LANDMARKS

LANDMARKS BERHAD (185202-H)

RISING AMBITIONS

ANNUAL REPORT 2017

RISING AMBITIONS

Our Vision to be a leading player in the Lifestyle Sector focusing on resorts, hospitality and wellness in the South East Asian region is bearing fruit.

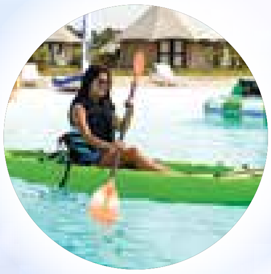
In 2017, we saw good business momentum, supported by operating profits from The Andaman, Langkawi and Chill Cove and The Canopi at Treasure Bay Bintan. We will continue to invest in growth in 2018. We have commenced sales and marketing of the Chiva-Som Residences Bintan, a renowned wellness resort within Treasure Bay Bintan. Together with new attractions such as the Marine Life Park at Chill Cove to be launched in second quarter 2018, we are optimistic that there will be continued momentum in our corporate performance.

This year, our cover portrays the majesty of birds soaring high towards a rising sun, a visual depiction of our own Rising Ambitions. Driven by our strategic vision and our determined focus to achieve our ambitions, we are committed to leading the way in the lifestyle sector for the lasting benefit of all our stakeholders.

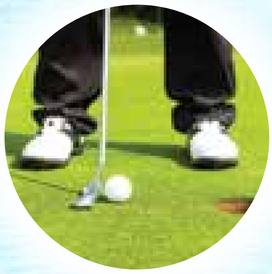
9 Key Pillars of Treasure Bay Bintan

Wellness

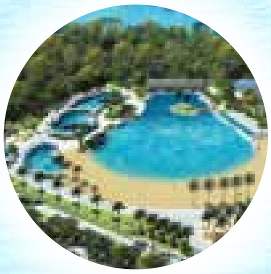
Active Lifestyle



Community Living



Sports



Wide-ranging Attractions

Luxurious Living

Organic Farm

Mangrove Nature Park

Yachting Community

Bringing you health & wellness

SPA & Physiotherapy

Fitness & Holistic Health

Nutrition & Beauty

CHIVA-SOM

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

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

V INTEGRATED WELLNESS

Offering a holistic whole person approach, V Integrated Wellness at The Andaman 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.

Discover the world through food

Safe & high-quality food source

Good healthy eating

Vegan and gluten free meals

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. Visitors will have the opportunity to learn and participate in organic farming and the community at Treasure Bay Bintan will be able to enjoy farm-to-table freshness for good healthy eating.

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. The macrobiotic diet is designed to give the body a break, so that it can focus on flushing out toxins and digesting nutrients, and promotes alkalinity in the body.

V Healthy Cuisine is available at The Restaurant, The Andaman.

Rehabilitating nature

Fish Feeding

Snorkelling

Coral Reef Walk

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 (“MLL”) 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. The MLL serves as the main research laboratory for the Artificial Reef Module System (“ARMS”).

The ARMS are then deployed in the ocean for the growth of corals which will be a habitat for marine life. The ARMS deployed in the ocean forms a Coral Garden, an expansion of the coral conservation project.

CONTENTS

CEO'S MANAGEMENT DISCUSSION AND ANALYSIS

I am pleased in my first anniversary as CEO of Landmarks to announce that our turnaround strategies implemented by our management team has begun to show great progress.

The successful implementation of the 2017 business plans by both our hotel and wellness division in Langkawi, Malaysia and our destination development division in Bintan, Indonesia, have delivered profitable operational results. I am delighted to announce that if this trend continues we can look forward to be profitable in 2018.

Our major milestone in 2017 was the disposal of our investment in MSL Properties Sdn Bhd ("MSL"), a non-core asset. After due and careful consideration, our Board has decided to dispose MSL which owns the Wangsa Walk Mall and some strategic development land surrounding the mall. The disposal has enabled the Group to increase its cash reserves for future capital expenditure and the Group's working capital.

The management's vision has always been and shall continue its concentration and emphasise on creating Treasure Bay Bintan as a world class destination for holistic wellness, active life style, community building and provision of integrated health by providing recreational facilities to all categories of the community.

In this respect, the construction works of Chiva-Som Wellness Resort Bintan will start in 2018. The Chiva-Som Residences Bintan, which are currently being offered for sale, are expected to and have received good responses from the market because they are exclusive and being one of its kind in this world. This project will contribute positively to the Group's financial position.

The management will also continue its efforts on Chill Cove to develop it as a world class tourist destination by adding more new facilities and attractions to complement this vision. Our Marine Life Park is expected to open to the public in 2nd quarter 2018. A 200 keys resort, floating market, marina and land formation on our 2nd phase are also in the planning stage. Treasure Bay Bintan will be developed into a total integrated resort city.

From 2018 onwards, Landmarks Group will expand its scope by looking for similar prospective destination projects in the region. At the same time, we will review the overall development plan on the remaining approximately 7 hectares in our property in Langkawi, Malaysia.

CURRENT YEAR FINANCIAL PERFORMANCE

The Group registered revenue of RM103.8 million for financial year 2017, an increase of 24.8% from 2016. This was due to better performance from The Andaman, A Luxury Collection Resort & V Integrated Wellness ("The Andaman") in Langkawi and Treasure Bay Bintan. However, the Group suffered a net loss after tax of RM29.8 million for the financial year due to expenses incurred for new projects in Treasure Bay Bintan.

HOSPITALITY DIVISION – THE ANDAMAN

The Andaman remained as the main driver of the Group's revenue in 2017. The Andaman contributed approximately 74% of the Group's revenue which is an increase of 9% as compared with 2016. The Andaman continues to experience high occupancy in 2017 and the aggressive and innovative marketing strategies to drive room rate to improve the resort's performance have shown impressive results. The management strategy to remain focused on the European, Singaporean and Australian markets was proven correct. The Andaman achieved an Average Occupancy Rate ("AOR") of 77.9% in 2017, an increase of 1% from 2016. Average Room Rate ("ARR") improved significantly too, by 8.6% as compared with 2016.

The Andaman and V Integrated Wellness continues to win awards in 2017 and they were for Best Eco-Friendly and Best Family Resort in Asia by Haute Grandeur 2017 Global Hotel Award, Top 25 Hotels in Malaysia by TripAdvisor 2017 Traveler's Choice Award, Rainforest Spa of The Year (Malaysia) by Luxury Travel Guide 2017, Most Scenic Spa by Malaysia Women's Weekly Spa Awards 2017, Best Luxury Spa Resort and Outstanding Wedding Destination in Asia by Asian Lifestyle Tourism Awards 2017, Best Spa Experience by Expatriate Lifestyle Best of Malaysia Awards, amongst others.

GROUP REVENUE

RM103.8 million

DESTINATION DEVELOPMENT DIVISION – TREASURE BAY BINTAN

Treasure Bay Bintan's contribution to the Group revenue has increased by approximately 10% as compared with 2016. This was mainly due to the additional 60 new glamorous camping tents of The Canopi, which started operation in June 2017, and the increase of revenue contribution from attractions and entrance fees. The Canopi contributed 70% of the revenue with the remaining 30% from attractions and entrance fees. A total of 203,000 visitors were recorded for the Chill Cove in 2017, an increase of 42% as compared with 2016. This is approximately 23% of the visitorship to Bintan Island.

The Canopi was found to be very popular and had attracted guests from various countries. With the additional 60 new tents, The Canopi now has a total 100 tents in operation. It has achieved an AOR of 75% with an ARR of SGD158 for 2017. The Canopi has gained a lot of positive publicity and has started to attract guests from Jakarta, China and Philippines.

Our 6.3 hectares Crystal Lagoon, together with the attractions and activities surrounding the lagoon, remain the main crowd puller to Chill Cove. New attractions, e.g., kids fun zone, slip & slide, spa center, etc. were introduced during the year. Events organised during the festive season were Christmas challenge, sampan rolling and kite flying competition have swelled the number of visitors to Chill Cove. With these added attractions, entrance fees revenue has increased by approximately 205% as compared with 2016.

RISKS AND PROSPECTS

THE ANDAMAN

The Andaman is expected to perform well in 2018. The management will continue focusing on the three unique offerings at The Andaman, i.e., the rainforest, the corals and the wellness programmes by V Integrated Wellness as core marketing strategies to lure foreign tourists. As approximately 80% of The Andaman's guests are foreign, who travel to Langkawi by flight, the timely announcement of the upgrading of the Langkawi International Airport augurs well for improving the comfort and arrivals of our guests. The weaker Ringgit will be 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 forthcoming Malaysian elections.

TREASURE BAY BINTAN

Chill Cove

The Marine Life Park, the new catalyst for Chill Cove, is slated to commence operation in the early second quarter of 2018. There will be about 70 species of marine life in the park. Our guests will be able to swim with the fishes and have first-hand contact experience with marine life. We foresee that the Marine Life Park will be a big hit amongst the visitors to Bintan Island.

Our 60 hectares of mangrove remains as one of our key attractions for Chill Cove. Our privately owned mangrove is the home for many species of animals, insects, flora and fauna. Preservation of the mangrove is important for us and the management has put in place plans to do so. Activities such as mangrove tour and kayaking along the river remains popular among our visitors.

We have set a target of 300,000 visitors to Chill Cove for 2018. The management will focus on strategies to increase the spend per head by the guests to drive revenue by adding more attractions, food & beverages and retail offerings. Guests and staff safety is always one of the main areas of focus for the management. Safety measures and crisis management plans have been put in place to mitigate this risk.

The Canopi

The Canopi now has an inventory of 100 tents and is expected to perform well in 2018. The management is currently in discussion with an international luxury hotel brand to rebrand The Canopi into a 5-star holiday resort. We expect the revenue contribution to increase by approximately 40% as compared with 2017.

The Nelayan

The demand for resort rooms remains high in Chill Cove especially for our new attraction, the Marine Life Park. The Group has decided to add more resort rooms to Chill Cove and is now in the planning stage of developing a 200 keys themed, unique and trendy resort to be called "The Nelayan" next to the Marine Life Park. The Group anticipates the development of The Nelayan will begin by end 2018 and will expect it to be ready by end 2019. The Nelayan will enhance the offerings in Chill Cove when it is completed.

Resort Development in Chill Cove

One of the business models for Treasure Bay Bintan is to bring in international resort brands to Chill Cove. As at to-date, we have signed up three international brand resorts. We are actively looking for investors to jointly develop more resort facilities. The slow economy and investment risk in Indonesia will be the two main risks for the Company to secure investors.

Chiva-Som Bintan

Chiva-Som Bintan, a Luxury Wellness Resort will be the key catalyst development of Treasure Bay Bintan. The wellness resort will be managed by Chiva-Som International from Thailand who has incidentally won the world's Best Spa Resort 2016 by Conde Nast travel magazine. Chiva-Som Bintan is being designed by Jean-Michel Gathy from Denniston, a world-renowned architect who has designed many top notch resorts in the world. The resort will consist of a hotel, a world class wellness centre and 37 residences which are for sale.

Project financing of USD85.6 million from a Malaysian bank for the Chiva-Som Bintan project has been secured. The management has started the sales and marketing of the 37 residences and this has generated strong interest from some high net worth investors. We foresee that Chiva-Som Bintan Resort will be a significant contribution to the Group's revenue in the coming years. The Gross Development Value of the residences alone is not less than USD285 million.

The current softening of the global real estate market and tightening of mortgage financing from banks and financial institutions may pose a threat to the sales of the Chiva-Som Residences Bintan. The management is confident that the unique positioning of Chiva-Som Bintan as a wellness retreat with pre-reactive health facilities and lifestyle resort will be able to attract the interest from wellness conscious high net worth individuals around the world. In view of this niche market of potential investors, the management is focusing the sales and marketing efforts towards Chiva-Som's existing clientele, private banking communities, corporate communities and Sentosa Cove Singapore residents. Since the start of the sales and marketing of the residences the management has found the referred responses encouraging.

FUNDING

The Group's current gearing ratio is low at 5.4%. We have secured additional funding of USD85.6 million and RM150 million for the property and resort development financing, refinancing of existing loan, capex funding and working capital for the Group. With this funding in place, the Group is financially able to carry out its development and capex expansion as planned.

The Group will not be declaring any dividend for 2017 as there is a need to conserve its cash resources for its continuing development and capex expansion plan.

CONCLUSION

The management has put in place the strategic plans for the Group on both Treasure Bay Bintan and The Andaman. We expect the Group to turn around and be profitable in 2018. It will be an exciting year ahead for the Group. We hope that the improvement of the financial position will be translated and 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.

I would lastly like to welcome our two new directors, Dato' Sri Ramli bin Yusuff and Mr Chin Mui Khiong who had joined the Board during the year.

MARK WEE LIANG YEE
Executive Deputy Chairman & CEO

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
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Fax : 03-2026 0099

COMPANY SECRETARY
Irene Low Yuet Chun

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

SHARE REGISTRAR
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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

Lim Wee Chun
Senior Manager, Finance

Jasvinder Kaur
Senior Manager, Group PR & Marketing/ Head of Wellness

TREASURE BAY BINTAN
Lee Tak Meng
Chief Operating Officer

Ong Jiin Shan
General Manager, Projects Development

Jimmy Tan Khiam Siew
Head *of* Attractions

Pardianawati
Director of Human Resources & Admin

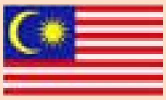
Wong Wai Meng
Chief of Finance

Goh Wee Ling
Head of PR and Marketing

THE ANDAMAN
Carlos Tarrero Letona
General Manager

TAN SRI ZAKARIA BIN ABDUL HAMID

Chairman
Non-Independent
Non-Executive Director



74 | MALE

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.

