of their financial performance and cash flows for the year then ended.

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: 4 April 2019

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 52 to 130 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, MIA CA 14254, in Kuala Lumpur on 4 April 2019.

Fong Chee Khuen

Before me:

D. Selvaraj
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 2018 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, including a summary of significant accounting policies, as set out on pages 52 to 130.

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 2018, and of their financial performance and their 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 2016 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 auditor's 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 judgment, 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.

Valuation of assets in Treasure Bay Bintan, Indonesia
Refer to Note 2(g) - Significant Accounting Policies: Inventories, Note 2(i) Significant Accounting Policies: Impairment, Note 3 - Property, plant and equipment and Note 5 - Inventories.

The key audit matter

The Group owns 338 hectares 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 and development inventories which made up of land held for development and property development costs which relate to Treasure Bay Bintan project constitute 88% of the Group's total assets. Development inventories are carried at the lower of cost and net realisable value.

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 property, plant and equipment may be stated above the recoverable amount and concern over the recoverability of development inventories. 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.

Key Audit Matters (Continued)

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 and development inventories in Treasure Bay Bintan, Indonesia, as follows:

Property, plant and equipment

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 rates.

Development inventories – 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. These include the determination of cash-generating units, cash flow projections, discount rate used, and the assumptions underlying the forecast growth rates.

Development inventories – 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 concern over the recoverability of the assets.

We evaluated the recoverability 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 Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information 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 other information identified above and, in doing so, consider whether the other information 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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of 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 that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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.

Responsibilities of Directors for the Financial Statements (Continued)

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 a going concern, 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 or 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 internal controls 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 the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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 is 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 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 & AF 0758)
Chartered Accountants

Chong Dee Shiang
Approval Number: 02782/09/2020 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 4 April 2019

Other Information

1. ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2019

Share Capital

Number of Issued Shares	:	528,890,670
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	203	1.66	5,512	*
100 – 1,000	3,698	30.19	3,438,723	0.65
1,001 – 10,000	6,241	50.95	27,281,325	5.16
10,001 – 100,000	1,856	15.15	60,012,688	11.35
100,001 – 26,444,532	249	2.03	193,825,022	36.65
26,444,533 and above	2	0.02	244,327,400	46.19
Total	**12,249**	**100.00**	**528,890,670**	**100.00**

* *Percentage is insignificant*

Substantial Shareholders

	Direct		Indirect	
	No. of Shares	**%**	**No. of Shares**	**%**
Phoenix Spectrum Sdn Bhd	145,691,000	27.55	-	-
Genting Berhad	-	-	145,691,000*	27.55
Zimulia Sdn Bhd	69,200,000	13.08	-	-
North Symphony Shd Bhd	-	-	69,200,000*	13.08
Winning Elite Holdings Limited	-	-	69,200,000*	13.08
Rilms Singapore Pte Ltd	-	-	69,200,000*	13.08
Mark Wee Liang Yee	-	-	70,900,000**	13.40

* *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*

1. ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2019 (CONTINUED)

Directors' Interests

	Ordinary Shares				Options over Ordinary Shares**	
	Direct		Indirect		Direct	
	No. of Shares	%	No. of Shares	%	No. of Options Granted	No. of Options Vested
Tan Sri Zakaria bin Abdul Hamid	5,743,400	1.09	-	-	1,000,000	500,000
Mark Wee Liang Yee	-	-	70,900,000	13.40*	3,000,000	1,500,000
Robin Tan Wee Hoong	8,968,000	1.69	-	-	3,000,000	1,500,000
Dato' Abdul Malek bin Abdul Hamid	-	-	-	-	1,000,000	500,000
Bernard Chong Lip Tau	-	-	-	-	1,000,000	500,000
John Ko Wai Seng	-	-	-	-	1,000,000	500,000
Dato' Sri Ramli bin Yusuff	-	-	-	-	1,000,000	500,000
Chin Mui Khiong	-	-	-	-	1,000,000	500,000

* *Deemed interest pursuant to Section 8 and Section 59 (11) (c) of the Act*
** *Options granted under the Landmarks Employees' Share Option Scheme*

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 2018.

