



# FEEL

Annual  
Report  
Year  
Two  
Thousand  
Fifteen



scan for  
more information

**LANDMARKS**  
LANDMARKS BERHAD (185202-H)



## COVER RATIONALE

At Landmarks, we're endeavouring to be a leader in the lifestyle sector, focusing on resorts, hospitality and wellness. And to do that, we understand our products and services need to go beyond the standard in luxury. It needs to connect to make you excited, to smell fresh and exuberant. And to be able to also relax and take you away from the hustle and bustle. All of this means that we simply must make you feel.





*The Canopi - Treasure Bay Bintan*

# TREASURE BAY BINTAN

## CRYSTAL LAGOON

the first and largest sea water body in South-East Asia

## THE CANOPI

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





*Thai Massage - Chiva-Som*

## OUR BUSINESS PILLARS

- BRINGING YOU HEALTH & WELLNESS
- PRESERVING NATURE
- REHABILITATING OUR TREASURE

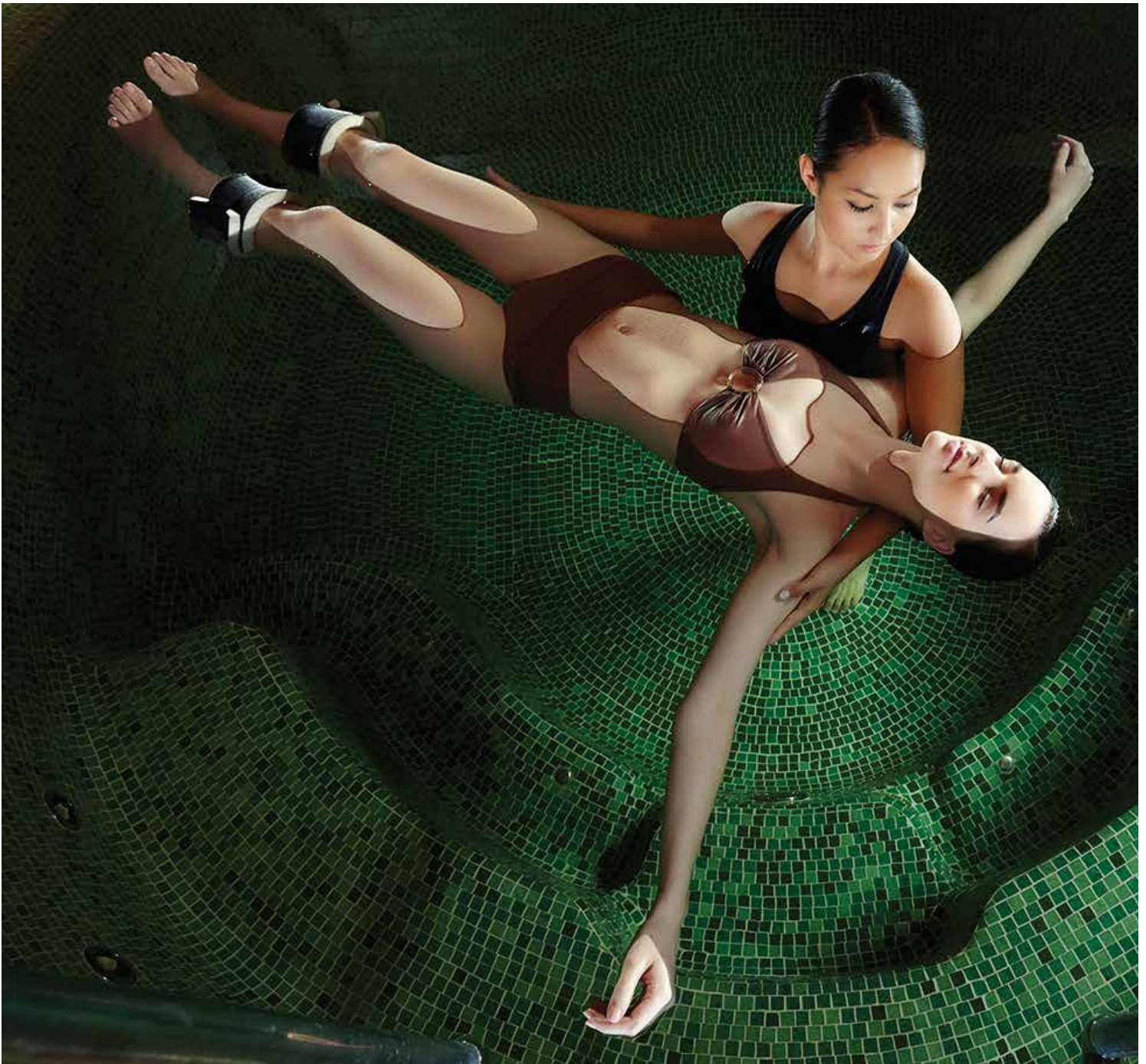




*Datai Bay - The Andaman*

We continue to set high standards, positioning ourselves on the international front. Recognising the potential of a location, we leverage on its unique geographical, cultural and archaeological wonders, not only turning it into a world class destination, but we create a significant impact in the growth and transformation of the respective surroundings and communities, reinventing ourselves to what we define as “a leading lifestyle developer of award-winning iconic destinations.”





*Watsu Therapy - Chiva-Som*

## HEALTH & WELLNESS

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

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





*Seaside Cabana Massage, V Integrated Wellness*

## V INTEGRATED WELLNESS

Inspired by our passion for wellness, V Integrated Wellness, a provider of therapies, fitness, retreats, beauty and healthy cuisine aims at nurturing mind, body and soul. Themed around the healing powers of the rainforest, signature offerings also include traditional ancient healing cultures from around the world.





*The Andaman*

# PRESERVING NATURE & TREASURES

Ensuring sustainability in the heart of every decision to protect the environment, by incorporating natural elements into our architecture and designs.

The Andaman is located in a 10-million year old rainforest.





*Coral Nursery*

## CORAL NURSERY

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

A Coral Nursery was started at The Andaman as a first step to rehabilitating the coral reef at Datai Bay.



# THE LANDMARKS GROUP



## RESORT & DESTINATION DEVELOPMENT

Treasure Bay Bintan



## HOSPITALITY & WELLNESS

The Andaman, V Integrated Wellness, Langkawi

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# CHAIRMAN'S STATEMENT



CHAIRMAN  
**TAN SRI ZAKARIA BIN ABDUL HAMID**

Dear Shareholders,

It is my honour and pleasure to deliver the  
Chairman's Statement for the  
2015 Annual Report of the Company.

## CHAIRMAN'S STATEMENT



### THE ANDAMAN, A LUXURY COLLECTION RESORT

The Andaman, A Luxury Collection Resort, continued to perform well during the financial year. Despite the challenging economic environment in 2015, the average occupancy rate increased by 4.3% and average daily rate increased by 12.9%, as compared with 2014. We thank our partner, Starwood Hotels & Resorts Worldwide Inc, for their efforts in bringing up the profile of The Andaman and in operating the resort to the highest standards.

The Andaman capitalised on its unique position amongst geographical wonders to attract visitors globally, making it a preferred resort destination that offers more than just a holiday experience. On 8 June 2015, The Andaman in line with the Company's corporate sustainability initiative had launched its very own marine life laboratory. The laboratory is primarily aimed at ensuring the success of the coral and reef conservation programme being undertaken at Datai Bay and will be an educational resource for students from Malaysian universities. In the process of restoration of the coral and conservation of the environment at Datai Bay involving the local community and guests it has facilitated guests' awareness and experiences at The Andaman.





## CHAIRMAN'S STATEMENT



*Executive Seaview Suite, The Andaman*

But there is no sitting still. The Group continues to evaluate the concept and feasibility of introducing additional products and services on the remaining portion of our land around The Andaman to realise the full potential of our unique location at Datai Bay.

It is very heartening to note that all our efforts and investment have been recognised. The Andaman and V Integrated Wellness continued to win awards in 2015, both locally and internationally. Notable among the awards were: Luxury Grand Resort of the Year in the Luxury Travel Guide Global Awards 2015, Malaysia's Leading Spa Resort in the World Travel Awards 2015, Top 25 Resorts in Asia by Conde Nast Traveler Readers' Choice Awards 2015 and Harper's Bazaar Malaysia Spa Awards 2015 for the Best Seaside Getaway for Two and Best Wellness Retreat for Couples, amongst others.



*V Retreat - Yoga, The Andaman*



## CHAIRMAN'S STATEMENT



*Eastern Arrival, The Canopi, Treasure Bay Bintan*

### TREASURE BAY BINTAN

In 2014, the Group secured the commitment of Canyon Ranch to operate a luxury wellness resort at Treasure Bay Bintan. Your Board however regrets that, after much consideration and deliberation, both Canyon Ranch and the Company mutually decided not to move forward with the planned development.

