LANDMARKS

LANDMARKS BERHAD Registration No. 198901007900 (185202-H)

ENTERING INTO THE NEXT ERA


ANNUAL REPORT 2019


1 Wellness

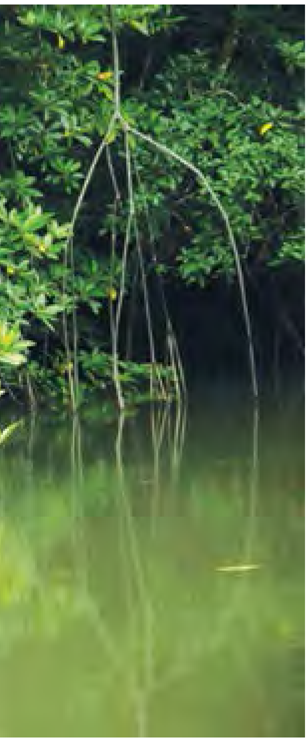

270
4 Sports


5 Wide-Range Attractions

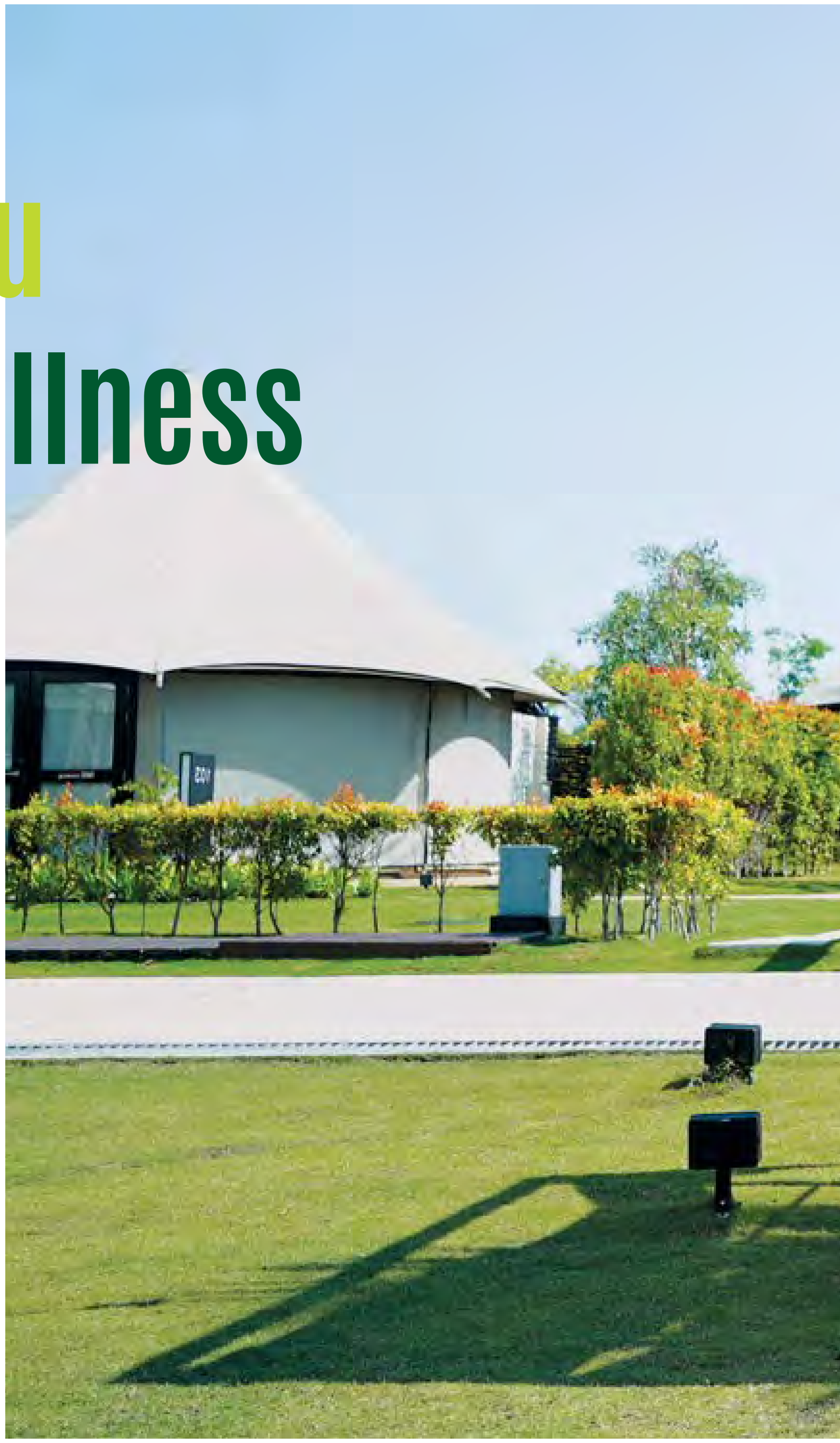

7 Organic Farms


8 Mangrove Nature Park

9 Key Pillars of Treasure Bay Bintan



Bringing you Health & Wellness



Chiva Som Bintan
a holistic health and wellness resort
- coming soon

Internationally acclaimed health resort offering holistic health facilities

Chiva-Som

Chiva-Som is a luxury resort that combines traditional Thai hospitality with international standards to deliver bespoke wellness programmes. Focusing on a holistic approach to health, encompassing mind, body and spirit. Each retreat is curated and aligned with individual personal goals or health concerns.

V Integrated Wellness

V Integrated Wellness (V) is a multi-award winning wellness destination devoted to conscious living and personal renewal. Inspired by the 'Tree of Life', an ancient metaphor for the interconnectedness of life, our services go far beyond pampering and indulgence by blending innovation with traditional healing techniques.

This aims to teach people a conscious way of living to attain wellness by living with a sense of purpose in tune with spirit, nature, and community, hence cultivating life force - (CHI).

Remaining true to the 'flower of life' philosophy which represents our interconnectedness and inseparability from nature and community, V celebrates and honors sustainability and fair trade. Incorporating the use of all-natural, certified organic goods, manufactured with renewable energy and packaged using eco-friendly materials. Most of the products used in traditional treatments are harvested fresh and even edible.

'V' is the roman numeric for the number '5' and comprises five elements of holistic wellbeing: V Botanical Spa, V Fitness, V Retreats, V Saloon and V Healthy Cuisine.

Organic Farm

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

V Healthy Cuisine

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

Discover the World through Food

Organic Farm

Located in

BINTAN INDONESIA

certified by

International Federation of Organic Agriculture Movements

Provide Protective Greenbelts along Coastlines

Located within

TREASURE BAY BINTAN

A 60 hectares
Mangrove Forest
to protect and manage

Mangrove Forest

Mangrove forests provide protective greenbelts along coastlines and are proven effective barriers against tropical storms and strong wave action. Mangrove ecosystems also provide livelihoods for coastal communities that depend on fishing as a source of income.

Coral Conservation,
The Andaman

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

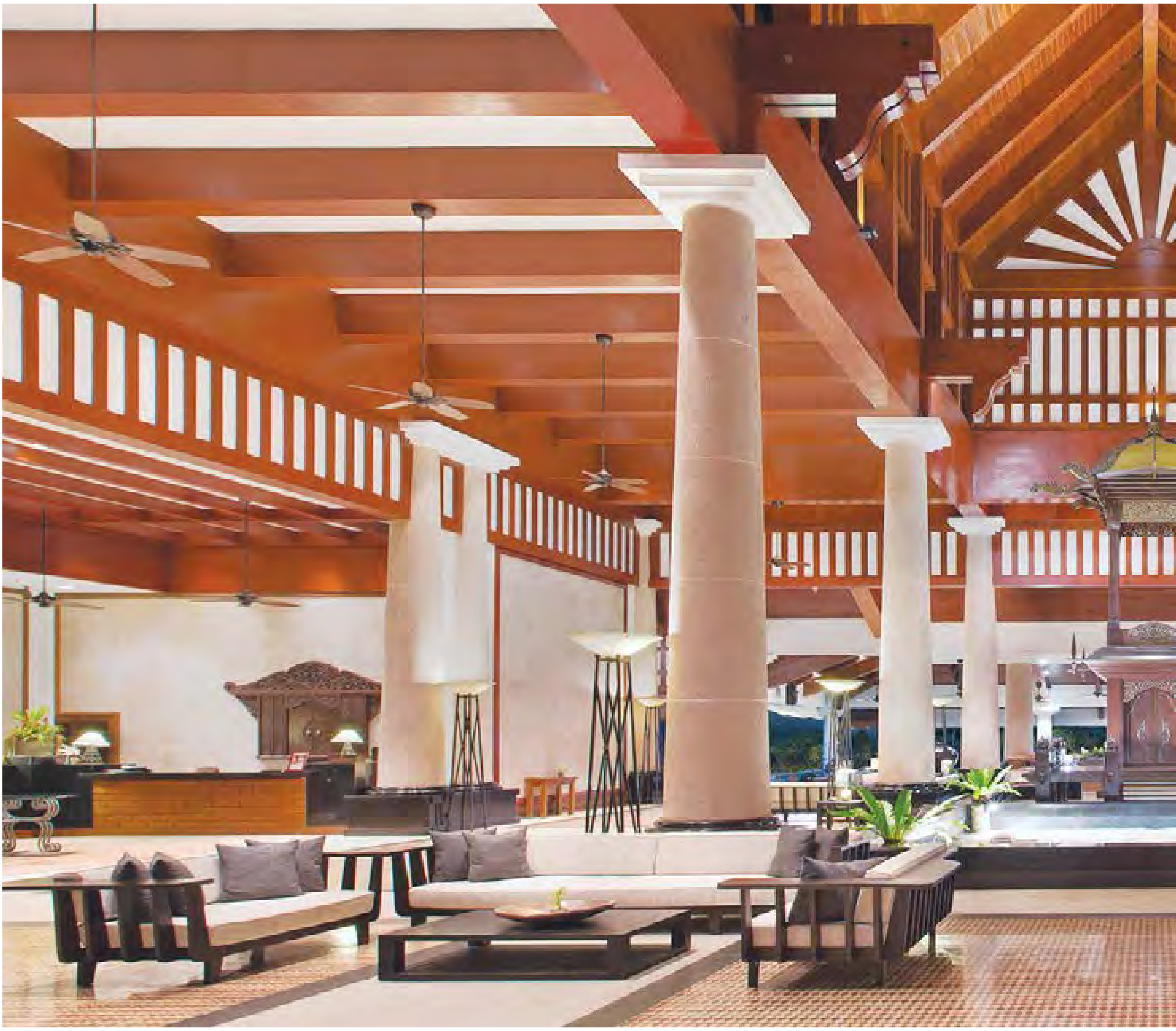
A Marine Life Laboratory was opened in collaboration with universities for students to undertake research as well as increase their understanding of coral reef ecosystems and effective artificial reef management.

Rehabilitating Nature

CORAL ACTIVITIES
in the hope of conserving the natural habitat:

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

The Andaman
located at Datai Bay, Langkawi



Our Vision

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

Inside This Report

CEO's Management Discussion and Analysis

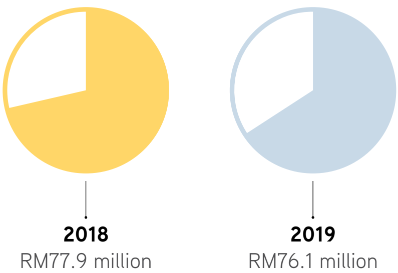
2019 has been a challenging year for the Group in the implementation of the plans to build 3 projects namely: 100 teepee tents branded as ANMON, the Marine Life Discovery Park and the upgrading and rebranding of The Canopi Resort to "Natra Bintan, a Tribute Portfolio" ("Natra Bintan") managed by Marriott International ("Marriott") in Bintan Indonesia.

Delays were encountered during the roll out of the 2 projects and that they have also caused disruption and disturbance to our guests. In future, our management will have to use different methodology to build and implement new projects in Treasure Bay Bintan to avoid bothering the guests of Treasure Bay Bintan.

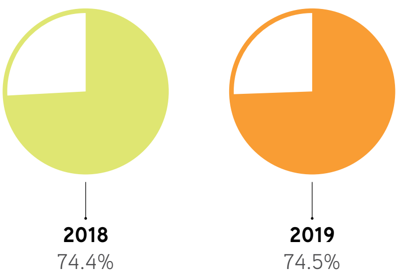
THE ANDAMAN, A LUXURY COLLECTION RESORT, LANGKAWI MALAYSIA

Andaman Resort in Langkawi in 2019 continues to perform well with revenue registered at RM76.1 million. It was a slight decrease from 2018 revenue of RM77.9 million which is approximately 65.3% of the Group's revenue as compared to 70.0% in 2018. Both The Andaman and V Integrated Wellness contributed RM22.7 million to the Group's operating profit in 2019.

Revenue Year 2018 and 2019



Average Occupancy Rate Year 2018 and 2019



In 2019, the Management continues its aggressive marketing strategy focusing on the European market which has returned favorable results. The Andaman achieved an Average Occupancy Rate ("AOR") of 74.5% in 2019, as compared to 74.4% in 2018. However, Average Room Rate ("ARR") remained the same as 2018.

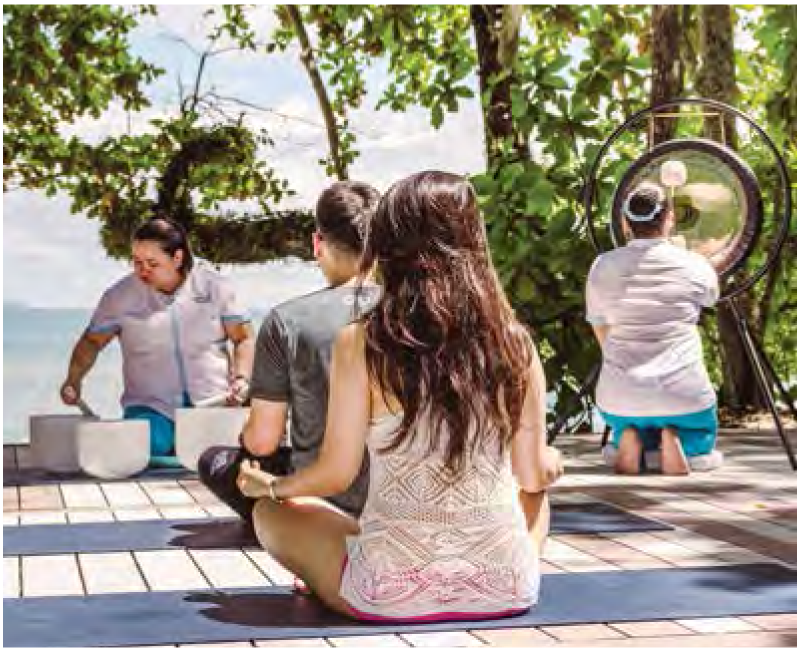
In 2019, both The Andaman and V Integrated Wellness have done us proud by winning International Awards as follows:

- Asia Pacific Tourism Awards: Best Spa Experience in Malaysia
- Luxury Travel Guide: Luxury Wellness Resort of the Year, Malaysia
- Harper's Bazar Spa Awards: Best All-In-one wellness programme
- World Golf Awards: Best Golf Hotel, Malaysia
- Trip Advisor 2019 Traveler's Choice Awards:
    - Top 25 Hotels in Malaysia,
    - Top 25 Luxury Hotels in Malaysia, and
    - Top 25 Hotels for Services in Malaysia

CEO's Management Discussion and Analysis

Year 2020 is Visit Malaysia Year however the year started with the outbreak of the coronavirus disease ("COVID-19"), leading to World Health Organisation ("WHO") declaring a global health emergency to now elevate it to pandemic status. This with the closing of borders for travellers to and from China and other travel restrictions from other countries that are starting to encounter the COVID-19 disease will create serious repercussions in many industries in particular the tourism and hospitality industries. Despite the challenge, the Management will continue to focus on Andaman 2.0 strategic plans, concentrating on the fundamental strength of Datai Bay which is the rainforest, the pristine shoreline and the wellness programmes back to nature as the main offerings to lure guests to The Andaman.

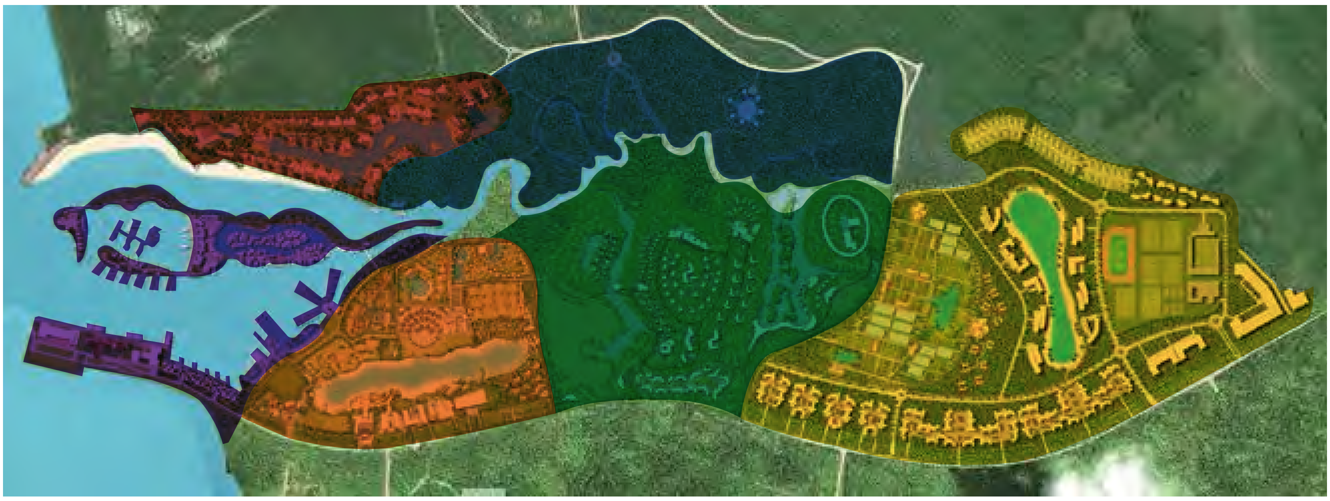
Barring unforeseen circumstance, we do not foresee any other major risk affecting The Andaman other than with the outbreak of COVID-19 disease that will impact travellers which will be compounded by the imposition of quarantine rules. 2020 will be a challenging year for the tourism and hospitality industries as a whole including The Andaman and V Integrated Wellness. Interest rate fluctuation and uncertainties from Malaysian political situation may also impact the performance of our resorts. The Andaman has also taken the necessary steps to ensure all requirements in terms of dissemination of information, temperature monitoring, hygiene, sanitizing and disinfection are in place to safeguard our guests and staff from the COVID-19 disease.



BINTAN, KEPULAUAN RIAU, INDONESIA

The masterplan for Treasure Bay Bintan has been re-zoned into 5 zones for development as follows:

- Zone 1 - Tourism, recreation and attraction
- Zone 2 - Wellness resorts and Nature Mangrove
- Zone 3 - Organic farm, orchard park, medicare facilities, education facilities, housing and commercial mixed development
- Zone 4 - High end resorts and serviced residences
- Zone 5 - Bay Development



Zone 1   Zone 2 - Wellness resorts   Zone 2 - Nature Mangrove   Zone 3   Zone 4   Zone 5

CEO's Management Discussion and Analysis


Crystal Lagoon


Multi-purpose Arrival Hall


Main Entrance

Natra Bintan

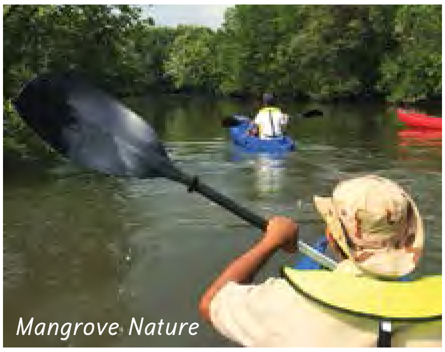

Natra Bintan


Natra Bintan


ANMON


ANMON


Marine Life Discovery Park


Mangrove Nature


Sea Sport Center


Activities in Crystal Lagoon


Activites for the Adventure Forest Terrain


Organic Farm


Kampung Baru

CEO's Management Discussion and Analysis

ENTERING INTO NEXT ERA

To-date, Treasure Bay Bintan developments as shown in the above pictorials have been built with our own internal generated funds and zero funding from financial institutions.

In 2020, the Company will now embark on seeking strategic partners and/or service providers to build a world class lifestyle city for Treasure Bay Bintan with the following components and facilities:

Wellness resorts	Chiva-Som Resorts
Medical hospital	*work in progress*
Education facilities with campus	*work in progress*
Integrated logistics and transportation system	*work in progress*
Expansion of the organic farm and orchard	*work in progress*
Housing and commercial precincts	*work in progress*
Indoor entertainment centre	*work in progress*
Adventure park	*work in progress*
Environmental compliance with no plastic policy and installation of solar energy, recycling of grey water and practice of minimum waste output	*work in progress*
200 keys speciality resort	*work in progress*
Repositioning and branding of Marine Life Discovery Park	*work in progress*
Repositioning of Treasure Bay Main Entrance into a food and beverage cluster	*work in progress*

The above-mentioned facilities will be implemented with strategic partners and some will be executed solely by the Group starting in year 2020.

FINANCIAL

The Group continues to suffer losses in year 2019 amounting to RM100.89 million, which is mainly due to the deferred tax expense of RM42.5 million derived from the reclassification of land held for sale to own use in Indonesia, write off of loan financing transaction cost of RM7.44 million, delays and disruption caused by works for ANMON, upgrading of Natra Bintan and Marine Life Discovery Park.

The Group is also experiencing major slowdown of business due to recessionary effects during the year and with the onset of the outbreak of the COVID -19 disease since end of 2019 whose impact is still to be fully realised. Malaysia had been experiencing COVID-19 infection cases since the start of the outbreak and lately followed by Indonesia. The predictions as a result of the COVID -19 outbreak are not encouraging for the world economy as a whole and with the cancellation of flights, fear of infection and restrictive mobility do not bode well for the tourism and hospitality industries too.

The Management is diligently preparing measures to handle worst scenario arising from the COVID-19 outbreak in Langkawi and in case infections occur in Bintan.

Other risk that may impact Treasure Bay Bintan could be haze, fires and uncertainties from Indonesia political scene and changes in the country's laws and regulations. Measures such as constant reminders on personal hygiene, washing hands and/or sanitizing frequently, wearing masks if require, avoid overly crowded area and etc are being implemented. Crisis management plans and safety standard operating procedures are constantly being reviewed to mitigate the risk. Similarly, in addition to what the Indonesian authorities have put in place, necessary action has been taken to ensure all requirements in terms of dissemination of information, temperature monitoring, hygiene, sanitizing and disinfection are in place to safeguard guests and staff from the COVID-19 disease.

SUMMARY

Management of balance sheet and cashflow is the outmost important policy for the Group which is to ensure its cashflow remains positive and to not be overly exposed to financial commitments.

Therefore in the last ten years, the Company has sunk in large capital expenditure from its own resources into creating iconic features in the locations of Langkawi and Bintan while concentrating to build cashflow income businesses from these investments.

The Company has gone through its worst period and we are now ready to seek for strategic partners and/or service providers for joint ventures or building capital goods for sale.

We are very optimistic that in 24 months from now the location will be ready for promoting primary residence with basic amenities in place such as medical and educational facilities, however such optimism is also subject to pandemic, force-major, natural disasters and any such unforeseen circumstances.