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)	98,636,400	18.65
2.	Phoenix Spectrum Sdn Bhd	62,361,700	11.79
3.	Phoenix Spectrum Sdn Bhd	39,958,300	7.56
4.	Phoenix Spectrum Sdn Bhd	22,371,000	4.23
5.	Phoenix Spectrum Sdn Bhd	21,000,000	3.97
6.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	18,707,175	3.54
7.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt AN for Bank of Singapore Limited	18,360,970	3.47
8.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa	14,980,000	2.83
9.	HLB Nominees (Tempatan) Sdn Bhd Terra Benua Sdn Bhd (Cust. Sin 44634)	13,000,000	2.46
10.	Prestasi Cergas Sdn Bhd	12,179,650	2.30

1. **ANALYSIS OF SHAREHOLDINGS AS AT 29 MARCH 2019 (CONTINUED)**

Thirty Largest Shareholders (Continued)

No.	Name	No. of Shares Held	%
11.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa @ Chan Teik Chuan	7,453,000	1.41
12	HLB Nominees (Asing) Sdn Bhd Nguyen Hoai Van (Cust. Sin 41150)	6,900,000	1.30
13.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt AN for Bank of Singapore Limited	3,858,300	0.73
14.	HLB Nominees (Asing) Sdn Bhd Mabel Lee Kim Lian (Cust. Sin 4803)	3,850,000	0.73
15.	Pacific & Orient Berhad	3,000,000	0.57
16.	Ong Kok Seng	2,629,000	0.50
17.	Lee Eng Hock & Co. Sendirian Berhad	2,450,000	0.46
18.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Teng Heng	2,290,500	0.43
19.	CIMSEC Nominees (Asing) Sdn Bhd Exempt AN for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	2,235,099	0.42
20.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	2,127,966	0.40
21.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	2,119,208	0.40
22.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hew Kuan Seng (Penang-CL)	2,095,000	0.40
23.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	1,904,692	0.36
24.	Wong Soo Chai & Wong Chick Wai	1,897,800	0.36
25.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	1,774,700	0.34
26.	Hassan Bin Che Abas	1,500,000	0.28
27.	Mohd Razali Bin Abdul Rahman	1,500,000	0.28
28.	Geo-Mobile Asia Sdn. Bhd.	1,420,000	0.27
29.	Lee Hong Choon	1,241,000	0.23
30.	Chen Guangqiang	1,195,700	0.23

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 2018 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 2018 are as follows:

	Group RM'000	Company RM'000
Audit Services	916	90
Non-Audit Services	316	27
Total Fees	1,232	117

The non-audit services comprise:

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

4. PROPERTIES AS AT 31 DECEMBER 2018

Held by Subsidiary	Name Description Location	Tenure	Approx Age of Building (years)	Approx Land Area (sq. metres)	Net Book Value as at 31.12.2018 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	22	164,861	116.50	2.5.2012	1996
PT PELANGI BINTAN INDAH	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	3,062,239	1,749.11	28.3.2014	2008
PT RESORTS DEVELOPMENT AND MANAGEMENT BINTAN	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024* and	-	37,086	21.20	28.3.2014	2009
		expiring in 2028*	-	85,288	48.76	28.3.2014	2010

4. PROPERTIES AS AT 31 DECEMBER 2018 (CONTINUED)

Held by Subsidiary	Name Description Location	Tenure	Approx Age of Building (years)	Approx Land Area (sq. metres)	Net Book Value as at 31.12.2018 RM' million	Date of Valuation	Date of Acquisition/ Completion
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 five star, 100 tent suite hotel and resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	3	95,628	62.05	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 Thirtieth Annual General Meeting of Landmarks Berhad ("Landmarks" or "Company") will be held at the Saujana Ballroom, Ground Floor, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 29 May 2019 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 2018 together with the Reports of the Directors and Auditors thereon.	Please refer to Note 1
2.	To approve the payment of Directors' fees for Landmarks and its subsidiaries amounting to RM338,100.00 for the financial year ended 31 December 2018.	Ordinary Resolution 1
3.	To re-elect the following Directors who retire in accordance with Article 63 of the Articles of Association of the Company:	
	(a) Tan Sri Zakaria bin Abdul Hamid	Ordinary Resolution 2
	(b) Mr John Ko Wai Seng	Ordinary Resolution 3
	(c) Mr Tan Wee Hoong, Robin	Ordinary Resolution 4
4.	To re-appoint Messrs KPMG PLT as auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5

As Special Business

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

5.	Continuation in Office as Independent Non-Executive Director	
	THAT Mr Bernard Chong Lip Tau, having served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 6
6.	Continuation in Office as Independent Non-Executive Director	
	THAT subject to the passing of Ordinary Resolution 3, Mr John Ko Wai Seng, having served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company.	Ordinary Resolution 7
7.	Payment of Benefits to Non-Executive Directors	
	To approve the payment of benefits to the Non-Executive Directors of the Company of up to an amount of RM300,000.00 for the period from 30 May 2019 until the next Annual General Meeting of the Company.	Ordinary Resolution 8
8.	Authority to Issue and Allot Shares	
	THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, 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.	Ordinary Resolution 9

9. Proposed Adoption of New Constitution of the Company

THAT approval be and is hereby given to revoke the existing Constitution of the Company and in place thereof, the new Constitution as set out in Appendix A be and is hereby adopted with immediate effect AND THAT the Directors of the Company be and are hereby authorised to assent to any condition, modification and/or amendment as may be deemed fit or necessary or required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing. Special Resolution

10. 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
30 April 2019

Explanatory Notes

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 of the audited financial statements. Hence, this agenda item is not put forward for voting.