The Group's commitment to develop Treasure Bay Bintan as a health and wellness retreat destination remains intact. We have entered into a management agreement with Chiva-Som, a renowned luxury wellness operator from Thailand, to develop our first luxury wellness resort. We will be launching the Chiva-Som healthy living villas for investment opportunities this year with construction expected to start in 2017.

The Canopi, a 40-key resort featuring luxury camping tents, and the attractions and leisure offerings around the Crystal Lagoon, were opened to the public on 1 November 2015. Reception to the resort and its attractions has been positive with The Canopi achieving satisfactory occupancy and daily rates since its opening. The various attractions include land and water sports, and guided nature tours within the Treasure Bay Bintan development.

The Group will be adding new and unique attractions and activities such as a Marine Life Park, slip and slide, organic farm and children's spray park as well as additional keys around The Canopi to increase the footfall to Treasure Bay Bintan in the current financial year.



*Children's Spray Park, Treasure Bay Bintan - coming soon*



*Marine Life Park, Treasure Bay Bintan - coming soon*



## CHAIRMAN'S STATEMENT



Utility Terrain Vehicle, Treasure Bay Bintan



Self-balancing Two Wheeler, Treasure Bay Bintan



Bumper Boat Madness, Treasure Bay Bintan



Cable Ski, Treasure Bay Bintan

### FINANCIAL PERFORMANCE FOR 2015

The Group recorded revenue of RM61.92 million and a net loss of RM12.06 million for the financial year ended 31 December 2015 compared with revenue of RM53.60 million and a net loss of RM5.31 million in financial year 2014.

The improved Group revenue is attributed to the higher contribution from The Andaman with updated guestrooms and facilities. The Andaman's gross operating profit increased by 15% as compared with 2014. The higher Group net loss for the financial year 2015 is attributed mainly to the expenses incurred in the course of business commencement and start-up of Treasure Bay Bintan.



## CHAIRMAN'S STATEMENT



*Organic Farm, Treasure Bay Bintan - coming soon*

### PROSPECTS

The Andaman will continue to attract international guests. Aggressive marketing and public relations plans have been prepared to capture new markets and to enhance revenue. As such, we expect The Andaman to increase its contribution to the Group in 2016.

The Group will be introducing more attractions and activities to Chill Cove in 2016 which are expected to increase visitorship to Treasure Bay Bintan. The Board is optimistic that Treasure Bay Bintan which has been attracting investment interest will begin to generate results for the Group.

The Board is cautiously optimistic on tourism in the region despite the challenging global economic conditions, and believes that the Group's unique products and offerings will differentiate itself to enhance its future performance and growth.

### APPRECIATION

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

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

**Tan Sri Zakaria bin Abdul Hamid**  
Chairman

26 February 2016



## BOARD OF DIRECTORS

**TAN SRI ZAKARIA BIN  
ABDUL HAMID**



**DARYL SIM  
SWEE KHENG**



**BERNARD  
CHONG LIP TAU**



**SULIP R  
MENON**



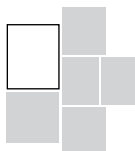
**DATO' ABDUL MALEK BIN  
ABDUL HAMID**



**JOHN KO  
WAI SENG**

# DIRECTORS' PROFILE

## TAN SRI ZAKARIA BIN ABDUL HAMID



Malaysian, Aged 72

**CHAIRMAN, NON-INDEPENDENT  
NON-EXECUTIVE DIRECTOR**

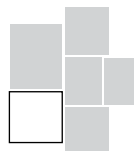
Tan Sri Zakaria bin Abdul Hamid was appointed to the Board on 27 June 2006 and appointed as the Deputy Chairman on 3 August 2006. He was subsequently appointed as the Chairman of the Board on 24 October 2007. He holds a Bachelor of Arts (Honours) degree in Chinese Studies from the University of Malaya,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

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

Tan Sri Zakaria is the Chairman of the Nomination Committee, Remuneration Committee and Option Committee of the Company. He is also the Chairman of the Board of Directors and Audit Committee of Muhibbah Engineering (M) Berhad.

Tan Sri Zakaria has no family relationship with any member of the Board or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for offences within the past 10 years.

## DATO' ABDUL MALEK BIN ABDUL HAMID



Malaysian, Aged 67

**NON-INDEPENDENT  
NON-EXECUTIVE DIRECTOR**

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

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

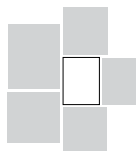
Dato' Abdul Malek is a member of the Audit and Risk Management Committee and Remuneration Committee of the Company. He is also a member of the Board of Governors of STEC Kidney Foundation.

Dato' Abdul Malek has no family relationship with any member of the Board or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for offences within the past 10 years.



## DIRECTORS' PROFILE

### SULIP R MENON



Malaysian, Aged 52

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

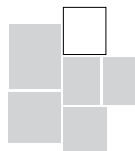
Mr Sulip R Menon was appointed to the Board on 24 October 2007 as a Non-Independent Non-Executive Director. He was re-designated an Independent Non-Executive Director on 24 October 2009. He holds a Bachelor of Law degree from the University of London, United Kingdom and is a Barrister-at-Law from the Honourable Society of Lincoln's Inn. He also holds an executive Master of Business Administration from the Asian Institute of Management, Manila, Philippines.

Mr Sulip Menon joined Peremba (Malaysia) Sdn Bhd ("Peremba") in 1995. He joined Landmarks Berhad in 1996 and held various positions including Group Legal Adviser, culminating in his appointment as Chief Operating Officer from 2005 to October 2007. He subsequently re-joined Peremba in 2008 as the Director of Commercial.

Mr Sulip Menon is a member of the Audit and Risk Management Committee and Option Committee of the Company. He does not hold directorship in any other public company.

Mr Sulip Menon has no family relationship with any member of the Board or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for offences within the past 10 years.

### DARYL SIM SWEE KHENG



Malaysian, Aged 64

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr Daryl Sim Swee Kheng was appointed to the Board as an Independent Non-Executive Director on 3 January 2008. He was appointed Executive Director and Chief Operating Officer from 20 October 2008 until 31 December 2010 and was re-designated as a Non-Independent Non-Executive Director on 1 January 2011. Subsequently on 26 February 2013, he was re-designated an Independent Non-Executive Director of the Company. He holds a Bachelor of Commerce degree from the University of Melbourne, Australia and is a member of the Malaysian Institute of Accountants and a Fellow of the Institute of Chartered Accountants in Australia.

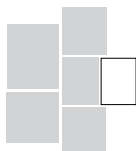
Mr Daryl Sim has worked with major accounting firms in Australia and Malaysia providing audit, tax and business advisory services. He joined PricewaterhouseCoopers Taxation Services Sdn Bhd in 1995, where he was an Executive Director until his retirement in December 2007.

Mr Daryl Sim is a member of the Nomination Committee of the Company. He is a director of Swee Joo Berhad (in liquidation).

Mr Daryl Sim has no family relationship with any member of the Board or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for offences within the past 10 years.

## DIRECTORS' PROFILE

### BERNARD CHONG LIP TAU



Malaysian, Aged 64

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

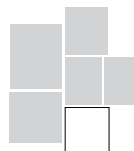
Mr Bernard Chong Lip Tau was appointed to the Board on 20 October 2008. He holds a Master of Business Administration from Durham University, United Kingdom. He is also a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

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

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

Mr Bernard Chong has no family relationship with any member of the Board or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for offences within the past 10 years.

### JOHN KO WAI SENG



Malaysian, Aged 65

#### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

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

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

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

Mr John Ko is a member of the Audit and Risk Management Committee of the Company. He is also a member of the Board of Governors of STEC Kidney Foundation.

Mr John Ko has no family relationship with any member of the Board or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for offences within the past 10 years.



# GROUP CHIEF OPERATING OFFICER



## FONG CHEE KHUEN

Malaysian, Aged 45

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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 holds an honours degree in accountancy and a master degree in Business Administration from Universiti Putra Malaysia. He is a member of the Malaysian Institute of Accountants.

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

Mr Fong has been granted 1,474,900 options over ordinary shares of RM1.00 each under the Company's Employees' Share Option Scheme.

Mr Fong is a member of the Option Committee of the Company. He does not hold directorship in any other public company.

Mr Fong has no family relationship with any member of the Board or major shareholder of the Company. He has no conflict of interest with the Company and has no conviction for offences within the past 10 years.