The Group will not be declaring any dividend for 2019 as there is a need to conserve its cash resources for its continuing development and capex expansion plans for Treasure Bay Bintan.

I would like here 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.

Thank you very much.

MARK WEE LIANG YEE
Executive Deputy Chairman & Chief Executive Officer

Corporate Information

Board of Directors

- **Tan Sri Zakaria bin Abdul Hamid**
  Chairman
  Non-Independent Non-Executive
- **Mark Wee Liang Yee**
  Executive Deputy Chairman & CEO
- **Robin Tan Wee Hoong**
  Executive Director
- **Dato' Abdul Malek bin Abdul Hamid**
  Non-Independent Non-Executive
- **Bernard Chong Lip Tau**
  Independent Non-Executive
- **John Ko Wai Seng**
  Independent Non-Executive
- **Dato' Sri Ramli bin Yusuff**
  Independent Non-Executive
- **Chin Mui Khiong**
  Independent Non-Executive

Audit and Risk Management Committee
Bernard Chong Lip Tau
Chairman
Dato' Abdul Malek bin Abdul Hamid
John Ko Wai Seng

Nominating Committee
Tan Sri Zakaria bin Abdul Hamid
Chairman
Bernard Chong Lip Tau
John Ko Wai Seng

Remuneration Committee
Tan Sri Zakaria bin Abdul Hamid
Chairman
Bernard Chong Lip Tau
Chin Mui Khiong

Registered Office
20th Floor, Menara Haw Par
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2026 0088
Fax: 03-2026 0099

Company Secretaries
Tan Ai Ning
(MAICSA7015852)
(SSM PC No.: 202008001023)
Wong Wei Fong (MAICSA7006751)
(SSM PC No.: 201908001352)

Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel: 03-2783 9299
Fax: 03-2783 9222

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

Principal Bankers
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

Stock Exchange Listing
Bursa Malaysia Main Market
Stock Code: LANDMRK
Stock Number: 1643

Website
www.landmarks.com.my

Management Team
Corporate Head Office
Mark Wee Liang Yee
Executive Deputy Chairman & CEO

Robin Tan Wee Hoong
Executive Director

Fong Chee Khuen
Group Chief Operating Officer &
Chief Financial Officer

Chew Eng Kiong
General Manager, Risk Management &
Internal Audit

Jasvinder Kaur
General Manager, Group Strategic
Communications & Group Head of Wellness

Lim Kian Guan
Senior Manager, Finance & Investor Relations

Treasure Bay Bintan
Jackson Lim Ting Hong
General Manager, Chill Cove

Natra Bintan, a Tribute Portfolio Resort
-
General Manager

ANMON
Agi Arisetyawan
Hotel Manager

The Andaman, a Luxury Collection Resort, Langkawi
Piotr Madej
General Manager

Directors' Profile

Tan Sri Zakaria Bin Abdul Hamid

Chairman, Non-Independent Non-Executive Director

Age
76

Appointment Date
27 June 2006

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

Age
53

Appointment Date
27 September 2016

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.

Directors' Profile

Robin Tan Wee Hoong

Non-Independent Executive Director

Age
59

Appointment Date
27 September 2016

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

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

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

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

Dato' Abdul Malek Bin Abdul Hamid

Non-Independent Non-Executive Director

Age
71

Appointment Date
22 June 2006

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.

Directors' Profile

Bernard Chong Lip Tau

Independent Non-Executive Director

Age
68

Appointment Date
20 October 2008

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

Age
69

Appointment Date
1 November 2012

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

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

Mr John Ko began his career as a legal assistant in Messrs Battenberg & Talma, Advocates, Kuching in 1975 and was made a partner in the firm in 1985. He retired from the firm in 2009 to take up an appointment as a Judicial Commissioner of the High Court in Sabah and Sarawak. He served as the resident High Court Judge in Tawau and later in Bintulu. He left the judicial service on 27 October 2012. Mr John Ko has resumed legal practice under an associateship with Messrs Battenberg & Talma, Advocates, Kuching on 1 January 2019.

Mr John Ko is a member of the Audit and Risk Management Committee and Nominating Committee of the Company. He is a member of the Board of Governors of STEC Kidney Foundation. He has no 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.

Directors' Profile

Dato' Sri Ramli Bin Yusuff

Independent Non-Executive Director

Age
68

Appointment Date
27 October 2017

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

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

Dato' Sri Ramli is not a member of any Board Committee of the Company. He is currently the President of the Security Services Association of Malaysia and also the Advisor of the Asia Pacific Security Association (Malaysia Chapter). 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

Age
65

Appointment Date
27 October 2017

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

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

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

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

Key Senior Management

Fong Chee Khuen

Group Chief Operating Officer & Chief Financial Officer

Age	**Appointment Date**
48	1 January 2014

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 the Group's business in destination development, hospitality operations as well as the financial functions of the Group. He holds an honours degree in Accountancy and a Master in Business Administration from Universiti Putra Malaysia. He is a member of the Malaysian Institute of Accountants.

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

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

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

Group Financial Highlights

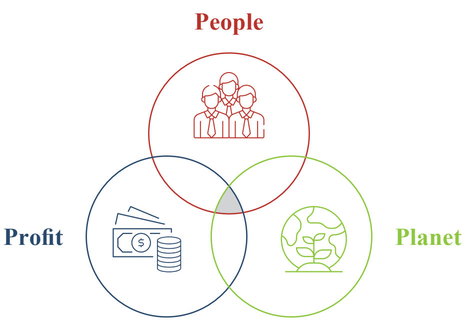
	2019 RM'000	2018 RM'000 Restated	2017 RM'000 Restated	2016 RM'000	2015 RM'000
Group Assets					
Property, Plant & Equipment	**1,518,551**	1,339,136	1,326,486	1,339,017	1,346,209
Right-of-use Assets	**21,609**	-	-	-	-
Intangible Asset	**-**	-	-	-	131
Inventories/Property Development Cost	**632,832**	774,059	778,772	778,900	781,856
Investment in Associates	**-**	-	-	70,462	66,547
Other Investments	**2,085**	2,085	2,085	1,885	1,885
Deferred Tax Assets	**-**	350	350	350	350
Net Current Assets	**68,431**	183,580	173,208	75,175	112,439
	2,243,508	2,299,210	2,280,901	2,265,789	2,309,417
Financed By					
Share Capital	**734,811**	734,811	734,811	480,810	480,810
Share Premium	**-**	-	-	218,272	218,272
Fair Value Reserve	**-**	-	-	1,260	1,260
Share Option Reserve	**5,615**	3,781	2,349	2,249	2,526
Translation Reserve	**(7,008)**	(7,257)	168	13,155	12,161
Retained Earnings	**1,056,390**	1,156,302	1,189,956	1,030,093	1,057,760
Non-Controlling Interests	**713**	1,373	1,373	1,373	1,373
Loans and Borrowings	**111,500**	124,016	69,222	57,430	70,183
Lease Liabilities	**11,527**	-	-	-	-
Deferred Tax Liabilities	**326,749**	283,183	280,740	461,147	465,072
Retirement Benefits	**3,211**	3,001	2,282	-	-
	2,243,508	2,299,210	2,280,901	2,265,789	2,309,417
Results					
Loss Before Tax	**(55,196)**	(32,610)	(26,104)	(30,766)	(14,045)
Tax (Expense)/Credit	**(45,697)**	(3,393)	(3,722)	2,822	1,987
Loss for the Year	**(100,893)**	(36,003)	(29,826)	(27,944)	(12,058)
Non-Controlling Interests	**(660)**	-	-	-	-
Loss Attributable to Owners of the Company	**(100,233)**	(36,003)	(29,826)	(27,944)	(12,058)
Profit Available for Appropriation	**1,056,390**	1,156,302	1,189,956	1,030,093	1,057,760
Dividend Paid During the Year	**-**	-	-	-	-

Sustainability Statement

The Board of Directors of Landmarks Berhad are committed in integrating economic, environmental, social and governance ("EESG") matters in the development of the Group's strategy. Our sustainability frameworks are aligned with our core values and business strategies with a constant push for performance improvements as our business grows and evolves year after year.

As such, this is the first year a sustainability committee was put together in compiling meaningful data with integrity, and the report has been prepared utilising the Global Reporting Index ("GRI") Standards as a guiding principle.

Sustainability sits at the heart of everything we do, and operating sustainably is an integral and vital component of our business strategy. Our goal is to provide our customers with world class products and services that exceed their expectations whilst minimising the harmful impacts on the environment and local communities. Collaborating also with our hotel operators Marriott, we embrace the "Serve 360: Doing Good in Every Direction" in our hotel operations. As a Group, our fundamental sustainability framework reflects the Triple Bottom Line ("TBL") approach where we place People, Planet and Profit at the heart of our goals, truly reflecting our vision. As the journey towards sustainable future continues for us, our stakeholders will continue to remain important to us.



STAKEHOLDERS

As a responsible corporate citizen, the Group's goal is to operate its businesses in a responsible manner whilst advancing the interests of its stakeholders which have primarily been identified as investors, guests, employees, suppliers and the local communities where the Group operates in. The mechanisms that the Group uses to deliver its sustainability strategy include policies, management systems, audits and codes of conduct, amongst others.

REFERENCES AND GUIDELINES

This report complies with Sustainability Reporting Guide issued by Bursa Malaysia for Malaysian Companies and where possible. Our fundamental sustainability framework reflects the TBL approach placing People, Planet and Profit which includes the practice of 3Rs (Reduce, Reuse and Recycle) that is truly reflective of our vision and mission. The GRI Standards were also instrumental and referred to as a key guideline in determining the sustainability indicators to measure performance. We have also identified 5 of the 17 United Nations SDGs and aligned with our goals with Good Health and Wellbeing, Gender Equality, Decent Work and Economic Growth, Climate Action and Life on Land, implementing these in the way we conduct business.

REPORTING SCOPE AND COVERAGE

This report covers Landmarks Group's corporate structure as reflected in the holding company's Annual Report. The information in this report covers all its operating business units in which the Group holds a majority stake and/or has direct managerial control over operations in Malaysia, Singapore and Indonesia. This includes the corporate head office in Kuala Lumpur, administrative office in Singapore, hotel operations in The Andaman, A Luxury Collection Resort in Langkawi, and Treasure Bay Bintan ("TBB") - our flagship hospitality and wellness destination that is being developed in Bintan, Indonesia. The activities at TBB comprises Natra Bintan, a tented luxury glamping resort operated by Marriott, Chill Cove - an activity hub surrounding the Crystal Lagoon, ANMON - a desert inspired, glamping concept for nomadic communities, the Organic Farm and the newly opened Marine Life Discovery Park ("MLDP"). There are no other significant business operations of the Group to be included in this statement.

We also include sustainability initiatives where we have partnered with directly or supported such as local government, communities and vendors in greater detail within the report.

REPORTING PERIOD AND REVIEWS

This statement covers the financial year 1 January 2019 and ended 31 December 2019. All information in this report corresponds with our Annual Report for the parallel year.

Sustainability Statement

GOVERNANCE STRUCTURE AND PRINCIPLES

The Group's sustainability performance and management is under the purview of the Chief Executive Officer ("CEO"), reporting to the Board, and the Group Chief Operating Officer, who is responsible for implementing the strategies in the respective business units to support the CEO in overseeing the progress of the Group's sustainability efforts.

Highest Governance Body - The Board of Directors has ultimate responsibility to ensure that EESG risks and opportunities are evaluated and that internal control policies and procedures are in place to safeguard compliance and to protect the Group's assets.

This year, in efforts to revamp our corporate sustainability strategy, a committee was also formed to proactively engage with Heads of various departments to obtain environmental-related data and information for recording as well as to identify any policies, standards, guidelines and procedures related to sustainability which may (and may not) be currently implemented yet. The committee is also responsible in forming the framework and disclosures, and monitoring the overall progress of the Group's sustainability performance moving forward, providing recommendations for improvement.

We are indeed grateful for the outstanding support received from our teams and subsidiaries who are key to the future success of our corporate sustainability goals and strategy. We are hopeful that efforts to advance our sustainability agenda will enable us to nurture sustainable practices in our corporate culture, and further strengthen our position and reputation in the industry.

Sustainable Development Goals		The Group's Contribution
SDG 3 Good Health and Well-being	Ensure healthy lives and promote well-being for all at all ages	Prioritising health and safety in our business operations by adopting safety standards. Promote healthy lifestyles by organising programmes that focus on employee well-being and raising awareness on individual health and fitness.
SDG 5 Gender Equality	Achieve gender equality and empower all women and girls.	Acknowledge women's contribution in the workplace and in nation building and declared our commitment to promoting the advancement of women by consciously promoting and embracing diversity and inclusiveness, fostering fair and equitable workplace conditions. Organise programmes for internal stakeholders that promote women's empowerment and support their career development in the organisation.
SDG 8 Decent Work and Economic Growth	Promote sustained, diverse and inclusive employment opportunities in a safe, progressive environment	Providing safe, nurturing environment for work and upholding equality, fairness and respect in the workplace. Increasing the capacity of local communities to pursue sustainable livelihood opportunities by empowering them with employment opportunities and entrepreneurship opportunities thus they are able to contribute to the development of the national economy. Supporting underprivileged groups through philanthropic activities.
SDG 13 Climate Action	Taking proactive actions to combat our carbon footprint and consumption impacts on climate change	Progressive steps taken to reduce energy, water and paper consumption through digitisation of systems, which also improved cross border efficiency. Digitalisation also reduced travel costs and carbon footprints through teleconferencing.
SDG 15 Life on Land	Restoration and conservation of ecosystems and halt the loss of biodiversity, protect and prevent the extinction of threatened species	Mangrove replanting and reforestation efforts. Investment into Marine Life Laboratory ("MLL") for research laboratory of marine science in The Andaman. Placing great emphasis on education and marine conservation in Bintan through MLDP and investing into rebuilding Turtle sanctuary. Promoting organic farming and low carbon food.

Sustainability Statement

MATERIAL ISSUES

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

Economic

- Employment
- Training & Development
- Procurement
- Community Investment

Environmental

- Water, Energy and Paper Consumption
- Biodiversity & Conservation
- Managing Waste & Effluents

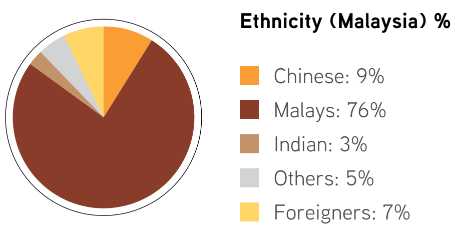
Social

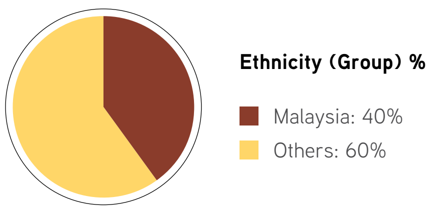
- Occupational Safety & Health
- Diversity & Equal Opportunities
- Employee Wellbeing

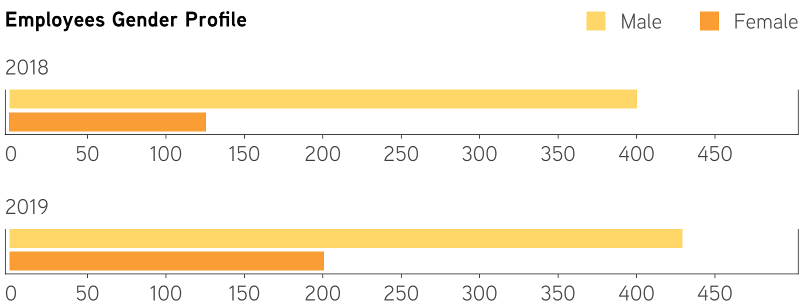
EMPLOYMENT

The Group has provided employment for a total of 1,091 people across our operations in Malaysia, Singapore and Indonesia. 40% of which are Malaysians who are in its operation in The Andaman, Langkawi and Corporate office in Kuala Lumpur. As the main business operations is in Bintan, Indonesia, 60% of the workforce are local Indonesians, Singaporean and foreigners as indicated in the group's ethnicity break down charts.

The employment of female employees in 2019 have improved and exceed the target set by the BOD at 30%. However, better gender participation and ethnic distribution particularly at the senior management level are areas of ongoing focus for improvement.







DIVERSITY & INCLUSION

It is vital to manage the differences within The Group's operations across three countries with diverse ethnicities, religions, cultures and customs in addition to the managing the complex yet balanced mix of age and gender require us to be alert and sensitive in our approach towards equal opportunities for all. The Group is committed in upholding our commitments to zero tolerance of discrimination on grounds of colour, religion, ethnicity, age, national origin, gender or any other personal characteristics that are physical or verbal are deemed harassment in the workplace with severe disciplinary repercussions. The selection, recruitment, promotion and training of employees is made based on merit and performance ability. In upholding our commitments to human rights and ethics, we ensure that strictly no child labour, forced labour and discrimination issues are allowed in our businesses and supply chains. We believe these policies are crucial in retaining and attracting talent.

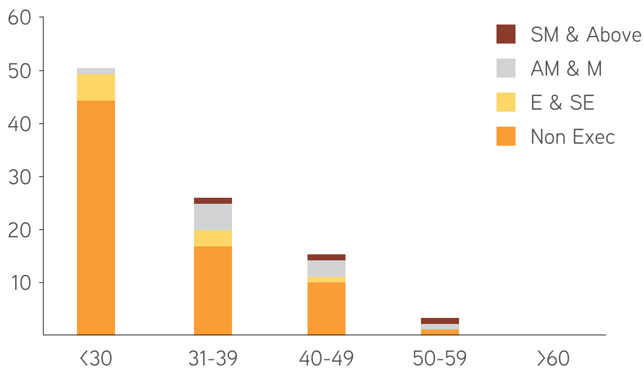
Nurturing Talent

We believe cultivating talent and competencies which is essential to building a sustainable talent pool to meet business growth demands. The Group recognises that to continue providing excellent service quality to guests, competent service staff has to be recruited and provided with regular training to maintain consistent quality service standards at our operations and resorts.

Thus, we believe that talent needs to be nurtured and skills sharpened. In support of continuous professional development, all employees' performance are appraised during annual appraisal to evaluate and assess strengths and gaps that help us to identify appropriate training and development needs to elevate and enrich careers. Our goal is to ensure each employee meets the minimum training need of 16 hours for employees across all levels to ensure competency is at the highest level.

Sustainability Statement

Employee Profile by Age Group



All Group (%)	Group			
	Non Exec	E & SE	AM & M	SM & Above
< 30 years	48.2%	5.3%	1.5%	0.0%
31-39 years	17.1%	3.4%	5.0%	0.6%
40-49 years	9.7%	1.3%	3.5%	1.2%
50-59 years	1.4%	0.5%	0.7%	0.6%
> 60 years	0.0%	0.0%	0.0%	0.0%
Total	**76.4%**	**10.5%**	**10.7%**	**2.4%**

The Group aims to become a preferred employer and such as is looking into the implementation of HR tech solutions for better decision making in areas like performance management, capability building and retention. It will be possible to ensure high competency levels and healthy career development.

The Group has started with digitising some systems in phases and is seeing much positive impacts of this initiatives thus far. Moving forward, data in this system will be used to harness accurate performance management of each staff, identifying gaps and re-skilling needs to advance succession planning.

Employees have received an average of 38.67 training hours per employee in 2019. This is above the target of 16 hours per employee as set by The Group.

Anti-Corruption Training

Corruption is a great challenge that poses major risks to our business goals and operations. The Group adopts a zero-tolerance stance toward corruption and firmly believes that addressing it requires concerted action from all. A refresher training in house was recently conducted for executive and senior level employees across the group to enhance governance and integrity. Throughout the year, awareness programmes on integrity, anti-corruption and bribery were conducted for all existing staff through townhalls to raise the overall awareness on integrity, corruption, fraud and bribery. Additionally, all employment contracts now include clauses on anti-corruption and anti-bribery to prevent and eradicate corrupt practices.

Employee Benefits and Welfare

In accordance with the Malaysia Employment Act 1955, the Group strives to offer competitive pay and benefits within the sector and the local marketplace with fair rewards to drive high levels of performance with a competitive remuneration and rewards programme encompassing salaries and bonuses, proper leave entitlement, medical coverage and group insurance plans and Employee Share Option Scheme ("ESOS").

Going above and beyond providing fixed fringe benefits, the Group values deserving employees who go the extra mile for the company with the provision of various rewards and celebrating small wins. In November 2019, the V Integrated Team (Wellness Division) was rewarded with cash incentive and certificates of appreciation for winning The 2019 Luxury Travel Guide "Best Spa" and small celebration was held for being recognised as Trip advisor's Top 10 attractions.

Meanwhile, in Bintan, "Staff Appreciation days" are held quarterly in recognition of employees outstanding work. Birthday celebrations and other achievements are celebrated where certificates and prizes are given to honour deserving employees.

Sustainability Statement

Work Place Health, Safety and Wellbeing

The Group places paramount importance on the health, safety and welfare of its stakeholders; employees, suppliers, contractors and customers in accordance to our Corporate Statement. We are committed to delivering high standards in health and safety across all aspects of our operations that includes corporate offices, hotels, parks and sites in progress all of which adopted various safety measures from fire and emergency procedures to hazard analysis with a target of zero accidents in all our business units. All employees at the Group's operating units receive regular trainings coordinated in-house as part of compliance to local laws to respond effectively to emergencies. This includes Cardio Pulmonary Resuscitation (CPR), first-aid training and practical training on the usage of fire extinguishers food safety, hygiene and sanitation and fire safety.

Compliance and Safety Managers are responsible to lead and implement procedures and efforts in identifying workplace hazards, reducing accidents and exposure to harmful situations and substances. The Safety and Health Committee has also been formed to lead training of personnel in accident prevention, accident response, emergency preparedness and use of protective tools and equipment.

Health Plans

As company with much focus on lifestyle and wellness, the Group recognises that strong balance of physical health, and mental and social wellbeing is vital to the long-term development of nation building and economic growth. As such, it is important to provide supportive environment that celebrates the merits of healthy living and encourages employees to embrace a holistic lifestyle through a "Journey to Wellness" programme launched in June 2019 which truly embodies the Group's vision and mission for healthy lifestyle.

The Health Programme is gamified with incentives and events to empower individuals to take charge of their health. Incentives include vaccinations, executive health screening, regular check-ups to monitor blood sugar, pressure and cholesterol as well as funds for sporting events. It also includes a calendar of sports and health-related activities organised for employees to experience quality work-life balance, and to stay fit, healthy and productive.

There is a significant improvement in employee in response to the medical plans campaign with 15.7% of employees making the effort to go for full medical check-up, 9.6% claiming for gym memberships and 4.6% participating in sports activities. The Group aims to have 100% participation of all employees particularly for prevention of diseases through vaccinations and annual medical screening.

Sustainability Statement

SUSTAINABLE PROCUREMENT

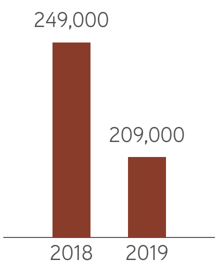
Procurement functions and processes in the Landmarks' Group are managed under several different teams across its operations. The Group's two business units, The Andaman and TBB, are located on islands and it makes economic sense to source for goods and services from local suppliers as far as possible, for cost efficiency and timeliness of deliveries. This initiative raises the socio-economic status of the people in local communities as we share the benefits with them by creating jobs, developing skills and encouraging enterprise.

In Bintan procurement local goods and services amounted to about 65%, 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. A Central Procurement Department has been set up in efforts to increase efficiency and reduce risks associated with purchasing and supply management.