2. *Ordinary Resolutions 6 and 7 – Continuation in Office as Independent Non-Executive Directors*

   In keeping with Practice 4.2 of the Malaysian Code on Corporate Governance, the Nominating Committee and the Board of Directors have conducted an assessment of the independence of Mr Bernard Chong Lip Tau and Mr John Ko Wai Seng, who have both served as Independent Directors of the Company for a cumulative term of more than nine (9) years and have recommended that they be retained as Independent Directors of the Company. The justifications for both Directors to be retained as Independent Directors are:
   i. they have fulfilled the guidelines of the Main Market Listing Requirements in respect of 'Independence';
   ii. being free of management, they have and are able to exercise independent judgment to act in the best interests of the Company;
   iii. having served the Board for more than nine (9) years, they understand the Group's operations which will enable them to bring valuable recommendations to Board deliberations; and
   iv. they have exercised care as Independent Directors and have carried out their professional and fiduciary duties in the best interest of the Company.

3. *Ordinary Resolution 8 – Payment of Benefits to Non-Executive Directors*

   The benefits payable to the Non-Executive Directors will only be made by the Company as and when incurred if the resolution is passed. The benefits comprise allowance for attendance at the Board and Board Committee meetings, 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. The estimated amount of benefits is determined based on the scheduled and special meetings of the Board and Board Committees as well as the number of Non-Executive Directors.

4. *Ordinary Resolution 9 – Authority to Issue and Allot Shares*

   The proposed 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 ("AGM") of the Company.

5. *Special Resolution – Proposed Adoption of New Constitution of the Company*

   The proposed Special Resolution, if passed, will align the Constitution of the Company with the Companies Act 2016 which was effective from 31 January 2017 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. In view of the substantial amendments to be made, the Board proposed that the existing Constitution be revoked in its entirety and be replaced with a new Constitution as set out in Appendix A and circulated together with the Notice of 30th AGM dated 30 April 2019. The new Constitution shall take effect once the Special Resolution has been passed by a majority of not less than 75% of such members who are entitled to vote and do vote in person or by proxy at the 30th AGM.

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 21 May 2019 shall be entitled to attend and vote at the Meeting or appoint proxy(ies) to attend and vote on his behalf.

8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the 30th AGM will be put to vote by way of poll. A Poll Administrator and independent Scrutineer will be appointed by the Company to conduct the poll process and verify the results of the poll respectively.

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 Thirtieth Annual General Meeting.

2. **General mandate for issue of shares**

   The Company had at the Twenty-ninth Annual General Meeting held on 23 May 2018 obtained members' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Companies Act 2016. 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 Thirtieth 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.

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LANDMARKS

LANDMARKS BERHAD (185202-H)

(Incorporated in Malaysia)

FORM OF PROXY

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 Thirtieth Annual General Meeting of the Company, to be held on Wednesday, 29 May 2019 at 10.00 a.m. at the Saujana Ballroom, Ground Floor, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan and at any adjournment thereof.

My/Our proxies shall vote as follows:

Resolutions		For	Against
1.	Payment of Directors' Fees		
2.	Re-election of Tan Sri Zakaria Bin Abdul Hamid		
3.	Re-election of Mr John Ko Wai Seng		
4.	Re-election of Mr Tan Wee Hoong, Robin		
5.	Re-appointment of Messrs KPMG PLT		
6.	Continuation of Mr Bernard Chong Lip Tau as Independent Director		
7.	Continuation of Mr John Ko Wai Seng as Independent Director		
8.	Payment of Benefits to Non-Executive Directors		
9.	Authority to Issue and Allot Shares		
10.	Adoption of New Constitution		

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.

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

Number of Shares Held

Dated this ____________ day of __________________ 2019

____

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

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 21 May 2019 shall be entitled to attend and vote at the Meeting or appoint proxy(ies) to attend and vote on his/her behalf.

8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of the 30th Annual General Meeting will be put to vote by way of poll. A Poll Administrator and independent Scrutineer will be appointed by the Company to conduct the poll process and verify the results of the poll respectively.

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