# CORPORATE INFORMATION

## Board of Directors

### **Tan Sri Zakaria bin Abdul Hamid**

Chairman  
Non-Independent Non-Executive

### **Dato' Abdul Malek bin Abdul Hamid**

Non-Independent Non-Executive

### **Sulip R Menon**

Independent Non-Executive

### **Daryl Sim Swee Kheng**

Independent Non-Executive

### **Bernard Chong Lip Tau**

Independent Non-Executive

### **John Ko Wai Seng**

Independent Non-Executive

### **AUDIT AND RISK MANAGEMENT COMMITTEE**

#### **Bernard Chong Lip Tau**

*Chairman*

#### **Dato' Abdul Malek bin Abdul Hamid**

#### **Sulip R Menon**

#### **John Ko Wai Seng**

### **NOMINATION COMMITTEE**

#### **Tan Sri Zakaria bin Abdul Hamid**

*Chairman*

#### **Bernard Chong Lip Tau**

#### **Daryl Sim Swee Kheng**

### **REMUNERATION COMMITTEE**

#### **Tan Sri Zakaria bin Abdul Hamid**

*Chairman*

#### **Dato' Abdul Malek bin Abdul Hamid**

#### **Bernard Chong Lip Tau**

### **OPTION COMMITTEE**

#### **Tan Sri Zakaria bin Abdul Hamid**

*Chairman*

#### **Sulip R Menon**

#### **Fong Chee Khuen**

### **REGISTERED OFFICE**

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

### **COMPANY SECRETARY**

**Irene Low Yuet Chun**

### **SHARE REGISTRAR**

#### **Tricor Investor & Issuing House Services Sdn Bhd**

Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel : 03-2783 9299  
Fax : 03-2783 9222

### **AUDITORS**

#### **KPMG**

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

### **PRINCIPAL BANKERS**

Malayan Banking Berhad  
CIMB Bank Berhad  
AmBank (M) Berhad  
Public Bank Berhad

### **STOCK EXCHANGE LISTING**

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

### **WEBSITE**

[www.landmarks.com.my](http://www.landmarks.com.my)

### **MANAGEMENT TEAM**

#### **Corporate Head Office**

#### **Fong Chee Khuen**

*Group Chief Operating Officer*

#### **Chew Eng Kiong**

*General Manager, Risk Management &  
Internal Control*

#### **Irene Low Yuet Chun**

*Company Secretary/General Manager,  
Corporate Services*

#### **Henry Chow**

*General Manager, Finance*

#### **Jasvinder Kaur**

*Senior Manager, Group PR & Marketing  
Communication*

#### **Treasure Bay Bintan**

#### **Stefan Thumiger**

*Chief Operating Officer*

#### **Caleb Hoo**

*General Manager, Projects Development*

#### **Daniel Cheok**

*Chief Marketing Officer*

#### **The Andaman**

#### **Christian Martin Metzner**

*General Manager*

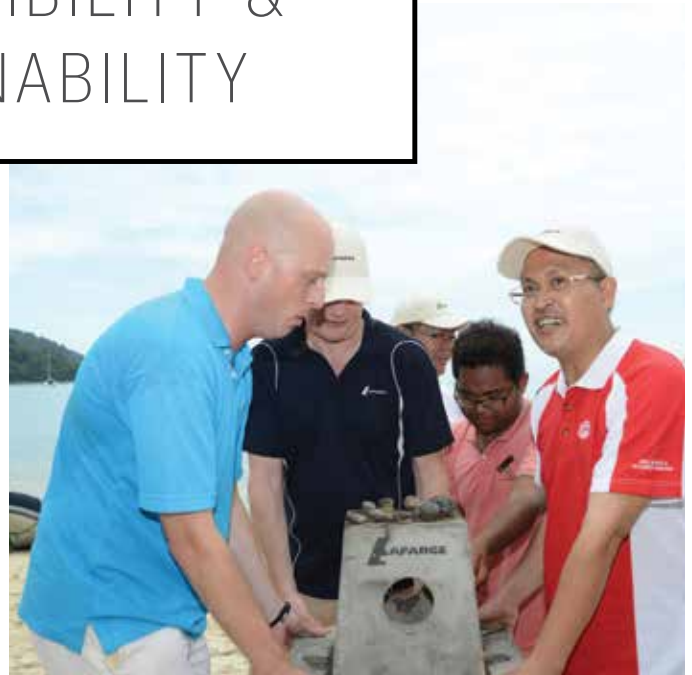


# GROUP FINANCIAL HIGHLIGHTS

	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
<b>GROUP ASSETS</b>					
Property, Plant & Equipment	<b>1,346,209</b>	1,328,100	551,685	385,872	368,087
Intangible Asset	<b>131</b>	386	575	614	657
Property Development Cost	<b>781,856</b>	787,997	1,527,540	1,696,476	1,708,608
Investment in Associates	<b>66,547</b>	57,407	54,880	45,997	45,093
Other Investments	<b>1,885</b>	1,040	1,040	1,040	1,040
Deferred Tax Assets	<b>350</b>	1,631	421	424	424
Net Current Assets	<b>112,439</b>	142,549	194,901	117,243	192,827
	<b>2,309,417</b>	2,319,110	2,331,042	2,247,666	2,316,736
<b>FINANCED BY</b>					
Share Capital	<b>480,810</b>	480,810	480,810	480,810	480,810
Share Premium	<b>218,272</b>	218,272	218,272	218,272	218,272
Fair Value Reserve	<b>1,260</b>	415	415	415	415
Share Option Reserve	<b>2,526</b>	2,358	1,453	1,678	1,378
Translation Reserve	<b>12,161</b>	(2,152)	(1,399)	(1,957)	(374)
Retained Earnings	<b>1,057,760</b>	1,069,534	1,074,806	1,079,352	1,081,598
Non-Controlling Interest	<b>1,373</b>	1,224	1	1	1
Loans And Borrowings	<b>70,183</b>	79,855	88,528	137	66,610
Deferred Tax Liabilities	<b>465,072</b>	468,794	468,156	468,958	468,026
	<b>2,309,417</b>	2,319,110	2,331,042	2,247,666	2,316,736
<b>Results</b>					
(Loss)/Profit Before Tax	<b>(14,045)</b>	(6,414)	(6,220)	(1,170)	(11,526)
Taxation	<b>1,987</b>	1,100	1,449	(1,076)	(626)
(Loss)/Profit After Taxation	<b>(12,058)</b>	(5,314)	(4,771)	(2,246)	(12,152)
Non-Controlling Interest	-	-	-	-	-
(Loss)/Profit Attributable to Equity Holders	<b>(12,058)</b>	(5,314)	(4,771)	(2,246)	(12,152)
Profit Available for Appropriation	<b>1,057,760</b>	1,069,534	1,074,806	1,079,352	1,081,598
Dividend paid during the year	-	-	-	-	-

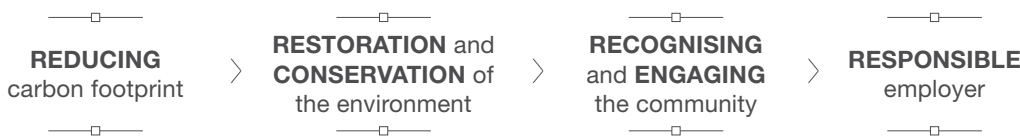


# CORPORATE RESPONSIBILITY & SUSTAINABILITY



The Board of Directors of Landmarks Berhad has always been mindful in embedding the values of sustainability and corporate responsibility in ensuring that its businesses are operated in a sound, sustainable way. As responsible corporate citizens, the Group has made continued progress on giving cognisance towards overall stewardship of sustainability, creating value for its stakeholders economically, while increasing its community development initiatives.

This report illustrates four pillars of sustainability initiatives that have been developed within the context of our core values that drive our activities across the Group. The four pillars are:





## CORPORATE RESPONSIBILITY & SUSTAINABILITY



### Reducing carbon footprint

The Group continues to focus on reducing its carbon footprint and greenhouse emission by ensuring that its operations are eco-friendly by incorporating innovative technologies and methodologies. These efforts have been acknowledged internationally with awards such as ASEAN Green Award (March 2010) presented at the 2010 ASEAN Travel Forum, ASEAN Green Hotel award at the 2011 ASEAN Tourism Forum, International Hotel Awards 2011 in association with Bloomberg Television – Best Sustainable Hotel (Malaysia), ASEAN Green Award (January 2012) presented at the 2012 ASEAN Travel Forum, International Hotel Awards 2012 in association with HSBC – Best Sustainable Hotel (Malaysia) and Best Spa Hotel, Hotel Club Awards 2012 – Top Green Hotel (Malaysia), International Hotel Awards 2013 – Best Sustainable Hotel (Malaysia) and most recently the ASEAN Green Hotel Awards 2014 and Best Environmental Sustainability Hotel 2014 by Starwood Hotels & Resorts Worldwide (“Starwood”) Asia Pacific Division.