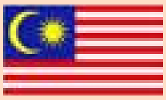
Tan Sri Zakaria started his career with the Malaysian Civil Service in 1969 as an Assistant Secretary and retired as Director General of the Prime Minister's Department in early 2002.

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



51 | MALE

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 other directorship in public or public-listed companies.

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

ROBIN TAN WEE HOONG

Non-Independent Executive Director

57 | MALE

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 analyst 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

69 | MALE

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 other 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

66 | MALE

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 other 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

67 | MALE

Mr John Ko Wai Seng, was appointed a director of the Company on 25 May 2006 and resigned on 28 October 2009. He was subsequently re-appointed an Independent Non-Executive Director of the Company on 1 November 2012. Mr John Ko holds a Bachelor of Laws (Honours) and Master of Laws from the London School of Economics and Political Science of University of London, United Kingdom. He was admitted to the Bar of Inner Temple as a Barrister-of-Law and the High Court of Sabah and Sarawak in 1975.

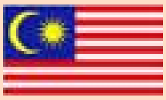
Mr John Ko began his career as a legal assistant in Messrs Battenberg & Talma, Advocates, Kuching in 1975 and was made a partner in the firm in 1985. He retired from the firm in 2009 to take up an appointment as a Judicial Commissioner of the High Court in Sabah and Sarawak. He served as the resident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

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

Mr 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



66 | MALE

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.

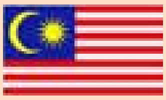
Dato' Sri Ramli has served in various departments of the Royal Malaysian Police for 38 years, including as Officer-in-Charge of Sarawak Criminal Investigation Department ("CID"), Deputy Director of Bukit Aman CID, Sabah Police Commissioner, Pahang Chief Police Officer and Director of Bukit Aman Commercial 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 Audit Committee of Ho Hup Construction Company Berhad in 2010 until his retirement in 2014. He is presently the senior partner in his own legal firm, Ramli Yusuff & Co and Executive Chairman of Ramli Security Sdn Bhd.

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 other 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



63 | MALE

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 and Hubline 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.

KEY SENIOR MANAGEMENT

FONG CHEE KHUEN

Group Chief Operating Officer & Chief Financial Officer

47 | MALE

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 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.

LEE TAK MENG

Chief Operating Officer, Treasure Bay Bintan

59 | MALE

Mr Lee Tak Meng was appointed Chief Operating Officer of Treasure Bay Bintan on 4 January 2018. He is responsible for managing the operations of Treasure Bay Bintan, the tourism destination being developed by the Group on Bintan Island, Indonesia. He holds a Bachelor of Engineering (Honours) (Civil), Master of Science (Civil Engineering) as well as a Master of Business Administration, all from the National University of Singapore.

Mr Lee has more than 30 years of experience in the management of business portfolios in operations, business development, corporate development, finance and accounting, marketing and branding, human resources, project development and management, in industries ranging from leisure and lifestyle to hospitality, real estate, fast moving consumer goods and manufacturing in Singapore, South East Asia, North Asia, Australia and Europe. His last appointment prior to joining Treasure Bay Bintan was as Chief Investment Officer/Strategic Director of APBA Group Pte Ltd, a regional human resource services consultancy and outsourcing group based in Singapore.

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

Mr Lee 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.

CARLOS TARRERO LETONA

General Manager, The Andaman

40 | MALE

Mr Carlos Tarrero Letona was appointed General Manager of The Andaman, A Luxury Collection Resort, Langkawi, on 4 September 2017. He completed his secondary school from Colegio Vizcaya in Bilbao, Spain in June 1995. He obtained a Bachelor's degree in Hospitality Management from Universidad de Deusto in Bilbao, Spain in September 1998. He was an associated professor to the Faculty of Hospitality Management at Universidad de Deusto in Bilbao, Spain.

Prior to joining The Andaman in Langkawi, Mr Letona has worked for over 5 years in Thailand, holding first the position of Director of Operations and subsequently taking over as General Manager for Phulay, a Ritz-Carlton Reserve in Krabi. Before he assumed his current role at The Andaman, he was the General Manager in charge of the pre-opening process of The Ritz-Carlton Koh Samui from April 2016.

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

Mr Letona 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

	2017 RM'000	2016 RM'000	2015 RM'000	2014 RM'000	2013 RM'000
GROUP ASSETS					
Property, Plant & Equipment	1,321,246	1,339,017	1,346,209	1,328,100	551,685
Intangible Asset	-	-	131	386	575
Property Development Cost	778,772	778,900	781,856	787,997	1,527,540
Investments in Associates	-	70,462	66,547	57,407	54,880
Other Investments	2,085	1,885	1,885	1,040	1,040
Deferred Tax Assets	350	350	350	1,631	421
Net Current Assets	170,926	75,175	112,439	142,549	194,901
	2,273,379	2,265,789	2,309,417	2,319,110	2,331,042
FINANCED BY					
Share Capital	734,811	480,810	480,810	480,810	480,810
Share Premium	-	218,272	218,272	218,272	218,272
Fair Value Reserve	1,260	1,260	1,260	415	415
Share Option Reserve	2,349	2,249	2,526	2,358	1,453
Translation Reserve	168	13,155	12,161	(2,152)	(1,399)
Retained Earnings	1,000,502	1,030,093	1,057,760	1,069,534	1,074,806
Non-Controlling Interests	1,373	1,373	1,373	1,224	1
Loans And Borrowings	69,222	57,430	70,183	79,855	88,528
Deferred Tax Liabilities	463,694	461,147	465,072	468,794	468,156
	2,273,379	2,265,789	2,309,417	2,319,110	2,331,042
RESULTS					
Loss Before Tax	(26,104)	(30,766)	(14,045)	(6,414)	(6,220)
Tax (Expense)/Credit	(3,722)	2,822	1,987	1,100	1,449
Loss for the year	(29,826)	(27,944)	(12,058)	(5,314)	(4,771)
Loss Attributable to Owners of the Company	(29,826)	(27,944)	(12,058)	(5,314)	(4,771)
Profit Available for Appropriation	1,000,502	1,030,093	1,057,760	1,069,534	1,074,806

OUR EES FRAMEWORK

ECONOMIC

ENVIRONMENT

SOCIAL

RECOGNISING AND ENGAGING the community

RESTORATION AND CONSERVATION of the environment

REDUCING carbon footprint

RESPONSIBLE employer

The Board of Directors of Landmarks Berhad has always been mindful in embedding economic, environmental and social ("EES") impacts to ensure that its businesses are operated sustainably by continually assessing the risks and opportunities in the Group's operations. As responsible corporate citizens, the Group has made continued progress on giving cognisance towards the management of the material EES risks and opportunities to create value for its key stakeholders, including business partners, shareholders, regulators and the communities within which it operates.

This statement illustrates the Company's commitment in ensuring long term growth and success in maintaining a proper balance between our economic, environmental and social responsibilities underpinned by the four pillars that have been developed to drive the Group's activities at The Andaman and Treasure Bay Bintan ("TBB").

ECONOMIC

RECOGNISING AND
ENGAGING THE COMMUNITY

>> *Cooking bubur lambuk at Masjid Jamek, Kampung Kok*
>> *Blood donation by TBB staff*

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 has awarded supply and maintenance contracts for goods and services to local suppliers in Langkawi totalling about RM16 million. The goods and services comprise mainly food and beverages, engineering and maintenance services, event management services, kitchen supplies, and other operating supplies and equipment.

Local sourcing of goods and services for The Canopi and Chill Cove amounted to about RM3.6 million in 2017, 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 contractors and material suppliers were also used in the extension of The Canopi, construction of the Marine Life Park and main access road, and other construction projects, with total contract value of about RM23 million. 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 countries such as Singapore and China 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 or collaborated with like-minded corporate citizens in 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. On 8 June 2017 during the month of Ramadhan, the associates of The Andaman collaborated with Masjid Jamek, Kampung Kok to cook and distribute 1,000 packets of the special porridge, *bubur lambuk*, which were distributed to the local community and schools. The total cost of this initiative was RM1,800. On 24 September 2017, The Andaman together with

>> *Donation of 150 bags of cement for renovations of Musholla Kecamatan mosque at Bintan, Indonesia*

The associates of The Andaman collaborated with Masjid Jamek, Kampung Kok to cook and distribute 1,000 packets of the special porridge, *bubur lambuk*, which were distributed to the local community and schools.

The Westin, St Regis and Ritz-Carlton, sister hotels managed by Marriott International in Langkawi, joined forces to run for a good cause under the Run to Give programme. A total of RM35,000 was raised at the run to support the National Kidney Foundation. Marriott International 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 2017, a total of RM35,000 was collected and forwarded to UNICEF for its projects under the programme. On 24 May 2017, The Andaman teamed up with Trash Hero, Langkawi Chapter and sister hotels managed by Marriott International in Langkawi to clean the surrounding areas of Telaga Harbour and Jalan Pantai Kok, with approximately 300 kg of trash collected. Trash Hero is a global movement that creates sustainable, community-based projects that remove existing waste, and reduce future waste by inspiring long-term behaviour change.

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 2017. On 5 April 2017, TBB collaborated with Bintan Resorts in their Corporate Social Responsibility programme Hari Kasih Sayang, where 50 students from the district were invited to visit TBB for a half-day event comprising team building games and career insight. The purpose of the Hari Kasih Sayang programme is to familiarise students in junior high school for careers in the hospitality industry whilst giving them an opportunity to visit the hotels in Lagoi, Bintan. The cost of this programme was approximately RM2,000. In the spirit of Ramadhan, TBB organised a breaking of fast for 70 orphans from all 7 villages in Telok Sebong District on 31 May 2017 at a cost of about RM5,000. A blood donation event was organised with the Bintan branch of the Indonesian Red Cross Society on 9 August 2017 where 73 staff of TBB donated 45 packets of blood for the blood bank. On 30 August 2017, in conjunction with Eid Adha Qurban, 7 goats were donated to the 3 poorest villages in Telok Sebong District of Ekang Anculai, Pengudang and Berakit with contribution of RM5,000 from TBB and RM1,600 from staff. TBB also spent about RM3,300 by donating 150 bags of cement for the renovations to expand the Musholla Kecamatan mosque on 25 October 2017 to cater to the needs of the community.

ENVIRONMENT

RESTORATION AND CONSERVATION OF THE ENVIRONMENT

REDUCING CARBON FOOTPRINT

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.

Coral Conservation at The Andaman

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. Much effort has been expended to restore the coral reef damaged by the tsunami in 2004. Monthly coral cleaning activities and reef walks to educate

>> *Harvesting vegetables at organic farm, TBB*
>> *Young guests at The Andaman learning about coral conservation*

guests and associates 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. The ARMS were deployed at the ocean for the growth of corals which will be a habitat for marine life. On 8 June 2017, this coral conservation project was expanded by launching a Coral Garden in the ocean. The Coral Garden is about 100 meters in diameter with 500 mini-ARMs and about 300 corals.

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.

>> *Organic Farm at TBB*

The coral conservation project was expanded by launching a Coral Garden in the ocean. The Coral Garden is about 100 meters in diameter with 500 mini-ARMs and about 300 corals.

Organic Farming

One of TBB'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 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 is still in its experimental stage. However, its organic produce to-date are supplied to The Canopi, with excess distributed to staff. The certification of the farm under the International Federation of Organic Agriculture Movements ("IFOAM") (European Union and Australia) has commenced in June 2017 and is expected to be received in 2019. 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 based on minimum efforts to generate the best results. 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 gradient for drainage as well as collection of water. It also ensures no over shadowing and is a natural site for creating a scenic view of the entire farm. The farm faces east to gather the morning sun and ensures the uniform distribution of sunlight. Seasonal and prevailing wind directions are considered to provide good constant circulation for clearing air pollutants as well as cooling under the tropical sun. A natural stream nearby to the site suggests a high-water table, and natural pond locations were identified for stable and clean water supply all year round. Soil tests were done to select the most suitable site for planting. The existing secondary forests around the site provide a good barrier for a conducive enclave for farming. Local timber and top soil are harvested for use in construction and planter beds.

In the design and construction of facilities at the farm, adequate spaces, comfortable shelters, a visually pleasant work place 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 are designed to optimise the strength of the materials, which minimises material use and wastage. Structures are built specifically for optimised function and minimal maintenance. All structures are naturally ventilated except for a small viewing gallery.

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 as they can be a supplier of organic food to TBB.

There are no operations at night to promote energy efficiency. There are no piped water mains as the natural pond provides the requirements for watering of plants and preparations.

>> *Sprinkler system for watering plants at organic farm, TBB*

Energy & Water Efficiency and Waste Management

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.

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 and 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. At least 90% of the lighting at TBB utilises LED bulbs. The balance 10% which are presently utilising non-LED bulbs will be phased out and replaced with LED bulbs to reduce energy consumption. 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.