For other capital goods and services for resort development and recreational activities, some items are still being sourced from Singapore, China and other parts of Indonesia for cost efficiencies and the availability of a wider range of supply. Regional or Group Contracted rates with preferred suppliers and Marriott partners that offer preferred rates, servicing agreement and guarantees.

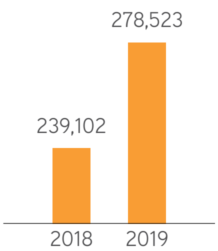
Electricity, Water and Paper Consumption

Paper Consumed



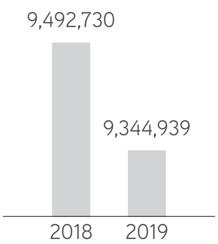
Paper consumption in offices (based on reams ordered)

Water Consumed



Water consumption (by CuM)

Electricity Consumed



Electricity Consumption (by kWh)

Paper Usage

Paper usage within the corporate offices have also reduced by 16% since the ongoing work to digitalise the systems have been implemented in early 2019 and go paperless campaigns where possible was implemented. This includes no more printing and binding materials for internal meetings, digital signatures and on-line leave applications.

Electricity

There has also been a constant decline of slightly more than 2% in total electricity consumption at most of our business units. This is a due to our commitment towards energy savings programmes such as using energy efficient lighting systems with LED (Light-emitting diodes) bulbs as well as optimisation of natural lights through innovative building designs in the offices, carparks, guest rooms and common areas of our operating units. As we continue to replace fluorescent lights with LEDs, emphasises on responsible usage of electricity is advocated through automated air-conditioning schedules in meeting rooms. The temperatures at guest rooms are also set to a minimum of 22OC for optimum energy usage.

Within the operations of our resorts, environmentally friendly form of transportation such as Battery-powered green buggies, electric bikes, buggies and Segways are provided as a recreational activity and to manage logistics to reduce emission. As resort that does their own laundry, The Andaman switched their laundry machines from electricity to gas supply in 2018 which consequently reduced 8.9% of electricity consumption and overall reduction of carbon footprint by 24% in 2019.

Lighting in public areas have also been designed using solar power and wind turbines as energy sources. Continuous efforts will be put into improving the utilisation of renewable energy through innovation and smart designs to reduce carbon footprint of our operations.

The Group's hotel operations in The Andaman, Langkawi has been recognised multiple times for its substantive efforts in environmental management and energy conservation and has awarded the ASEAN Green Hotel Standard for 2017 – 2018 by the ASEAN Secretariat.

Water

The Group is committed to protecting water sources and improving efficiency, via good water management and conservation. We are vigilant about our water consumption and make informed decisions based on proven methods and best practices, be it technological enhancements, administrative control measures, or encouraging conscientious and ethical behaviour within the company, along our supply chains and with our customers. To reduce water usage, linen and towel reuse programme card is left in all guest rooms to encourage participation by the resort guests.

Continuous efforts have been put in our operations such as rain water harvesting for watering plants and washing of public area floors to reduce the dependence of treated water. Efforts have also been put into all our administrative offices this year to reduce the use of water and energy resources. These efforts have brought about the reduction of 14% total water usage of water despite the opening of a new hotel in Bintan.

The Crystal Lagoon in TBB is 6.3-hectare lagoon, is South East Asia's largest sea water lagoon. Utilising sea water that is pumped from the bay, the innovative eco-friendly technology from Crystal Lagoons® uses 100 times fewer chemical products than conventional swimming pools, is energy efficient and only consumes 2% of the energy needed compared with conventional filtration pools.

The Group has invested in waste water treatment plant in its operations in its operation in Andaman, Langkawi 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. The similar model of water treatment plants are being considered for other operations units.

Managing Waste & Effluents

Waste management is a major concern for the communities and local authorities in the locations where we operate. Whilst we aim to reduce waste, we have also implemented measures to recycle and manage wastes generated from our operations. Building on this commitment, The Group adopts a 3R Programme – Reduce, Reuse, Recycle which is a good platform to instil accountable waste minimisation.

The various initiatives in this programme include creating a "Negative List" of materials with a schedule to monitor usage and eventually phase out the use across all our operations. This includes the use of single use plastics such as drinking bottles, straws, in rooms amenities and other office supplies. At the moment, almost 50% of plastic from drinking bottles have been eliminated and replaced with complimentary filtered drinking water which in placed in pitchers around the resorts. This also applies the daily operations in the corporate offices and in all group related events and meetings where responsible use of resources is constantly practiced.

In addition to that, The Group encourages the of organic products that are packages using renewable energy and sourced ethically. V Integrated Wellness, is one of the first spa's in South East Asia to use 100% food grade organic products in its offering.

The Group is supportive of Marriott's efforts that emphasises the use of eco-friendly cleaning products for laundry, housekeeping and stewarding throughout all its resort operations. This best practice has now been extended to other operations units within The Group's operation units where possible.

Disposal of toxic and chemical wastes by suppliers and third parties to ensure safe and proper disposal is of utmost importance. Last year, a total of 12,500 kg of plastic and paper/cardboard generated from The Andaman's operations was sent for recycling. Cooking oil is also recycled into bio-diesel through a third-party vendor.

Repurposing wood from fallen trees at the resort to make recycled as menu cards, candle stands, side serving stations, place mats and display food trays at the various F&B outlets is creative angle taken in addition to also reusing the used soap from guest rooms as cleaning materials for rags and old towels are used for housekeeping purposes. Organic composting of kitchen, food and garden wastes are undertaken in a recycled pool sand filter at the resort, with the compost used for landscaping and organic farming purposes.

Elimination of Single-Use Plastic Straws and Bottles

To reduce waste from plastic bottles, filtered drinking water is also provided in pitchers instead of water bottles around the resorts for free while printed marketing materials are replaced with digital concierge services which are downloadable via mobile phones. In its efforts to reduce waste from single-use plastic straws, the resort has found biodegradable and eco-friendly wheat straws locally-sourced. Since the implementation to phase out single-use plastic straw, switching to natural and bio-degradable alternative of a wheat straw, The Andaman Langkawi estimated a reduction at least 45,000 plastic straws in 2019, an equivalent to approximately 36.9 kg of plastic waste.

ECONOMIC

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

The Andaman run to give

COMMUNITY INVESTMENT

As a good corporate citizen, The Group recognises that mutual growth of the communities where it operates in is key to its success. Over the years, The Group has supported many initiatives to enrich, empower and elevate the socio-economic status of the communities through charitable contributions, employee volunteerism and philanthropic activities. While we continue with charitable giving and sponsorship and as a company, we have to budget carefully and account for all expenses in order to safeguard our stakeholder interests in order to achieve our sustainability goals in the short, medium and long-term.

The Andaman hosted, "Run to Give 2019" – an annual charity run event by Marriott which saw five hotels in Langkawi joining hands to raise funds. The run was held at beach along Datai Bay and garnered a great participation of more than 300 Associates and their family members, raising almost USD 7,570 for the National Kidney Foundation of Malaysia.

The Andaman make a wish

Sustainability Statement

In line with Marriott's "Take Care pillars" programme, The Andaman also organised a blood donation drive in March and successfully collected over 50 bags of blood that is donated to the Blood Bank of the Langkawi Hospital. Hospital Visitation. The resort organised a fund-raising event in August by selling pre-loved clothing. This initiative is to raise funds to purchase items such as new pillows, fans, lazy chairs and plastic cabinets that were donated to the Paediatric Ward in Langkawi Hospital. The resort raised and donated around MYR 4,000 in-kind.

In June 2019, The Andaman collaborated with Make-A-Wish to grant the wishes of two Wish children who were diagnosed with Leukaemia. These two children had had wishes to travel with their families and The Andaman helped to make their wishes come true by hosting the families a two-night stay, while giving them a chance to discover the magical wonders than surrounds the resort. Total of donation in-kind was worth over MYR 17,000.

VULNERABLE GROUPS ASSISTANCE – SEA GYPSIES

In creating awareness of a minority underprivileged community in Bintan, TBB's Human Resources department conducted a visitation to The Sea Gypsies or Sea Nomad's (Orang Laut) in Panglong village to provide food and medical supplies to the community. The Sea Gypsies used to live nomadic lives at sea until the government enticed them to move to shore by giving them land. Panglong village is known as one of the producers of charcoal on the island of Bintan and existence of charcoal kitchen (Dapur Arang) monument that has been operating for a long time on the island as the culture and history of the island Bintan. In addition to being a fisherman, the people here also work as laborers in the charcoal kitchen, after the government's decision to ban the operation of the charcoal kitchen, people again rely on the results Sea.

The annual blood donation drive was organised in collaboration with Indonesia Red Cross (Palang Merah Indonesia). It was attended by TBB staff.

EID-AL-ADHA

The celebration of Eid al-Adha, Muslims commemorate and remembrance of Abraham's trials. The meat of goat and cow from the sacrifice of Eid al-Adha is mostly given away to the less fortunate community. The act symbolizes our willingness to give up things that are of benefit to us or close to our hearts, willingness to give up some of our own bounties, in order to strengthen ties of friendship and help those who are in need. This is an annual event in TBB, every Eid al-Adha. The Group provides funds to the local mosque in Bintan where one-third of the meat is donated to the community.

TBB Team handing out food and rice to the Sea Gypsies

Annual Blood Donation with Indoneisa Red Cross

ENVIRONMENTAL

The Group is conscious of its responsibility to manage the impact that its business activities have on the environment and is committed to continuously improve its environmental performance. As Biodiversity is linked to well-being, we recognise that a polluted environment can produce adverse impacts on the health and quality of life. The effects of climate change and other environmental issues may also impact our business. We continue to work on minimising the impact of our business activities on the environment and human health by striving to integrate conservation efforts SDG15 Life on Land.

CORAL REHABILITATION AND CONSERVATION

MLL The Andaman

Marine ecosystems cover about 70% of Earth's surface, while the remaining area comprises terrestrial ecosystems. The Andaman is located within an ancient tropical rainforest on the pristine sandy shores of Datai Bay, Langkawi which is home to a diverse variety of marine life and precious fringing reef said to be 6,000 to 8,000 years old. The Andaman continues to restore the coral reef damaged by the tsunami in 2004. Monthly coral cleaning activities and reef walks to educate guests and employees on the coral reef ecosystems have and continues to be a major activity at the resort. A Coral Nursery was launched in 2012 to grow corals for transplantation at Datai Bay to restore and rehabilitate the corals. Corals are grown at the nursery which are later transplanted at the bay.

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

To celebrate World Oceans Day 2019, The Andaman launched the resort's newest initiative for ocean conservation, the Sea Cucumber (Gamat) Regeneration Project, an extension of the resort's coral conservation project. The project aims to repopulate the sea cucumbers that are slowly decreasing due to 'overfishing' to accommodate the high demand of sea cucumber products as they are used widely as a delicacy and for medicinal purposes. To date, the resort has successfully regenerated and deployed over 50 sea cucumbers back into the ocean.

Sustainability Statement

The Andaman beach clean-up

To celebrate World Oceans Day 2019, The Andaman launched the resort's newest initiative for ocean conservation, the Sea Cucumber (Gamat) Regeneration Project, an extension of the resort's coral conservation project. The project aims to repopulate the sea cucumbers that are slowly decreasing due to 'overfishing' to accommodate the high demand of sea cucumber products as they are used widely as a delicacy and for medicinal purposes. To date, the resort has successfully regenerated and deployed over 50 sea cucumbers back into the ocean.

While in TBB, a Beach Cleaning was organised in Kampung Baru where staff volunteered to clean the beach and raise awareness to the local communities on environmental issues and its impact on the tourism and fishing community economy.

The recent completion of TBB newest attraction, MLDP, opened its door during the soft opening on 24 October 2019. The outdoor marine park attraction consists of 5 large thematic exhibits that made up of Shark Shores & Ray Discovery, Kids Explorer, Sea & Touch Pool, Eco Sanctuary and Marine Odyssea with more than 10,000 marine residents and a total of 80 species. There are also smaller-sized exhibits that consist of an indoor exhibit showcasing micro habitats of coral reef and an unique exhibit with frontal opening that allow guests to feed fish. The marine park attraction is supported by in-house Quarantine facility and an analytical laboratory to monitor water chemistry. The Life Support System is built at industrial scale in order to provide adequate circulation of seawater thereby ensuring optimal welfare for the marine residents.

MLDP places great emphasis on education and marine conservation. Last year on Jan 2019, Aquarist Team discovered an adult Green Turtle, Chelonia mydas, stranded within the prop roots of mangrove during low tide. The distressed Green Turtle was transported to MLDP Quarantine facility and was diagnosed with buoyancy issue. The Aquarist Team gradually nursed the Green Turtle back to good health and attained normal buoyancy after 5 months of constant husbandry care that includes assisted tube-feeding with vitamin supplements, aqua-physiotherapy and physical checks. The Green Turtle was named Bonita thereafter. The official opening of MLDP will be announced at a later date this year.

Sustainability Statement

REBUILDING OF KAMPUNG BARU TURTLE SANCTUARY

Sea turtles is an endangered marine species according to IUCN Red List of Threatened Species and have become endangered not only due to commercial activities but also due to the lack of education in the costal communities. As responsible company, we must do the right things to educate our local communities and work toward legislations and enforcing environmental laws that will protect our marine life.

On 25 September 2019, TBB signed and MOU with Territory of Telok Sebong with was represented by its Chief of Territory, Ibu Sriheni Utama, the Chief of Tourism Department Bintan- Bapak Wan Rudy Iskandar, The Environment Department which was represented by Bapak Ince M. Rizqan and The Department of the Empowerment Service Village Community, Bapak Ronny Kartika. The event was also witnessed by over 250 villagers of Kampung Baru was held in TBB and later a ground breaking ceremony was held at the site where TBB committed a total of IDR160million spending to rebuild of the turtle sanctuary which will A contribution of 100 litres of petrol to run the generators and power for the site was also committed, while TBB will also rebuild toilet facilities and make business kiosks for the local community to conduct tourism related business in that area.

As Group, our mission is to invest in the welfare of the communities in which we operate in by extending assistance to the local fisherman who we see as the contributors to this initiative. Treasure Bay has committed to pay contribution of Social Security Coverage (BPJS) for the - fishermen of both medical and accident and in the next three years, it is our vision that the turtles' sanctuary will become a self-sustaining tourism center. As such we are building toilets and business kiosks, that we may encourage enterprise within the village and raise the socioeconomic status of the communities here. In doing so we have to ensure that the community has adequate equipment and facilities.

ORGANIC FARMING

One of the missions of TBB is to integrate wellness with sustainable operations which incorporates the experience of clean air, water and food. Organic farming is one of the drivers to achieve this mission. From time to

Organic Farm at Treasure Bay Bintan

time, workshops are held with industry experts and chefs to educate visitors on low carbon food source and the benefits of "farm to table" dining options that is fresher and healthier. The pilot organic farm started in 2016 and has seen more than 90 species of vegetables, fruits and herbs being planted. Its organic produce to-date are supplied to the resorts, with excess distributed to staff and local under privileged communities. The farm was certified to be organic under the International Federation of Organic Agriculture Movements ("IFOAM") (European Union and Australia) on 13 July 2018. The IFOAM is the worldwide umbrella organisation for the organic agriculture movement which maintains an organic farming standard, and an organic accreditation and certification service.

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

Sustainable practices have been designed into the operations of the farm. The natural pond serves as the collection point and organic composting is practised to produce different organic fertiliser types from different unwanted harvested materials. Plant waste are also recycled by shredding to be used as mulch for protective soil cover and dressing.

WORLD MANGROVE DAY

The International Day for the Conservation of the Mangrove Ecosystem, adopted by the General Conference of UNESCO in 2015 and celebrated each year on 26 July, aims to raise awareness of the importance of mangrove forests. These extra ordinary ecosystems contribute to the wellbeing, food security, and protection of coastal communities. Located within TBB is a 60-hectare mangrove forest which The Group intends to protect and manage with the objective of responding to climate change and to mitigate its effects through the protection and rehabilitation whilst meeting the socio-economic development potential of the forest.

In July 2019, TBB collaborated Vintage Biking Community – "MOTOR BAIK" that consist of Indonesian celebrities to create awareness of mangrove restoration and replanting at our site in Lagoi, Telok Sebong. The event was supported by the Department of Environment of Bintan. A total of 2,000 mangrove saplings were planted. The event was aimed at raising education and awareness was shared on social media by all the participating celebrities reaching millions of followers. Apart from that, the vintage biking community also rode to a local nursing home to spread joy while also creating awareness of the event in TBB. There was also a fan "meet and greet" in TBB.

SOCIAL

The Board recognises that one of the Group's most important assets is its human capital.

As a responsible employer, we are committed to running a safe, effcient and profitable business where honesty, integrity and respect for people govern the way we work and interact with each other within the organisation and externally with our guests and business partners. The standards of behaviour expected of all employees are set out in the Code of Ethics and Conduct ("Code") which is published on the Company's website at www.landmarks.com.my. Staff are given an avenue to report any violations of the Code or discriminatory acts as set out in the Whistleblowing Policy without fear. The policy is publicly available on our website.

This Statement was approved by the Board of Directors on 26 February 2020.

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 2019, 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 of the Board 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.

The roles of the Chairman, the CEO Directors and Independent Directors 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 44 to 46 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

Corporate Governance Overview Statement

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 used are to:

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

The Nominating Committee met once during the financial year 2019 which was attended by all members and had:

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

iii. Remuneration Committee

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

Tan Sri Zakaria bin Abdul Hamid *(Non-Independent Non-Executive Director)*	Chairman
Bernard Chong Lip Tau *(Independent Non-Executive Director)*	Member
Chin Mui Khiong *(Independent Non-Executive Director)*	Member

The Terms of Reference of the Remuneration Committee was accordingly amended and is accessible at the Company's website at www.landmarks.com.my.

The Remuneration Committee met 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 2018;
ii) considered and recommended for the Board's approval the remuneration of the senior management;
iii) considered and recommended for the Board's approval the payment of bonuses and salary increment for staff of the Group;
iv) considered and recommended the Remuneration Policy of the Directors and Senior Management for adoption by the Board; and
v) considered and approved the grant of options to the Eligible Persons under the Landmarks Employees' Share Option Scheme ("ESOS").

Code of Ethics and Conduct

The Code of Ethics and Conduct ("Code") sets out the principles and standards of business ethics and conduct expected of the Directors and employees of the Group and is accessible at the Company's website at www.landmarks.com.my. The Anti-Money Laundering Policy is also accessible at the Company's website at www.landmarks.com.my.

Any Director or employee who becomes aware of, or suspects a violation of the Code is encouraged to whistle blow or report the concerns through the Whistleblowing Policy, which is accessible at the Company's website at www.landmarks.com.my.

Corporate Governance Overview Statement

Board Meetings

During the year under review, the Board met on five (5) 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	5 out of 5
Mark Wee Liang Yee	5 out of 5
Tan Wee Hoong, Robin	5 out of 5
Dato' Abdul Malek bin Abdul Hamid	5 out of 5
Bernard Chong Lip Tau	5 out of 5
John Ko Wai Seng	5 out of 5
Dato' Sri Ramli bin Yusuff	4 out of 5
Chin Mui Khiong	5 out of 5

The proceedings of each meeting of the Board and Board Committees are recorded in their minutes. The draft minutes of each meeting are circulated to all participants of a meeting on the case may be by the Company Secretary for review and comments not later than three (3) weeks after the meeting. The minutes are then confirmed at the next meeting of the Board or Board Committee concerned and kept at the Registered Office.

Supply of Information

The Board is supplied with appropriate and timely information to enable it to discharge its duties. The CEO, after consultation with the Chairman when necessary, ensures that all Directors have complete and timely access to information. The Directors have direct and individual access to members of the management and staff at all times and to request for any information within the Group from them, whether collectively as a Board or in their individual capacity, in furtherance of their duties.

The CEO keeps the Board informed on a timely basis on all material matters affecting the Group's performance and its major developments. In addition to formal Board meetings, the Chairman, CEO and members of senior management maintain regular contact with all Directors.

Training and Development of Directors

In an ever-changing and dynamic business environment, the Directors recognise that they need to continuously equip themselves with relevant professional advancement to fulfil the demands of their role as Directors. All Directors in office during the financial year have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad.

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

Corporate Governance Overview Statement

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

Training Course/Programme	Attended by
Malaysian Institute of Corporate Governance ("MICG"): "Preparation for Corporate Liability on Corruption"	John Ko Wai Seng
Audit SME Software Training	Chin Mui Khiong
PwC Consulting Associates (M) Sdn Bhd: "Sustainability Awareness Session"	Chin Mui Khiong
Suruhanjaya Syarikat Malaysia ("SSM"): "Companies Act 2016 Made Simple: A Practical Guide for Company Directors"	Dato' Sri Ramli bin Yusuff
MICG: "Business Transformation"	Tan Sri Zakaria bin Abdul Hamid
Aram Global Sdn Bhd: "2-Day ISO 37001:2016 & MACC Act Section 17A Foundation Course"	John Ko Wai Seng
Institute of Corporate Directors Malaysia ("ICDM"): "PowerTalk: Revisiting the Misconception of Board Remuneration"	Dato' Abdul Malek bin Abdul Hamid John Ko Wai Seng
Bursa Malaysia ("Bursa"): "Ring the Bell for Gender Equality 2019"	Dato' Abdul Malek bin Abdul Hamid
KSK Corporate Services Sdn Bhd: "Corporate Liability: The Malaysian Anti-Corruption Commission Act 2009 (As Amended 2018)"	Bernard Chong Lip Tau
MICG: "Board Dynamics - What are the Key Essential Requirements"	Tan Sri Zakaria bin Abdul Hamid
Malaysian Institute of Accountants ("MIA"): "Auditor's Report for Private Entities – New and Revised International Standards on Auditing and Related Confirming Amendments on Auditor's Reports for Private Entities using MPERS or MFRS"	Chin Mui Khiong
MICG: "Corporate Governance Compliance Expectations – Better Reporting Integrity, Transparency & Accountability"	Dato' Abdul Malek bin Abdul Hamid
Bursatra: "Annual General Meeting – Venue of the new regime in Corporate Governance"	Tan Sri Zakaria bin Abdul Hamid
MICG: "Board Evaluation & Effectiveness Assessment"	Tan Sri Zakaria bin Abdul Hamid
MIA: "MFRS Conference 2019 – Applications in Your Practice"	Chin Mui Khiong
Institute of Enterprise Risk Practitioners: "The 6th Annual IERP Global Conference 2019 – Enterprise Risk Management: Dealing with The New Wave"	Chin Mui Khiong
MIA: "Preparation of Group Accounts (Covering MFRS 3, Revised MFRS 127, 128 & 10-12)"	Chin Mui Khiong
MICG: "Corporate Liability - Section 17A of the MACCA 2018"	Dato' Sri Ramli bin Yusuff
Engagement Session Invitation - Exposure Draft on the Policy Document for Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Designated Non-Financial Businesses and Professions (DNFBPs) & Non-Bank Financial Institutions	John Ko Wai Seng
Tricor Tax Services Sdn Bhd & JK Tax Services Sdn Bhd: "Budget 2020 Seminar"	Chin Mui Khiong
People Systems Consultancy Sdn Bhd: "Strategy Alignment & Delivery Through KPI"	Mark Wee Liang Yee Robin Tan Wee Hoong
Securities Commission's Audit Oversight Board Conversation with Audit Committees	Chin Mui Khiong
MICG, INTEGRITI & SURIAGROUP: "2019 Conference on Corporate Liability - Section 17A of the MACC Act 2009"	John Ko Wai Seng
SSM: "Workshop on Corporate Liability and establishing adequate Procedures for Small Medium Enterprises"	John Ko Wai Seng
MICG: "Members' Breakfast Talk - Ethics in Procurement"	John Ko Wai Seng

Corporate Governance Overview Statement

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 Secretaries

Landmarks' Board is supported by two (2) External Company Secretaries. Both Company Secretaries of Landmarks are qualified to act as Company Secretary under Section 235 of the Companies Act 2016 and are Associate Member of the Malaysian Institute of Chartered Secretaries & Administrator.