The Group's resort in Langkawi, The Andaman, is operated by Starwood and is located within an ancient tropical rainforest on the pristine

sandy shores of Datai Bay - home to a diverse variety of marine life and precious fringing reef said to be 6,000 to 8,000 years old. The resort stays true to its promise of being an eco-friendly resort by incorporating recycled natural elements into the architecture and designs. The desk lamps in the rooms are made out of the fallen rocks that form the backdrop of Datai Bay, some of the oldest geological material on Earth dating back more than 600 million years. In re-roofing the resort, original Belian shingles made from local Iron Wood were given a new lease of life and used for sections of Jala Restaurant's roof as well as cladding for support columns in the main dining area. The architecture has also been designed around three giant Meranti trees, the tallest trees in our rainforest. Jala Restaurant's resourcefulness is also extended to the furniture - the showpiece being a sleeping giant Meranti tree that fell at the resort during a storm in 2012, now converted into a dining table to seat up to 20 guests.

Environmental protection is an intrinsic part in the Group's projects in Bintan. Upholding sustainability in every aspect of its development, the Group demonstrates its commitment toward sustainability in the heart of every decision made via local sourcing where possible for its construction and further exploring opportunities to do business with local companies, protecting nature particularly via compliance with laws and legislation to ensure that every aspect of reducing pollution and effective waste management is maximised.

### Restoration and conservation of the environment

#### Biodiversity

- Marine life conservation and fund-raising efforts
- Partnerships with other corporations and academic collaboration with universities to initiate research that supports marine conservation projects
- Educating and promoting sustainable fishing initiatives such as anti-poaching, and supporting local fisherman

## CORPORATE RESPONSIBILITY & SUSTAINABILITY

The Group views biodiversity conservation and restoration as a priority and has started forming local partnerships with parties that share a similar passion in taking these efforts further to make an impact. On 8 June 2015, The Andaman elevated its efforts to the next step in its conservation project with the opening of a Marine Life Laboratory. The multi-purpose indoor space functions as a research lab for marine science and biology students to help increase their understanding of coral reef ecosystems and effective artificial reef management in addition to encouraging resort guests to explore, experience and interact directly with the students.

The opening of the laboratory underlines The Andaman's commitment to Malaysia's next generation of marine scientists and biologists. The facility will develop into a hub of activity and serves as the main research laboratory for the resort's Artificial Reef Module System ("ARMS") which was successfully launched in collaboration with Lafarge Malaysia Berhad and Universiti Malaysia Terengganu on 2 December 2014 where 52 ARMS were deployed at Datai Bay. The laboratory is equipped with aquariums, technical equipment such as microscopes, maggy lamps, computers, specialist lighting and photographic materials, a library of research journals and textbooks, specimen displays and more.

### *Environmental Conservation*

- Sustainable business practices such as green campaigns and mangrove replanting
- Promoting public awareness on the importance of the ecosystems

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

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



*Mangrove Tour, Treasure Bay Bintan*

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



*Launching of ARMS, The Andaman*



# CORPORATE RESPONSIBILITY & SUSTAINABILITY

## Recognising and engaging the community

- Creating jobs and providing opportunities for locals to improve the quality of life
- Raising the socio-economic status for the local community by sharing the benefits with them by encouraging local enterprise by working with local suppliers and local sourcing

The Group recognises that mutual growth of the communities where we operate in is key to its success. Hence it is committed toward improving the socio-economic status of the society in which it operates. As part of the community outreach programme, Treasure Bay Bintan organised an open day on 23 May 2015 at Lagoi Bintan as part of its pre-opening initiative to drive local engagement. As a responsible organisation, the aim of this initiative was to raise the socio-economic status for the people in Bintan by sharing the benefits with them by creating jobs, developing skills and encouraging enterprise by working with local suppliers. We share the benefits with the communities by engaging with the community, embracing the local community, culture and adding value via sustainable sourcing.

In Langkawi, The Andaman partners with local fishermen in Langkawi to ensure the freshest catch arrives daily to be served in Jala Restaurant - elevating the culinary experience of its guests while also supporting local fishermen. The Andaman plans to do more as a corporate member of the community by rolling out community outreach programmes in Langkawi. These efforts, together with annual projects in partnership with UNICEF, Starwood's adopted charity since 1995, ensure the Company realises its role within the global community, serving the interests of both current and future generations while constituting the foundation for enduring success.

## Responsible employer

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

In our efforts to become a preferred employer, we are committed to the practice of equal opportunity policies for our workforce and respect for our employees' human rights in the communities we operate in. Our policies include zero tolerance of discrimination on any grounds of colour, race, religion, ethnicity, national origin or gender as well as zero tolerance towards physical or verbal discriminatory harassment in the workplace. We believe these

policies are crucial in retaining and attracting talent. Specifically, the employment policy of the Group is:

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

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

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

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

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

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

This Statement was approved by the Board of Directors on 26 February 2016.

# STATEMENT ON CORPORATE GOVERNANCE

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

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

This Statement describes the Company’s application of the principles and compliance with the recommendations of the Code for the financial year ended 31 December 2015 except as otherwise stated.

## BOARD OF DIRECTORS

### Board Roles and Responsibilities

The Board of Directors plays a key role in corporate governance by establishing the strategic and financial direction and objectives of the Group, monitoring its achievement and ensuring a high degree of transparency and accountability for all stakeholders. The Board is also responsible for evaluating and monitoring the principal risks faced by the Group and ensuring that they are managed effectively. The Board of Directors has an effective working partnership with the management in achieving the strategic and financial direction and objectives. The Board is guided by the Board Charter in the performance of its duties.

There is a clear division of responsibility between the non-executive Chairman and the Group Chief Operating Officer (“COO”) to ensure a balance of power and authority. The Board is led by a non-executive Chairman whilst the management is led by the Group COO. The Group is managed in three (3) divisions as follows:-

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

The respective roles and responsibilities of the Chairman and the Group COO are well defined. The Chairman manages and leads the Board to ensure its effective functioning, while the Group COO is responsible for implementing the Board’s policies, strategies and decisions as well as managing the business operations of the respective divisions.

The Board’s stewardship responsibilities include setting policies and strategies, performance monitoring, allocation of resources, risk assessment and management as well as improving governance and controls. The management is responsible for development and implementation of the corporate and business strategies, policies and decisions set by the Board as well as coordinating and overseeing the 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 Limits of Authority.

### Board Charter

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

The Board Charter shall be reviewed periodically to ensure that new as well as changes in laws, regulations or relevant developments having an impact on the Group’s businesses and the discharge of the Board’s roles and responsibilities are incorporated where necessary.

The Board Charter, approved by the Board on 26 February 2013, is available for reference at the Company’s website at [www.landmarks.com.my](http://www.landmarks.com.my).



# STATEMENT ON CORPORATE GOVERNANCE

## Board Composition

During the financial year 2015, the Board comprised six (6) members. Until 22 June 2015, there were five (5) independent non-executive directors and a non-independent non-executive director who was appointed Chairman of the Board. On 22 June 2015, Dato' Abdul Malek bin Abdul Hamid was designated a non-independent non-executive director, having served as an independent director of the Company for a cumulative period of nine (9) years. Notwithstanding the change to Dato' Abdul Malek's directorship, the independent non-executive directors comprise more than one-third of the Board at all times during the year.

The Board believes that the current Board size and composition is appropriate for its purpose, and is satisfied that the current Board composition adequately protects the interests of minority shareholders of the Company. The Board opines that its current size allows active participation and meaningful contribution by each member to ensure its effectiveness in discharging its duties. The Board, in considering appointments, gives due regard to the skills, experience, contribution and commitment that a person would bring to the Board. The Board, through the Nomination Committee, will consider appropriate targets for appointment as Board members in terms of gender, ethnicity and age, and will take the required measures to meet those targets from time to time if deemed necessary to enhance the effectiveness of the Board as a whole.

The Directors, with their diverse backgrounds and specialisations from the legal and accounting fraternities, and senior positions in the Malaysian government sector, 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 in its stewardship role.

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

## Board Meetings

The Board has a formal schedule of matters specifically reserved for its decision and approval. The Board schedules at least four (4) meetings a year at quarterly intervals with additional meetings convened whenever urgent and important decisions are required. During the year under review, the Board met on five (5) occasions where it deliberated upon and considered a variety of matters including receiving updates on the Group's businesses, the Group's strategies and policies, corporate governance, risk management, corporate proposals, the Group's financial results, and the business and financial plans and direction of the Group.