Sustainable practices have been designed into the operations of the farm. There is no grid electricity on site; a generator is only turned on for watering of plants. There are no operations at night to promote energy efficiency. There are no piped water mains as the natural pond provides the requirements for watering of plants and preparations. Water is also collected and stored at a high level, using gravity as feed for taps. The natural pond also serves as the collection point whereby "organically fertilised" water is collected and reused for watering the plants. Composting is done to produce organic fertilisers from unwanted harvest. Plant waste are also recycled by shredding to become mulch used to condition soil and for aesthetics. Crop rotation is practised to fully optimise the growth of different crops. This practice also allows the study of suitable variety of crops to ensure sustainable agriculture as well as to control pest growth. Earthworms are also introduced to loosen the soil and provide natural castings to enhance plant growth. To mitigate pests, nettings are used and predators are encouraged on site, e.g., aquatic plants encourage dragonflies which prey on aphids. Reports and records are maintained regularly to inform and maintain the performance of the farm. The items recorded include harvest yield, planting schedule, compost/fertiliser usage, soil/water test results, amongst others.

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.

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. 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.

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. The next step is to replace the halogen bulbs for outdoor lighting of the resort to 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

>> *The Andaman, Langkawi*

programme card is left in all guest rooms to encourage participation by the resort guests. 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 which will save about RM78,000 in energy usage per annum. 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 have reduced the usage of electricity and generated savings of about RM47,000 per annum.

Waste management is a central theme in our hotel operations. 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 containers at a designated location at the resort, with the compost used for landscaping purposes. As part of waste management, the 3R Programme – Reuse, Reduce, 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 to guest rooms and laundry, providing recycling bins at all venues and offices in the resort for collection of recyclable items and using recycled wood as menu cards and recycled bottles as candle stands at The Jala. To reduce waste from plastic bottles, filtered drinking service using glasses are provided at the poolside and the beach. Drinking water is also provided in pitchers and writing paper at the stationery centre for meetings hosted at the hotel to reduce waste.

>> Natural products used at the spa, The Andaman

The Andaman has been recognised for its substantive efforts in environmental management and energy conservation.

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 2018 – 2020 by the ASEAN Secretariat.

SOCIAL

RESPONSIBLE EMPLOYER

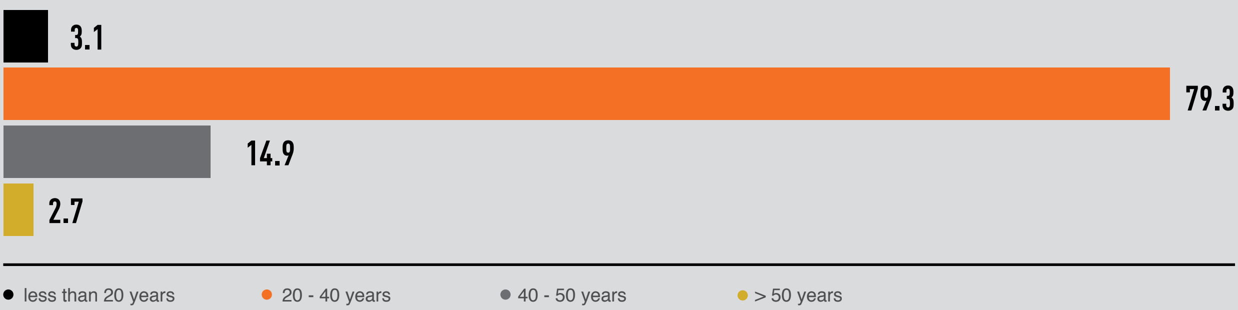
The Board recognises that one of the Group's most important assets is its human capital. As a responsible employer, we are committed to running a safe, efficient and profitable business where honesty, integrity and respect for people govern the way we work and interact with each other within the organisation and externally with our guests and business partners. The standards of behaviour expected of all employees are set out in the Code of Ethics and Conduct 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 of Ethics and Conduct or discriminatory acts as set out in the Whistleblowing Policy without fear and the policy is publicly available on our website.

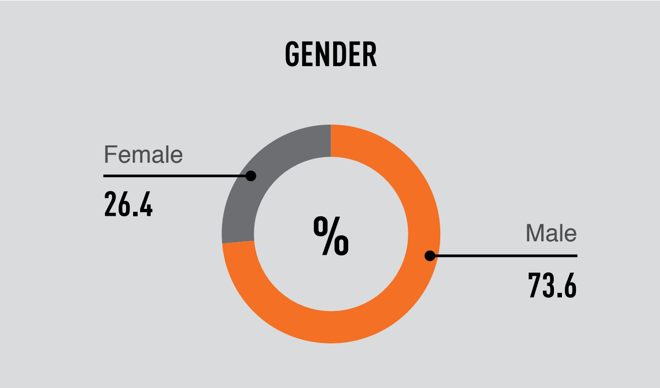
In our efforts to become a preferred employer, we are committed to the practice of equal opportunity policies for our workforce and respect for our employees' human rights in the communities we operate in. Our policies include zero tolerance of discrimination on grounds of colour, religion, ethnicity, 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.

Medical benefits which include medical care for staff and their families, hospitalisation and surgical insurance benefits, maternity and paternity leave and flexible working arrangements are provided for staff.

The Group employed a total of 764 permanent employees across Malaysia, Singapore and Indonesia as at December 2017. The breakdown by gender and age group of the employees is:

AGE GROUP





There is room to improve the employment of female personnel in the Group. The Board of Directors targets to increase female employees to at least 30% within the next 2 years.

Health, Safety and Security

The Group places paramount importance on the health and safety of its associates 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 associates. All associates 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 to our guests.

Both our resorts place strong emphasis on ensuring the highest level of food safety and on managing food safety risks. Ten associates in the Food and Beverage ("F&B") kitchen at The Canopi, TBB, have undergone training in food safety conducted by the Executive Sous Chef in 2017. Thirty-nine associates in the F&B department were trained in hygiene and sanitation conducted by an external trainer. All associates in F&B kitchen and service were vaccinated against typhoid. Fifty-two associates involved in food handling in F&B, kitchen, stewarding and receiving/purchasing were trained in food safety and certified at The Andaman. Further, all food handlers have undergone the compulsory hygiene and sanitation training.

All associates hired by TBB have to undergo a Safety at Work programme during their orientation. A total of 134 associates hired in 2017 were trained in the programme whilst another 119 associates were given a refresher course. The Director of Engineering at TBB has been trained and certified in occupational safety and health. Occupational safety and health training is conducted on a monthly basis at The Andaman and has been completed for associates in engineering, stewarding, housekeeping, kitchen, loss prevention, and pool and recreation in 2017. Fire life safety training has also been completed for the resort's Emergency Response Team.

To promote the physical wellbeing of our associates, regular sporting and exercise activities are scheduled. At The Andaman, the general manager leads an early morning running event twice a week and all associates 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 associates is encouraged. At TBB, a weekly jogging/running session followed by zumba is held in the evening after working hours to encourage associates to maintain a healthy and active lifestyle. Table tennis equipment are also provided for associates to use at their convenience. Associates 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.

Training and Development

The Group provides an environment that emphasises continuous development of all associates to achieve their potential as well as building on their capabilities for career progression and advancement. Associates 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 associates may participate in a range of external training and development programmes to learn or upgrade specific skills.

TBB has achieved functional training of an average of 5 hours per associate per month for the period from March to December 2017, exceeding the target of an average of 4 hours per associate per month. Line associates at The Andaman are required to achieve 50 training hours per annum whilst managers are required to achieve 55 hours.

TBB has formalised an internship programme in collaboration with various tourism and hospitality schools in Indonesia. Students pursuing courses in hotel operations, and tour and travel services are offered internships ranging from 4 to 6 months. In 2017, 20 internships were offered to students in housekeeping, front office, F&B at The Canopi and those in tour and travel services were assigned to Chill Cove. One of the interns has been offered employment in Front Office at The Canopi upon graduation. 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.

This Statement was approved by the Board of Directors on 27 February 2018.

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 2017, 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 and the Group Chief Operating Officer, in the performance of his duties. In January 2018, the Chief Operating Officer of Treasure Bay Bintan ("TBB") was appointed to assist the CEO in managing the operations of TBB, the major development of the Group in Indonesia.

The roles of the Chairman and the CEO are clearly set out in the Board Charter which 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 ("ARMC") 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 35 to 37 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 is required by the Board;
ii) seek and evaluate candidate(s) with the required credentials, skills, experience and competencies who has demonstrated integrity and character; and
iii) recommend the proposed appointment of the candidate to the Board for approval.

The Nominating Committee met twice during the financial year 2017 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; and
vi) considered and recommended the appointment of the Chief Financial Officer and Independent Directors of the Company, membership of Board Committees and the appointment of the Chief Operating Officer of TBB.

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 - Chairman
(Non-Independent Non-Executive Director)
Bernard Chong Lip Tau - Member
(Independent Non-Executive Director)
Chin Mui Khiong - Member
(Independent Non-Executive Director)
(appointed on 27 October 2017)
Dato' Abdul Malek bin Abdul Hamid
(Non-Independent Non-Executive Director)
(ceased on 27 October 2017)

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

The Remuneration Committee met twice 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 2016;
ii) considered and recommended for the Board's approval the remuneration of the senior management;
iii) considered and recommended for the Board's approval the payment of bonuses and salary increment for staff of the Group; and
iv) considered and recommended for the Board's approval the remuneration of the Chief Operating Officer of TBB.

Code of Ethics and Conduct

The Code of Ethics and Conduct was reviewed and approved by the Board on 6 October 2017. The said Code sets out the principles and standards of business ethics and conduct of the Directors and employees of the Group and 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 of Ethics and Conduct is encouraged to whistleblow or report the concerns through the Whistleblowing Policy, which was approved by the Board on 25 February 2015. 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:-

Director	Attendance
Tan Sri Zakaria bin Abdul Hamid	4 out of 6
Mark Wee Liang Yee	6 out of 6
Robin Tan Wee Hoong	5 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 *(appointed on 27 October 2017)*	1 out of 1*
Chin Mui Khiong *(appointed on 27 October 2017)*	1 out of 1*

* *attendance at Board meetings held after their appointment*

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 ("MAP") prescribed by Bursa Malaysia Securities Berhad. Dato' Sri Ramli bin Yusuff and Mr Chin Mui Khiong, both of whom were appointed on 27 October 2017, have completed the MAP on 16-17 June 2010 and 12-13 August 2015 respectively.

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
Malaysian Institute of Corporate Governance ("MICG") – Assessment of the Board, Board Committees and Individual Directors: Taking Stock of Performance	• Dato' Abdul Malek bin Abdul Hamid
MICG – The Companies Act 2016: Key Changes and Implications to Directors and Management	• Dato' Abdul Malek bin Abdul Hamid
GST Latest Updates/Audit and Malaysian Withholding Tax	• Chin Mui Khiong
MICG – Improving Annual Report Disclosure Standards: What Next	• Dato' Abdul Malek bin Abdul Hamid
MICG – The New Malaysian Code on Corporate Governance 2016: How to Walk the Talk?	• Tan Sri Zakaria bin Abdul Hamid
Bursatra – Changes affecting Directors under the Companies Act 2016: What Every Director Needs to Know	• Tan Sri Zakaria bin Abdul Hamid
Bursa Malaysia – Fraud Risk Management Workshop	• Dato' Abdul Malek bin Abdul Hamid • John Ko Wai Seng
Bursa Malaysia Corporate Governance Breakfast Series with Directors – Board Excellence: How to Engage and Enthuse Beyond Compliance with Sustainability	• John Ko Wai Seng
MICG – Governance Culture: What's Possible	• John Ko Wai Seng • Bernard Chong Lip Tau
Aram Global Sdn Bhd ("AGSB") – Seminar on Implementing a Risk Management and Internal Control Framework based on the Malaysian Code on Corporate Governance 2017	• Chin Mui Khiong

Training Course/Programme	Attended by
Ernst & Young ("EY") – MFRS Series Seminar: MFRS 9 Financial Instruments and Other Developments in MFRS up to 30 June 2017	• Chin Mui Khiong
Malaysian Institute of Accountants ("MIA") – Game-Changers under Companies Act 2016: Key Insights and Implications for Boardroom Matters	• John Ko Wai Seng
Bursa Malaysia – Workshop for Board Audit Committee Members on Effective Internal Audit Function	• Dato' Abdul Malek bin Abdul Hamid • John Ko Wai Seng
MIA – Rising Up to the Challenges of Sustainability Reporting	• John Ko Wai Seng
The Institute of Internal Auditors Malaysia ("IIAM") – Audit Committee Leadership Track	• Dato' Abdul Malek bin Abdul Hamid
IIAM 2017 National Conference – Internal Audit: Poised for the Future	• Chin Mui Khiong
Bursa Malaysia – Advocacy Session on Corporate Disclosure for Directors and Principal Officers of Listed Issuers	• Bernard Chong Lip Tau
AGSB – Seminar on Interpreting, Analysing and Probing Financial Statements 2017	• John Ko Wai Seng
EY – 2018 Budget and Tax Conference	• Chin Mui Khiong
MIA – Updates on Accounts, Audit, AGM, Annual Return: Practical Approaches and Compliance Issues under the Companies Act 2016	• Chin Mui Khiong
Companies Commission of Malaysia – Key Offences under the Companies Act 2016 & Interest Schemes Act 2016	• Mark Wee Liang Yee • Tan Wee Hoong

Dato' Sri Ramli bin Yusuff did not attend any training during the year as he was appointed on 27 October 2017.