The Directors have full and unrestricted access to the advice and dedicated support services of the Company Secretaries, as and when the need arises to enable them to discharge their duties effectively. The Company Secretaries are suitably qualified and experienced, are responsible to advise and update the Board on corporate governance matters, and matters related to procedural and regulatory requirements to ensure the Board adheres to policies, procedures and regulatory requirement to proper function in accordance to the Board charter and best practices, required of their role.

II. BOARD COMPOSITION

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

The Board believes that its current size and composition is adequate and appropriate for its purpose. The Board is satisfied that the current composition with half its membership comprising Independent Directors adequately protects the interests of minority shareholders of the Company. The Board opines that its current size allows for active participation and meaningful contribution by each member to ensure its effectiveness in discharging its duties. The Board, in considering appointments, gives due regard to the skills, experience, contribution and commitment that a person would bring to the Board. The Board had, on 27 February 2018, approved a policy to appoint at least a woman member to the Board within the next three (3) years. This would allow adequate time for the Board to seek out suitable candidates with the relevant skills and experience to contribute to the Group.

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

Independence of Directors

The Board recognises that independence and objectivity are important elements in the decision-making process and that the Independent Directors play an important role in upholding good corporate governance. The Nominating Committee has undertaken an assessment of the independence of the Independent Directors based on their relationship, whether family, employment, professional or business, with the Company and the Group, and their shareholding in the Company. More importantly, an assessment was also undertaken on the Independent Directors' participation at Board meetings and their demonstration of independent and objective judgment in providing constructive feedback in the Board's deliberations to safeguard the interests of minority shareholders.

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

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

Annual Directors' Evaluation

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

III. REMUNERATION

The Remuneration Committee is responsible to review and recommend to the Board the fees, allowances and benefits payable to the members of the Board and the Board Committees in accordance with their level of responsibilities. The Committee is also responsible to review and recommend the remuneration of the senior management, including the Executive Directors, to the Board for approval.

The remuneration of each of the Directors of the Company categorised into the appropriate components for the financial year ended 31 December 2019 are set out below:

(All figures in RM)	**Salaries & Bonus***	**Fees**	**Allowances**	**Benefits-in-Kind**	**Total**
Group					
Executive Directors					
- Mark Wee Liang Yee	2,824,988	-	-	83,285	2,908,273
- Robin Tan Wee Hoong	828,119	-	-	-	828,119
Non-Executive Directors					
- Tan Sri Zakaria bin Abdul Hamid	-	84,000	11,250	6,360	101,610
- Dato' Abdul Malek bin Abdul Hamid	-	57,750	12,500	9,879	80,129
- Bernard Chong Lip Tau	-	69,300	16,250	9,326	94,876
- John Ko Wai Seng	-	60,900	13,750	5,147	79,797
- Dato' Sri Ramli bin Yusuff	-	31,500	5,000	10,818	47,318
- Chin Mui Khiong	-	34,650	10,000	9,944	54,594
Company					
Executive Directors					
- Mark Wee Liang Yee	815,709	-	-	72,691	888,400
- Robin Tan Wee Hoong	207,662	-	-	-	207,662
Non-Executive Directors					
- Tan Sri Zakaria bin Abdul Hamid	-	73,500	11,250	6,360	91,110
- Dato' Abdul Malek bin Abdul Hamid	-	57,750	12,500	9,879	80,129
- Bernard Chong Lip Tau	-	69,300	16,250	9,326	94,876
- John Ko Wai Seng	-	60,900	13,750	5,147	79,797
- Dato' Sri Ramli bin Yusuff	-	31,500	5,000	10,818	47,318
- Chin Mui Khiong	-	34,650	10,000	9,944	54,594

* *inclusive employer contributions to provident fund*

The remuneration of the senior management of the Group for the financial year 2019, comprising salary and bonus, inclusive of employer contributions to provident fund, and benefits-in-kind is set out below:

Name	**Remuneration in 2019**
Fong Chee Khuen	RM1,050,001 – 1,100,000

Corporate Governance Overview Statement

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 accessible 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 47 to 49 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 44 to 46 of this Annual Report.

Principle C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

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

II. CONDUCT OF GENERAL MEETINGS

The Board has always welcomed attendance at the Company's general meetings. In compliance with the Malaysian Code on Corporate Governance, a notice period of 28 days was given to shareholders for the Company's AGM held on 29 May 2019.

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.

Corporate Governance Overview Statement

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 2019 except in the areas as highlighted in the Corporate Governance Report.

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

OTHER DISCLOSURES

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

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

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

This Statement was approved by the Board of Directors on 26 February 2020.

Audit and Risk Management Committee Report

CONSTITUTION

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

COMPOSITION AND ATTENDANCE

The membership of the Committee and their attendance at meetings held during the financial year ended 31 December 2019 are as follows:

Name	Attendance at Meetings
Bernard Chong Lip Tau, Chairman *(Independent Non-Executive Director)*	4 out of 4
Dato' Abdul Malek bin Abdul Hamid *(Non-Independent Non-Executive Director)*	4 out of 4
John Ko Wai Seng *(Independent Non-Executive Director)*	4 out of 4

TERMS OF REFERENCE

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

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

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

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

To 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 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 2019, 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.

Audit and Risk Management Committee Report

(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 2019 with the external auditors. The Committee also noted that the employees have given full support and assistance to the external auditors to complete their work.

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

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

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

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

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

The Committee met with the external auditors on 28 February 2019 and 20 November 2019 without the presence of the members of the management to discuss any matters of concern by the external auditors.

Internal Audit

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

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

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

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

Governance

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

(n) Performed a self-evaluation to assess its effectiveness in discharging its duties as set out in the Terms of Reference.

RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST TRANSACTION

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

INTERNAL CONTROLS

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

For the year under review, the Committee focused on whether procedures, systems and controls put in place by the Board and management are present and functioning to ensure that the organisation meets its objectives.

The following general control of a main business unit was reviewed:

- Payroll and operating licenses & permits
- Procurement and inventory management
- Fixed asset management and preventive maintenance
- Income Audit on entrance tickets and attractions

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.

Audit and Risk Management Committee Report

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

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 2019 was RM431,775.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Committee had verified that the allocation of options pursuant to the ESOS of the Company for the financial year ended 31 December 2019 was in accordance with the criteria determined by the Remuneration Committee.

This Report was approved by the Board of Directors on 26 February 2020.

Statement on Risk Management and Internal Control

BOARD RESPONSIBILITY

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

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

RISK MANAGEMENT FRAMEWORK

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

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

- full and due consideration to the balance of risk and reward is an essential element of the business strategy;

- relevance, adequacy and integrity of the ERM Framework must be discussed and reviewed during the Board and Audit and Risk Management Committee ("ARMC") meetings, at least once a year;

- discussions on risks, controls and implementation status of response plans must be conducted at management operational/divisional meetings;

- each business unit is responsible for identifying, assessing, responding, monitoring and reporting all risks associated with its vision and mission; and

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

ERM PROCESS

ERM Process encompasses application of management policies, procedures and practices to the activities of the following:

i Identify the risk;

ii Assess the risk

iii Develop the response strategies for managing and assuaging key risks;

iv Control activities to ensure that risk response strategies are being carried out;

v Continuous monitoring of the risks and business environment; and

vi Report risk exposures and status of agreed upon response strategies to the ARMC and Board.

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

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

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

Statement on Risk Management and Internal Control

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

The ARMC was updated and informed quarterly about significant audit issues related to the Company and Group. It evaluates and reviews the ERM Reports from the Group COO on a quarterly basis and thereafter reports the same to the Board (including implementation status of response plans for key risks and key changes to the Group risk profile and confirmation that necessary action was taken to remedy weaknesses identified during previous reviews).

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

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

INTERNAL CONTROL SYSTEM

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

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

To enhance the Group's operational efficiency and internal control system, the internal audit function is carried out by an in-house internal audit team, which reports to AMRC.

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 internal audit department independently assess the adequacy and compliance of internal controls within the operations of key business units of the Group.

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 2019 are set out in the Audit and Risk Management Committee Report on pages 44 to 46 of this Annual Report.

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

Board Committees

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

Management of the Business Units

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

Policies and Procedures

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

The Group has in place a Whistleblowing Policy setting out the reporting process by individuals to raise genuine concerns without fear of reprisal. The Group Whistleblowing Policy is accessible at the Company's website at www.landmarks.com.my.

Statement on Risk Management and Internal Control

Performance Monitoring

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

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit & Assurance Practice Guide 3 (“AAPG 3”), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the annual report of the Group for the year ended 31 December 2019 and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

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

(b) is factually inaccurate.

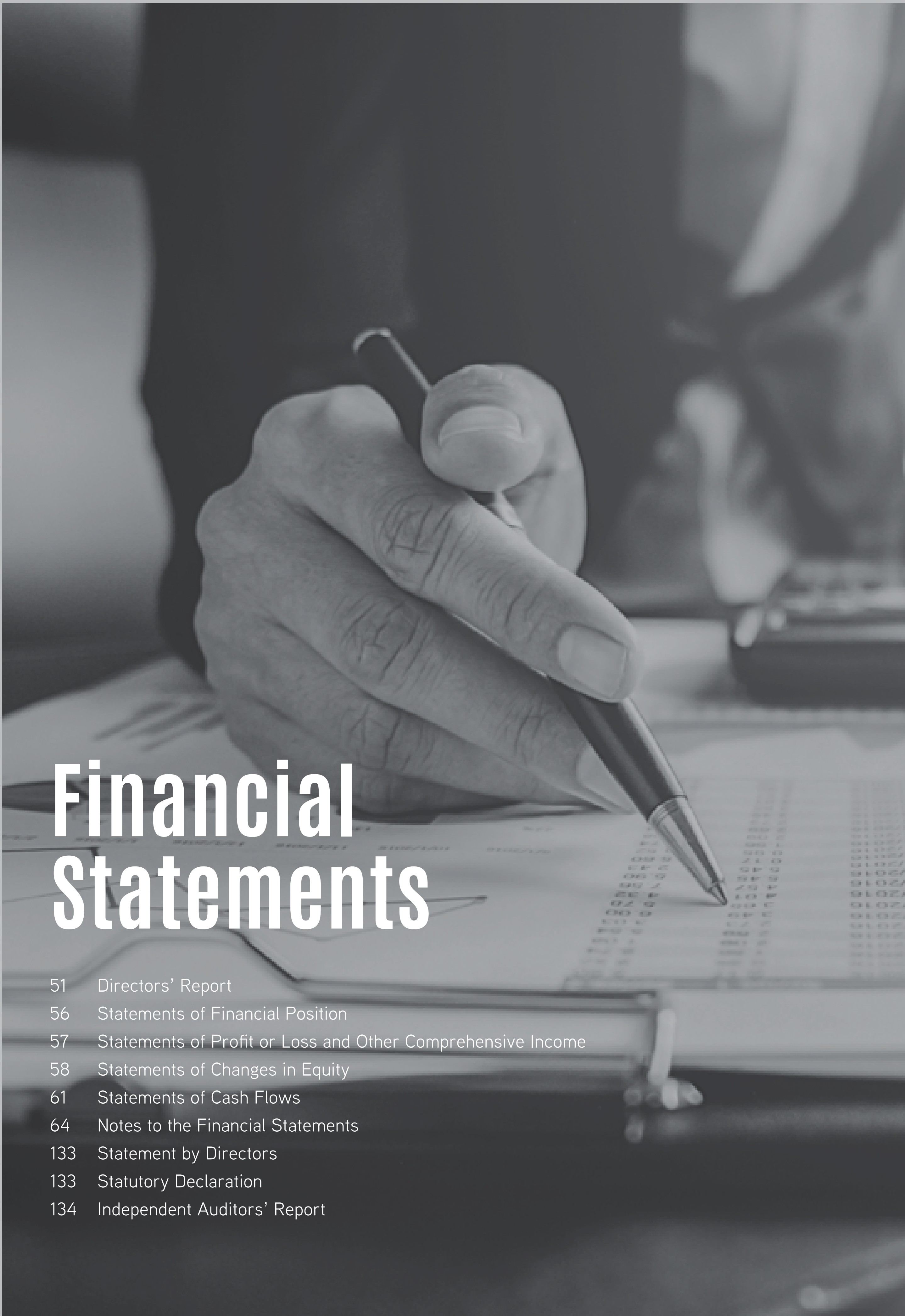
AAPG 3 does not require the external auditors to consider whether the Directors’ Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control systems including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

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

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

This Statement was approved by the Board of Directors on 18 May 2020.



Financial Statements

Directors' Report

for the year ended 31 December 2019

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2019.

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 7 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 7 to the financial statements.

Results

	Group RM'000	Company RM'000
Loss for the year attributable to:		
Owners of the Company	100,233	5,758
Non-controlling interests	660	-
	100,893	5,758

Reserves and provisions

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

Dividends

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

Directors of the Company

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

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

Directors' Report
for the year ended 31 December 2019

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 1.1.2019**	**Bought**	**Sold**	**Balance at 31.12.2019**
Tan Sri Zakaria bin Abdul Hamid				
- Direct interest	7,168,400	-	(4,085,000)	3,083,400
Mark Wee Liang Yee				
- Indirect interest^	70,600,000	-	-	70,600,000
- Indirect interest#	300,000	-	-	300,000
Tan Wee Hoong, Robin				
- Direct interest	8,968,000	-	-	8,968,000

^ Indirect interest by virtue of interest in Zimulia Sdn. Bhd. and Top Bridge Assets Management Limited pursuant to Section 8 of the Companies Act 2016 ("Act").

Interest held by spouse pursuant to the Act.

The other Directors holding office at 31 December 2019 do not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

	Number of options over ordinary shares			
Company	**Balance at 1.1.2019**	**Granted**	**Forfeited**	**Balance at 31.12.2019**
Tan Sri Zakaria bin Abdul Hamid	1,000,000	-	-	1,000,000
Bernard Chong Lip Tau	1,000,000	-	-	1,000,000
Dato' Abdul Malek bin Abdul Hamid	1,000,000	-	-	1,000,000
John Ko Wai Seng	1,000,000	-	-	1,000,000
Mark Wee Liang Yee	3,000,000	-	-	3,000,000
Tan Wee Hoong, Robin	3,000,000	-	-	3,000,000
Dato' Sri Ramli bin Yusuff	1,000,000	-	-	1,000,000
Chin Mui Khiong	1,000,000	-	-	1,000,000

Directors' benefits

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

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

Issue of shares

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

Options granted over unissued shares

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

An ESOS was approved by the shareholders at an Extraordinary General Meeting held on 23 May 2018 which became effective on 29 June 2018 for a period of five years to 28 June 2023. The ESOS involved the issuance of not more than 15% of the issued share capital of the Company to eligible Directors and employees of the Group.

Three tranches of options have been granted under the ESOS, i.e., on 29 October 2018, 19 November 2018 and 20 November 2019 at an exercise price of RM0.55 per share, RM0.56 per share and RM0.49 per share, respectively.

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

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

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

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

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

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

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

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 1.1.2019**	**Granted**	**Forfeited**	**Balance at 31.12.2019**
29.10.2018	28.06.2023	RM0.55	35,260,000	-	(2,810,000)	32,450,000
19.11.2018	28.06.2023	RM0.56	1,965,000	-	(360,000)	1,605,000
20.11.2019	28.06.2023	RM0.49	-	6,010,000	(1,710,000)	4,300,000
			37,225,000	6,010,000	(4,880,000)	38,355,000

Indemnity and insurance costs

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

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

Directors' Report
for the year ended 31 December 2019

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.

The financial performance of the Group and of the Company for the year ended 31 December 2019 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.

Subsequent event

The details of such event are disclosed in Note 29 to the financial statements.

Directors' Report
for the year ended 31 December 2019

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 20 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: 18 May 2020

Statements of Financial Position

as at 31 December 2019

	Note	Group 31.12.2019 RM'000	Group 31.12.2018 RM'000 Restated	Group 1.1.2018 RM'000 Restated	Company 31.12.2019 RM'000	Company 31.12.2018 RM'000
Assets						
Property, plant and equipment	3	**1,518,551**	1,339,136	1,326,486	**234**	314
Right-of-use assets	4	**21,609**	-	-	**1,195**	-
Intangible asset	5	**-**	-	-	**-**	-
Inventories	6	**632,832**	774,059	778,772	**-**	-
Investments in subsidiaries	7	**-**	-	-	**1,336,009**	1,273,465
Investment in an associate	8	**-**	-	-	**-**	-
Other investments	9	**2,085**	2,085	2,085	**-**	-
Deferred tax assets	10	**-**	350	350	**-**	350
Total non-current assets		**2,175,077**	2,115,630	2,107,693	**1,337,438**	1,274,129
Inventories	6	**59,306**	91,901	105,190	**-**	-
Trade and other receivables	11	**15,222**	14,233	13,899	**12,696**	10,986
Prepayments		**1,171**	1,226	1,071	**75**	79
Current tax assets		**246**	745	737	**451**	718
Other investments	9	**9,664**	85,299	71,151	**9,664**	85,299
Cash and cash equivalents	12	**27,520**	30,934	33,527	**8,101**	3,037
Total current assets		**113,129**	224,338	225,575	**30,987**	100,119
Total assets		**2,288,206**	2,339,968	2,333,268	**1,368,425**	1,374,248
Equity						
Share capital	13	**734,811**	734,811	734,811	**734,811**	734,811
Reserves		**(1,393)**	(3,476)	2,517	**27,328**	25,494
Retained earnings		**1,056,390**	1,156,302	1,189,956	**476,353**	481,790
Equity attributable to owners of the Company		**1,789,808**	1,887,637	1,927,284	**1,238,492**	1,242,095
Non-controlling interests		**713**	1,373	1,373	**-**	-
Total equity		**1,790,521**	1,889,010	1,928,657	**1,238,492**	1,242,095
Liabilities						
Loans and borrowings	14	**111,500**	124,016	69,222	**-**	-
Lease liabilities		**11,527**	-	-	**898**	-
Deferred tax liabilities	10	**326,749**	283,183	280,740	**-**	-
Retirement benefits	16	**3,211**	3,001	2,282	**-**	-
Total non-current liabilities		**452,987**	410,200	352,244	**898**	-
Loans and borrowings	14	**9,911**	9,403	25,628	**-**	-
Trade and other payables	15	**30,402**	29,798	25,314	**128,769**	132,153
Lease liabilities		**2,499**	-	-	**266**	-
Current tax liabilities		**1,886**	1,557	1,425	**-**	-
Total current liabilities		**44,698**	40,758	52,367	**129,035**	132,153
Total liabilities		**497,685**	450,958	404,611	**129,933**	132,153
Total equity and liabilities		**2,288,206**	2,339,968	2,333,268	**1,368,425**	1,374,248

The notes set out on pages 64 to 132 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000 Restated	Company 2019 RM'000	Company 2018 RM'000
Revenue	17	**116,601**	111,437	**5,545**	5,219
Cost of sales		**(45,991)**	(48,750)	**-**	-
Gross profit		**70,610**	62,687	**5,545**	5,219
Administrative expenses		**(69,466)**	(54,283)	**(10,267)**	(12,140)
Net reversal of impairment loss/(impairment loss) on trade receivables	20	**73**	(30)	**-**	-
Other operating expenses		**(41,357)**	(36,861)	**(440)**	(355)
Other income/(expense)		**1,320**	1,810	**(235)**	(532)
Results from operating activities		**(38,820)**	(26,677)	**(5,397)**	(7,808)
Finance costs	18	**(16,598)**	(6,099)	**(13)**	(193)
Finance income	19	**222**	166	**2**	61
Loss before tax	20	**(55,196)**	(32,610)	**(5,408)**	(7,940)
Tax expense	22	**(45,697)**	(3,393)	**(350)**	-
Loss for the year		**(100,893)**	(36,003)	**(5,758)**	(7,940)
Other comprehensive income/(expense)					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		**249**	(7,425)	**-**	-
Other comprehensive income/(expense) for the year		**249**	(7,425)	**-**	-
Total comprehensive expense for the year		**(100,644)**	(43,428)	**(5,758)**	(7,940)
Loss attributable to:					
Owners of the Company		**(100,233)**	(36,003)	**(5,758)**	(7,940)
Non-controlling interests		**(660)**	-	**-**	-
Loss for the year		**(100,893)**	(36,003)	**(5,758)**	(7,940)
Total comprehensive expense attributable to:					
Owners of the Company		**(99,984)**	(43,428)	**(5,758)**	(7,940)
Non-controlling interests		**(660)**	-	**-**	-
Total comprehensive expense for the year		**(100,644)**	(43,428)	**(5,758)**	(7,940)
Basic and diluted loss per ordinary share (sen)	23	**(18.95)**	(6.81)		

The notes set out on pages 64 to 132 are an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2019

Group	Note	Share capital RM'000	Translation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Attributable to owners of the Company →						
		← Non-distributable →			Distributable			
At 1 January 2018, *as previously reported*		734,811	168	2,349	1,001,762	1,739,090	1,373	1,740,463
Prior year adjustments	31	-	-	-	188,194	188,194	-	188,194
At 1 January 2018, *restated*		734,811	168	2,349	1,189,956	1,927,284	1,373	1,928,657
Foreign currency translation differences for foreign operations		-	(7,425)	-	-	(7,425)	-	(7,425)
Total other comprehensive expense for the year		-	(7,425)	-	-	(7,425)	-	(7,425)
Loss for the year, *restated*		-	-	-	(36,003)	(36,003)	-	(36,003)
Total comprehensive expense for the year		-	(7,425)	-	(36,003)	(43,428)	-	(43,428)
Share-based payment transactions	16	-	-	3,781	-	3,781	-	3,781
Share options lapsed		-	-	(2,349)	2,349	-	-	-
Total contribution from owners		-	-	1,432	2,349	3,781	-	3,781
At 31 December 2018, *restated*		734,811	(7,257)	3,781	1,156,302	1,887,637	1,373	1,889,010

Statements of Changes in Equity

for the year ended 31 December 2019

Group	Note	Share capital RM'000	Translation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		← Attributable to owners of the Company →						
		← Non-distributable →			Distributable			
At 1 January 2019, *as previously reported*		**734,811**	**(7,257)**	**3,781**	**966,714**	**1,698,049**	**1,373**	**1,699,422**
Prior year adjustments	31	**-**	**-**	**-**	**189,588**	**189,588**	**-**	**189,588**
At 1 January 2019, *restated*		**734,811**	**(7,257)**	**3,781**	**1,156,302**	**1,887,637**	**1,373**	**1,889,010**
Foreign currency translation differences for foreign operations		**-**	**249**	**-**	**-**	**249**	**-**	**249**
Total other comprehensive income for the year		**-**	**249**	**-**	**-**	**249**	**-**	**249**
Loss for the year		**-**	**-**	**-**	**(100,233)**	**(100,233)**	**(660)**	**(100,893)**
Total comprehensive expense for the year		**-**	**249**	**-**	**(100,233)**	**(99,984)**	**(660)**	**(100,644)**
Share-based payment transactions	16	**-**	**-**	**2,155**	**-**	**2,155**	**-**	**2,155**
Share options forfeited		**-**	**-**	**(321)**	**321**	**-**	**-**	**-**
Total contribution from owners		**-**	**-**	**1,834**	**321**	**2,155**	**-**	**2,155**
At 31 December 2019		**734,811**	**(7,008)**	**5,615**	**1,056,390**	**1,789,808**	**713**	**1,790,521**