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

The Board members are given appropriate documentation in advance of each Board meeting. The reports cover areas of corporate, financial, operational and regulatory compliance matters. The proceedings of each meeting are recorded in the minutes and the confirmed minutes are kept at the Registered Office.

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

Director	Attendance
Tan Sri Zakaria bin Abdul Hamid	5 out of 5
Dato' Abdul Malek bin Abdul Hamid	5 out of 5
Sulip R Menon	3 out of 5
Daryl Sim Swee Kheng	4 out of 5
Bernard Chong Lip Tau	5 out of 5
John Ko Wai Seng	5 out of 5

# STATEMENT ON CORPORATE GOVERNANCE

## Supply of Information

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

The Group COO, after consultation with the Chairman when necessary, ensures that all Directors have complete and timely access to information. The Directors have access to members of 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 Group COO keeps the Board informed on a timely basis on all material matters affecting the Group's performance and its major developments. In addition to formal Board meetings, the Chairman and the Group COO maintain regular contact with all Directors.

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

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

## Board Appointments

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

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

There was no appointment of director to the Board during the financial year under review.

A director appointed during the financial year shall retire and be eligible for re-election at the Annual General Meeting ("AGM"). Apart thereto, at least one-third of the Board or if the number of directors is not three (3) or a multiple of three (3), then the number nearest one-third shall retire by rotation under Article 63 of the Company's Articles of Association and be eligible for re-election at each AGM. All Directors shall be subject to retirement once in every three (3) years. At the AGM held on 29 May 2015, Mr Bernard Chong Lip Tau and Mr John Ko Wai Seng, being eligible, have submitted themselves for re-election and were accordingly re-elected to the Board. For the forthcoming AGM, Mr Sulip Menon and Dato' Abdul Malek bin Abdul Hamid, who are due to retire and being eligible, will submit themselves for re-election.

In accordance with Section 129(6) of the Companies Act, 1965, a Director who has attained the age of seventy (70) years shall retire and is eligible to submit himself or herself for re-appointment at each AGM to hold office until the conclusion of the next AGM of the Company. Tan Sri Zakaria bin Abdul Hamid, the Chairman of the Board, having attained the age of more than seventy (70) years, submitted himself for re-appointment at the AGM held on 29 May 2015. He was re-appointed to the Board to hold office until the conclusion of the next AGM. Tan Sri Zakaria will submit himself for re-appointment as a Director at the forthcoming AGM.



# STATEMENT ON CORPORATE GOVERNANCE

## Independence of Directors

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

As recommended by the Code, the Board has approved that the tenure of directorship of an Independent Director shall not exceed a cumulative term of nine (9) years. In compliance with the Code and the Board Charter, Dato' Abdul Malek bin Abdul Hamid was re-designated as a Non-Independent Director on 22 June 2015 after having served a cumulative term of nine (9) years as an Independent Director of the Company.

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

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

Training Course / Programme	Attended by
The Institute of Internal Auditors Malaysia - Audit Committee Conference 2015	Bernard Chong Lip Tau
	Daryl Sim Swee Kheng
	John Ko Wai Seng
Bursatra - Understanding and Awareness of Goods and Services Tax	Sulip R Menon
	Dato' Abdul Malek bin Abdul Hamid
Securities Commission - Audit Oversight Board Conversation with Audit Committees	John Ko Wai Seng
Bursa Malaysia - CG Breakfast Series with Directors: How to Maximise Internal Audit	Dato' Abdul Malek bin Abdul Hamid
	Bernard Chong Lip Tau
	Daryl Sim Swee Kheng
The Institute of Internal Auditors Malaysia - 2015 National Conference on Governance, Risk and Control - Gearing for Innovation	John Ko Wai Seng
Bursa Malaysia - CG Breakfast Series with Directors: Future of Auditor Reporting - The Game Changer for Boardroom	Sulip R Menon
	Tan Sri Zakaria bin Abdul Hamid
Malaysian Institute of Accountants - International Accountants Conference 2015	Bernard Chong Lip Tau
	Daryl Sim Swee Kheng

## STATEMENT ON CORPORATE GOVERNANCE

Training Course / Programme	Attended by
KPMG Malaysia Tax Summit 2015	Bernard Chong Lip Tau
	Daryl Sim Swee Kheng
Bursatra - Strengthening the Board's Role in Setting a Right High Performance Culture	Tan Sri Zakaria bin Abdul Hamid
Bursa Malaysia - CG Breakfast Series with Directors: Board Reward & Recognition	Bernard Chong Lip Tau
	Daryl Sim Swee Kheng
	John Ko Wai Seng

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

### Board Committees

The Board has delegated certain responsibilities to four (4) 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 & Risk Management Committee

The Audit Committee was established on 22 February 1993 and was subsequently renamed Audit and Risk Management Committee on 28 November 2007 with the additional responsibility to review and manage key business risks of the Group. The composition, key functions and responsibilities, and the activities of the Audit & Risk Management Committee are set out in the Audit and Risk Management Committee Report on pages 36 to 37 of this Annual Report.

#### ii. Nomination Committee

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

**Tan Sri Zakaria bin Abdul Hamid** - Chairman  
(Non-Independent Non-Executive Director)

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

**Daryl Sim Swee Kheng** - Member  
(Independent Non-Executive Director)

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



## STATEMENT ON CORPORATE GOVERNANCE

The responsibilities of the Nomination Committee are:

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

The Nomination Committee met twice during the financial year 2015 which was attended by all members for the following purposes:

- i) assessed the performance of the Board and Board Committees (with the exception of the Option Committee) with regard to their structure, operations, and roles and responsibilities, the individual Directors and the independence of the Independent Directors;
- ii) evaluated the training programmes undertaken by the Directors;
- iii) reviewed and recommended the membership of the Nomination Committee to the Board for approval; and
- iv) considered and recommended the appointment of the COO of a strategic business unit of the Group.

### iii. Remuneration Committee

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

**Tan Sri Zakaria bin Abdul Hamid** - Chairman  
(Non-Independent Non-Executive Director)

**Dato' Abdul Malek bin Abdul Hamid** - Member  
(Non-Independent Non-Executive Director)

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

The responsibilities of the Remuneration Committee are:

- i) to review, assess and recommend to the Board the remuneration packages of the Directors and senior management in all forms including bonuses, allowances and expenses;
- ii) to ensure the levels of remuneration be sufficiently attractive and be able to retain Directors and senior management needed to manage the Company successfully; and
- iii) to consider and examine such other matters relating to remuneration and rewards as the Remuneration Committee considers appropriate or as may be determined by the Board.

The Remuneration Committee met 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 2014;
- ii) considered and recommended for the Board's approval the remuneration of the senior management; and
- iii) considered and recommended for the Board's approval the payment of bonuses and salary increment for staff of the Group.

# STATEMENT ON CORPORATE GOVERNANCE

## iv. Option Committee

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

**Tan Sri Zakaria bin Abdul Hamid** - Chairman  
(Non-Independent Non-Executive Director)

**Sulip R Menon** - Member  
(Independent Non-Executive Director)

**Fong Chee Khuen** - Member  
(Group Chief Operating Officer)

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

The Option Committee did not meet during the financial year.

## DIRECTORS' REMUNERATION

The Remuneration Committee is responsible to review and recommend to the Board the fees and allowances payable to the members of the Board and the Board Committees in accordance with their experience and level of responsibilities. The Committee is also responsible to review and recommend the remuneration of the senior management to the Board for approval based on their individual performance as well as the performance of the Group and include salaries and performance-related pay.

The Non-Executive Directors of the Company are paid an annual fixed fee for serving on the Board and an allowance for attendance at meetings of the Board. A similar fixed annual fee and meeting allowance are payable to Non-Executive Directors who are members of the respective Board Committees.

The payment of Directors' fees for 2014 amounting to RM348,000 was tabled to and approved by the members at the AGM held on 29 May 2015.