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 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 had appointed two (2) Independent Directors to add to the mix of skills and experience of the Board. The appointments have improved the balance of Independent Directors to 50% from 27 October 2017.

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 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 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 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 2017 are set out below:

	Salaries & Bonus* (RM)	Fees (RM)	Allowances (RM)	Benefits-in-Kind (RM)	TOTAL (RM)
Group					
Executive Directors					
- Mark Wee Liang Yee	2,413,274	-	-	317,434	2,730,708
- Robin Tan Wee Hoong	708,525	-	-	4,685	713,210
Non-Executive Directors					
- Tan Sri Zakaria bin Abdul Hamid	-	85,000	8,000	12,011	105,011
- Dato' Abdul Malek bin Abdul Hamid	-	59,677	13,000	6,548	79,225
- Bernard Chong Lip Tau	-	66,000	15,000	1,183	82,183
- John Ko Wai Seng	-	58,000	13,000	9,270	80,270
- Dato' Sri Ramli bin Yusuff **	-	5,403	1,000	4,146	10,549
- Chin Mui Khiong **	-	5,943	1,000	-	6,943
Company					
Executive Directors					
- Mark Wee Liang Yee	676,834	-	-	189,995	866,829
- Robin Tan Wee Hoong	172,340	-	-	4,685	177,025
Non-Executive Directors					
- Tan Sri Zakaria bin Abdul Hamid	-	75,000	8,000	12,011	95,011
- Dato' Abdul Malek bin Abdul Hamid	-	59,677	13,000	6,548	79,225
- Bernard Chong Lip Tau	-	66,000	15,000	1,183	82,183
- John Ko Wai Seng	-	58,000	13,000	9,270	80,270
- Dato' Sri Ramli bin Yusuff **	-	5,403	1,000	4,146	10,549
- Chin Mui Khiong **	-	5,943	1,000	-	6,943

* *inclusive employer contributions to provident fund*
** *from date of appointment*

The remuneration of the senior management of the Group for the financial year 2017, comprising salary and bonus, inclusive of employer contributions to provident fund, and benefits-in-kind is set out below:

Name	Remuneration in 2017
Carlos Tarrero *	RM250,001 – RM300,000
Fong Chee Khuen	RM900,001 – RM950,000

** from date of appointment*

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 38 to 40 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 35 to 37 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 AGMs. In compliance with the Companies Act 2016, the Company's Constitution and the MMLR, a minimum notice period of 21 days is given to shareholders for the Company's AGM.

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 2017 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:

i. continue to review the composition of the Board, with consideration to the experience and skills, giving particular attention to gender diversity;
ii. review the Board Charter to include the roles and responsibilities of individual Directors;
iii. review the Group's anti-corruption and anti-money laundering programme;
iv. review the Whistleblowing Policy to assess its effectiveness;
v. with the assistance of the Remuneration Committee, set out the remuneration policies and procedures of the Directors and senior management;
vi. with the assistance of the Audit and Risk Management Committee, set out the policies and procedures for the assessment of the external auditor; and
vii. with the assistance of the Nominating Committee, work out a succession plan for the senior leadership of the Company.

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 27 February 2018.

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 2017 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 the Committee. The Committee can obtain, at the expense of the Company, independent legal or other professional advice if it considers necessary.

To further enhance the Group's operational efficiency and internal control system, an in-house internal audit function 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 2017, 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 2017 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 feedbacks from management personnel related to the work and interviewed the external auditors. Committee members are also required to complete an evaluation form on the performance of external auditors.

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 21 February 2017 and 22 November 2017 without the presence of the members of the management to discuss any matters of concern by the external auditors.

Internal Audit

(i) Reviewed 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 thereof, 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 procurement cycle of a main business unit was reviewed:

- Requisition and Ordering
- Petty Cash Purchases
- Payment to Suppliers
- Room Amenities Inventory 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 the course of the year, the Committee conducted a site visit to The Andaman for a visual inspection and audit of the estate and found that essential matters were in order save for some minor operational matters that were recommended to the management for action.

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 2017 was RM358,973.

This Report was approved by the Board of Directors on 27 February 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board of Directors is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control System. The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard 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 regularly reviews the adequacy and integrity of the Group's internal control system for selected risk areas. The system encompasses financial and operational controls and compliance with applicable laws, regulations, rules and guidelines.

The system of risk management and internal controls covers every operating company in the Group and its management. It is designed to meet the Group's business objectives and to manage the risks to which it is exposed to. The Board acknowledges that internal controls are designed to manage and assuage rather than to eliminate the risks of failure in achieving the business objectives. The system, by its nature, can only provide reasonable, and not absolute assurance against material misstatement, loss or fraud. The risk management and internal control system within the Group are set up and implemented with the assistance of the 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, continuous review of the risk profile was conducted 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 is regularly updated and informed about significant audit issues related to the Company and Group. It evaluates and reviews the ERM Reports from the Group COO on 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 2017 are set out in the Audit and Risk Management Committee Report on pages 35 to 37 of this Annual Report.

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

Board Committees

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

Management of the Business Units

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

Policies and Procedures

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

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

Performance Monitoring

There is a strategic planning, annual budgeting and target-setting process, which 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 Recommended Practice Guide ("RPG") 5 (Revised 2015), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants for inclusion in the annual report of the Group for the year ended 31 December 2017 and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

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

(b) is factually inaccurate.

RPG 5 (Revised 2015) does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control 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 26 March 2018.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
for the year ended 31 December 2017

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2017.

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)/Profit attributable to owners of the Company	(29,826)	74,159

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 *(Appointed on 27 October 2017)*
Chin Mui Khiong *(Appointed on 27 October 2017)*

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 1.1.2017**	**Bought**	**Sold**	**Balance at 31.12.2017**
Tan Sri Zakaria bin Abdul Hamid				
- Direct interest	8,650,000	-	-	8,650,000
Mark Wee Liang Yee				
- Indirect interest^	69,200,000	-	-	69,200,000
- Indirect interest#	300,000	-	-	300,000
Tan Wee Hoong, Robin				
- Direct interest	8,968,000	-	-	8,968,000

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

Interest held by spouse pursuant to the Act.

	Number of options over ordinary shares			
Company	**Balance at 1.1.2017**	**Granted**	**Forfeited**	**Balance at 31.12.2017**
Tan Sri Zakaria bin Abdul Hamid	825,000	-	-	825,000
Bernard Chong Lip Tau	212,500	-	-	212,500
Dato' Abdul Malek bin Abdul Hamid	337,500	-	-	337,500

The other Directors holding office at 31 December 2017 do not have any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

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

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

Issue of shares

During the 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.

Save for the above, there were no other 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 unissued shares of the Company during the financial year.

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

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

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

i) Eligible employees are those who have been confirmed in writing as employees and have been in continuous employment with the Group for at least one year prior to the date of the offer. Eligible Directors are those who have been appointed to the Board for at least one year prior to the date of the offer.

ii) The option is personal to the grantee and is non-assignable.

iii) The option price shall be determined by the Option Committee who has the discretion to grant a maximum of 10% discount to the weighted average market price of the Company's ordinary shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five trading days preceding the date of the offer in writing to the grantee or at the par value of the ordinary shares of the Company, whichever is higher.

iv) The options granted may be exercised at any time as may be specifically stated in the offer upon giving notice in writing.

v) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.

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

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

			Number of options over ordinary shares			
Date of offer	Expiry date	Exercise price	Balance at 1.1.2017	Granted	Forfeited	Balance at 31.12.2017
22.1.2008	1.1.2018	RM2.91	743,800	-	(25,000)	718,800
24.6.2010	1.1.2018	RM1.14	513,500	-	(16,300)	497,200
27.8.2014	1.1.2018	RM1.44	3,820,000	-	(495,000)	3,325,000
			5,077,300	-	(536,300)	4,541,000

The ESOS expired on 1 January 2018 and all outstanding options granted have accordingly lapsed on the said date.

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.

Other statutory information

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

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, except for the gain on the disposal of investment in associate of RM4.5 million as disclosed in Note 7, the financial performance of the Group and of the Company for the year ended 31 December 2017 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: 26 March 2018

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2017

	Note	Group		Company	
		2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Assets					
Property, plant and equipment	3	1,321,246	1,339,017	154	245
Intangible asset	4	-	-	-	-
Property development costs	5	778,772	778,900	-	-
Investments in subsidiaries	6	-	-	1,221,062	1,169,707
Investments in associates	7	-	70,462	-	-
Other investments	8	2,085	1,885	-	-
Deferred tax assets	9	350	350	350	350
Total non-current assets		2,102,453	2,190,614	1,221,566	1,170,302
Inventories	10	827	640	-	-
Property development costs	5	104,363	94,131	-	-
Trade and other receivables	11	13,899	10,495	23,425	6,876
Prepayments		1,071	2,897	96	107
Current tax assets		737	97	643	-
Other investments	8	71,151	-	71,151	-
Cash and cash equivalents	12	33,527	14,843	805	985
Total current assets		225,575	123,103	96,120	7,968
Total assets		2,328,028	2,313,717	1,317,686	1,178,270
Equity					
Share capital		734,811	480,810	734,811	480,810
Reserves		3,777	234,936	24,062	242,234
Retained earnings		1,000,502	1,030,093	487,381	412,987
Total equity attributable to owners of the Company		1,739,090	1,745,839	1,246,254	1,136,031
Non-controlling interests		1,373	1,373	-	-
Total equity	13	1,740,463	1,747,212	1,246,254	1,136,031
Liabilities					
Loans and borrowings	14	69,222	57,430	15,642	-
Deferred tax liabilities	9	463,694	461,147	-	-
Total non-current liabilities		532,916	518,577	15,642	-
Trade and other payables	15	27,596	32,424	45,790	42,239
Loans and borrowings	14	25,628	13,524	10,000	-
Current tax liabilities		1,425	1,980	-	-
Total current liabilities		54,649	47,928	55,790	42,239
Total liabilities		587,565	566,505	71,432	42,239
Total equity and liabilities		2,328,028	2,313,717	1,317,686	1,178,270

The notes set out on pages 56 to 120 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2017

		Group		Company	
	Note	2017	2016	2017	2016
		RM'000	RM'000	RM'000	RM'000
Revenue	17	103,812	83,158	85,301	3,286
Cost of sales		(46,239)	(29,963)	-	-
Gross profit		57,573	53,195	85,301	3,286
Administrative expenses		(59,539)	(55,913)	(8,380)	(6,416)
Other operating expenses		(32,686)	(35,441)	(844)	(217)
Other income/(expense)		5,401	756	32	(574)
Results from operating activities		(29,251)	(37,403)	76,109	(3,921)
Finance costs	18	(5,006)	(4,080)	(825)	(25)
Finance income		128	202	84	144
Share of profit of an equity accounted associate, net of tax	7	8,025	10,515	-	-
(Loss)/Profit before tax	19	(26,104)	(30,766)	75,368	(3,802)
Tax expense	21	(3,722)	2,822	(1,209)	(429)
(Loss)/Profit for the year		(29,826)	(27,944)	74,159	(4,231)
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(12,987)	994	-	-
Other comprehensive (expense)/income for the year		(12,987)	994	-	-
Total other comprehensive (expense)/income for the year		(42,813)	(26,950)	74,159	(4,231)
(Loss)/Profit attributable to:					
Owners of the Company		(29,826)	(27,944)	74,159	(4,231)
Non-controlling interests		-	-	-	-
(Loss)/Profit for the year		(29,826)	(27,944)	74,159	(4,231)
Total comprehensive (expense)/income attributable to:					
Owners of the Company		(42,813)	(26,950)	74,159	(4,231)
Non-controlling interests		-	-	-	-
Total comprehensive (expense)/income for the year		(42,813)	(26,950)	74,159	(4,231)
Basic and diluted loss per ordinary share (sen)	22	(5.84)	(5.81)		

The notes set out on pages 56 to 120 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2017

		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 2016		480,810	12,161	218,272	1,260	2,526	1,057,760	1,772,789	1,373	1,774,162
Foreign currency translation differences for foreign operations		-	994	-	-	-	-	994	-	994
Total other comprehensive income for the year		-	994	-	-	-	-	994	-	994
Loss for the year		-	-	-	-	-	(27,944)	(27,944)	-	(27,944)
Total comprehensive income/ (expense) for the year		-	994	-	-	-	(27,944)	(26,950)	-	(26,950)
Share options forfeited	16	-	-	-	-	(277)	277	-	-	-
Total contribution from owners		-	-	-	-	(277)	277	-	-	-
At 31 December 2016		480,810	13,155	218,272	1,260	2,249	1,030,093	1,745,839	1,373	1,747,212

		← 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	13	36,542	-	-	-	-	-	36,542	-	36,542
Share issue expenses	13	(813)	-	-	-	-	-	(813)	-	(813)
Share-based payment transactions	16	-	-	-	-	335	-	335	-	335
Share options forfeited	16	-	-	-	-	(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*	13	218,272	-	(218,727)	-	-	-	-	-	-
At 31 December 2017		734,811	168	-	1,260	2,349	1,000,502	1,739,090	1,373	1,740,463