Statements of Changes in Equity

for the year ended 31 December 2019

Company	Note	Share capital RM'000	Capital reserve 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 2018		734,811	21,713	2,349	487,381	1,246,254
Loss/Total comprehensive expenses for the year		-	-	-	(7,940)	(7,940)
Share-based payment transactions	16	-	-	3,781	-	3,781
Share options lapsed		-	-	(2,349)	2,349	-
Total contribution from owners		-	-	1,432	2,349	3,781
At 31 December 2018/1 January 2019		**734,811**	**21,713**	**3,781**	**481,790**	**1,242,095**
Loss/Total comprehensive expenses for the year		**-**	**-**	**-**	**(5,758)**	**(5,758)**
Share-based payment transactions	16	**-**	**-**	**2,155**	**-**	**2,155**
Share options forfeited		**-**	**-**	**(321)**	**321**	**-**
Total contribution from owners		**-**	**-**	**1,834**	**321**	**2,155**
At 31 December 2019		**734,811**	**21,713**	**5,615**	**476,353**	**1,238,492**

The notes set out on pages 64 to 132 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000 Restated	Company 2019 RM'000	Company 2018 RM'000
Cash flows from operating activities					
Loss before tax		**(55,196)**	(32,610)	**(5,408)**	(7,940)
Adjustments for:					
Depreciation of property, plant and equipment	3	**19,545**	16,815	**110**	73
Depreciation of right-of-use assets	4	**3,135**	-	**352**	-
Dividend income from other investments		**(1,691)**	(2,384)	**(1,691)**	(2,384)
Fair value loss in other investments		**63**	180	**63**	180
Finance costs	18	**16,598**	6,099	**13**	193
Finance income	19	**(222)**	(166)	**(2)**	(61)
Inventories - property development cost written off		**-**	4,455	**-**	-
(Gain)/Loss on disposal of other investments		**(26)**	256	**(26)**	256
Loss on disposal of property, plant and equipment		**8**	321	**1**	-
Property, plant and equipment written off		**714**	1,339	**-**	-
Share-based payments	16	**2,155**	3,781	**2,155**	3,781
Operating loss before changes in working capital		**(14,917)**	(1,914)	**(4,433)**	(5,902)
Changes in working capital					
Retirement benefits		**210**	719	**-**	-
Inventories		**(1,393)**	(2,623)	**-**	-
Trade and other receivables		**(934)**	(1,696)	**57**	(22)
Trade and other payables		**(2,400)**	3,688	**96**	84
Cash used in operations		**(19,434)**	(1,826)	**(4,280)**	(5,840)
Income tax paid		**(1,681)**	(1,126)	**(21)**	(75)
Income tax refunded		**729**	297	**288**	-
Net cash used in operating activities		**(20,386)**	(2,655)	**(4,013)**	(5,915)

Statements of Cash Flows

for the year ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000 Restated	Company 2019 RM'000	Company 2018 RM'000
Cash flows from investing activities					
Acquisition of other investments		**(1,702)**	(77,152)	**(1,702)**	(77,152)
Acquisition of property, plant and equipment		**(29,744)**	(29,031)	**(40)**	(233)
Advances (to)/from subsidiaries		**-**	-	**(67,787)**	46,353
(Increase)/Decrease in pledge deposits placed with licensed bank		**(989)**	(845)	**-**	385
Interest received		**222**	166	**2**	61
Proceeds from disposal of other investments		**77,300**	62,569	**77,300**	62,569
Proceeds from disposal of property, plant and equipment		**235**	15	**9**	-
Dividend received from other investments		**1,691**	2,384	**1,691**	2,384
Net cash generated from/(used in) investing activities		**47,013**	(41,894)	**9,473**	34,367
Cash flows from financing activities					
Interest paid		**(8,460)**	(5,613)	**-**	(193)
Interest paid on lease liabilities		**(733)**	-	**(13)**	-
(Repayment of)/Proceeds from loans and borrowings		**(19,043)**	46,928	**-**	(25,642)
Payment of lease liabilities		**(2,794)**	(204)	**(383)**	-
Net cash (used in)/generated from financing activities		**(31,030)**	41,111	**(396)**	(25,835)
Net (decrease)/increase in cash and cash equivalents		**(4,403)**	(3,438)	**5,064**	2,617
Cash and cash equivalents at 1 January	(i)	**28,404**	31,842	**3,037**	420
Cash and cash equivalents at 31 December	(i)	**24,001**	28,404	**8,101**	3,037

Statements of Cash Flows
for the year ended 31 December 2019

(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	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash and bank balances	12	**24,001**	28,404	**8,101**	3,037
Deposits with licensed banks	12	**3,519**	2,530	**-**	-
		27,520	30,934	**8,101**	3,037
Less: Deposits pledged		**(3,519)**	(2,530)	**-**	-
		24,001	28,404	**8,101**	3,037

(ii) Cash outflow for leases as a lessee

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Included in net cash from operating activities:					
Payment relating to leases of low-value assets	20	**611**	-	**34**	-
Included in net cash from financing activities:					
Interest paid on lease liabilities	18	**733**	-	**13**	-
Payment of lease liabilities		**2,794**	-	**383**	-
Total cash outflow for leases		**4,138**	-	**430**	-

The notes set out on pages 64 to 132 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 2019 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 2019 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 7.

The financial statements were authorised for issue by the Board of Directors on 18 May 2020.

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, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

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

- Amendments to MFRS 3, *Business Combinations*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments,* MFRS 139*, Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures –Interest Rate Benchmark Reform*

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 1 January 2022

- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

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

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

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

- from the annual period beginning on 1 January 2020 for those amendments that are effective for annual periods beginning on or after 1 January 2020.
- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022.

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

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

1. BASIS OF PREPARATION (CONTINUED)

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(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 the following notes:

- Note 3.4 – Impairment testing of land
- Note 3.5 – Impairment testing of property, plant and equipment
- Note 3.6 – Land in Treasure Bay Bintan, Indonesia
- Note 4.2 – Extension options and incremental borrowing rate in relation to leases
- Note 7.1 – Significant judgements and assumptions in relation to impairment assessment of cost of investment in a subsidiary

2. SIGNIFICANT ACCOUNTING POLICIES

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

Arising of the adoption of MFRS 16, *Leases*, there are changes to the accounting policies applied to the lease contract entered into by the Group entities as compared to those applied to the previous financial statements. The impact arising from the changes are disclosed at Note 30.

(a) Basis of consolidation

(i) Subsidiaries

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

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

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Business combinations

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

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

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

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

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

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

(iii) Acquisitions of non-controlling interests

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

(iv) Loss of control

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

(v) Associates

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Associates (continued)

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

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

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

(vi) Non-controlling interests

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency

(i) Foreign currency transactions (continued)

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

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

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

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

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) Recognition and initial measurement

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

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Financial assets (continued)

(a) Amortised cost

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

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

(b) Fair value through profit or loss

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

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

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

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iii) Regular way purchase or sale of financial assets

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

Trade date accounting refers to:

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

Settlement date accounting refers to:

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

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

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

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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 from the date they are available for use. 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:

Land*	-
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

* Land comprises of land in Indonesia. No depreciation is required as it has an indefinite useful life. Management anticipates the usage rights granted under this land will be renewable indefinitely at minimal cost.

** 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) Leases

The Group has applied the MFRS 16 using the modified retrospective approach, with the initial application that the right-of-use assets is equivalent to the lease liabilities as at 1 January 2019. Accordingly, the comparative information presented for year 2018 has not been restated - i.e. it is presented, as previously reported under MFRS 117, *Leases* and related interpretations.

Current financial year

(i) Definition of leases

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset. the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

Current financial year (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The amortisation period for the current and comparative periods is as follow:

- Leasehold land 82 to 99 years

In addition, the right-of-use asset is periodically reduced by impairment losses, it any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Previous financial year

As a lessee

(i) Finance lease

Leases in terms of which the Group or the Company assumed substantially all the risks and rewards of ownership were classified as finance leases. Upon initial recognition, the leased asset was 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 was accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases were apportioned between the finance expense and the reduction of the outstanding liability. The finance expense was 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 were accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment was confirmed.

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

Previous financial year (continued)

As a lessee (continued)

(ii) Operating lease

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

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

Leasehold land which in substance was an operating lease was 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.

(g) Inventories

(i) Land held for development

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Inventories (continued)

(ii) Property development costs

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

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

(iii) Other inventories

Consumables and saleable merchandise are measured at the lower of cost and net realisable value.

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

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

(h) Cash and cash equivalents

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

(i) Impairment

(i) Financial assets

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

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

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

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

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

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

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (continued)

(i) Financial assets (continued)

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

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

(ii) Other assets

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

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

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

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

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

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

(j) Equity instrument

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expense

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Equity instrument (continued)

(iii) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(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) Defined benefit plans

The Group operates an unfunded plan for the eligible employees. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed once every one to four years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits (continued)

(iv) Defined benefit plans (continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(v) 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.

(l) Revenue and other income

(i) Revenue from contracts with customers

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

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

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

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iii) Interest income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) 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.

General and specific 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.

(n) 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.

(o) 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.

Notes to the Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) 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.

(q) Fair value measurements

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

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

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

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

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

3. PROPERTY, PLANT AND EQUIPMENT

Group	Land RM'000	Buildings RM'000	Hotel properties RM'000	Plant and machinery RM'000	Hotel equipment and operating equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Lagoon RM'000	Capital work-in progress RM'000	Total RM'000
Cost										
At 1 January 2018	1,096,689	11,897	157,099	39,871	31,218	24,299	3,431	51,791	171	1,416,466
Additions	-	140	293	348	1,722	5,394	436	-	20,698	29,031
Disposals	-	-	-	-	(494)	(317)	(19)	-	-	(830)
Written off	-	-	-	(146)	(14)	(1,689)	-	-	(558)	(2,407)
Transfer from inventories - property development costs	-	361	-	-	-	-	-	-	8,367	8,728
Foreign currency translation differences	-	(198)	(445)	(1,510)	-	(945)	(102)	(4,326)	(137)	(7,663)
Reclassification	-	-	767	-	-	1,031	-	-	(1,798)	-
At 31 December 2018, *as previously reported*	1,096,689	12,200	157,714	38,563	32,432	27,773	3,746	47,465	26,743	1,443,325
Adjustment on initial application of MFRS 16	(10,175)	-	-	-	-	-	-	-	-	(10,175)
At 1 January 2019, *as restated*	**1,086,514**	**12,200**	**157,714**	**38,563**	**32,432**	**27,773**	**3,746**	**47,465**	**26,743**	**1,433,150**
Additions	**-**	**5,464**	**393**	**875**	**4,201**	**4,541**	**376**	**-**	**13,894**	**29,744**
Disposals	**-**	**-**	**-**	**-**	**(123)**	**(299)**	**(57)**	**-**	**-**	**(479)**
Written off	**-**	**-**	**-**	**(146)**	**(423)**	**(2,205)**	**(225)**	**-**	**-**	**(2,999)**
Transfer from inventories - land held for development	**170,022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**170,022**
Transfer from inventories - property development costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,193**	**5,193**
Foreign currency translation differences	**-**	**140**	**340**	**1,070**	**(4)**	**567**	**58**	**1,124**	**779**	**4,074**
Reclassification	**-**	**14,350**	**6,453**	**6,055**	**3,631**	**(486)**	**-**	**-**	**(30,003)**	**-**
At 31 December 2019	**1,256,536**	**32,154**	**164,900**	**46,417**	**39,714**	**29,891**	**3,898**	**48,589**	**16,606**	**1,638,705**

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Land RM'000	Buildings RM'000	Hotel properties RM'000	Plant and machinery RM'000	Hotel equipment and operating equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Lagoon RM'000	Capital work-in progress RM'000	Total RM'000
Depreciation and impairment loss											
At 1 January 2018, *as previously reported*											
Accumulated depreciation		7,097	3,470	39,604	9,361	17,661	12,101	2,068	2,412	-	93,774
Accumulated impairment loss		-	-	-	1,446	-	-	-	-	-	1,446
		7,097	3,470	39,604	10,807	17,661	12,101	2,068	2,412	-	95,220
Prior year adjustments	31	(5,240)	-	-	-	-	-	-	-	-	(5,240)
At 1 January 2018, *as restated*											
Accumulated depreciation		1,857	3,470	39,604	9,361	17,661	12,101	2,068	2,412	-	88,534
Accumulated impairment loss		-	-	-	1,446	-	-	-	-	-	1,446
		1,857	3,470	39,604	10,807	17,661	12,101	2,068	2,412	-	89,980
Depreciation for the year		110	666	5,357	4,801	1,986	2,429	515	951	-	16,815
Disposals		-	-	-	-	(311)	(168)	(15)	-	-	(494)
Written off		-	-	-	(37)	(12)	(1,019)	-	-	-	(1,068)
Foreign currency translation differences		-	(26)	(45)	(358)	-	(406)	(69)	(140)	-	(1,044)
At 31 December 2018, *as restated*											
Accumulated depreciation		1,967	4,110	44,916	13,767	19,324	12,937	2,499	3,223	-	102,743
Accumulated impairment loss		-	-	-	1,446	-	-	-	-	-	1,446
		1,967	4,110	44,916	15,213	19,324	12,937	2,499	3,223	-	104,189

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Land RM'000	Buildings RM'000	Hotel properties RM'000	Plant and machinery RM'000	Hotel equipment and operating equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Lagoon RM'000	Capital work-in progress RM'000	Total RM'000
Depreciation and impairment loss (continued)										
Adjustment on initial application of MFRS 16	**(1,967)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,967)**
At 1 January 2019, *as restated*										
Accumulated depreciation	**-**	**4,110**	**44,916**	**13,767**	**19,324**	**12,937**	**2,499**	**3,223**	**-**	**100,776**
Accumulated impairment loss	**-**	**-**	**-**	**1,446**	**-**	**-**	**-**	**-**	**-**	**1,446**
	-	**4,110**	**44,916**	**15,213**	**19,324**	**12,937**	**2,499**	**3,223**	**-**	**102,222**
Depreciation for the year	**-**	**1,115**	**5,321**	**4,431**	**2,908**	**4,354**	**449**	**967**	**-**	**19,545**
Disposals	**-**	**-**	**-**	**-**	**(16)**	**(213)**	**(7)**	**-**	**-**	**(236)**
Written off	**-**	**-**	**-**	**(122)**	**(255)**	**(1,722)**	**(186)**	**-**	**-**	**(2,285)**
Foreign currency translation differences	**-**	**41**	**111**	**421**	**4**	**215**	**35**	**81**	**-**	**908**
Reclassification	**-**	**1,310**	**(270)**	**(190)**	**1,069**	**(1,919)**	**-**	**-**	**-**	**-**
At 31 December 2019										
Accumulated depreciation	**-**	**6,576**	**50,078**	**18,307**	**23,034**	**13,652**	**2,790**	**4,271**	**-**	**118,708**
Accumulated impairment loss	**-**	**-**	**-**	**1,446**	**-**	**-**	**-**	**-**	**-**	**1,446**
	-	**6,576**	**50,078**	**19,753**	**23,034**	**13,652**	**2,790**	**4,271**	**-**	**120,154**
Carrying amounts										
At 1 January 2018, *as restated*	1,094,832	8,427	117,495	29,064	13,557	12,198	1,363	49,379	171	1,326,486
At 31 December 2018, *as restated*	1,094,722	8,090	112,798	23,350	13,108	14,836	1,247	44,242	26,743	1,339,136
At 31 December 2019	**1,256,536**	**25,578**	**114,822**	**26,664**	**16,680**	**16,239**	**1,108**	**44,318**	**16,606**	**1,518,551**

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment, furniture and fittings RM'000
Cost	
At 1 January 2018	2,354
Additions	233
At 31 December 2018/1 January 2019	**2,587**
Additions	**40**
Disposals	**(14)**
Written off	**(552)**
At 31 December 2019	**2,061**
Accumulated depreciation	
At 1 January 2018	2,200
Depreciation for the year	73
At 31 December 2018/1 January 2019	**2,273**
Depreciation for the year	**110**
Disposals	**(4)**
Written off	**(552)**
At 31 December 2019	**1,827**
Carrying amounts	
At 1 January 2018	154
At 31 December 2018	314
At 31 December 2019	**234**

3.1 Security

Property, plant and equipment of the Group with carrying amounts of RM100,822,000 (2018: RM106,150,000) are charged to a financial institution to secure the term loan of the Group (Note 14).

3.2 Leased plant and equipment

Included in property, plant and equipment of the Group with an aggregate carrying amount of RM238,000 (2018: RM323,000) acquired under lease arrangement.

3.3 Land transferred from inventories

Land is transferred from inventories when the Group intends to develop the land for own use.

3.4 Impairment testing of land

During the financial year, the Group has evaluated that the recoverable amount of the land in Treasure Bay Bintan, Indonesia, is stated in excess of their carrying amount. The Group has applied the fair value less costs to sell, which was determined with the assistance of an independent valuer. Based on the latest available valuation reports, the valuation was determined using both the Income and Market Approach.

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.5 Impairment testing of property, plant and equipment

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

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

3.6 Land in Treasure Bay Bintan, Indonesia

Land relates to land in Treasure Bay Bintan, Indonesia which is regulated under Hak Guna Bangunan ("HGB"). Under HGB, the land can be renewed indefinitely with minimal cost if the land meets the conditions stipulated below:

- it continues to be used for the same purpose as it was originally intended to when the rights was granted; and
- the holder continues to be a legal entity established and domiciled in Indonesia; and
- the land continues to be zoned for the same usage within relevant Spatial Planning.

The Group has assessed the conditions above and concludes that the possibility of non-renewal of the usage rights of the land is remote.

The Group also exercised significant judgment and concluded that the land is in substance a purchase of rights which meets the definition of property, plant and equipment regardless of whether the legal title transfers.

4. RIGHT-OF-USE ASSETS

Group	Land RM'000	Buildings RM'000	Total RM'000
Cost			
At 31 December 2018, *as previously stated*	-	-	-
Adjustment on initial application of MFRS 16	10,175	16,195	26,370
At 1 January 2019, *as restated*	**10,175**	**16,195**	**26,370**
Foreign currency translation differences	**-**	**355**	**355**
At 31 December 2019	**10,175**	**16,550**	**26,725**
Depreciation			
At 31 December 2018, *as previously stated*	-	-	-
Adjustment on initial application of MFRS 16	1,967	-	1,967
At 1 January 2019, *as restated*	**1,967**	**-**	**1,967**
Depreciation	**110**	**3,025**	**3,135**
Foreign currency translation differences	**-**	**14**	**14**
At 31 December 2019	**2,077**	**3,039**	**5,116**
Carrying amounts			
At 1 January 2019, *as restated*	**8,208**	**16,195**	**24,403**
At 31 December 2019	**8,098**	**13,511**	**21,609**

4. RIGHT-OF-USE ASSETS (CONTINUED)

Company	Buildings RM'000
Cost	
At 31 December 2018, *as previously stated*	-
Adjustment on initial application of MFRS 16	1,547
At 1 January 2019, *as restated*	**1,547**
Addition	**-**
At 31 December 2019	**1,547**
Depreciation	
At 31 December 2018, *as previously stated*	-
Adjustment on initial application of MFRS 16	-
At 1 January 2019, *as restated*	**-**
Depreciation	**352**
At 31 December 2019	**352**
Carrying amounts	
At 1 January 2019, *as restated*	**1,547**
At 31 December 2019	**1,195**

The Group leases a number of office buildings that run between 1 year and 5 years, with an option to renew the lease after that date. Lease payments are based on the prevailing market rent for renewal upon expiry of the lease term.

4.1 Security

Right-of-use assets of the Group with carrying amounts of RM1,857,000 (2018: RM Nil) are charged to a financial institution to secure the term loan of the Group (Note 14).

4.2 Extension options and incremental borrowing rate in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. INTANGIBLE ASSETS

Group and Company	Computer and software RM'000
Cost	
At 1 January 2018/31 December 2018/1 January 2019/ 31 December 2019	944
Accumulated amortisation	
At 1 January 2018/31 December 2018/1 January 2019/ 31 December 2019	944
Carrying amounts	
At 31 December 2018/1 January 2019/31 December 2019	-

6. INVENTORIES

	Group 2019 RM'000	Group 2018 RM'000
Non-current		
Land held for development		
Balance as at 1 January	**774,059**	774,059
Costs transferred to property, plant and equipment (Note 3)	**(141,227)**	-
Balance as at 31 December	**632,832**	774,059
Property development costs		
Balance as at 1 January	**-**	4,713
Costs incurred during the year	**-**	25
Costs written off during the year (Note 20)	**-**	(4,455)
Foreign currency translation differences	**-**	(283)
Balance as at 31 December	**-**	-
Total non-current inventories	**632,832**	774,059
Current		
Land held for development		
Balance as at 1 January	**72,790**	72,790
Costs transferred to property, plant and equipment (Note 3)	**(28,795)**	-
Balance as at 31 December	**43,995**	72,790
Property development costs		
Balance as at 1 January	**18,031**	31,573
Costs incurred during the year^	**1,570**	2,345
Costs transferred to property, plant and equipment (Note 3)	**(5,193)**	(8,728)
Foreign currency translation differences	**(200)**	538
Reclassification	**-**	(7,697)
Balance as at 31 December	**14,208**	18,031
Other inventories		
Spares and consumables	**931**	930
Saleable merchandise	**172**	150
	1,103	1,080
Total current inventories	**59,306**	91,901
Recognised in profit or loss:		
Other inventories recognised as cost of sales	**12,170**	9,321

^ Included in cost incurred during the year is interest capitalised of RM370,000 (2018: RM729,000) (Note 18).

6.1 Inventories - Land held for development

During the financial year, the Group has evaluated that the recoverable amount of the land in Treasure Bay Bintan, Indonesia, is stated in excess of their carrying amount. The Group has applied the fair value less costs to sell, which was determined with the assistance of an independent valuer. Based on the latest available valuation reports, the valuation was determined using both the Income and Market Approach.