The aggregate remuneration of the Directors of the Company categorised into the appropriate components and analysed into bands of RM50,000 for the financial year ended 31 December 2015 are set out below:

Category	Fees (RM)	Allowances (RM)	Benefits-in-kind (RM)
Non-Executive Directors	361,850	62,000	29,226

Amount of Remuneration	Non-Executive Directors
Less than RM50,000	1
RM50,001 - RM100,000	4
RM100,001 - RM150,000	1

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



# STATEMENT ON CORPORATE GOVERNANCE

## CODE OF CONDUCT

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

The Board has also approved a Whistleblowing Policy in its commitment to uphold the highest standards of ethics, integrity and accountability. The policy is a mechanism to enable the members of the Board, employees and any other members of the Group to disclose internally any malpractices or misconduct without fear of reprisal. It provides a confidentially safe and acceptable platform for all stakeholders to channel their concerns about illegal, unethical or improper business conduct affecting the Group to avoid the negative effects that may come through public exposure resulting in loss of Company image or reputation, financial distress or loss of investor confidence. Whistleblowers may report their concerns in writing or face-to-face to their immediate supervisor, Head of Department, the Group COO, the Company Secretary or the Chairman of the Audit and Risk Management Committee. A whistleblower who raises a genuine concern will not be at risk of dismissal or suffer any form of retribution. The Company will carefully and thoroughly assess the course of action to be taken and written updates on the progress of investigation will be given to the whistleblower. The Group COO or the Chairman of the Audit and Risk Management Committee will ensure that the findings of the investigation are given to the whistleblower, the individual(s) under investigation and the members of the Audit and Risk Management Committee or other external authorities.

## CORPORATE SUSTAINABILITY

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

A detailed account of the corporate responsibility and sustainability activities carried out by the Group during the year under review is set out on pages 23 to 26 of this Annual Report.

## CORPORATE DISCLOSURE

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

## SHAREHOLDER COMMUNICATION

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

At the AGM and other general meetings, where relevant, the Company gathers views of, and answers questions from the shareholders on all issues relevant to the Group. Historically, the Company's general meetings have been well attended. It has always been the practice for the Chairman to provide ample time for the question and answer sessions at the general meetings, and for shareholders to provide suggestions and comments for consideration by the Board and management. Furthermore, regular meetings take place throughout the year with research analysts, institutional investors and fund managers.

# STATEMENT ON CORPORATE GOVERNANCE

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

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

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

### Relationship with the Auditors

The Board, through the Audit and Risk Management Committee, has an appropriate and transparent relationship with the external auditors. The role of the Audit and Risk Management Committee in relation to the external auditors is set out in the Audit and Risk Management Committee Report on pages 36 to 37 of this Annual Report.

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

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the accounting period and the profit or loss and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied and complied with. The Board has adopted and consistently applied accepted accounting policies and made reasonable and prudent judgments and estimates.

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

### Internal Control

The Board is responsible for the Group's internal control systems and reviewing its effectiveness. In the performance of this responsibility, the Board is supported by the internal audit function which reports directly to the Audit and Risk Management Committee. A summary of the activities of the internal audit function during the financial year is presented in the Audit and Risk Management Committee Report on pages 36 to 37 of this Annual Report.

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

This Statement was approved by the Board of Directors on 26 February 2016.



# 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 AT MEETINGS

The membership of the Committee and their attendance at meetings held during the financial year 2015 are as follows:-

Committee Member	Attendance at Meetings
<b>Bernard Chong Lip Tau</b> <i>Chairman, Independent Non-Executive Director</i>	4 out of 4
<b>Dato' Abdul Malek bin Abdul Hamid</b> <i>Non-Independent Non-Executive Director</i>	4 out of 4
<b>Sulip R Menon</b> <i>Independent Non-Executive Director</i>	3 out of 4
<b>John Ko Wai Seng</b> <i>Independent Non-Executive Director</i>	4 out of 4

## TERMS OF REFERENCE

The key functions/responsibilities of the Committee are summarised as follows:

- i) to review the scope, audit plan, audit report and management letter of the external auditors;
- ii) to review the quarterly financial report and year-end financial statements of the Group and the Company;
- iii) to review the scope, audit programme and resources of the internal audit function and the internal audit reports;
- iv) to consider and approve the enterprise risk management framework and review the quarterly risk management reports with respect to managing key business risks;
- v) to review the adequacy and integrity of the internal controls;
- vi) to consider the appointment, re-appointment and resignation or dismissal of the internal and external auditors; and
- vii) to consider related party transactions and conflict of interest situations that may arise within the Group.

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

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

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## SUMMARY OF ACTIVITIES

During the financial year 2015 the Committee met four (4) times and undertook the following:-

- reviewed the audited financial statements and the quarterly unaudited financial results of the Group and the Company including any changes in the Financial Reporting Standards and its impact on the Group;
- reviewed the internal and external auditors' scope of work and approved annual audit plans for the Group;
- reviewed the audit reports of the external auditors;
- assessed the performance, suitability and independence of the external auditors, recommended their re-appointment and approved the audit fees;
- reviewed the internal audit findings of a major subsidiary and appropriate remedial actions;
- monitored the actions taken by management to improve the system of internal controls based on recommendations from the internal audits;
- reviewed and approved the quarterly Enterprise Risk Management reports on key risk profiles and risk management activities of the Group; and
- reviewed the Statement on Risk Management and Internal Control, and the Audit and Risk Management Committee Report for inclusion in the Annual Report.

## SUMMARY OF ACTIVITIES ON INTERNAL AUDIT

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

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

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

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

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

The total cost incurred for the internal audit activities for the financial year ended 31 December 2015 was RM198,800.

## EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

There was no allocation of options for the Committee's verification for the financial year ended 31 December 2015 pursuant to the ESOS of the Company.

This Report was approved by the Board of Directors on 26 February 2016.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## BOARD RESPONSIBILITY

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

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

## RISK MANAGEMENT FRAMEWORK

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

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

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

## ERM PROCESS

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

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

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Chief Operating Officers (“COOs”) identify and communicate the present and potential risks that the business units face, any changes to the risks and the action plans to manage those risks in respect of the business units to the ARMC and the Board via ERM Reports on a quarterly basis. In respect thereto, the COOs are to coordinate the application of risk management in their respective business units.

The ARMC receives and reviews the ERM Reports from the COOs and thereafter report the same to the Board (including implementation status of response plans for key risks and key changes to the Group risk profile) while the Board reviews the ERM Reports to ensure that all areas of risk have been considered and that key risks identified are being responded to appropriately.

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

## **INTERNAL CONTROL SYSTEM**

An Independent Professional Services Firm (“IPSF”) have been engaged to independently assess the adequacy of and compliance with internal controls within the operations of selected business units of the Group.

To further enhance the Group’s operational efficiency and internal control system, an in-house internal audit function was established by the ARMC in 2014. The internal audit function is currently supported by the IPSF. The internal audit reports to the ARMC.

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

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

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

## **INTERNAL AUDIT**

The internal audit function and its activities for the year ended 31 December 2015 are set out in the Audit and Risk Management Committee Report on pages 36 to 37 of this Annual Report.

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

### ***Board Committees***

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



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## ***Management of the Business Units***

The management of the various companies within the Group is delegated to the respective Head of the business units or COOs, 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.

## ***Performance Monitoring***

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.

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

The Board has received assurance from the Group COO 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.

This Statement has been reviewed by the external auditors and was approved by the Board of Directors on 13 April 2016.

# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

for the year ended 31 December 2015

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2015.

## PRINCIPAL ACTIVITIES

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

## RESULTS

	Group RM'000	Company RM'000
Loss attributable to owners of the Company	12,058	1,438

## 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 since the date of the last report are:

Tan Sri Zakaria bin Abdul Hamid  
Bernard Chong Lip Tau  
Dato' Abdul Malek bin Abdul Hamid  
Sulip R Menon  
Daryl Sim Swee Kheng  
John Ko Wai Seng



# DIRECTORS' REPORT

for the year ended 31 December 2015

## 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 as recorded in the Register of Directors' Shareholdings are as follows:

Direct interest in the Company	Number of ordinary shares of RM1.00 each			Balance at 31.12.2015
	Balance at 1.1.2015	Bought	Sold	
Tan Sri Zakaria bin Abdul Hamid	-	8,650,000	-	8,650,000

Company	% Granted	Number of options over ordinary shares of RM1.00 each			At 31.12.2015
		At 1.1.2015	Granted	Exercised	
Tan Sri Zakaria bin Abdul Hamid	11.0	825,000	-	-	825,000
Bernard Chong Lip Tau	2.8	212,500	-	-	212,500
Dato' Abdul Malek bin Abdul Hamid	4.5	337,500	-	-	337,500
Sulip R Menon	2.8	212,500	-	-	212,500
Daryl Sim Swee Kheng	3.5	262,500	-	-	262,500

The other Director holding office at 31 December 2015 does not have any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments 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.