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

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2017

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
		Attributable to owners of the Company					
		Non-distributable				Distributable	
At 1 January 2016		480,810	21,713	218,272	2,526	416,941	1,140,262
Loss/Total comprehensive expense for the year		-	-	-	-	(4,231)	(4,231)
Share options forfeited	16	-	-	-	(277)	277	-
Total contributions from owners		-	-	-	(277)	277	-
At 31 December 2016/1 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	13	36,542	-	-	-	-	36,542
Share issue expenses	13	(813)	-	-	-	-	(813)
Share-based payment transactions	16	-	-	-	335	-	335
Share options forfeited	16	-	-	-	(235)	235	-
Total contribution from owners		35,729	-	-	100	235	36,064
Transfer in accordance with Section 618(2) of the Companies Act 2016*	13	218,272	-	(218,272)	-	-	-
At 31 December 2017		734,811	21,713	-	2,349	487,381	1,246,254

* 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 56 to 120 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Cash flows from operating activities					
(Loss)/Profit before tax		(26,104)	(30,766)	75,368	(3,802)
Adjustments for:					
Depreciation of property, plant and equipment	3	17,934	16,735	107	157
Amortisation of intangible asset	4	-	131	-	131
Impairment of property, plant and equipment	3	1,446	-	-	-
Finance costs	18	5,006	4,080	825	25
Finance income		(128)	(202)	(84)	(144)
Dividend income from other investments		(849)	(499)	(849)	(130)
Dividend income from a subsidiary		-	-	(81,480)	-
Gain on disposal of property, plant and equipment		-	(90)	-	-
Property, plant and equipment written off	3	1,061	11,622	-	-
Project development cost written off		192	-	-	-
Share of profit of an equity accounted associate, net of tax		(8,025)	(10,515)	-	-
Gain on disposal of an associate	7	(4,540)	-	-	-
(Gain)/Loss on disposal of other investments		(1)	1,595	(1)	1,602
Fair value gain in other investments		(242)	(1,259)	(242)	(1,312)
Share-based payments	16	335	-	335	-
Operating loss before changes in working capital		(13,915)	(9,168)	(6,021)	(3,473)
Changes in working capital					
Inventories		(187)	(189)	-	-
Trade and other receivables		(1,578)	(4,125)	(36)	(69)
Trade and other payables		(1,530)	12,632	580	(320)
Property development costs		(23,727)	(24,854)	-	-
Cash used in operations		(40,937)	(25,704)	(5,477)	(3,862)
Income tax paid		(3,164)	(1,140)	(1,851)	(429)
Income tax refunded		36	-	-	-
Net cash used in operating activities		(44,065)	(26,844)	(7,328)	(4,291)

STATEMENTS OF CASH FLOWS
for the year ended 31 December 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment		(6,499)	(8,960)	(16)	(4)
Proceeds from disposal of property, plant and equipment		-	90	-	-
Net proceeds from disposal of an associate		84,760	-	-	-
Advances to subsidiaries		-	-	(64,887)	(18,123)
Acquisition of other investments		(91,048)	(10,669)	(90,848)	(70)
(Increase)/decrease in pledge deposits placed with licensed bank		(385)	2,177	(385)	2,177
Interest received		128	202	84	144
Dividend received from:					
- an associate		-	6,600	-	-
- other investments		849	499	849	130
- subsidiary		-	-	81,480	-
Proceeds from disposal of other investments		19,940	32,798	19,940	12,526
Net cash generated from/(used in) investing activities		7,745	22,737	(53,783)	(3,220)
Cash flows from financing activities					
Proceeds from/(Repayment of) loans and borrowings		23,959	(10,507)	25,642	(507)
Interest paid		(4,876)	(3,949)	(825)	(25)
Net proceed from issue of new ordinary shares	13	35,729	-	35,729	-
Repayment of finance lease liabilities		(193)	(176)	-	-
Net cash generated from/(used in) financing activities		54,619	(14,632)	60,546	(532)
Net increase/(decrease) in cash and cash equivalents		18,299	(18,739)	(565)	(8,043)
Cash and cash equivalents at 1 January	(i)	13,543	32,282	985	9,028
Cash and cash equivalents at 31 December	(i)	31,842	13,543	420	985

(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	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash and bank balances	12	17,330	13,531	420	985
Deposits with licensed banks	12	16,197	1,312	385	-
		33,527	14,843	805	985
Less: Deposits pledged		(1,685)	(1,300)	(385)	-
		31,842	13,543	420	985

(ii) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM6,499,000, satisfied in cash, and in the previous financial year, RM9,484,000 of which RM524,000 was acquired by means of finance lease.

The notes set out on pages 56 to 120 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 2017 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 2017 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 26 March 2018.

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 2018*

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

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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 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 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 above mentioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2018 for those accounting standards, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2018, except for Amendments to MFRS 1 and 4 which are not applicable to the Group and the Company;

- from the annual period beginning on 1 January 2019 for those accounting standards, amendments and interpretation 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; and

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

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

(i) MFRS 15, *Revenue from Contract with Customers*

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

Currently, the Group recognises revenue from contracts with customers upon delivery of services. Upon adoption of MFRS 15, the Group will recognise the revenue from contracts with customers upon satisfaction of performance obligations.

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

(ii) MFRS 9, Financial Instruments

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

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

The initial application of MFRS 9 is not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

(iii) MFRS 16, Leases

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

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.

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

(b) Basis of measurement

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

1. **Basis of preparation (continued)**

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

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

2. **Significant accounting policies**

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

(a) Basic of consolidation

(i) Subsidiaries

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

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

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

(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.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Associates (continued)

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

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

(vi) Non-controlling interests

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

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

(vii) Transactions eliminated on consolidation

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

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

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

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

2. **Significant accounting policies (continued)**

(b) Foreign currency (continued)

(i) Foreign currency transactions (continued)

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

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

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

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

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

(c) Financial instruments

(i) Initial recognition and measurement

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

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

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

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

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

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

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

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

(b) *Loans and receivables*

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

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

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

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

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

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

2. **Significant accounting policies (continued)**

(c) **Financial instruments (continued)**

(iii) **Financial guarantee contracts**

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

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

(iv) **Regular way purchase or sale of financial assets**

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

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

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

(v) **Derecognition**

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

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

(d) **Property, plant and equipment**

(i) **Recognition and measurement**

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

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

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

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

2. Significant accounting policies (continued)

(e) Leased assets

(i) Finance lease

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

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

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

(ii) Operating lease

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

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

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

(f) Intangible assets

(i) Purchased software

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

(ii) Subsequent expenditure

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

(iii) Amortisation

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

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

2. Significant accounting policies (continued)

(g) Inventories

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

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

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

(h) Property development costs

(i) Property development costs

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

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

(ii) Long term leasehold land

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

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

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

(i) Cash and cash equivalents

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

(j) Impairment

(i) Financial assets

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

2. Significant accounting policies (continued)

(j) Impairment (continued)

(i) Financial assets (continued)

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

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

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

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

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

(ii) Other assets

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

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

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

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

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

2. **Significant accounting policies (continued)**

(j) **Impairment (continued)**

(ii) **Other assets (continued)**

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

(k) **Employee benefits**

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

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

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

(ii) **State plans**

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

(iii) **Share-based payment transactions**

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

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

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

(iv) **Termination benefits**

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

2. Significant accounting policies (continued)

(l) Revenue recognition

(i) Services

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

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

(ii) Property development

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

(iii) Dividend income

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

(iv) Management fees

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

(m) Interest income

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

(n) Borrowing costs

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

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

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

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

2. Significant accounting policies (continued)

(o) Income tax

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

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

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

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

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

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

(p) Earnings per ordinary share

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

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

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

(q) Operating segments

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

2. Significant accounting policies (continued)

(r) Fair value measurements

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

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

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

Level 1:	quoted price (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3:	unobservable inputs for the asset or liability

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

3. Property, plant and equipment

	Long term leasehold land RM'000	Buildings RM'000	Hotel properties RM'000	Plant and machinery RM'000	Hotel equipment and operating equipment RM'000	Office equipment and furniture and fittings RM'000	Motor vehicles RM'000	Lagoon RM'000	Capital work-in-progress RM'000	Total RM'000
Group										
Cost										
At 1 January 2016	1,096,689	10,692	152,572	38,137	26,653	24,315	2,552	34,152	22,105	1,407,867
Additions	-	-	259	68	1,894	5,761	644	-	858	9,484
Disposals	-	-	-	-	-	(20)	(96)	-	-	(116)
Written off	-	-	-	-	-	(6)	-	-	(11,622)	(11,628)
Transfer from property development costs	-	-	-	-	-	-	-	11,429	-	11,429
Foreign currency translation differences	-	81	159	796	-	(123)	(151)	509	(496)	775
Reclassification	-	717	(4,027)	1,059	-	(5,670)	-	15,287	(7,366)	-
At 31 December 2016/1 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	1,096,689	11,897	157,099	39,871	31,218	24,299	3,431	51,791	171	1,416,466

3. **Property, plant and equipment (continued)**

	Long term leasehold land RM'000	Buildings RM'000	Hotel properties RM'000	Plant and machinery RM'000	Hotel equipment and operating equipment RM'000	Office equipment and furniture and fittings RM'000	Motor vehicles RM'000	Lagoon RM'000	Capital work-in-progress RM'000	Total RM'000
Group										
Accumulated depreciation and impairment loss										
At 1 January 2016										
Accumulated depreciation	3,354	2,543	31,060	1,531	13,690	7,901	1,351	228	-	61,658
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	1,875	525	3,661	3,951	2,153	2,934	334	1,302	-	16,735
Disposals	-	-	-	-	-	(20)	(96)	-	-	(116)
Written off	-	-	-	-	-	(6)	-	-	-	(6)
Foreign currency translation differences	-	29	19	(2)	-	220	129	128	-	523
At 31 December 2016										
Accumulated depreciation	5,229	3,097	34,740	5,480	15,843	11,029	1,718	1,658	-	78,794
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-

3. Property, plant and equipment (continued)

	Long term leasehold land RM'000	Buildings RM'000	Hotel properties RM'000	Plant and machinery RM'000	Hotel equipment and operating equipment RM'000	Office equipment and furniture and fittings RM'000	Motor vehicles RM'000	Lagoon RM'000	Capital work-in-progress RM'000	Total RM'000
Group										
Accumulated depreciation 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
Carrying amounts										
At 31 December 2016/1 January 2017	1,091,460	8,393	114,223	34,580	12,704	13,228	1,231	59,719	3,479	1,339,017
At 31 December 2017	1,089,587	8,427	117,500	29,064	13,557	12,198	1,363	49,379	171	1,321,246

3. Property, plant and equipment (continued)

	Office equipment, furniture and fittings RM'000
Company	
Cost	
At 1 January 2016	2,353
Additions	4
Disposal	(19)
At 31 December 2016/1 January 2017	2,338
Additions	16
At 31 December 2017	2,354
Accumulated depreciation	
At 1 January 2016	1,955
Depreciation for the year	157
Disposal	(19)
At 31 December 2016/1 January 2017	2,093
Depreciation for the year	107
At 31 December 2017	2,200
Carrying amount	
At 31 December 2016/1 January 2017	245
At 31 December 2017	154

3.1 Security

Property, plant and equipment of the Group with carrying amounts of RM115,830,000 (2016: RM119,515,000) are charged to a financial institution to secure the term loan of the Group (Note 14).

3.2 Property, plant and equipment acquired under hire purchase arrangement

Included in property, plant and equipment of the Group with an aggregate carrying amount of RM459,000 (2016: RM634,000) 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 cost to sell, which was determined with the assistance of an independent valuer. The date of the valuation report was on 31 December 2017 and 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) During the financial year, the Group has recognised an impairment loss of RM1,446,000 on a batching plant equipment as the asset is no longer in use and the recoverable amount is assessed to be lower than the carrying amount.

3.6 Capital work-in-progress written off

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

4. Intangible asset

	Computer software	
	Group RM'000	**Company RM'000**
Cost		
At 1 January 2016/31 December 2016/1 January 2017/31 December 2017	944	944
Accumulated amortisation		
At 1 January 2016	813	813
Amortisation for the year	131	131
At 31 December 2016/1 January 2017/31 December 2017	944	944
Carrying amount		
At 31 December 2016/1 January 2017/31 December 2017	-	-

5. Property development costs

	Group			
	Non-current		Current	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Long term leasehold land				
Balance as at 1 January	774,059	773,975	72,790	72,790
Reclassification	-	84	-	-
Balance as at 31 December	774,059	774,059	72,790	72,790
Property development costs				
Balance as at 1 January	4,841	7,881	21,341	4,458
Costs incurred during the year	-	-	23,727	24,854
Costs written off during the year	-	-	(192)	-
Costs transferred from/(to) property, plant and equipment (Note 3)	294	(3,200)	(12,293)	(8,229)
Foreign currency translation differences	(422)	160	(1,010)	258
Balance as at 31 December	4,713	4,841	31,573	21,341
Total property development costs	778,772	778,900	104,363	94,131

6. Investments in subsidiaries

	Company	
	2017 RM'000	2016 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	118,716	67,361
	1,221,062	1,169,707

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.