Notes to the Financial Statements

7. INVESTMENTS IN SUBSIDIARIES

	Company 2019 RM'000	Company 2018 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	**233,663**	171,119
	1,336,009	1,273,465

Conditions of RPS

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

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

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

Amount due from a subsidiary

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

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	Effective ownership interest 2018 %
Landmarks Hotels & Realty Sdn Bhd	Malaysia	Investment holding	**100**	100
Landmarks Engineering & Development Sdn Bhd φ	Malaysia	Property development and civil engineering works	**100**	100
Ikatan Perkasa Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Fokus Asas Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Primary Gateway Sdn Bhd	Malaysia	Investment holding	**100**	100
Capaian Tinggi Sdn Bhd φ	Malaysia	Dormant	**100**	100
Tender Years Sdn Bhd φ	Malaysia	Dormant	**100**	100
VIW Management Private Limited *	Singapore	Dormant	**100**	100
Subsidiaries of Landmarks Hotels & Realty Sdn Bhd				
Andaman Resort Sdn Bhd	Malaysia	Ownership and management of a hotel	**100**	100
Kuala Lumpur Suburban Centre Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Impian Makmur Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Maya Wilayah Sdn Bhd φ	Malaysia	Investment holding	**100**	100

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	Effective ownership interest 2018 %
Subsidiaries of Landmarks Hotels & Realty Sdn Bhd (continued)				
Wilayah Ehsan Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Success Sphere Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Escalibur Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Nustulin Sdn Bhd φ	Malaysia	Investment holding	**100**	100
Landmarks Hotel & Resort Management Sdn Bhd φ	Malaysia	Dormant	**100**	100
Sungei Wang REIT Manager Sdn Bhd φ	Malaysia	Dormant	**100**	100
Tumbuk Estate Sdn Bhd φ	Malaysia	Dormant	**100**	100
Landmarks Healthcare Sdn Bhd φ	Malaysia	Dormant	**100**	100
Web Age Sdn Bhd φ	Malaysia	Dormant	**100**	100
Point Merge (M) Sdn Bhd φ #	Malaysia	Dormant	**-**	100
Subsidiary of Landmarks Healthcare Sdn Bhd				
AHC Consolidated Sdn Bhd φ	Malaysia	Dormant	**100**	100
Subsidiaries of AHC Consolidated Sdn Bhd				
AHC Enterprise Sdn Bhd φ	Malaysia	Dormant	**100**	100
Landmarks Healthcare Management Sdn Bhd φ	Malaysia	Dormant	**100**	100
Subsidiary of Web Age Sdn Bhd				
Web Portal Technologies Sdn Bhd φ	Malaysia	Dormant	**100**	100
Subsidiary of Web Portal Technologies Sdn Bhd				
Besetter Pty Ltd φ	Australia	Dormant	**75**	75
Subsidiary of Besetter Pty Ltd				
PT Sarana Logistik Medika Nusantara φ	Indonesia	Dormant	**75**	75
Subsidiaries of PT Sarana Logistik Medika Nusantara				
PT Jasa Bersama Rumah Sakit Nusantara φ	Indonesia	Dormant	**67.5**	67.5
PT Jasa Logistik Kesehatan Nusantara φ	Indonesia	Dormant	**66**	66
Subsidiaries of Primary Gateway Sdn Bhd				
BTB Corporate Services Sdn Bhd	Malaysia	Provision of management services	**100**	100
Bintan Treasure Bay Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Tiara Gateway Pte Ltd *	Singapore	Investment holding	**100**	100
PG Construction Holdings Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Subsidiaries of Bintan Treasure Bay Pte Ltd				
Pioneer Investments Limited φ	Republic of Seychelles	Investment holding	**100**	100
Premier Investment Holding Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100

Notes to the Financial Statements

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	Effective ownership interest 2018 %
Subsidiaries of Bintan Treasure Bay Pte Ltd (continued)				
PT Treasure Development Services *	Indonesia	Construction, maintenance and rental of buildings	**100**	100
Bay Development Services Pte Ltd *	Singapore	Provision of management and consultancy services	**100**	100
Subsidiary of Pioneer Investments Limited				
PT Pelangi Bintan Indah φ	Indonesia	Development of tourism complex and management of resort hotels	**100**	100
Subsidiaries of Tiara Gateway Pte Ltd				
Prime Holdings Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Bintan Resorts Holdings Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Bintan Land Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Bintan Resort Enterprise Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Bintan Leisure Resort Ventures Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Bangkaru Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Benuwa Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Boana Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Enggano Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Fordate Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Gersik Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Hinako Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Kemaro Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Lasia Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Legundi Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	2018 %
Subsidiaries of Tiara Gateway Pte Ltd (continued)				
Manawoka Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Manipa Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Mapor Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Marsela Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Mendol Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Mesawak Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Midai Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Mubur Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Musala Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Nias Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Penasi Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Propos Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Raiba Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Rondo Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Samosir Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Senua Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Serasan Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Sinabol Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Subi Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Tambelan Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100
Tanabala Investments Pte Ltd [φ]	Republic of Seychelles	Investment holding	**100**	100

Notes to the Financial Statements

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	2018 %
Subsidiaries of Tiara Gateway Pte Ltd (continued)				
Tarempa Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Tayandu Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Temiyang Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Tinopo Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Watubela Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Wetan Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Subsidiaries of PG Construction Holdings Pte Ltd				
PG Builders Pte Ltd φ	Republic of Seychelles	Property construction works	**100**	100
PG Contracts Pte Ltd φ	Republic of Seychelles	Property construction works	**100**	100
Bintan Beach Resorts Investments Pte Ltd φ	Republic of Seychelles	Investment holding	**100**	100
Subsidiaries of Prime Holdings Pte Ltd				
Prime Lagoon Pte Ltd *	Singapore	Investment holding	**100**	100
Prime Villa Pte Ltd *	Singapore	Investment holding	**100**	100
Subsidiaries of Bintan Resorts Holdings Pte Ltd				
Bintan Resorts Holdings (Singapore) Pte Ltd *	Singapore	Investment holding	**100**	100
Bintan Hotel Holdings Pte Ltd *	Singapore	Investment holding	**100**	100
Subsidiaries of Bintan Land Pte Ltd				
Bintan Land (Singapore) Pte Ltd *	Singapore	Investment holding	**100**	100
Bintan Hotel Utama Pte Ltd *	Singapore	Investment holding	**100**	100
Subsidiaries of Bintan Resort Enterprise Pte Ltd				
Bintan Resort Enterprise (Singapore) Pte Ltd *	Singapore	Investment holding	**100**	100
Bintan Hotel Development Pte Ltd *	Singapore	Investment holding	**100**	100
Subsidiaries of Bintan Leisure Resort Ventures Pte Ltd				
Bintan Leisure Resort Ventures (Singapore) Pte Ltd *	Singapore	Investment holding	**100**	100
Bintan Hotel Ventures Pte Ltd *	Singapore	Investment holding	**100**	100

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	2018 %
Subsidiaries of Bintan Beach Resorts Investments Pte Ltd				
Bintan Beach Resorts Investments (Singapore) Pte Ltd *	Singapore	Investment holding	**100**	100
Bintan Hotel Management Pte Ltd *	Singapore	Investment holding	**100**	100
Subsidiaries of Bangkaru Investments Pte Ltd				
Bangkaru Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Bangkaru Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Benuwa Investments Pte Ltd				
Benuwa Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Benuwa Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Boana Investments Pte Ltd				
Boana Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Boana Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Enggano Investments Pte Ltd				
Enggano Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Enggano Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Fordate Investments Pte Ltd				
Fordate Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Fordate Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Gersik Investments Pte Ltd				
Gersik Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Gersik Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Hinako Investments Pte Ltd				
Hinako Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Hinako Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Kemaro Investments Pte Ltd				
Kemaro Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Kemaro Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Lasia Investments Pte Ltd				
Lasia Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Lasia Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Legundi Investments Pte Ltd				
Legundi Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Legundi Beta Pte Ltd φ	Singapore	Investment holding	**100**	100
Subsidiaries of Manawoka Investments Pte Ltd				
Manawoka Alpha Pte Ltd φ	Singapore	Investment holding	**100**	100
Manawoka Beta Pte Ltd φ	Singapore	Investment holding	**100**	100

Notes to the Financial Statements

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	Effective ownership interest 2018 %
Subsidiaries of Manipa Investments Pte Ltd				
Manipa Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Manipa Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Mapor Investments Pte Ltd				
Mapor Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Mapor Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Marsela Investments Pte Ltd				
Marsela Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Marsela Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Mendol Investments Pte Ltd				
Mendol Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Mendol Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Mesawak Investments Pte Ltd				
Mesawak Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Mesawak Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Midai Investments Pte Ltd				
Midai Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Midai Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Mubur Investments Pte Ltd				
Mubur A Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Mubur B Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Musala Investments Pte Ltd				
Musala Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Musala Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Nias Investments Pte Ltd				
Nias Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Nias Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Penasi Investments Pte Ltd				
Penasi Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Penasi Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Propos Investments Pte Ltd				
Propos Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Propos Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Raiba Investments Pte Ltd				
Raiba Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Raiba Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Subsidiaries of Rondo Investments Pte Ltd				
Rondo Alpha Pte Ltd [φ]	Singapore	Investment holding	**100**	100
Rondo Beta Pte Ltd [φ]	Singapore	Investment holding	**100**	100

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	2018 %
Subsidiaries of Samosir Investments Pte Ltd				
Samosir Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Samosir Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Senua Investments Pte Ltd				
Senua Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Senua Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Serasan Investments Pte Ltd				
Serasan Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Serasan Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Sinabol Investments Pte Ltd				
Sinabol Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Sinabol Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Subi Investments Pte Ltd				
Subi Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subi Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Tambelan Investments Pte Ltd				
Tambelan Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Tambelan Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Tanabala Investments Pte Ltd				
Tanabala Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Tanabala Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Tarempa Investments Pte Ltd				
Tarempa Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Tarempa Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Tayandu Investments Pte Ltd				
Tayandu Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Tayandu Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Temiyang Investments Pte Ltd				
Temiyang Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Temiyang Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Tinopo Investments Pte Ltd				
Tinopo Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Tinopo Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Watubela Investments Pte Ltd				
Watubela Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Watubela Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Subsidiaries of Wetan Investments Pte Ltd				
Wetan Alpha Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100
Wetan Beta Pte Ltd $^{\varphi}$	Singapore	Investment holding	**100**	100

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	2018 %
Subsidiaries of Prime Lagoon Pte Ltd				
PT Treasure Bay Attractions*	Indonesia	Operation and management of a recreational park	**100**	100
PT Marine Life Discovery Park*	Indonesia	Operation and management of a recreational park	**100**	100
Subsidiary of Bintan Resorts Holdings (Singapore) Pte Ltd				
PT Resort Kirana Bintan φ	Indonesia	Development and management of resort hotels, and commercial and residential properties	**100**	100
Subsidiary of Bintan Land (Singapore) Pte Ltd				
PT Bintan Hotel Utama *	Indonesia	Development and management of resort hotels, and commercial and residential properties	**100**	100
Subsidiary of Bintan Resort Enterprise (Singapore) Pte Ltd				
PT Resorts Development and Management Bintan *	Indonesia	Development and management of resort hotels, and commercial and residential properties	**100**	100
Subsidiary of Bintan Leisure Resort Ventures (Singapore) Pte Ltd				
PT Bintan Leisure Resort Ventures φ	Indonesia	Development and management of resort hotels, and commercial and residential properties	**100**	100
Subsidiary of Bintan Beach Resorts Investments (Singapore) Pte Ltd				
PT Hotel Management Bintan φ	Indonesia	Development and management of resort hotels, and commercial and residential properties	**100**	100
Subsidiary of Bangkaru Alpha Pte Ltd				
PT Bangkaru Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Boana Alpha Pte Ltd				
PT Boana Estate Villa φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Enggano Alpha Pte Ltd				
PT Enggano Estate φ	Indonesia	Provision of accommodation services	**100**	100

Notes to the Financial Statements

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	2018 %
Subsidiary of Fordate Alpha Pte Ltd				
PT Fordate Estate Villa*	Indonesia	Development and management of resort hotels, and commercial and residential properties	**100**	100
Subsidiary of Gersik Alpha Pte Ltd				
PT Gersik Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Hinako Alpha Pte Ltd				
PT Hinako Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Kemaro Alpha Pte Ltd				
PT Kemaro Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Lasia Alpha Pte Ltd				
PT Lasia Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Legundi Alpha Pte Ltd				
PT Legundi Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Manawoka Alpha Pte Ltd				
PT Manawoka Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Manipa Alpha Pte Ltd				
PT Manipa Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Mapor Alpha Pte Ltd				
PT Mapor Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Marsela Alpha Pte Ltd				
PT Marsela Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Mendol Alpha Pte Ltd				
PT Mendol Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Mesawak Alpha Pte Ltd				
PT Mesawak Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Musala Alpha Pte Ltd				
PT Musala Estate φ	Indonesia	Provision of accommodation services	**100**	100

Notes to the Financial Statements

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	Effective ownership interest 2018 %
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
Subsidiary of Sinabol Alpha Pte Ltd				
PT Sinabol Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Subi Alpha Pte Ltd				
PT Subi Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Tambelan Alpha Pte Ltd				
PT Tambelan Estate Villa φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Tanabala Alpha Pte Ltd				
PT Tanabala Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Tarempa Alpha Pte Ltd				
PT Tarempa Estate Villa φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Tayandu Alpha Pte Ltd				
PT Tayandu Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Temiyang Alpha Pte Ltd				
PT Temiyang Estate Villa φ	Indonesia	Provision of accommodation services	**100**	100

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2019 %	2018 %
Subsidiary of Tinopo Alpha Pte Ltd				
PT Tinopo Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Watubela Alpha Pte Ltd				
PT Watubela Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of Wetan Alpha Pte Ltd				
PT Wetan Estate φ	Indonesia	Provision of accommodation services	**100**	100
Subsidiary of PT Treasure Development Services				
PT Pesona Lagoi Mandiri φ	Indonesia	Dormant	**51**	51

φ Not audited by KPMG PLT
* Audited by other member firms of KPMG International
\# Strike off during the year

7.1 Significant judgements and assumptions in relation to impairment assessment of cost of investment in a subsidiary

The Company applied significant judgements and assumptions in performing impairment testing which require management to estimate their recoverable amount of the investment in a subsidiary and to provide impairment loss when required. The Company considered the external valuation report and the Group's cash flow projections in determining the recoverable amount of the investment in a subsidiary.

8. INVESTMENT IN AN ASSOCIATE

	Group	
	2019 RM'000	**2018 RM'000**
Unquoted shares, at cost	**-**	100
Less: Impairment losses	**-**	(100)
	-	-

During the financial year, Teknologi Tenaga Perlis Sdn Bhd has been struck off by Suruhanjaya Syarikat Malaysia from the Register of Companies pursuant to Section 551(3) of the Companies Act 2016.

9. OTHER INVESTMENTS

Group	**2019 RM'000**	**2018 RM'000**
Non-current		
Fair value through profit or loss		
Unquoted shares	**1,885**	1,885
Unquoted redeemable preference shares	**200**	200
	2,085	2,085
Current		
Fair value through profit or loss		
Quoted local cash funds, at fair value *	**9,664**	85,299
	11,749	87,384
Company		
Current		
Fair value through profit or loss		
Quoted local cash funds, at fair value *	**9,664**	85,299

* 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.

Notes to the Financial Statements

10. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets			Liabilities			Net		
	31.12.2019 RM'000	31.12.2018 RM'000	1.1.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000 Restated	1.1.2018 RM'000 Restated	31.12.2019 RM'000	31.12.2018 RM'000 Restated	1.1.2018 RM'000 Restated
Property, plant and equipment	**-**	-	-	**(329,142)**	(286,096)	(285,816)	**(329,142)**	(286,096)	(285,816)
Unabsorbed capital allowance	**-**	349	349	**-**	-	-	**-**	349	349
Others	**2,393**	2,914	5,077	**-**	-	-	**2,393**	2,914	5,077
Tax assets/(liabilities)	**2,393**	3,263	5,426	**(329,142)**	(286,096)	(285,816)	**(326,749)**	(282,833)	(280,390)
Set off tax	**(2,393)**	(2,913)	(5,076)	**2,393**	2,913	5,076	**-**	-	-
Net tax assets/ (liabilities)	**-**	350	350	**(326,749)**	(283,183)	(280,740)	**(326,749)**	(282,833)	(280,390)

Company	Assets		Liabilities		Net	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Property, plant and equipment	**-**	-	**-**	(57)	**-**	(57)
Unabsorbed capital allowances	**-**	349	**-**	-	**-**	349
Others	**-**	58	**-**	-	**-**	58
Tax assets/(liabilities)	**-**	407	**-**	(57)	**-**	350
Set off of tax	**-**	(57)	**-**	57	**-**	-
Net tax assets/(liabilities)	**-**	350	**-**	-	**-**	350

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

Recognised deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year are as follow:

	Note	Property, plant and equipment RM'000	Property development cost RM'000	Unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
Group						
At 1 January 2018, *as previously reported*		(269,288)	(199,482)	349	5,077	(463,344)
Prior year adjustments	31	(16,528)	199,482	-	-	182,954
At 1 January 2018, *as restated*		(285,816)	-	349	5,077	(280,390)
Recognised in profit or loss	22	(280)	-	-	(2,163)	(2,443)
At 31 December 2018/1 January 2019, *as restated*		**(286,096)**	**-**	**349**	**2,914**	**(282,833)**
Recognised in profit or loss	22	**(43,046)**	**-**	**(349)**	**(521)**	**(43,916)**
At 31 December 2019		**(329,142)**	**-**	**-**	**2,393**	**(326,749)**
Company						
At 1 January 2018		(57)	-	349	58	350
Recognised in profit or loss	22	-	-	-	-	-
At 31 December 2018/1 January 2019		**(57)**	**-**	**349**	**58**	**350**
Recognised in profit or loss	22	**57**	**-**	**(349)**	**(58)**	**(350)**
At 31 December 2019		**-**	**-**	**-**	**-**	**-**

Unrecognised deferred tax assets

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Other deductible temporary differences		**5,149**	4,092	**3,688**	2,659
Tax losses carried-forward	10.1	**141,809**	105,671	**14,124**	11,299
		146,958	109,763	**17,812**	13,958

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.

10.1 Tax losses carried-forward

Included in tax losses carried-forward of the Group is RM40,491,000 (2018: RM36,624,000) subject to Income Tax Act 1967 of which the accumulated tax losses can be carried forward up to 7 years. This is effective from the year of assessment 2019. The remaining tax losses carried-forward of RM101,318,000 (2018: RM69,047,000) is subjected to income tax law in Indonesia, of which the accumulated tax losses can be carried forward up to 5 years.

11. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current					
Trade					
Trade receivables		**5,901**	3,029	**-**	-
Less: Loss allowance		**(37)**	(110)	**-**	-
		5,864	2,919	**-**	-
Non-trade					
Other receivables		**7,598**	9,459	**42**	132
Deposits		**1,760**	1,855	**125**	88
Amount due from subsidiaries	11.1	**-**	-	**12,529**	10,766
		9,358	11,314	**12,696**	10,986
		15,222	14,233	**12,696**	10,986

11.1 Amount due from subsidiaries

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

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash and bank balances	**24,001**	28,404	**8,101**	3,037
Deposits with licensed banks	**3,519**	2,530	**-**	-
	27,520	30,934	**8,101**	3,037

The Group's deposits with licensed banks of RM3,519,000 (2018: RM2,530,000) is under the designated accounts of which the utilisation is subject to the terms and conditions of the term loan of the Group (Note 14) and banking facilities granted to the Group.

Notes to the Financial Statements

13. CAPITAL AND RESERVES

13.1 Share capital

	Group and Company			
	Amount 2019 RM'000	Number of shares 2019 '000	Amount 2018 RM'000	Number of shares 2018 '000
Issued Ordinary Shares:				
At 1 January/31 December	**734,811**	**528,891**	734,811	528,891

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

13.2 Capital reserve

Company

The Company's capital reserve relates to issuance of ordinary shares to take over the assets, liabilities and business of Landmarks Holdings Berhad in 1989.

13.3 Translation reserve

Group

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

13.4 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	
	2019 RM'000	2018 RM'000
Non-current		
Secured term loan	**111,500**	123,931
Finance lease liabilities	**-**	85
	111,500	124,016
Current		
Secured term loan	**9,911**	9,223
Finance lease liabilities	**-**	180
	9,911	9,403
	121,411	133,419

14. LOANS AND BORROWINGS (CONTINUED)

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 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.

14.2 Finance lease liabilities

Group	Future minimum lease payments 2018 RM'000	Interest 2018 RM'000	Present value of minimum lease payments 2018 RM'000
Less than one year	191	11	180
Between one and five years	100	15	85
	291	26	265

Included in the Group's previous year finance lease liabilities were leases of motor vehicles and hotel equipment under finance leases expiring in year 2021 and 2022.

Upon adoption of MFRS 16, *Leases*, lease of motor vehicles and hotel equipment are now recognised as part of lease liabilities.

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

Group	At 31 December 2018 RM'000	Adjustment on initial application of MFRS 16 RM'000	At 1 January 2019 RM'000	Net changes from financing cash flows RM'000	Loss on early settlement of loan RM'000	Interest expenses RM'000	Other changes RM'000	At 31 December 2019 RM'000
Secured term loan	133,154	-	**133,154**	**(19,043)**	**7,404**	**-**	**(104)**	**121,411**
Finance lease liabilities	265	(265)	**-**	**-**	**-**	**-**	**-**	**-**
Lease liabilities	-	16,460	**16,460**	**(3,527)**	**-**	**733**	**360**	**14,026**
Total liabilities from financing activities	133,419	16,195	**149,614**	**(22,570)**	**7,404**	**733**	**256**	**135,437**
Company								
Lease liabilities	-	1,547	**1,547**	**(396)**	**-**	**13**	**-**	**1,164**

Notes to the Financial Statements

15. TRADE AND OTHER PAYABLES

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Trade					
Trade payables		**6,687**	4,351	**-**	-
Non-trade					
Other payables		**4,375**	5,103	**-**	-
Accrued expenses		**19,340**	20,344	**1,467**	1,371
Amount due to subsidiaries	15.1	**-**	-	**127,302**	130,782
		23,715	25,447	**128,769**	132,153
		30,402	29,798	**128,769**	132,153

15.1 Amount due to subsidiaries

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

16. EMPLOYEE BENEFITS

16.1 Share-based payments

On 29 June 2018, the Group established a share option programme that entitles the Directors, key management and all employees to purchase shares in the Company. First and second tranche were both granted and vested on 29 October 2018 and 19 November 2018 respectively. On 20 November 2019, third tranche options were granted to employees of the Group to subscribe for 6,010,000 shares under the ESOS.

The options will vest in the following manner:

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

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

Grant Date	Remaining life of options	Weighted average exercise price	Movement during the year — Number of options over ordinary shares: Outstanding at 1.1.2019	Granted	Forfeited	Outstanding at 31.12.2019	Exercisable at 31.12.2019
29.10.2018	4 years	RM0.55	**35,260,000**	**-**	**(2,810,000)**	**32,450,000**	**20,281,250**
19.11.2018	4 years	RM0.56	**1,965,000**	**-**	**(360,000)**	**1,605,000**	**1,003,125**
20.11.2019	4 years	RM0.49	**-**	**6,010,000**	**(1,710,000)**	**4,300,000**	**2,687,500**
			37,225,000	**6,010,000**	**(4,880,000)**	**38,355,000**	**23,971,875**

16. EMPLOYEE BENEFITS (CONTINUED)

16.1 Share-based payments (continued)

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

	Key management personnel and other employees
Fair value of share options	
- Options granted on 29.10.2018, 19.11.2018 and 20.11.2019	RM0.18
Key assumptions	
Expected volatility	36.1%
Risk-free interest rate (based on Malaysian government bonds)	3.7%

	Group and Company	
	2019 RM'000	**2018 RM'000**
Share options granted on 29.10.2018 and 19.11.2018	**1,639**	3,781
Share options granted on 20.11.2019	**516**	-
Total expenses recognised as share-based payments	**2,155**	3,781

16.2 Retirement benefits

Group	2019 RM'000	2018 RM'000
Net defined benefit liability	**3,211**	3,001

The Group operates the defined benefit plans that provide pension for employees upon retirement for certain subsidiaries. The plans entitle a retired employee to receive a lump sum payment of final salary for each year of service that the employee provided.

The defined benefit plans expose the Group to financial risks such as change in discount rates and demographic risk such as turnover rate not being borne out.

Notes to the Financial Statements

16. EMPLOYEE BENEFITS (CONTINUED)

16.2 Retirement benefits (continued)

Movement in net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components.