## ISSUE OF SHARES

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

# DIRECTORS' REPORT

for the year ended 31 December 2015

## OPTIONS GRANTED OVER UNISSUED SHARES

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

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

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

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

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

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

The options offered under the ESOS to take up unissued ordinary shares of RM1.00 each in the Company and the exercise price are as follows:

Date of offer	Exercise price	Number of options over ordinary shares of RM1.00 each			
		At 1.1.2015	Granted	Forfeited	At 1.12.2015
22.1.2008	RM2.91	743,800	-	-	743,800
24.6.2010	RM1.14	744,000	-	(55,500)	688,500
27.8.2014	RM1.44	5,100,000	-	(710,000)	4,390,000
		6,587,800	-	(765,500)	5,822,300

# DIRECTORS' REPORT

for the year ended 31 December 2015

## OPTIONS GRANTED OVER UNISSUED SHARES (CONTINUED)

The Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose in this report the list of option holders and their holdings as required under Section 169(11) of the Companies Act, 1965, except for information of employees who were granted 212,500 options and above. The information of employees who were granted 212,500 options and above, except for options granted to Directors which are disclosed under Directors' interests, are as follows:

Name of employee	Number of options over ordinary shares of RM1.00 each				
	% Granted	At 1.1.2015	Granted	Forfeited	At 31.12.2015
Fong Chee Khuen	19.7	1,474,900	-	-	1,474,900
Yeap Sheau Shuang	5.4	406,100	-	(406,100)	-
Low Yuet Chun	3.7	280,000	-	-	280,000
Hoo Wei Yee	3.7	280,000	-	-	280,000
Ong Jiin Shan	3.7	280,000	-	-	280,000
Chew Eng Kiong	3.7	279,900	-	-	279,900
Megat Al Bakry bin Megat Ismail	3.3	246,100	-	-	246,100

## 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:

- all known bad debts have been written off and adequate provision made for doubtful debts, and
- 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:

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



# DIRECTORS' REPORT

for the year ended 31 December 2015

## OTHER STATUTORY INFORMATION (CONTINUED)

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the year ended 31 December 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## AUDITORS

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

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

**Tan Sri Zakaria bin Abdul Hamid**

**John Ko Wai Seng**

Kuala Lumpur,

Date: 13 April 2016

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Assets</b>					
Property, plant and equipment	3	<b>1,346,209</b>	1,328,100	<b>398</b>	420
Intangible asset	4	<b>131</b>	386	<b>131</b>	-
Property development costs	5	<b>781,856</b>	787,997	-	-
Investments in subsidiaries	6	-	-	<b>1,130,432</b>	1,115,734
Investments in associates	7	<b>66,547</b>	57,407	-	-
Other investments	8	<b>1,885</b>	1,040	-	-
Deferred tax assets	9	<b>350</b>	1,631	<b>350</b>	1,631
<b>Total non-current assets</b>		<b>2,196,978</b>	2,176,561	<b>1,131,311</b>	1,117,785
Inventories	10	<b>451</b>	483	-	-
Property development costs	5	<b>77,248</b>	67,378	-	-
Trade and other receivables	11	<b>8,457</b>	8,191	<b>3,491</b>	191
Prepayments		<b>810</b>	690	<b>75</b>	18
Current tax assets		<b>97</b>	352	-	468
Other investments	8	<b>22,465</b>	13,951	<b>12,715</b>	13,951
Cash and cash equivalents	12	<b>35,759</b>	83,558	<b>11,205</b>	26,146
<b>Total current assets</b>		<b>145,287</b>	174,603	<b>27,486</b>	40,774
<b>Total assets</b>		<b>2,342,265</b>	2,351,164	<b>1,158,797</b>	1,158,559

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Equity</b>					
Share capital		<b>480,810</b>	480,810	<b>480,810</b>	480,810
Reserves		<b>234,219</b>	218,893	<b>242,511</b>	242,343
Retained earnings		<b>1,057,760</b>	1,069,534	<b>416,941</b>	418,095
<b>Total equity attributable to owners of the Company</b>		<b>1,772,789</b>	1,769,237	<b>1,140,262</b>	1,141,248
<b>Non-controlling interests</b>		<b>1,373</b>	1,224	-	-
<b>Total equity</b>	13	<b>1,774,162</b>	1,770,461	<b>1,140,262</b>	1,141,248
<b>Liabilities</b>					
Loans and borrowings	14	<b>70,183</b>	79,855	-	-
Deferred tax liabilities	9	<b>465,072</b>	468,794	-	-
<b>Total non-current liabilities</b>		<b>535,255</b>	548,649	-	-
Trade and other payables	15	<b>20,289</b>	21,121	<b>18,028</b>	17,311
Loans and borrowings	14	<b>10,800</b>	9,583	<b>507</b>	-
Current tax liabilities		<b>1,759</b>	1,350	-	-
<b>Total current liabilities</b>		<b>32,848</b>	32,054	<b>18,535</b>	17,311
<b>Total liabilities</b>		<b>568,103</b>	580,703	<b>18,535</b>	17,311
<b>Total equity and liabilities</b>		<b>2,342,265</b>	2,351,164	<b>1,158,797</b>	1,158,559

The notes set out on pages 55 to 124 are an integral part of these financial statements.



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Revenue</b>	17	<b>61,920</b>	53,601	<b>3,564</b>	326
Cost of sales		<b>(24,550)</b>	(21,566)	-	-
<b>Gross profit</b>		<b>37,370</b>	32,035	<b>3,564</b>	326
Administrative expenses		<b>(36,625)</b>	(29,739)	<b>(6,527)</b>	(7,375)
Other operating expenses		<b>(27,860)</b>	(19,706)	<b>(334)</b>	(132)
Other income		<b>7,614</b>	5,987	<b>2,458</b>	507
<b>Results from operating activities</b>		<b>(19,501)</b>	(11,423)	<b>(839)</b>	(6,674)
Finance costs	18	<b>(5,187)</b>	(5,011)	<b>(124)</b>	-
Finance income		<b>903</b>	1,292	<b>633</b>	924
Share of profit of an equity accounted associate, net of tax	7	<b>9,740</b>	8,728	-	-
<b>Loss before tax</b>	19	<b>(14,045)</b>	(6,414)	<b>(330)</b>	(5,750)
Income tax credit/(expense)	21	<b>1,987</b>	1,100	<b>(1,108)</b>	1,837
<b>Loss for the year</b>		<b>(12,058)</b>	(5,314)	<b>(1,438)</b>	(3,913)
<b>Other comprehensive income/(expense)</b>					
Foreign currency translation differences for foreign operations		<b>14,313</b>	(753)	-	-
Fair value of available for sale financial asset		<b>845</b>	-	-	-
<b>Other comprehensive income/(expense) for the year</b>		<b>15,158</b>	(753)	-	-
<b>Total other comprehensive income/(expense) for the year</b>		<b>3,100</b>	(6,067)	<b>(1,438)</b>	(3,913)
<b>Loss attributable to:</b>					
Owners of the Company		<b>(12,058)</b>	(5,314)	<b>(1,438)</b>	(3,913)
Non-controlling interests		-	-	-	-
<b>Loss for the year</b>		<b>(12,058)</b>	(5,314)	<b>(1,438)</b>	(3,913)
<b>Total comprehensive income/(expense) attributable to:</b>					
Owners of the Company		<b>3,100</b>	(6,067)	<b>(1,438)</b>	(3,913)
Non-controlling interests		-	-	-	-
<b>Total comprehensive income/(expense) for the year</b>		<b>3,100</b>	(6,067)	<b>(1,438)</b>	(3,913)
<b>Basic and diluted loss per ordinary share (sen)</b>	22	<b>(2.51)</b>	(1.11)		

The notes set out on pages 55 to 124 are an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2015