6. **Investments in subsidiaries (continued)**

Amount due from a subsidiary

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

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	2016 %
Landmarks Hotels & Realty Sdn Bhd	Malaysia	Investment holding and provision of management services	100	100
Landmarks Engineering & Development Sdn Bhd ψ	Malaysia	Property development and civil engineering works	100	100
Ikatan Perkasa Sdn Bhd ψ	Malaysia	Investment holding	100	100
Fokus Asas Sdn Bhd ψ	Malaysia	Investment holding	100	100
Primary Gateway Sdn Bhd	Malaysia	Investment holding	100	100
Capaian Tinggi Sdn Bhd ψ	Malaysia	Dormant	100	100
Tender Years Sdn Bhd ψ	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 ψ	Malaysia	Investment holding	100	100
Impian Makmur Sdn Bhd ψ	Malaysia	Investment holding	100	100
Maya Wilayah Sdn Bhd ψ	Malaysia	Investment holding	100	100
Wilayah Ehsan Sdn Bhd ψ	Malaysia	Investment holding	100	100
Success Sphere Sdn Bhd ψ	Malaysia	Investment holding	100	100
Escalibur Sdn Bhd ψ	Malaysia	Investment holding	100	100
Nustulin Sdn Bhd ψ	Malaysia	Investment holding	100	100
Landmarks Hotel & Resort Management Sdn Bhd ψ	Malaysia	Dormant	100	100

6. Investments in subsidiaries (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	2016 %
Subsidiaries of Landmarks Hotels & Realty Sdn Bhd (continued)				
Sungei Wang REIT Manager Sdn Bhd $^{\psi}$	Malaysia	Dormant	100	100
Tumbuk Estate Sdn Bhd $^{\psi}$	Malaysia	Dormant	100	100
The Railway Hotel (1991) Sdn Bhd $^{@}$	Malaysia	Dormant	-	100
Maya Baiduri Sdn Bhd $^{@}$	Malaysia	Dormant	-	51
Landmarks Healthcare Sdn Bhd $^{\psi}$	Malaysia	Dormant	100	100
Web Age Sdn Bhd $^{\psi}$	Malaysia	Dormant	100	100
Sungei Wang Ventures Sdn Bhd $^{@}$	Malaysia	Dormant	-	100
Subsidiary of The Railway Hotel (1991) Sdn Bhd				
Point Merge (M) Sdn Bhd $^{\psi\ \#}$	Malaysia	Dormant	100	100
Subsidiary of Landmarks Hotel & Resort Management Sdn Bhd				
Desa Lagoon Resort Sdn Bhd $^{@}$	Malaysia	Dormant	-	100
Subsidiary of Landmarks Healthcare Sdn Bhd				
AHC Consolidated Sdn Bhd $^{\psi}$	Malaysia	Dormant	100	100
Subsidiary of AHC Consolidated Sdn Bhd				
AHC Enterprise Sdn Bhd $^{\psi}$	Malaysia	Dormant	100	100
Landmarks Healthcare Management Sdn Bhd $^{\psi}$	Malaysia	Dormant	100	100
Subsidiary of Web Age Sdn Bhd				
Web Portal Technologies Sdn Bhd $^{\psi}$	Malaysia	Dormant	100	100
Subsidiary of Web Portal Technologies Sdn Bhd				
Besetter Pty Ltd $^{\psi}$	Australia	Dormant	75	75
Subsidiary of Besetter Pty Ltd				
PT Sarana Logistik Medika Nusantara $^{\psi}$	Indonesia	Dormant	75	75

6. Investments in subsidiaries (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	Effective ownership interest 2016 %
Subsidiaries of PT Sarana Logistik Medika Nusantara				
PT Jasa Bersama Rumah Sakit Nusantara ψ	Indonesia	Dormant	67.5	67.5
PT Jasa Logistik Kesehatan Nusantara ψ	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 ψ	Republic of Seychelles	Investment holding	100	100
Tiara Gateway Pte Ltd *	Singapore	Investment holding	100	100
PG Construction Holdings Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Subsidiaries of Bintan Treasure Bay Pte Ltd				
Pioneer Investments Limited ψ	Republic of Seychelles	Investment holding	100	100
Premier Investment Holding Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
PT Treasure Development Services *	Indonesia	Construction, maintenance and rental of buildings	100	100
Bay Development Services Pte Ltd *	Singapore	Provision of management and consultancy services	100	100
Subsidiary of Pioneer Investments Limited				
PT Pelangi Bintan Indah ψ	Indonesia	Development of tourism complex and management of resort hotels	100	100

6. Investments in subsidiaries (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	2016 %
Subsidiaries of Tiara Gateway Pte Ltd				
Prime Holdings Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Bintan Resorts Holdings Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Bintan Land Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Bintan Resort Enterprise Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Bintan Leisure Resort Ventures Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Bangkaru Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Enggano Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Gersik Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Hinako Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Kemaro Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Lasia Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Legundi Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Manawoka Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Manipa Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Mapor Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Marsela Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Mendol Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Mesawak Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Musala Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Nias Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Penasi Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Propos Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Raiba Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Rondo Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Samosir Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Senua Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Sinabol Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Subi Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Tanabala Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Tayandu Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Tinopo Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Watubela Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Wetan Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Boana Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Fordate Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100

6. Investments in subsidiaries (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	Effective ownership interest 2016 %
Subsidiaries of Tiara Gateway Pte Ltd (continued)				
Tambelan Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Tarempa Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Temiyang Investments Pte Ltd ψ	Republic of Seychelles	Investment holding	100	100
Subsidiaries of PG Construction Holdings Pte Ltd				
PG Builders Pte Ltd ψ	Republic of Seychelles	Property construction works	100	100
PG Contracts Pte Ltd ψ	Republic of Seychelles	Property construction works	100	100
Bintan Beach Resorts Investments Pte Ltd ψ	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 2017 %	2016 %
Subsidiaries of Bangkaru Investments Pte Ltd				
Bangkaru Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Bangkaru Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Enggano Investments Pte Ltd				
Enggano Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Enggano Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Gersik Investments Pte Ltd				
Gersik Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Gersik Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Hinako Investments Pte Ltd				
Hinako Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Hinako Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Kemaro Investments Pte Ltd				
Kemaro Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Kemaro Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Lasia Investments Pte Ltd				
Lasia Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Lasia Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Legundi Investments Pte Ltd				
Legundi Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Legundi Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Manawoka Investments Pte Ltd				
Manawoka Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Manawoka Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Manipa Investments Pte Ltd				
Manipa Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Manipa Beta Pte Ltd ψ	Singapore	Investment holding	100	100

6. **Investments in subsidiaries (continued)**

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	Effective ownership interest 2016 %
Subsidiaries of Mapor Investments Pte Ltd				
Mapor Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Mapor Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Marsela Investments Pte Ltd				
Marsela Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Marsela Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Mendol Investments Pte Ltd				
Mendol Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Mendol Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Mesawak Investments Pte Ltd				
Mesawak Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Mesawak Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Musala Investments Pte Ltd				
Musala Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Musala Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Nias Investments Pte Ltd				
Nias Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Nias Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Penasi Investments Pte Ltd				
Penasi Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Penasi Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Propos Investments Pte Ltd				
Propos Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Propos Beta Pte Ltd ψ	Singapore	Investment holding	100	100

6. **Investments in subsidiaries (continued)**

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	2016 %
Subsidiaries of Raiba Investments Pte Ltd				
Raiba Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Raiba Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Rondo Investments Pte Ltd				
Rondo Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Rondo Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Samosir Investments Pte Ltd				
Samosir Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Samosir Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Senua Investments Pte Ltd				
Senua Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Senua Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Sinabol Investments Pte Ltd				
Sinabol Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Sinabol Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Subi Investments Pte Ltd				
Subi Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Subi Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Tanabala Investments Pte Ltd				
Tanabala Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Tanabala Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Tayandu Investments Pte Ltd				
Tayandu Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Tayandu Beta Pte Ltd ψ	Singapore	Investment holding	100	100

6. **Investments in subsidiaries (continued)**

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	2016 %
Subsidiaries of Tinopo Investments Pte Ltd				
Tinopo Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Tinopo Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Watubela Investments Pte Ltd				
Watubela Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Watubela Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Wetan Investments Pte Ltd				
Wetan Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Wetan Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Boana Investments Pte Ltd				
Boana Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Boana Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Fordate Investments Pte Ltd				
Fordate Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Fordate Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Tambelan Investments Pte Ltd				
Tambelan Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Tambelan Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Tarempa Investments Pte Ltd				
Tarempa Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Tarempa Beta Pte Ltd ψ	Singapore	Investment holding	100	100
Subsidiaries of Temiyang Investments Pte Ltd				
Temiyang Alpha Pte Ltd ψ	Singapore	Investment holding	100	100
Temiyang Beta Pte Ltd ψ	Singapore	Investment holding	100	100

6. **Investments in subsidiaries (continued)**

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	Effective ownership interest 2016 %
Subsidiary of Prime Lagoon Pte Ltd				
PT Prime Villa Investment ψ	Indonesia	Development, sales, management and operations of serviced villa	100	100
Subsidiary of Bintan Resorts Holdings (Singapore) Pte Ltd				
PT Resort Kirana Bintan ψ	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 ψ	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 2017 %	Effective ownership interest 2016 %
Subsidiary of Bintan Beach Resorts Investments (Singapore) Pte Ltd				
PT Hotel Management Bintan ψ	Indonesia	Development and management of resort hotels, and commercial and residential properties	100	100
Subsidiary of Bangkaru Alpha Pte Ltd				
PT Bangkaru Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Enggano Alpha Pte Ltd				
PT Enggano Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Gersik Alpha Pte Ltd				
PT Gersik Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Hinako Alpha Pte Ltd				
PT Hinako Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Kemaro Alpha Pte Ltd				
PT Kemaro Estate ψ	Indonesia	Provision of accommodation services	100	100

6. **Investments in subsidiaries (continued)**

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	2016 %
Subsidiary of Lasia Alpha Pte Ltd				
PT Lasia Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Legundi Alpha Pte Ltd				
PT Legundi Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Manawoka Alpha Pte Ltd				
PT Manawoka Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Manipa Alpha Pte Ltd				
PT Manipa Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Mapor Alpha Pte Ltd				
PT Mapor Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Marsela Alpha Pte Ltd				
PT Marsela Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Mendol Alpha Pte Ltd				
PT Mendol Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Mesawak Alpha Pte Ltd				
PT Mesawak Estate ψ	Indonesia	Provision of accommodation services	100	100

6. Investments in subsidiaries (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	2016 %
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
Subsidiary of Senua Alpha Pte Ltd				
PT Senua 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 2017 %	Effective ownership interest 2016 %
Subsidiary of Sinabol Alpha Pte Ltd				
PT Sinabol Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Subi Alpha Pte Ltd				
PT Subi Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Tanabala Alpha Pte Ltd				
PT Tanabala Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Tayandu Alpha Pte Ltd				
PT Tayandu Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Tinopo Alpha Pte Ltd				
PT Tinopo Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Watubela Alpha Pte Ltd				
PT Watubela Estate ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Wetan Alpha Pte Ltd				
PT Wetan Estate ψ	Indonesia	Provision of accommodation services	100	100

6. **Investments in subsidiaries (continued)**

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2017 %	Effective ownership interest 2016 %
Subsidiary of Boana Alpha Pte Ltd				
PT Boana Estate Villa ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Fordate Alpha Pte Ltd				
PT Fordate Estate Villa ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Tambelan Alpha Pte Ltd				
PT Tambelan Estate Villa ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Tarempa Alpha Pte Ltd				
PT Terempa Estate Villa ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of Temiyang Alpha Pte Ltd				
PT Temiyang Estate Villa ψ	Indonesia	Provision of accommodation services	100	100
Subsidiary of PT Treasure Development Services				
PT Pesona Lagoi Mandiri ψ	Indonesia	Production and supply of ready mix and dry mix concrete and mortar	51	51

ψ Not audited by KPMG PLT
* Audited by other member firms of KPMG International
@ Struck off during the financial year
\# In the process of striking off

7. Investments in associates

	Group	
	2017 RM'000	2016 RM'000
Unquoted shares, at cost	100	300
Share of post acquisition reserves	-	70,262
Less: Impairment losses	(100)	(100)
	-	70,462

Details of material associates are as follows:

Name of entity	Principal place of business/Country of incorporation	Nature of the relationship	Effective ownership interest and voting interest	
			2017	2016
MSL Properties Sdn. Bhd. ("MSL")	Malaysia	Township developer	-	20%+ 1 share

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

During the financial year, the Company's indirect wholly-owned subsidiary, Kuala Lumpur Suburban Centre Sdn Bhd ("KLSC") disposed of its equity interest comprising 200,001 ordinary shares in 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	
	2017 RM'000	2016 RM'000
Summarised financial information		
As at 31 December		
Non-current assets	-	452,188
Current assets	-	27,725
Non-current liabilities	-	(45,655)
Current liabilities	-	(17,079)
Net assets	-	417,179

7. Investments in associates (continued)

	Group	
	2017 **RM'000**	**2016** **RM'000**
Summarised financial information (continued)		
Year ended 31 December		
Profit from continuing operations/Total comprehensive income	40,123*	52,573
Included in the total comprehensive income are:		
Revenue	19,388*	46,308
Additional share of profit of equity accounted joint venture recognised due to completion of projects	26,095*	27,500
Fair value loss in investment properties	-	(6,837)
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	-	83,436
Consolidation adjustments	-	(12,974)
Carrying amount in the statements of financial position	-	70,462
Group's share of results		
Year ended 31 December		
Group's share of profit from continuing operations/Total comprehensive income	8,025	10,515
Other information		
Dividends received by the Group	-	6,600