Group	Defined benefit obligation RM'000	Net defined benefit liability RM'000
2019		
Balance at 1 January	**3,001**	**3,001**
Included in profit or loss		
Current service cost	**178**	**178**
Interest cost	**141**	**141**
	319	**319**
Included in other comprehensive income		
Foreign currency translation differences	**15**	**15**
Other		
Benefits paid	**(124)**	**(124)**
Balance at 31 December	**3,211**	**3,211**
2018		
Balance at 1 January	2,282	2,282
Included in profit or loss		
Current service cost	658	658
Interest cost	164	164
	822	822
Included in other comprehensive income		
Foreign currency translation differences	(16)	(16)
Other		
Benefits paid	(87)	(87)
Balance at 31 December	3,001	3,001

16. EMPLOYEE BENEFITS (CONTINUED)

16.2 Retirement benefits (continued)

Defined benefit obligation

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	2019		2018	
	Malaysia	Indonesia	Malaysia	Indonesia
Discount rate	**6%**	**8%**	6%	8%
Future salary growth	**7%**	**8%**	7%	8%

Sensitivity analysis

The Company's exposure to relevant actuarial assumptions is not significant, hence sensitivity analysis is not disclosed.

17. REVENUE

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue from contract with customer				
Hospitality and wellness	**106,159**	100,791	**-**	-
Resort and destination development	**8,751**	8,262	**-**	-
Management fees	**-**	-	**3,327**	2,835
Royalty fees	**-**	-	**527**	-
	114,910	109,053	**3,854**	2,835
Other revenue				
Dividend income from other investments	**1,691**	2,384	**1,691**	2,384
Total revenue	**116,601**	111,437	**5,545**	5,219

17. REVENUE (CONTINUED)

17.1 Disaggregation of revenue

	Hospitality and wellness		Resort and destination development		All other segments		Total	
Group	**2019 RM'000**	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Primary geographical market								
Malaysia	**76,100**	77,960	**-**	-	**-**	-	**76,100**	77,960
Indonesia	**30,059**	22,831	**8,751**	8,262	**-**	-	**38,810**	31,093
	106,159	100,791	**8,751**	8,262	**-**	-	**114,910**	109,053
Major service lines								
Room revenue	**69,873**	63,620	**-**	-	**-**	-	**69,873**	63,620
Attractions revenue	**-**	-	**8,751**	8,262	**-**	-	**8,751**	8,262
Food and beverages revenue	**36,286**	37,171	**-**	-	**-**	-	**36,286**	37,171
	106,159	100,791	**8,751**	8,262	**-**	-	**114,910**	109,053
Timing and recognition								
Over time	**69,873**	63,620	**8,751**	8,262	**-**	-	**78,624**	71,882
At a point in time	**36,286**	37,171	**-**	-	**-**	-	**36,286**	37,171
	106,159	100,791	**8,751**	8,262	**-**	-	**114,910**	109,053
Revenue from contract with customer	**106,159**	100,791	**8,751**	8,262	**-**	-	**114,910**	109,053
Other revenue	**-**	-	**-**	-	**1,691**	2,384	**1,691**	2,384
Total revenue	**106,159**	100,791	**8,751**	8,262	**1,691**	2,384	**116,601**	111,437
Company								
Timing and recognition								
Over time	**-**	-	**-**	-	**3,854**	2,835	**3,854**	2,835
Revenue from contract with customer	**-**	-	**-**	-	**3,854**	2,835	**3,854**	2,835
Other revenue	**-**	-	**-**	-	**1,691**	2,384	**1,691**	2,384
Total revenue	**-**	-	**-**	-	**5,545**	5,219	**5,545**	5,219

17. REVENUE (CONTINUED)

17.2 Nature of goods and services

Room revenue

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

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

Food and beverages revenue

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

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

Attractions revenue

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

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

Management fee

Revenue is recognised overtime using the cost-plus method. There is no obligation for returns or refunds and no warranty is given to customer. There are also no variable elements in considerations and no significant judgement or assumption involved in determining the amount and timing of revenue recognised from contract with customers. Payment term is within 30 days from invoice date.

Royalty Fee

Revenue derived from royalty fee generally relates to contracts with customers in which performance obligation is to provide operators a license to the Company's intellectual property for the use of certain trademarks owned by the Company. As compensation for such services, the Company is typically entitled to ongoing royalty fee. The ongoing royalty fee represent variable consideration that is recognised based on a percentage of gross operating revenue. Royalty fee is recognised on a monthly basis over the term of the agreement as those amounts become payable. Payment term is within 30 days from invoice date.

Notes to the Financial Statements

18. FINANCE COSTS

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Interest expense on lease liabilities	**733**	-	**13**	-
Interest expense on term loan	**16,235**	6,828	**-**	193
	16,968	6,828	**13**	193
Recognised in profit or loss	**16,598**	6,099	**13**	193
Interest expense capitalised into inventories - property development cost	**370**	729	**-**	-
	16,968	6,828	**13**	193

19. FINANCE INCOME

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Interest income of financial assets a calculated using the effective interest method that are: - at amortised cost	**222**	166	**2**	61

20. LOSS BEFORE TAX

	Group		Company	
	2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000
Loss before tax is arrived at after charging:				
Auditors' remuneration:				
Statutory audit				
- KPMG PLT Malaysia	**306**	296	**90**	90
- Overseas affiliates of KPMG PLT Malaysia	**536**	381	**-**	-
- Other auditors	**230**	239	**-**	-
Other services				
- KPMG PLT Malaysia	**15**	15	**15**	15
- Local affiliates of KPMG PLT Malaysia	**40**	42	**12**	12
- Overseas affiliates of KPMG PLT Malaysia	**147**	144	**-**	-
- Other auditors	**117**	115	**-**	-
Material expenses/(incomes)				
Depreciation of property, plant and equipment	**19,545**	16,815	**110**	73
Depreciation of right-of-use assets	**3,135**	-	**352**	-
Net (reversal of impairment loss)/impairment loss on trade receivables	**(73)**	30	**-**	-
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	**2,555**	2,437	**650**	631
- Wages, salaries and others	**57,839**	49,127	**5,434**	5,128
- Share-based payments	**2,155**	3,781	**2,155**	3,781
Inventories - property development cost written off	**-**	4,455	**-**	-
Property, plant and equipment written off	**714**	1,339	**-**	-
Dividend income from other investments	**(1,691)**	(2,384)	**(1,691)**	(2,384)
Expenses relating to leases of low-value assets	**611**	-	**34**	-
Rental of office	**-**	3,868	**-**	391

Notes to the Financial Statements

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Executive Directors				
- Salaries	**3,520**	3,237	**890**	818
- Contributions to Employees Provident Fund	**134**	123	**134**	123
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**83**	193	**72**	176
Share-based payments	**288**	611	**288**	611
	4,025	4,164	**1,384**	1,728
Non-Executive Directors				
- Fees	**338**	338	**328**	328
- Allowance	**69**	73	**69**	73
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**51**	49	**51**	49
Share-based payments	**288**	611	**288**	611
	746	1,071	**736**	1,061
	4,771	5,235	**2,120**	2,789

22. TAX EXPENSE

Recognised in profit or loss

	Note	Group		Company	
		2019 RM'000	2018 RM'000 Restated	2019 RM'000	2018 RM'000
Current tax expense					
- Current		**2,023**	1,048	**-**	-
- Prior year		**(242)**	(98)	**-**	-
Total current tax recognised in profit or loss		**1,781**	950	**-**	-
Deferred tax expense					
- Origination of temporary differences		**43,635**	2,736	**-**	-
- Prior year		**281**	(293)	**350**	-
Total deferred tax recognised in profit or loss	10	**43,916**	2,443	**350**	-
Total tax expense		**45,697**	3,393	**350**	-

22. TAX EXPENSE (CONTINUED)

Reconciliation of tax expense

	Note	Group 2019 RM'000	Group 2018 RM'000 Restated	Company 2019 RM'000	Company 2018 RM'000
Loss for the year		**(100,893)**	(36,003)	**(5,758)**	(7,940)
Total tax expense		**45,697**	3,393	**350**	-
Loss excluding tax		**(55,196)**	(32,610)	**(5,408)**	(7,940)
Tax calculated using Malaysian tax rate of 24% (2018:24%)		**(13,247)**	(7,826)	**(1,298)**	(1,906)
Effect of tax rate in foreign jurisdictions *		**755**	2,033	**-**	-
Non-deductible expenses		**7,533**	6,050	**785**	1,370
Non-taxable income		**(815)**	(933)	**(412)**	(573)
Current year losses of which no deferred tax asset is recognised		**8,927**	4,460	**925**	1,109
Recognition of deferred tax on land reclassified from inventories to property, plant and equipment ɸ		**42,505**	-	**-**	-
		45,658	3,784	**-**	-
Under/(Over) provision in prior year		**39**	(391)	**350**	-
		45,697	3,393	**350**	-

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

ɸ Due to changes in the master plan of Treasure Bay Bintan, Indonesia, additional deferred tax liabilities were recognised based on Indonesia corporate tax rate on the land reclassified from inventories to property, plant and equipment as the Group expects to recover the amount through own use. When the land was classified as inventories, there was no deferred tax liabilities recognised because if a land in Indonesia is to be recovered through sale, it will not be subjected to income tax expense but instead, a tax will be levied on the sale proceeds.

23. LOSS PER ORDINARY SHARE

Basic loss per ordinary share

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

	Group 2019 RM'000	Group 2018 RM'000 Restated
Loss for the year attributable to owners	**100,233**	36,003

	Group 2019 '000	Group 2018 '000
Weighted average number of ordinary shares at 31 December	**528,891**	528,891

Notes to the Financial Statements

23. LOSS PER ORDINARY SHARE (CONTINUED)

Basic loss per ordinary share (continued)

	Group	
	2019 Sen	**2018 Sen Restated**
Basic loss per ordinary share	**18.95**	6.81

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.

24. OPERATING SEGMENTS

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

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

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

Segment assets

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

Segment liabilities

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

	Hospitality and wellness RM'000	**Resort and destination development RM'000**	**Total RM'000**
2019			
Total segment revenue	**106,159**	**8,751**	**114,910**
Results from operating activities	**103**	**(29,938)**	**(29,835)**

Included in the measure of segment results from operating activities are:

Depreciation	**(14,597)**	**(7,620)**	**(22,217)**

24. OPERATING SEGMENTS (CONTINUED)

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

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
2019			
Finance costs	**(6,990)**	**(9,595)**	**(16,585)**
Tax expense	**(2,990)**	**(42,587)**	**(45,577)**
Segment assets	**253,153**	**2,012,878**	**2,266,031**

Included in the measure of segment assets are:

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
Additions to non-current assets other than financial instruments and deferred tax assets	**23,699**	**6,005**	**29,704**
2018			
Total segment revenue	100,791	8,262	109,053
Results from operating activities	21,744	(38,903)	(17,159)

Included in the measure of segment results from operating activities are:

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
Depreciation	(12,359)	(4,383)	(16,742)

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

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
2018			
Finance costs	(5,115)	(783)	(5,898)
Tax expense (restated)	(3,397)	-	(3,397)
Segment assets	228,135	2,019,482	2,247,617

Included in the measure of segment assets are:

	Hospitality and wellness RM'000	Resort and destination development RM'000	Total RM'000
Additions to non-current assets other than financial instruments and deferred tax assets	15,054	13,744	28,798

24. OPERATING SEGMENTS (CONTINUED)

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

Segment results from operating activities	2019 RM'000	2018 RM'000
Total results from operating activities for reportable segment	**(29,835)**	(17,159)
Other non-reportable segments	**(8,985)**	(9,518)
Finance costs	**(16,598)**	(6,099)
Finance income	**222**	166
Tax expense	**(45,697)**	(3,393)
Consolidated loss after tax	**(100,893)**	(36,003)

	Revenue RM'000	Depreciation RM'000	Income tax expense RM'000	Segment assets RM'000	Additions to non-current assets RM'000
2019					
Total reportable segment	**114,910**	**(22,217)**	**(45,577)**	**2,266,031**	**29,704**
Other non-reportable segments	**1,691**	**(463)**	**(120)**	**22,175**	**40**
Consolidated total	**116,601**	**(22,680)**	**(45,697)**	**2,288,206**	**29,744**
	RM'000	**RM'000 Restated**	**RM'000 Restated**	**RM'000 Restated**	**RM'000**
2018					
Total reportable segment	109,053	(16,742)	(3,397)	2,247,617	28,798
Other non-reportable segments	2,384	(73)	4	92,351	233
Consolidated total	111,437	(16,815)	(3,393)	2,339,968	29,031

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	
	2019 RM'000	2018 RM'000
Malaysia	**130,188**	131,060
Indonesia	**2,038,260**	1,980,262
Other countries	**4,544**	1,873
	2,172,992	2,113,195

25. FINANCIAL INSTRUMENTS

25.1 Categories of financial instruments

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

(a) Amortised cost ("AC")
(b) Fair value through profit or loss ("FVTPL")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2019			
Financial assets			
Group			
Other investments	**11,749**	**-**	**11,749**
Trade and other receivables	**15,222**	**15,222**	**-**
Cash and cash equivalents	**27,520**	**27,520**	**-**
	54,491	**42,742**	**11,749**
Company			
Other investments	**9,664**	**-**	**9,664**
Trade and other receivables	**12,696**	**12,696**	**-**
Cash and cash equivalents	**8,101**	**8,101**	**-**
	30,461	**20,797**	**9,664**
Financial liabilities			
Group			
Loans and borrowings	**(121,411)**	**(121,411)**	**-**
Trade and other payables	**(30,402)**	**(30,402)**	**-**
	(151,813)	**(151,813)**	**-**
Company			
Other payables	**(128,769)**	**(128,769)**	**-**

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2018			
Financial assets			
Group			
Other investments	87,384	-	87,384
Trade and other receivables	14,233	14,233	-
Cash and cash equivalents	30,934	30,934	-
	132,551	45,167	87,384
Company			
Other investments	85,299	-	85,299
Trade and other receivables	10,986	10,986	-
Cash and cash equivalents	3,037	3,037	-
	99,322	14,023	85,299
Financial liabilities			
Group			
Loans and borrowings	(133,419)	(133,419)	-
Trade and other payables	(29,798)	(29,798)	-
	(163,217)	(163,217)	-
Company			
Other payables	(132,153)	(132,153)	-
	(132,153)	(132,153)	-

25.2 Net (losses)/gains arising from financial instruments

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Net (losses)/gains arising on:				
Financial assets at fair value through profit or loss	**1,654**	1,948	**1,654**	1,948
Financial assets at amortised cost	**709**	(197)	**(180)**	(292)
Financial liabilities at amortised cost	**(15,865)**	(6,099)	**-**	(193)
	(15,156)	(6,296)	**(180)**	(485)
	(13,502)	(4,348)	**(1,474)**	1,463

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

25.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer and balances and deposits with banks. The Company's exposure to credit risk arises principally from balances and deposits with banks and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained and credit evaluations are performed on customers requiring credit over a certain amount.

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

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

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

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

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

Recognition and measurement of impairment loss

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

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2019 and 31 December 2018.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2019			
Current (not past due)	**4,426**	**-**	**4,426**
1 – 60 days past due	**1,139**	**(28)**	**1,111**
	5,565	**(28)**	**5,537**
Credit impaired			
More than 60 days past due	**328**	**(1)**	**327**
Individually impaired	**8**	**(8)**	**-**
	336	**(9)**	**327**
Total receivables	**5,901**	**(37)**	**5,864**
2018			
Current (not past due)	2,763	-	2,763
1 – 60 days past due	134	-	134
	2,897	-	2,897
Credit impaired			
More than 60 days past due	22	-	22
Individually impaired	110	(110)	-
	132	(110)	22
Total receivables	3,029	(110)	2,919

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

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

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance at 1 January 2018	-	84	84
Net remeasurement of loss allowance	-	30	30
Foreign currency translation differences	-	(4)	(4)
Balance at 31 December 2018/1 January 2019	**-**	**110**	**110**
Net remeasurement of loss allowance	**-**	**(73)**	**(73)**
Balance at 31 December 2019	**-**	**37**	**37**

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 RM122,000,000 (2018: RM141,149,000) representing the outstanding financial guarantees granted to a subsidiary as at the end of reporting period.

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

Recognition and measurement of impairment loss

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

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

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

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

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

Cash and cash equivalents are placed with licensed financial institutions.

Exposure to credit risk and credit quality

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

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

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.4 Credit risk (continued)

Other receivables

Credit risk on other receivables are mainly arise from receivables from third party which arose from deposits and other advances.

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

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

25.5 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, lease liabilities 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
2019							
Group							
Secured term loan	121,411	5.45%-5.70%	152,011	16,339	14,397	44,627	76,648
Lease liabilities	14,026	2.85%-6.00%	16,827	3,415	3,748	8,034	1,630
Trade and other payables	30,402	-	30,402	30,402	-	-	-
	165,839		199,240	50,156	18,145	52,661	78,278
Company							
Other payables	128,769	-	128,769	128,769	-	-	-
Lease liabilities	1,164	6.00%	1,378	336	250	750	42
Financial guarantees	-	-	122,000	122,000	-	-	-
	129,933		252,147	251,105	250	750	42

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.5 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	>5 years RM'000
2018							
Group							
Secured term loan	133,154	5.95%-6.89%	174,533	17,189	19,453	45,681	92,210
Finance lease liabilities	265	2.50%-3.75%	291	191	100	-	-
Trade and other payables	29,798	-	29,798	29,798	-	-	-
	163,217		204,622	47,178	19,553	45,681	92,210
Company							
Other payables	132,153	-	132,153	132,153	-	-	-
Financial guarantees	-	-	141,149	141,149	-	-	-
	132,153		273,302	273,302	-	-	-

25.6 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.

25.6.1 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.

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.6 Market risk (continued)

25.6.1 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:

Group	Denominated in USD RM'000	Denominated in SGD RM'000	Denominated in IDR RM'000
2019			
Trade and other receivables	**633**	**269**	**-**
Trade and other payables	**-**	**(140)**	**(74)**
Cash and cash equivalents	**57**	**445**	**6**
Net exposure	**690**	**574**	**(68)**
2018			
Trade and other receivables	124	951	-
Trade and other payables	(494)	(618)	(153)
Cash and cash equivalents	60	963	17
Net exposure	(310)	1,296	(136)

Company	Denominated in SGD 2019 RM'000	Denominated in SGD 2018 RM'000
Cash and cash equivalents	**207**	405
	207	405

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 2019 RM'000	Group Profit or loss 2018 RM'000	Company Profit or loss 2019 RM'000	Company Profit or loss 2018 RM'000
USD	**(69)**	31	**-**	-
SGD	**(57)**	(130)	**(21)**	(41)
IDR	**7**	14	**-**	-

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.

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.6 Market risk (continued)

25.6.2 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 significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group	
	2019 RM'000	**2018 RM'000**
Fixed rate instruments		
Financial assets	**3,519**	2,530
Financial liabilities	**(14,026)**	(265)
	(10,507)	2,265
Floating rate instruments		
Financial liabilities	**(121,411)**	(133,154)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

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

(b) Cash flow sensitivity analysis for variable rate instruments

An increase/(decrease) of 100 basis points in interest rates at the end of the reporting period would have increased/(decrease) loss/profit before tax by RM1,214,000 (2018: RM1,332,000) for the Group. This analysis assumes that all other variables remain constant.

Notes to the Financial Statements

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.7 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.

25.7.1 Fair value hierarchy

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

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 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	RM'000	RM'000
2019										
Group										
Financial assets										
Other investments	**-**	**9,664**	**1,885**	**11,549**	**-**	**-**	**200**	**200**	**11,749**	**11,749**
Financial liabilities										
Secured term loan	**-**	**-**	**121,411**	**121,411**	**-**	**-**	**-**	**-**	**121,411**	**121,411**
Company										
Financial assets										
Other investments	**-**	**9,664**	**-**	**9,664**	**-**	**-**	**-**	**-**	**9,664**	**9,664**
2018										
Group										
Financial assets										
Other investments	-	85,299	1,885	87,184	-	-	200	200	87,384	87,384
Financial liabilities										
Secured term loan	-	-	133,154	133,154	-	-	-	-	133,154	133,154
Finance lease liabilities	-	-	-	-	-	-	262	262	262	265
	-	-	133,154	133,154	-	-	262	262	133,416	133,419
Company										
Financial assets										
Other investments	-	85,299	-	85,299	-	-	-	-	85,299	85,299

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.7 Fair value of financial instruments (continued)

25.7.1 Fair value hierarchy (continued)

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 (2018: 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 is 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.

26. 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.

27. CAPITAL AND OTHER COMMITMENTS

	Group	
	2019 RM'000	**2018 RM'000**
Capital expenditure commitments		
Property, plant and equipment		
Contracted but not provided for	**5,772**	13,252

Notes to the Financial Statements

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 21.

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

29. SUBSEQUENT EVENT

The outbreak of the COVID-19 since January 2020 led to a significant disruption in travel volumes and hotel occupancies throughout Malaysia and Indonesia. With more countries being affected and containment measures imposed to mitigate the spread of the pandemic, increase in number of countries-imposed travel restrictions and movement control orders, performance of most of the hotels were materially adversely affected since January 2020.

The Group made an announcement on 1 April 2020 that they have temporarily closed the operations of the Group's resorts and leisure operations in both Malaysia and Indonesia. The Group is monitoring the situation with a view to recommencing operations bearing in mind that the safety of patrons is paramount. In the interim, the Group is prudently implementing cost control measures.

As at 31 December 2019, the Group's cash and bank balances (including short-term fund placement) was RM27,520,000. On 12 May 2020, the Group has received an approval from the lender for temporary deferment of its financing repayment obligation (principal and interest) and to further drawdown RM10,000,000 banking facilities available to help weather the effect of this pandemic to the financials.

30. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

During the year, the Group and the Company adopted MFRS 16.

Definition of a lease

On transition to MFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied MFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under MFRS 117 and IC Interpretation 4, *Determining whether an Arrangement contains a Lease* were not reassessed. Therefore, the definition of a lease under MFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

Where the Group and the Company are a lessee, the Group and the Company applied the requirements of MFRS 16 retrospectively with the initial application that the right-of-use assets is equivalent to the lease liabilities as at 1 January 2019.

At 1 January 2019, for leases that were classified as operating lease under MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group entities' incremental borrowing rate as at 1 January 2019. The rate applied is 6%. Right-of-use assets are measured at either:

- their carrying amount as if MFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at 1 January 2019; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

30. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES (CONTINUED)

As a lessee (continued)

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating lease under MFRS 117:

- applied a single discount rate to a portfolio of leases with similar characteristics;
- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term as at 1 January 2019;
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance lease under MFRS 117, the carrying amounts of the right-of-use asset and the lease liability at 1 January 2019 are determined to be the same as the carrying amount of the leased asset and lease liability under MFRS 117 immediately before that date.

30.1 Impacts on financial statements

Since the Group and the Company applied the requirements of MFRS 16 retrospectively with the cumulative effect of initial application at 1 January 2019, there are no adjustments made to the prior period presented.

The following table explains the difference between operating lease commitments disclosed applying MFRS 117 at 31 December 2018, and lease liabilities recognised in the statement of financial position at 1 January 2019.

Group	**RM'000**
Operating lease commitments as at 31 December 2018 as disclosed in the Group's consolidated financial statements	19,185
Discounted using the incremental borrowing rate at 1 January 2019	16,195
Finance lease liabilities recognised as at 31 December 2018	265
Lease liabilities recognised at 1 January 2019	16,460

Company	
Operating lease commitments as at 31 December 2018 as disclosed in the Company's financial statements	1,774
Discounted using the incremental borrowing rate at 1 January 2019/Lease liabilities recognised at 1 January 2019	1,547

Notes to the Financial Statements

31. PRIOR YEAR ADJUSTMENTS

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

(a) Upon reassessment by the Group, in light of the changes in Indonesian tax laws from corporate tax to final tax for sale of land and buildings in the prior years, deferred tax liabilities of RM182.58 million (reversal of RM182.95 million for 1 January 2018 and addition of RM0.37 million for 31 December 2018) relating to land held for development/sale in Treasure Bay Bintan, Indonesia has been adjusted retrospectively.