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

8. Other investments

	Group		Company	
	2017 **RM'000**	**2016** **RM'000**	**2017** **RM'000**	**2016** **RM'000**
Non-current				
Available-for-sale				
Unquoted shares	1,885	1,885	-	-
Unquoted redeemable preference shares, at cost	200	-	-	-
	2,085	1,885	-	-
Current				
Fair value through profit or loss				
Quoted local cash funds, at fair value	71,151	-	71,151	-
	73,236	1,885	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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Group						
Property development costs	-	-	(199,482)	(199,482)	(199,482)	(199,482)
Property, plant and equipment	-	-	(269,288)	(268,417)	(269,288)	(268,417)
Unabsorbed capital allowances	349	349	-	-	349	349
Others	5,077	6,753	-	-	5,077	6,753
Tax assets/ (liabilities)	5,426	7,102	(468,770)	(467,899)	(463,344)	(460,797)
Set off of tax	(5,076)	(6,752)	5,076	6,752	-	-
Net tax assets/ (liabilities)	350	350	(463,694)	(461,147)	(463,344)	(460,797)
Company						
Property, plant and equipment	-	-	(57)	(57)	(57)	(57)
Unabsorbed capital allowances	349	349	-	-	349	349
Others	58	58	-	-	58	58
Tax assets/ (liabilities)	407	407	(57)	(57)	350	350
Set off of tax	(57)	(57)	57	57	-	-
Net tax assets	350	350	-	-	350	350

9. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year are as follow:

	At 1.1.2016 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31.12.2016 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31.12.2017 RM'000
Group					
Property development costs	(199,482)	-	(199,482)	-	(199,482)
Property, plant and equipment	(269,647)	1,230	(268,417)	(871)	(269,288)
Unabsorbed capital allowances	349	-	349	-	349
Others	4,058	2,695	6,753	(1,676)	5,077
	(464,722)	3,925	(460,797)	(2,547)	(463,344)
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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Other deductible temporary differences	6,453	3,602	2,566	2,164
Tax losses carried-forward	106,159	75,833	6,770	3,036
	112,612	79,435	9,336	5,200
Potential deferred tax assets at 22%/24%	24,775	17,476	2,241	1,248

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.

10. Inventories

	Group	
	2017 RM'000	2016 RM'000
Spares and consumables	669	490
Saleable merchandise	158	150
	827	640

11. Trade and other receivables

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Current					
Trade					
Trade receivables		5,057	5,700	-	-
Less: Impairment loss on trade receivables		(84)	(4)	-	-
		4,973	5,696	-	-
Non-trade					
Other receivables		7,370	3,505	86	77
Deposits		1,556	1,294	96	59
Amount due from subsidiaries	11.1	-	-	23,243	6,740
		8,926	4,799	23,425	6,876
		13,899	10,495	23,425	6,876

11.1 Amount due from subsidiaries

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

12. Cash and cash equivalents

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Cash and bank balances	17,330	13,531	420	985
Deposits with licensed banks	16,197	1,312	385	-
	33,527	14,843	805	985

Included in the Group's and the Company's deposits with licensed banks are RM1,685,125 (2016: RM1,300,000) and RM385,125 (2016: Nil) respectively, under the designated accounts of which the utilisation is subject to the terms and conditions of the term loan of the Group (Note 14) and banking facilities granted to the Group.

13. Capital and reserves

13.1 Share capital

	Group and Company			
	Amount 2017 RM'000	Number of shares 2017 '000	Amount 2016 RM'000	Number of shares 2016 '000
Issued Ordinary Shares:				
At 1 January	480,810	480,810	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	480,810	480,810

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

Note 1: During the 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.

13.2 Capital reserve

Company

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

13.3 Share premium

Group and Company

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares. As disclosed in Note 13.1, share premium has become part of the Company's share capital.

13.4 Translation reserve

Group

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

13. Capital and reserves (continued)

13.5 Fair value reserve

Group

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

13.6 Share option reserve

Group and Company

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

14. Loans and borrowings

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Non-current				
Secured term loan	68,959	57,000	15,642	-
Finance lease liabilities	263	430	-	-
	69,222	57,430	15,642	-
Current				
Secured term loan	15,443	13,339	-	-
Revolving credit	10,000	-	10,000	-
Finance lease liabilities	185	185	-	-
	25,628	13,524	10,000	-
	94,850	70,954	25,642	-

14.1 Securities

The Group's term loan is secured by:

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

ii) First priority charge over Revenue Account and Reserve Account of a subsidiary.

iii) A debenture by way of fixed and floating charge over all present and future assets of a subsidiary.

iv) Assignment of subsidiary's rights, titles and beneficiaries arising from fire and peril and consequential loss insurance policies taken by the subsidiary whereby the bank is to be endorsed as the loss payee.

14. Loans and borrowings (continued)

14.1 Securities (continued)

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.

14.2 Finance lease liabilities

	Future minimum lease payments 2017 RM'000	Interest 2017 RM'000	Present value of minimum lease payments 2017 RM'000	Future minimum lease payments 2016 RM'000	Interest 2016 RM'000	Present value of minimum lease payments 2016 RM'000
Group						
Less than one year	204	19	185	214	29	185
Between one and five years	291	28	263	474	44	430
	495	47	448	688	73	615

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

	Group			Company		
	2016 RM'000	Net changes from financing cash flows RM'000	2017 RM'000	2016 RM'000	Net changes from financing cash flows RM'000	2017 RM'000
Secured loan and borrowings	70,339	24,063	94,402	-	25,642	25,642
Finance lease liabilities	615	(167)	448	-	-	-
	70,954	23,896	94,850	-	25,642	25,642

15. Trade and other payables

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Trade					
Trade payables		5,924	7,483	-	-
Non-trade					
Other payables		3,751	4,995	31	-
Accrued expenses		17,921	19,946	1,255	707
Amount due to subsidiaries	15.1	-	-	44,504	41,532
		21,672	24,941	45,790	42,239
		27,596	32,424	45,790	42,239

15.1 Amount due to subsidiaries

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

16. Employee benefits

Share-based payments

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

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

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

			Movement during the year Number of options over ordinary shares				
Grant date	Remaining life of options	Weighted average exercise price	Outstanding at 1.1.2017	Granted	Forfeited	Outstanding at 31.12.2017	Exercisable at 31.12.2017
22.1.2008	1 year	RM2.91	743,800	-	(25,000)	718,800	718,800
24.6.2010	1 year	RM1.14	513,500	-	(16,300)	497,200	497,200
27.8.2014	1 year	RM1.44	3,820,000	-	(495,000)	3,325,000	3,325,000
			5,077,300	-	(536,300)	4,541,000	4,541,000

16. Employee benefits (continued)

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

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

	Group and Company	
	2017 RM'000	2016 RM'000
Share options granted on 27.8.2014	335	-
Total expenses recognised as share-based payments	335	-

During the financial year, 536,300 (2016: 745,000) share options were forfeited and the total amount of RM235,000 (2016: RM277,000) was transferred to retained earnings of the Group and of the Company.

17. Revenue

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Hotel operations	103,812	83,158	-	-
Management fees	-	-	2,972	3,156
Dividend income from a subsidiary	-	-	81,480	-
Dividend income from other investments	-	-	849	130
	103,812	83,158	85,301	3,286

18. Finance costs

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest expense	5,006	4,080	825	25

19. (Loss)/Profit before tax

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
(Loss)/Profit before tax is arrived at after charging:				
Auditors' remuneration: Statutory audit				
- KPMG PLT Malaysia	286	286	85	100
- Overseas affiliates of KPMG PLT Malaysia	397	380	-	-
- Other auditors	219	232	-	-
Other services				
- KPMG PLT Malaysia	15	25	15	25
- Local affiliates of KPMG PLT Malaysia	127	59	91	11
- Overseas affiliates of KPMG PLT Malaysia	138	131	-	-
- Other auditors	108	100	-	-
Amortisation of intangible asset	-	131	-	131
Depreciation of property, plant and equipment	17,934	16,735	107	157
Foreign exchange loss	-	326	210	355
Impairment on property, plant and equipment	1,446	-	-	-
Impairment loss on trade receivables	80	4	-	-
Loss on disposal of other investments	-	1,595	-	1,602
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	2,207	2,048	627	445
- Wages, salaries and others	39,864	36,059	4,790	3,608
- Share-based payments	335	-	335	-
Property, plant and equipment written off	1,061	11,622	-	-
Property development cost written off	192	-	-	-
Rental of office	3,349	3,162	387	278
and after crediting:				
Dividend income from a subsidiary	-	-	81,480	-
Dividend income from other investments	849	499	849	130
Fair value gain in other investments	242	1,259	242	1,312
Foreign exchange gains	2,409	-	-	-
Gain on disposal of other investments	1	-	1	-
Gain on disposal of an associate	4,540	-	-	-
Gain on disposal of property, plant and equipment	-	90	-	-
Rental income	356	349	-	-

20. Key management personnel compensation

The key management personnel compensation are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Executive Directors				
- Salaries	3,011	727	738	180
- Contributions to Employees Provident Fund	111	27	111	27
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	322	6	195	4
	3,444	760	1,044	211
Non-Executive Directors				
- Fees	280	330	270	317
- Allowance	51	71	51	71
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	33	23	33	23
	364	424	354	411
Total short-term employee benefits	3,808	1,184	1,398	622

21. Tax expense

Recognised in profit or loss

		Group		Company	
	Note	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current tax expense					
- Current		1,000	1,182	-	429
- Prior year		175	(79)	1,209	-
Total current tax recognised in profit or loss		1,175	1,103	1,209	429
Deferred tax expense					
- Origination of temporary differences		1,153	1,177	-	-
- Prior year		1,394	(5,102)	-	-
Total deferred tax recognised in profit or loss	9	2,547	(3,925)	-	-
Total tax expense		3,722	(2,822)	1,209	429

21. Tax expense (continued)

Reconciliation of tax expense

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
(Loss)/Profit for the year	(29,826)	(27,944)	74,159	(4,231)
Total tax expense	3,722	(2,822)	1,209	429
(Loss)/Profit excluding tax	(26,104)	(30,766)	75,368	(3,802)
Share of profit after tax of an equity accounted associate	(8,025)	(10,515)	-	-
	(34,129)	(41,281)	75,368	(3,802)
Tax calculated using Malaysian tax rate of 24% (2016: 24%)	(8,191)	(9,907)	18,088	(912)
Effect of tax rate in foreign jurisdictions *	1,187	4,166	-	-
Non-deductible expenses	4,243	1,915	736	414
Non-taxable income	(1,603)	-	(19,817)	-
Current year losses of which no deferred tax asset is recognised	7,299	6,888	993	894
Other items	(782)	(703)	-	33
	2,153	2,359	-	429
Under/(Over) provision in prior year	1,569	(5,181)	1,209	-
	3,722	(2,822)	1,209	429

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

22. Basic loss per ordinary share

The calculation of basic loss per share at 31 December 2017 was based on the loss attributable to ordinary equity holders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2017 RM'000	**2016 RM'000**
Loss for the year attributable to owners	29,826	27,944

22. Basic loss per ordinary share (continued)

Weighted average number of ordinary shares

	Group	
	2017	**2016**
	‘000	**‘000**
Weighted average number of ordinary shares at 1 January	480,810	480,810
Effect of issue of new ordinary shares	30,297	-
Weighted average number of ordinary shares at 31 December	511,107	480,810

Basic loss per ordinary share

	Group	
	2017	**2016**
	Sen	**Sen**
From continuing operations	5.84	5.81

During the financial year, the Group has 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 and properties

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

Segment assets

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

Segment liabilities

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

23. Operating segments (continued)

	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 and amortisation	6,044	11,783	17,827
Not included in the measurement of results from operating activities but provided to the Board of Directors:			
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
2016			
Total segment revenue	70,674	12,484	83,158
Results from operating activities	14,871	(45,088)	(30,217)
Included in the measure of segment results from operating activities are:			
Depreciation and amortisation	6,415	10,163	16,578
Not included in the measurement of results from operating activities but provided to the Board of Directors:			
2016			
Finance costs	(4,047)	-	(4,047)
Tax expense	2,897	355	3,252
Segment assets	152,643	2,086,354	2,238,997
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	2,520	6,960	9,480

23. **Operating segments (continued)**

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

	2017 RM'000	2016 RM'000
Segment results from operating activities		
Total results from operating activities for reportable segment	(25,298)	(30,217)
Other non-reportable segments	(3,953)	(7,186)
Finance costs	(5,006)	(4,080)
Finance income	128	202
Share of profit of an equity accounted associate	8,025	10,515
Tax expense	(3,722)	2,822
Consolidated loss after tax	(29,826)	(27,944)

	Revenue RM'000	Depreciation and amortisation RM'000	Income tax expense RM'000	Segment assets RM'000	Additions to non-current assets RM'000
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
2016					
Total reportable segment	83,158	16,578	3,252	2,238,997	9,480
Other non-reportable segments	-	157	(430)	74,720	4
Consolidated total	83,158	16,735	2,822	2,313,717	9,484