(b) Reversal of RM7.00 million (RM5.24 million for 1 January 2018 and RM1.76 million for 31 December 2018) accumulated depreciation on Treasure Bay Bintan, Indonesia land as the land has indefinite useful life and amortisation is not required.

As a result, the following adjustments were made retrospectively to the financial statements of prior years to be consistent with the current year's presentation. The effects of correction of the adjustments are disclosed below:

	31 December 2018			1 January 2018		
	As previously reported RM'000	Effects of prior year adjustments RM'000	As restated RM'000	As previously reported RM'000	Effects of prior year adjustments RM'000	As restated RM'000
Statement of financial position (extract)						
Property, plant and equipment	1,332,133	7,003	1,339,136	1,321,246	5,240	1,326,486
Deferred tax liabilities	(465,768)	182,585	(283,183)	(463,694)	182,954	(280,740)
Retained earnings	(966,714)	(189,588)	(1,156,302)	(1,001,762)	(188,194)	(1,189,956)

	31 December 2018		
	As previously reported RM'000	Effects of prior year adjustments RM'000	As restated RM'000
Statement of profit or loss and other comprehensive income (extract)			
Other operating expenses	36,240	(1,763)	34,477
Loss before tax	34,373	(1,763)	32,610
Tax expense	3,024	369	3,393
Loss for the year	37,397	(1,394)	36,003
Total comprehensive expense for the year	44,822	(1,394)	43,428
Basic and diluted loss per ordinary share (sen)	7.07	(0.26)	6.81
Statement of cash flow (extract)			
Loss before tax	34,373	(1,763)	32,610
Depreciation of property, plant and equipment	18,578	(1,763)	16,815

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 56 to 132 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 2019 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: 18 May 2020

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 56 to 132 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Fong Chee Khuen, MIA CA 14254, in Kuala Lumpur on 18 May 2020.

Fong Chee Khuen

Before me:

Samirtha Apostler
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 2019 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 56 to 132.

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 2019, 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. We have identified 2 key audit matters during the year and we have addressed them during the audit by performing procedures as mentioned below:

Valuation of assets in Treasure Bay Bintan, Indonesia	
Refer to Note 2(g) – Significant Accounting Policies: Inventories, Note 2(i) – Significant Accounting Policies: Impairment, Note 3 – Property, plant and equipment and Note 6 – Inventories.	
The key audit matter	**How the matter was addressed in our audit**
As at year end, property, plant and equipment ("PPE") and inventories which comprise land held for development and property development costs relating to Treasure Bay Bintan project constitute major part of the Group's total assets. We identified the valuation of assets in Treasure Bay Bintan, Indonesia as a key audit matter because the estimation on the recoverability of these assets involved significant degree of judgment and assumptions and it requires significant involvement of our more experienced audit engagement team members.	Our audit procedures, amongst others include: *PPE – Land and Inventories* • Obtained the latest external valuation report of Treasure Bay Bintan and assessed the competency and objectivity of external valuer engaged by the Group by considering the valuer's professional qualifications and experiences; and • Evaluated the key assumptions used by the external valuer in determining the valuation amount by comparing to available market data, adjusted for expected market conditions; and • Determined that the valuation methodology used by the external valuer was in accordance with the requirement of accounting standards.

Key Audit Matters (continued)

Valuation of assets in Treasure Bay Bintan, Indonesia (continued)	
The key audit matter (continued)	**How the matter was addressed in our audit (continued)**
	PPE – Other assets • Evaluated the key assumptions used in the cash flow projections from the Group against historical trends and external market analyses to assess the reliability of the Group's forecast. • Performed stress tests using plausible range of key assumptions and discount rates, and analysed the impact to the carrying amount.

Impairment assessment of investment in subsidiary – Company	
Refer to Note 1 Basis of preparation - Use of estimates and judgements, Note 2(i)(ii) – Significant Accounting Policies: Impairment - Other assets and Note 7 - Investment in Subsidiaries.	
The key audit matter	**How the matter was addressed in our audit**
The Company has a subsidiary as at 31 December 2019 of which the cost of investment constitute majority of the total assets of the Company. This subsidiary's main operation is in Treasure Bay Bintan as discussed above. We identified the impairment assessment of investment in this subsidiary as a key audit matter because impairment assessment requires significant judgement and estimation and it requires significant involvement of our more experienced audit engagement team members.	Our audit procedures, amongst others include: • Assessed the appropriateness of the impairment test carried out by the Company by comparing it with the requirements of the relevant accounting standards. • Evaluated and challenged the key assumptions used by the external valuer in the valuation report and the key assumptions used by the Group in cash flow projections as described in the key audit matter relating to the valuation of assets in Treasure Bay Bintan, Indonesia above.

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.

Independent Auditors' Report
to the members of Landmarks Berhad

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company 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.

- 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.

Independent Auditors' Report
to the members of Landmarks Berhad

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

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 7 to the financial statements.

Other Matter

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

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

Petaling Jaya, Selangor

Date: 18 May 2020

Other Information

1. ANALYSIS OF SHAREHOLDINGS AS AT 29 MAY 2020

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	204	1.73	5,573	*
100 – 1,000	3,597	30.54	3,344,569	0.63
1,001 – 10,000	5,929	50.34	25,765,166	4.87
10,001 – 100,000	1,792	15.21	58,219,806	11.01
100,001 – 26,444,532	254	2.16	199,739,056	37.77
26,444,533 and above	2	0.02	241,816,500	45.72
Total	11,778	100.00	528,890,670	100.00

* *Percentage is insignificant*

Substantial Shareholders

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

* *Deemed interest pursuant to Section 8 of the Companies Act 2016 (“Act”)*
** *Deemed interest pursuant to Section 8 and Section 59 (11) (c) of the Act*

Other Information

1. ANALYSIS OF SHAREHOLDINGS AS AT 29 MAY 2020 (CONTINUED)

Directors' Interests

	Ordinary Shares				Options over Ordinary Shares**	
	Direct		Indirect		Direct	
	No. of Shares	%	No. of Shares	%	No. of Options Granted	No. of Options Vested
Tan Sri Zakaria bin Abdul Hamid	3,083,400	0.58	-	-	1,000,000	625,000
Mark Wee Liang Yee	-	-	70,900,000	13.40*	3,000,000	1,875,000
Robin Tan Wee Hoong	8,968,000	1.69	-	-	3,000,000	1,875,000
Dato' Abdul Malek bin Abdul Hamid	-	-	-	-	1,000,000	625,000
Bernard Chong Lip Tau	-	-	-	-	1,000,000	625,000
John Ko Wai Seng	-	-	-	-	1,000,000	625,000
Dato' Sri Ramli bin Yusuff	-	-	-	-	1,000,000	625,000
Chin Mui Khiong	-	-	-	-	1,000,000	625,000

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

None of the Non-Executive Directors have exercised the options granted to them pursuant to the Employees' Share Option Scheme during the financial year ended 31 December 2019.

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)	96,125,500	18.17
2.	Phoenix Spectrum Sdn Bhd	62,361,700	11.79
3.	Phoenix Spectrum Sdn Bhd	39,958,300	7.56
4.	Phoenix Spectrum Sdn Bhd	22,371,000	4.23
5.	Phoenix Spectrum Sdn Bhd	21,000,000	3.97
6.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	19,302,475	3.65
7.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for Bank of Singapore Limited (Local)	19,020,970	3.60
8.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa	14,980,000	2.83
9.	HLB Nominees (Tempatan) Sdn Bhd Terra Benua Sdn Bhd (Cust. Sin 44634)	13,000,000	2.46
10.	Prestasi Cergas Sdn Bhd	12,179,650	2.30
11.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa @ Chan Teik Chuan	10,620,000	2.01
12.	HLB Nominees (Asing) Sdn Bhd Nguyen Hoai Van (Cust.Sin 41150)	6,900,000	1.30
13.	HLB Nominees (Asing) Sdn Bhd Mabel Lee Kim Lian (Cust.Sin 4803)	3,850,000	0.73

Other Information

1. ANALYSIS OF SHAREHOLDINGS AS AT 29 MAY2020 (CONTINUED)

No.	Name	No. of Shares Held	%
14.	Ong Kok Seng	3,676,700	0.69
15.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hew Kuan Seng (Penang-CL)	3,053,300	0.58
16.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Bank of Singapore Limited (Foreign)	3,038,300	0.57
17.	Pacific & Orient Berhad	3,000,000	0.57
18.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	2,637,966	0.50
19.	Lee Eng Hock & Co. Sendirian Berhad	2,450,000	0.46
20.	Wong Soo Chai @ Wong Chick Wai	2,425,400	0.46
21.	CGS-CIMB Nominees (Asing) Sdn Bhd Exempt AN for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	2,201,399	0.42
22.	Hassan Bin Che Abas	1,500,000	0.28
23.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Teng Heng	1,500,000	0.28
24.	Mohd Razali Bin Abdul Rahman	1,500,000	0.28
25.	Geo-Mobile Asia Sdn. Bhd.	1,420,000	0.27
26.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Teng Heng	1,390,500	0.26
27.	Tan Chee Eng Martina	1,261,100	0.24
28.	Lee Hong Choon	1,241,000	0.23
29.	YTL Power International Berhad	1,144,000	0.22
30.	Chen GuangQiang	1,118,900	0.21

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 2019 or entered into since the end of the previous financial year.

3. AUDIT AND NON-AUDIT FEES

The fees paid and/or payable to the external auditors and its affiliates, for the financial year ended 31 December 2019 are as follows:

	Group RM'000	Company RM'000
Audit Services	1,072	90
Non-Audit Services	319	27
Total Fees	1,391	117

Other Information

3. AUDIT AND NON-AUDIT FEES (CONTINUED)

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.

4. PROPERTIES AS AT 31 DECEMBER 2019

Held by Subsidiary	Name Description Location	Tenure	Approx Age of Building (years)	Approx Land Area (sq.metres)	Net Book Value as at 31.12.2019 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	23	164,861	113.21	2.5.2012	1996
PT Pelangi Bintan Indah	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	2,671,010	1,527.21	28.3.2014	2008
		and expiring in 2044#	-	391,229	223.68	28.3.2014	2008
PT Fordate Estate Villa	ANMON, a three star, 100 tent suite hotel and resort located in Bintan Island, Indonesia	Leasehold expiring in 2024*	1	NA	13.38	NA	2019
PT Marine Life Discovery Park	A marine life discovery park	Leasehold expiring in 2024*	1	NA	9.32	NA	2019
PT Resorts Development and Management Bintan	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	37,086	21.20	28.3.2014	2009
		and expiring in 2028*	-	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	Natra Bintan, a Tribute Portfolio Resort, a four star, 100 tent suite hotel and resort development land in Bintan Island, Indonesia	Leasehold expiring in 2044#	4	95,628	67.26	28.3.2014	2009
PT Hotel Management Bintan	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2044#	-	46,011	26.31	28.3.2014	2009

* *The lease on the land can be extended for twenty (20) years and thereafter can be renewed indefinitely for every thirty (30) years.*
# *The lease on the land can be renewed indefinitely for every thirty (30) years.*

Notice of 31st Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-first Annual General Meeting ("31st AGM") of Landmarks Berhad ("Landmarks" or "Company") will be conducted virtually for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice.

Meeting Platform	:	https://tiih.online
Meeting Title	:	(LIVE STREAMING MEETING) LB 31ST AGM
Day, Date and Time	:	Wednesday, 15 July 2020 at 10.00 a.m.
Broadcast Venue	:	Tricor Leadership Room Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur
Mode of Communication	:	1) Submit questions via query box facility via Tricor's TIIH Online website at https://tiih.online during the Meeting. 2) Submit questions via Tricor's TIIH Online website at https://tiih.online prior to the Meeting.

As Ordinary Business

1.	To receive the audited financial statements for the year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon.	Please refer to Note 1
2.	To approve the payment of Directors' fees for Landmarks and its subsidiaries amounting to RM338,100.00 for the financial year ended 31 December 2019.	Ordinary Resolution 1
3.	To re-elect the following Directors who retire in accordance with Clause 18.3 of the Constitution of the Company:	
	(a) Mr Bernard Chong Lip Tau	Ordinary Resolution 2
	(b) Mr Mark Wee Liang Yee	Ordinary Resolution 3
	(c) Dato' Sri Ramli bin Yusuff	Ordinary Resolution 4
4.	To re-appoint Messrs KPMG PLT as auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5

As Special Business

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

5.	Proposed Retention of Mr Bernard Chong Lip Tau as Independent Non-Executive Director	
	"**THAT** subject to the passing of Ordinary Resolution 2, Mr Bernard Chong Lip Tau, having served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company."	Ordinary Resolution 6
6.	Proposed Retention of Mr John Ko Wai Seng as Independent Non-Executive Director	
	"**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 and to hold office until the conclusion of the next Annual General Meeting of the Company."	Ordinary Resolution 7
7.	Payment of Benefits Payable to Non-Executive Directors under Section 230(1)(b) of the Companies Act 2016	
	"**THAT** the benefits payable to the Non-Executive Directors of the Company of up to an aggregate amount of RM300,000.00 for the period from 16 July 2020 until the next Annual General Meeting of the Company pursuant to Section 230(1)(b) of the Companies Act 2016, be and is hereby approved for payment."	Ordinary Resolution 8

8. Authority to Issue and Allot Shares

"**THAT** subject to Sections 75 and 76 of the Companies Act 2016 and the approval of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised to issue and allot shares in the Company, at any time to such persons 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 to be alloted 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 to be alloted on Bursa Malaysia Securities Berhad, AND THAT such authority shall continue to be in force commence immediately upon the passing of this resolution and until the conclusion of the next Annual General Meeting of the Company." Ordinary Resolution 9

Any Other Business

9. To transact any other business that may be transacted at the 31st AGM of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

TAN AI NING (MAICSA7015852) (SSM PC No.: 202008001023)
WONG WEI FONG (MAICSA7006751) (SSM PC No.: 201908001352)
COMPANY SECRETARIES

SELANGOR DARUL EHSAN
16 June 2020

Explanatory Notes

1. Agenda 1 is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a shareholders' approval of the Audited Financial Statements. Hence, this agenda item will not be put forward for voting.

2. *Ordinary Resolutions 6 and 7* – Proposed Retention of Mr Bernard Chong Lip Tau and Mr John Ko Wai Seng as *Independent Non-Executive Directors*

   Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017, 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 the Board as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years and have recommended them to be retained as Independent Non-Executive Directors of the Company, subject to the approval from the shareholders of the Company based on the following justifications:
   (i) they have fulfilled the guidelines of the Main Market Listing Requirements in respect of 'Independence';
   (ii) they are being free of management, they have and are able to exercise independent judgment to act in the best interests of the Company;
   (iii) they 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 Non-Executive Directors and have carried out their professional and fiduciary duties in the best interest of the Company.

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

   The benefits payable to the Non-Executive Directors *pursuant to Section 230(1)(b) of the Companies Act 2016* will only be made by the Company as and when incurred if the resolution is passed. The benefits payable has been reviewed by the Remuneration Committee and Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period of between 16 July 2020 until the next Annual General Meeting of the Company. 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 to be held in the financial year ending 31 December 2020 until the next Annual General Meeting as well as the number of Non-Executive Directors. 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.

Notice of 31st Annual General Meeting

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

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the 31st AGM of the Company ("General Mandate").

The Company had been granted a General Mandate by its shareholders at the Thirtieth Annual General Meeting of the Company held on 29 May 2019 ("Previous Mandate").

As at the date of this notice, the Previous Mandate granted by the shareholders has not been utilised and hence, no proceeds were raised therefrom.

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. 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.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

Notes:

1. ***IMPORTANT NOTICE***

In view of the COVID-19 health concerns and to safeguard the wellbeing of Shareholders, the 31st AGM will be conducted virtually through live streaming and online voting using the Remote Participation and Voting ("RPV") facility from the Broadcast Venue. Therefore, there will not be a physical meeting venue for Shareholders to participate the AGM in person, as we take every necessary precaution to minimise the risk of COVID-19 infections. Kindly refer to Administrative Guide for more information.

*The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** and Clause 15.4 of the Company's Constitution which stipulated that a general meeting may be held at more than one venue, using any technology or method that enables the shareholders of the Company to participate and to exercise the shareholders' right to speak and vote at the general meeting and the Chairperson shall be present at the main venue of the AGM. Shareholders should not be physically present and **WILL NOT BE ALLOWED** entry to the Broadcast Venue during the AGM. Any Shareholders who turn up at the Broadcast Venue would be requested to leave the venue politely.*

*Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 31st AGM using RPV Facility provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at https://tiih.online. **Please follow the Procedures for RPV facility in the Administrative Guide on 31st AGM in order to participate remotely via RPV facility**.*

2. *In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 8 July 2020 shall be entitled to attend, participate, speak and vote at the Meeting.*

3. *Each shareholder may vote in person or by proxy or by attorney or, being a corporation, by a duly authorised representative.*

4. *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.*

5. *A shareholder shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting. A proxy needs not be a shareholder of the Company.*

Where a shareholder 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 shareholder 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.

6. *Where a shareholder 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 shareholder, authorised nominee or exempt authorised nominee specifies the proportions of the shareholder'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.*

Notice of 31st Annual General Meeting

7. *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 be executed under the seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.*

8. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, you may also submit the form of proxy electronically via TIIH Online at website: https://tiih.online before the proxy appointment cut off time as mentioned above. For further information on the electronic lodgement of form of proxy, please refer to the Administrative Guide for the 31st AGM of the Company.*

9. *Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-*

   (a) the constitution of the quorum at such meeting;
   (b) the validity of anything he did as chairman of such meeting;
   (c) the validity of a poll demanded by him at such meeting; or
   (d) the validity of the vote exercised by him at such meeting.

10. *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 31st AGM will be put to vote by way of poll. Poll Administrator and independent Scrutineers 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 31st AGM.

2. General mandate for issue of shares

   The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the 31st AGM of the Company ("General Mandate").

   The Company had been granted a General Mandate by its shareholders at the Thirtieth Annual General Meeting of the Company held on 29 May 2019 ("Previous Mandate").

   As at the date of this notice, the Previous Mandate granted by the shareholders has not been utilised and hence, no proceeds were raised therefrom.

   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. 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.

   The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

LANDMARKS

LANDMARKS BERHAD Registration No. 198901007900 (185202-H)
(Incorporated in Malaysia)

FORM OF PROXY

I/We____

NRIC No./Company No.______________________CDS Account No.______________________

of____being

a shareholder/shareholders of **LANDMARKS BERHAD**, hereby appoint______________________

NRIC No./Passport No.__________________of ______________________

and______________________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 Thirty-first Annual General Meeting of the Company to be conducted virtually through live streaming and online voting using the Remote Participation and Voting ("RPV") facility from the broadcast venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 15 July 2020 at 10.00 a.m. and at any adjournment thereof.

** Please delete the words 'Chairman of the Meeting' if you wish to appoint some other person to be your proxy.*

My/Our proxies shall vote as follows:

Item No.	Agenda			
1.	To receive the audited financial statements for the year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon.			
		Resolutions	**For**	**Against**
2.	To approve the payment of Directors' fees for Landmarks and its subsidiaries amounting to RM338,100.00 for the financial year ended 31 December 2019.	Ordinary Resolution 1		
3.	(a) To re-elect Mr Bernard Chong Lip Tau as Director who retire in accordance with Clause 18.3 of the Constitution of the Company.	Ordinary Resolution 2		
	(b) To re-elect Mr Mark Wee Liang Yee as Director who retire in accordance with Clause 18.3 of the Constitution of the Company.	Ordinary Resolution 3		
	(c) To re-elect Dato' Sri Ramli bin Yusuff as Director who retire in accordance with Clause 18.3 of the Constitution of the Company.	Ordinary Resolution 4		
4.	To re-appoint Messrs KPMG PLT as auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
Special Business				
5.	Proposed Retention of Mr Bernard Chong Lip Tau's continuation in office as Independent Non-Executive Director.	Ordinary Resolution 6		
6.	Proposed Retention of Mr John Ko Wai Seng's continuation in office as Independent Non-Executive Director.	Ordinary Resolution 7		
7.	Payment of Benefits Payable to Non-Executive Directors under Section 230(1)(b) of the Companies Act 2016.	Ordinary Resolution 8		
8.	Authority to Issue and Allot Shares.	Ordinary Resolution 9		

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 shareholder appoints two (2) proxies (refer to Note 5), please specify the proportion of the shareholder's holdings to be represented by each proxy:

Number of Shares Held

Name of Proxy	Number of Shares Represented	Percentage
		%
		%
Total		100%

Dated this__________day of______________2020

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

Notes:

1. ***IMPORTANT NOTICE***

   In view of the COVID-19 health concerns and to safeguard the wellbeing of Shareholders, the 31st AGM will be conducted virtually through live streaming and online voting using the Remote Participation and Voting ("RPV") facility from the Broadcast Venue. Therefore, there will not be a physical meeting venue for Shareholders to participate the AGM in person, as we take every necessary precaution to minimise the risk of COVID-19 infections. Kindly refer to Administrative Guide for more information.

   The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 15.4 of the Company's Constitution which stipulated that a general meeting may be held at more than one venue, using any technology or method that enables the shareholders of the Company to participate and to exercise the shareholders' right to speak and vote at the general meeting and the Chairperson shall be present at the main venue of the AGM. Shareholders should not be physically present and WILL NOT BE ALLOWED entry to the Broadcast Venue during the AGM. Any Shareholders who turn up at the Broadcast Venue would be requested to leave the venue politely.

   Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 31st AGM using RPV Facility provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online. Please follow the Procedures for RPV facility in the Administrative Guide on 31st AGM in order to participate remotely via RPV facility.
2. *In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 8 July 2020 shall be entitled to attend, participate, speak and vote at the Meeting.*
3. *Each shareholder may vote in person or by proxy or by attorney or, being a corporation, by a duly authorised representative.*
4. *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.*
5. *A shareholder shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting. A proxy needs not be a shareholder of the Company.*

   Where a shareholder 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 shareholder 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.
6. *Where a shareholder 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 shareholder, authorised nominee or exempt authorised nominee specifies the proportions of the shareholder'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.*
7. *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 be executed under the seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.*
8. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, you may also submit the form of proxy electronically via TIIH Online at website: https://tiih.online before the proxy appointment cut off time as mentioned above. For further information on the electronic lodgement of form of proxy, please refer to the Administrative Guide for the 31st AGM of the Company.*
9. *Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-*
   (a) the constitution of the quorum at such meeting;
   (b) the validity of anything he did as chairman of such meeting;
   (c) the validity of a poll demanded by him at such meeting; or
   (d) the validity of the vote exercised by him at such meeting.
10. *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 31st AGM will be put to vote by way of poll. Poll Administrator and independent Scrutineers 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 shareholder accepts and agrees to the collection, use and disclosure of the shareholder'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 Share Registrar

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A,

Vertical Business Suite, Avenue 3,

Bangsar South,

No. 8, Jalan Kerinchi,

59200 Kuala Lumpur

FOLD HERE

Landmarks Berhad
Registration No. 198901007900 (185202-H)

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

Tel: 603-2026 0088
Fax: 603-2026 0099