Geographical segments

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

	Non-current assets		Revenue	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Malaysia	135,286	138,295	77,242	70,674
Indonesia	1,963,960	1,978,655	26,570	12,484
Other countries	772	968	-	-
	2,100,018	2,117,918	103,812	83,158

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

24. Financial instruments

24.1 Categories of financial instruments

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

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

	Carrying amount RM'000	L&R RM'000	FVTPL RM'000	AFS RM'000
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	-
2016				
Financial assets				
Group				
Other investments	1,885	-	-	1,885
Trade and other receivables	10,495	10,495	-	-
Cash and cash equivalents	14,843	14,843	-	-
	27,223	25,338	-	1,885
Company				
Trade and other receivables	6,876	6,876	-	-
Cash and cash equivalents	985	985	-	-
	7,861	7,861	-	-

24. Financial instruments (continued)

24.1 Categories of financial instruments (continued)

	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
2016		
Financial liabilities		
Group		
Loans and borrowings	70,954	70,954
Trade and other payables	32,424	32,424
	103,378	103,378
Company		
Other payables	42,239	42,239
	42,239	42,239

24.2 Net (losses)/gains arising from financial instruments

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Net (losses)/gains arising on:				
Loans and receivables	2,457	(128)	(126)	(211)
Financial liabilities measured at amortised cost	(5,006)	(4,080)	(825)	(25)
Fair value through profit or loss	1,091	163	1,091	(160)
	(1,458)	(4,045)	140	(396)

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. Financial instruments (continued)

24.3 Financial risk management (continued)

24.3.1 Credit risk

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

Receivables

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

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

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

Impairment losses

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

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

24. Financial instruments (continued)

24.3 Financial risk management (continued)

24.3.1 Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

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

	Group	
	2017 RM'000	**2016 RM'000**
At 1 January	4	-
Impairment loss recognised	80	4
At 31 December	84	4

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

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 RM68,760,000 (2016: RM70,339,000) representing the outstanding financial guarantees granted to a subsidiary as at the end of reporting period.

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

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

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

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

Cash and cash equivalents are placed with licensed financial institutions.

Exposure to credit risk and credit quality

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

Impairment losses

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

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
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)

24.3.2 Liquidity risk (continued)

Maturity analysis (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
2016						
Group						
Secured term loan	70,339	5.15%-5.47%	78,131	16,549	17,470	44,112
Finance lease liabilities	615	2.47%-3.75%	688	214	204	270
Trade and other payables	32,424	-	32,424	32,424	-	-
	103,378		111,243	49,187	17,674	44,382
Company						
Other payables	42,239	-	42,239	42,239	-	-
Financial guarantees	-	-	70,339	70,339	-	-
	42,239		112,578	112,578	-	-

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.

24. Financial instruments (continued)

24.3 Financial risk management (continued)

24.3.3 Market risk (continued)

24.3.3.1 Currency risk (continued)

Exposure to foreign currency risk

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			
2017			
Trade and other receivables	4,626	-	3,327
Trade and other payables	(587)	-	(4,232)
Cash and cash equivalents	74	3,236	2,272
Net exposure	4,113	3,236	1,367
2016			
Trade and other receivables	271	-	3,309
Trade and other payables	(338)	-	(5,969)
Cash and cash equivalents	65	2,319	1,346
Net exposure	(2)	2,319	(1,314)

	Denominated in SGD	
	2017 RM'000	**2016 RM'000**
Company		
Cash and cash equivalents	119	137
	119	137

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	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
USD	(411)	-	-	-
SGD	(324)	(232)	(12)	(14)
IDR	(137)	131	-	-

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. Financial instruments (continued)

24.3 Financial risk management (continued)

24.3.3 Market risk (continued)

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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Fixed rate instruments				
Financial assets	16,197	1,312	385	-
Financial liabilities	(448)	(615)	-	-
	15,749	697	385	-
Floating rate instruments				
Financial liabilities	(94,402)	(70,339)	(25,642)	-

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 RM944,000 (2016: RM703,000) and RM256,000 (2016: Nil) 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. Financial instruments (continued)

24.4 Fair value of financial instruments (continued)

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
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
	-	-	-	-	-	-	84,840	84,840	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
2016										
Group										
Financial assets										
Other investments	-	-	1,885	-	-	-	-	-	1,885	1,885
Financial liabilities										
Secured term loan	-	-	-	-	-	-	70,339	70,339	70,339	70,339
Finance lease liabilities	-	-	-	-	-	-	592	592	592	615
	-	-	-	-	-	-	70,931	70,931	70,931	70,954

24. Financial instruments (continued)

24.4 Fair value of financial instruments (continued)

24.4.1 Fair value hierarchy (continued)

Level 2 fair value

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

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2016 : no transfer in either directions).

Level 3 fair value

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

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

25. Capital management

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

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

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

26. Capital and other commitments

	Group	
	2017 RM'000	2016 RM'000
Authorised but not contracted for	59,564	-
Contracted but not provided for	21,533	56,057

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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Less than one year	2,214	3,195	391	244
Between one and five years	274	2,151	274	285
	2,488	5,346	665	529

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

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 48 to 120 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 2017 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: 26 March 2018

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 48 to 120 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Fong Chee Khuen in Kuala Lumpur on 26 March 2018

Fong Chee Khuen

Before me:

Kapt. (B) Jasni Bin Yusoff
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 2017 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 48 to 120.

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 2017, 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(j) Significant Accounting Policies

The key audit matter

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

As at year end, property, plant and equipment, land held for development and property development costs which relate to Treasure Bay Bintan project constitute 89% of the Group's total assets.

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

Key Audit Matters (continued)

Valuation of assets in Treasure Bay Bintan, Indonesia (continued)

The key audit matter (continued)

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

How our audit addressed the key audit matter

Our audit procedures included, amongst others:

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

Property, plant and equipment and property development costs

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

Land held for development

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the 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.

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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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: 02782/09/2018 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 26 March 2018

OTHER INFORMATION

1. ANALYSIS OF SHAREHOLDINGS AS AT 30 MARCH 2018

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	1.61	5,676	0.00
100 – 1,000	3,791	30.06	3,532,815	0.67
1,001 – 10,000	6,478	51.37	28,482,906	5.39
10,001 – 100,000	1,901	15.08	60,253,851	11.39
100,001 – 26,444,532	235	1.86	189,351,422	35.80
26,444,533 and above	2	0.02	247,264,000	46.75
Total	12,610	100.00	528,890,670	100.00

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	-	-	69,500,000**	13.14

* *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*

Directors' Interests

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Tan Sri Zakaria bin Abdul Hamid	8,650,000	1.64	-	-
Mark Wee Liang Yee	-	-	69,500,000	13.14*
Robin Tan Wee Hoong	8,968,000	1.69	-	-

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

1. ANALYSIS OF SHAREHOLDINGS AS AT 30 MARCH 2018 (CONTINUED)

Thirty Largest Shareholders

No.	Name	No. of Shares Held	%
1.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	101,573,000	19.20
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.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt AN for Bank of Singapore Limited	18,360,970	3.47
7.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa	14,980,000	2.83
8.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Bch)	14,319,000	2.71
9.	HLB Nominees (Tempatan) Sdn Bhd Terra Benua Sdn Bhd (Cust. Sin 44634)	13,000,000	2.46
10.	Prestasi Cergas Sdn Bhd	12,469,250	2.36
11.	HLB Nominees (Asing) Sdn Bhd Nguyen Hoai Van (Cust. Sin 41150)	6,900,000	1.30
12.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa @ Chan Teik Chuan	5,036,300	0.95
13.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	4,824,275	0.91
14.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt AN for Bank of Singapore Limited	4,358,300	0.82
15.	HLB Nominees (Asing) Sdn Bhd Mabel Lee Kim Lian (Cust. Sin 4803)	3,850,000	0.73
16.	Pacific & Orient Berhad	3,000,000	0.57
17.	Citigroup Nominees (Asing) Sdn Bhd UBS AG for SFC Foresta Master Fund, L.P.	2,615,510	0.49
18.	Lee Eng Hock & Co. Sendirian Berhad	2,450,000	0.46
19.	Ong Kok Seng	2,294,000	0.43
20.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Teng Heng	2,290,500	0.43
21.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	2,240,466	0.42
22.	Cimsec Nominees (Asing) Sdn Bhd Exempt AN for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	2,193,199	0.41
23.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	2,119,208	0.40
24.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	1,904,692	0.36

1. **ANALYSIS OF SHAREHOLDINGS AS AT 30 MARCH 2018 (CONTINUED)**

Thirty Largest Shareholders (continued)

No.	Name	No. of Shares Held	%
25.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	1,775,200	0.34
26.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Leong Pin	1,547,000	0.29
27.	Lim Li Li	1,540,000	0.29
28.	Lim Li Li	1,533,600	0.29
29.	Citigroup Nominees (Asing) Sdn Bhd UBS AG for Stone Forest EM Master Fund, L.P.	1,499,790	0.28
30.	Geo-Mobile Asia Sdn. Bhd.	1,420,000	0.27

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 2017 or entered into since the end of the previous financial year.

3. **STATUS OF UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT**

The Company has undertaken a private placement of 48,080,970 new ordinary shares ("Private Placement") on 18 May 2017, raising total gross proceeds of RM36,541,537.20. As at 31 December 2017, all the proceeds raised have been fully utilised as follows:

	Proposed Utilisation RM'000	Reallocation RM'000	Actual Utilisation RM'000	Balance unutilised RM'000
Repay term loan	13,000	-	(13,000)	-
Capital expenditure	11,600	-	(11,600)	-
Working capital	11,082	33	(11,115)	-
Defray expenses in relation to the Private Placement	860	(33)	(827)	-
	36,542	-	(36,542)	-

4. **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 2017 are as follows:

	Group RM'000	Company RM'000
Audit Services	902	85
Non-Audit Services	388	106
Total Fees	1,290	191

The non-audit services comprise:

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

5. PROPERTIES AS AT 31 DECEMBER 2017

Held by Subsidiary	Name Description Location	Tenure	Approx Age of Building (years)	Approx Land Area (sq. metres)	Net Book Value as at 31.12.2017 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	21	164,861	120.01	2.5.2012	1996
PT PELANGI BINTAN INDAH	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	3,062,239	1,749.31	28.3.2014	2008
PT RESORTS DEVELOPMENT AND MANAGEMENT BINTAN	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024* and expiring in 2028*	-	37,086	21.20	28.3.2014	2009
				85,288	48.76	28.3.2014	2010
PT BINTAN LEISURE RESORT VENTURES	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	55,128	31.52	28.3.2014	2009
PT BINTAN HOTEL UTAMA	The Canopi, a three star, 100 tent suite hotel and resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	2	95,628	65.26	28.3.2014	2009
PT HOTEL MANAGEMENT BINTAN	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	46,011	26.31	28.3.2014	2009

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-ninth 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, 23 May 2018 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 2017 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 RM280,023.00 for the financial year ended 31 December 2017. **Resolution 1**

3. To re-elect Dato' Abdul Malek bin Abdul Hamid who retires in accordance with Article 63 of the Articles of Association of the Company. **Resolution 2**

4. To re-elect the following Directors who retire in accordance with Article 68 of the Articles of Association of the Company:
   (a) Dato' Sri Ramli bin Yusuff **Resolution 3**
   (b) Mr Chin Mui Khiong **Resolution 4**

5. To re-appoint Messrs KPMG PLT as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

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

6. **Continuation in Office as Independent Non-Executive Director** **Resolution 6**

   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 until the conclusion of the next Annual General Meeting of the Company.

7. **Continuation in Office as Independent Non-Executive Director** **Resolution 7**

   THAT 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 until the conclusion of the next Annual General Meeting of the Company.

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

   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 24 May 2018 until the next Annual General Meeting of the Company.

9. **Authority to Issue and Allot Shares** **Resolution 9**

   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.

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 2018

Explanatory Notes

1. Agenda 1 is meant for discussion only as the provisions of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval by the members of the audited financial statements. Hence, this agenda item is not put forward for voting.

2. *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. *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. *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 of the Company.

Notes:

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

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

   Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Where a member or an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the member, authorised nominee or exempt authorised nominee specifies the proportions of the member's, authorised nominee's or exempt authorised nominee's holdings, as the case may be, to be represented by each proxy in the instrument appointing the proxies.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Company's Registered Office at 20th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 May 2018 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 29th 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

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

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

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

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

   The Company had at the Twenty-eighth Annual General Meeting held on 24 May 2017 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 Twenty-ninth 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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FORM OF PROXY

LANDMARKS

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

I/We ____

of ____

being a member of LANDMARKS BERHAD, hereby appoint ______________________________

NRIC No/Passport No: ______________________ of ______________________________

and/or failing him/her ______________________________ NRIC No/Passport No:______________________

of ____

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Twenty-ninth Annual General Meeting of the Company, to be held on Wednesday, 23 May 2018 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 Dato' Abdul Malek bin Abdul Hamid		
3. Re-election of Dato' Sri Ramli bin Yusuff		
4. Re-election of Mr Chin Mui Khiong		
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		

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 ____________________ 2018

____
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 16 May 2018 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 29th 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
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50250 Kuala Lumpur

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