Group	Note	Attributable to owners of the Company						Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Translation reserve RM'000	Share premium RM'000	Fair value reserve RM'000	Share option reserve RM'000	Retained earnings RM'000		
<b>At 1 January 2014</b>		480,810	(1,399)	218,272	415	1,453	1,074,806	1,774,357	1 1,774,358
Foreign currency translation differences for foreign operations		-	(753)	-	-	-	-	(753)	- (753)
Total other comprehensive expense for the year		-	(753)	-	-	-	-	(753)	- (753)
Loss for the year		-	-	-	-	-	(5,314)	(5,314)	- (5,314)
<b>Total comprehensive expense for the year</b>		-	(753)	-	-	-	(5,314)	(6,067)	- (6,067)
Share-based payment transactions	16	-	-	-	-	947	-	947	- 947
Share options forfeited	16	-	-	-	-	(42)	42	-	- -
<b>Total contribution from owners</b>		-	-	-	-	905	42	947	- 947
Acquisition of a subsidiary	6	-	-	-	-	-	-	-	1,223 1,223
<b>At 31 December 2014</b>		480,810	(2,152)	218,272	415	2,358	1,069,534	1,769,237	1,224 1,770,461
<b>At 1 January 2015</b>		<b>480,810</b>	<b>(2,152)</b>	<b>218,272</b>	<b>415</b>	<b>2,358</b>	<b>1,069,534</b>	<b>1,769,237</b>	<b>1,224 1,770,461</b>
Foreign currency translation differences for foreign operations		-	14,313	-	-	-	-	14,313	- 14,313
Fair value of available for sale financial asset		-	-	-	845	-	-	845	- 845
Total other comprehensive income for the year		-	14,313	-	845	-	-	15,158	- 15,158
Loss for the year		-	-	-	-	-	(12,058)	(12,058)	- (12,058)
<b>Total comprehensive income/(expense) for the year</b>		-	14,313	-	845	-	(12,058)	3,100	- 3,100
Share-based payment transactions	16	-	-	-	-	452	-	452	- 452
Share options forfeited	16	-	-	-	-	(284)	284	-	- -
<b>Total contribution from owners</b>		-	-	-	-	168	284	452	- 452
Additional investment from non-controlling interests	6	-	-	-	-	-	-	-	149 149
<b>At 31 December 2015</b>		<b>480,810</b>	<b>12,161</b>	<b>218,272</b>	<b>1,260</b>	<b>2,526</b>	<b>1,057,760</b>	<b>1,772,789</b>	<b>1,373 1,774,162</b>

# STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2015

		Attributable to owners of the Company					
		Non-distributable			Distributable		
Company	Note	Share capital RM'000	Capital reserve RM'000	Share premium RM'000	Share option reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2014</b>		480,810	21,713	218,272	1,453	421,966	1,144,214
<b>Loss/Total comprehensive expense for the year</b>		-	-	-	-	(3,913)	(3,913)
Share-based payment transactions	16	-	-	-	947	-	947
Share options forfeited	16	-	-	-	(42)	42	-
<b>Total contributions from owners</b>		-	-	-	905	42	947
<b>At 31 December 2014/ 1 January 2015</b>		<b>480,810</b>	<b>21,713</b>	<b>218,272</b>	<b>2,358</b>	<b>418,095</b>	<b>1,141,248</b>
<b>Loss/Total comprehensive expense for the year</b>		-	-	-	-	(1,438)	(1,438)
Share-based payment transactions	16	-	-	-	452	-	452
Share options forfeited	16	-	-	-	(284)	284	-
<b>Total contributions from owners</b>		-	-	-	168	284	452
<b>At 31 December 2015</b>		<b>480,810</b>	<b>21,713</b>	<b>218,272</b>	<b>2,526</b>	<b>416,941</b>	<b>1,140,262</b>

The notes set out on pages 55 to 124 are an integral part of these financial statements.



# STATEMENTS OF CASH FLOWS

for the year ended 31 December 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash flows from operating activities</b>					
Loss before tax		<b>(14,045)</b>	(6,414)	<b>(330)</b>	(5,750)
Adjustments for:					
Depreciation of property, plant and equipment	3	<b>10,917</b>	8,498	<b>144</b>	120
Amortisation of intangible asset	4	<b>189</b>	189	<b>189</b>	-
Finance costs	18	<b>5,187</b>	5,011	<b>124</b>	-
Finance income		<b>(903)</b>	(1,292)	<b>(633)</b>	(924)
Dividend income from other investments		<b>(390)</b>	(326)	<b>(354)</b>	(326)
Loss/(Gain) on disposal of property, plant and equipment		<b>1</b>	(26)	<b>1</b>	-
Property, plant and equipment written off		<b>3,378</b>	384	<b>-</b>	-
Intangible asset written off		<b>66</b>	-	<b>66</b>	-
Share of profit of an equity accounted associate, net of tax		<b>(9,740)</b>	(8,728)	<b>-</b>	-
Gain on disposal of a subsidiary		<b>(5)</b>	-	<b>-</b>	-
Gain on disposal of other investments		<b>(414)</b>	-	<b>(414)</b>	-
Fair value loss/(gain) in other investments		<b>1,050</b>	(686)	<b>1,213</b>	(686)
Equity settled share-based payment transactions	16	<b>452</b>	947	<b>452</b>	947
<b>Operating (loss)/gain before changes in working capital</b>		<b>(4,257)</b>	(2,443)	<b>458</b>	(6,619)
Changes in working capital					
Inventories		<b>32</b>	(59)	<b>-</b>	-
Trade and other receivables		<b>3,363</b>	2,165	<b>(65)</b>	303
Trade and other payables		<b>9,435</b>	(2,371)	<b>(50)</b>	248
Property development costs		<b>(30,886)</b>	(23,881)	<b>-</b>	-
<b>Cash (used in)/generated from operations</b>		<b>(22,313)</b>	(26,589)	<b>343</b>	(6,068)
Income tax paid		<b>(651)</b>	(152)	<b>-</b>	-
Income tax refunded		<b>861</b>	-	<b>641</b>	-
<b>Net cash (used in)/generated from operating activities</b>		<b>(22,103)</b>	(26,741)	<b>984</b>	(6,068)

# STATEMENTS OF CASH FLOWS

for the year ended 31 December 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment	(ii)	(4,203)	(12,594)	(123)	(62)
Acquisition of intangible asset		-	-	(386)	-
Proceeds from disposal of property, plant and equipment		-	32	-	-
Proceeds from disposal of a subsidiary		5	-	-	-
Advances to subsidiaries		-	-	(17,223)	(71,501)
Acquisition of other investments		(15,350)	-	(5,764)	-
Increase in pledge deposits placed with licensed bank		(68)	(109)	(68)	(109)
Interest received		903	1,292	633	924
Dividend received from :					
- an associate		-	5,000	-	-
- other investments		390	326	354	326
Proceeds from disposal of other investments		6,201	10,497	6,201	10,497
<b>Net cash (used in)/generated from investing activities</b>		<b>(12,122)</b>	<b>4,444</b>	<b>(16,376)</b>	<b>(59,925)</b>
<b>Cash flows from financing activities</b>					
(Repayment of)/Proceeds from loans and borrowings		(9,000)	(4,533)	507	-
Interest paid		(4,538)	(5,011)	(124)	-
Repayment of finance lease liabilities		(104)	(114)	-	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(13,642)</b>	<b>(9,658)</b>	<b>383</b>	<b>-</b>
Net decrease in cash and cash equivalents		(47,867)	(31,955)	(15,009)	(65,993)
Cash and cash equivalents at 1 January	(i)	80,149	112,104	24,037	90,030
<b>Cash and cash equivalents at 31 December</b>	(i)	<b>32,282</b>	<b>80,149</b>	<b>9,028</b>	<b>24,037</b>

# STATEMENTS OF CASH FLOWS

for the year ended 31 December 2015

## (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	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	12	<b>14,435</b>	16,687	<b>428</b>	825
Deposits with licensed banks	12	<b>21,324</b>	66,871	<b>10,777</b>	25,321
		<b>35,759</b>	83,558	<b>11,205</b>	26,146
Less: Deposits pledged		<b>(3,477)</b>	(3,409)	<b>(2,177)</b>	(2,109)
		<b>32,282</b>	80,149	<b>9,028</b>	24,037

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

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM5,446,000 (2014: RM12,936,000) of which RM Nil (2014: RM342,000) was acquired by means of finance lease.

The notes set out on pages 55 to 124 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**

20<sup>th</sup> 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 2015 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 2015 do not include other entities.

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

The financial statements were authorised for issue by the Board of Directors on 13 April 2016.

## **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 (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016***

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101, *Presentation of Financial Statements - Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture - Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements - Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*



# NOTES TO THE FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION (CONTINUED)

### (a) Statement of compliance (continued)

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

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*

#### ***MFRSs, Interpretations and amendments effective for a date yet to be confirmed***

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

The Group and the Company plan to apply the above mentioned accounting standards, amendments and interpretations, where applicable:

- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016; and
- from the annual period beginning on 1 January 2018 for those accounting standards that are effective for annual periods beginning on or after 1 January 2018.

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

#### **(i) MFRS 15, *Revenue from Contracts with Customers***

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

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

#### **(ii) MFRS 9, *Financial Instruments***

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

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

### **(b) Basis of measurement**

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION (CONTINUED)

### (c) Functional and presentation currency

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

### (d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 3 - measurement of the recoverable amounts of cash-generating units.

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of consolidation

#### (i) Subsidiaries

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of consolidation (continued)

#### (ii) Business combinations

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

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

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

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

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

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

#### (iii) Acquisitions of non-controlling interests

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

#### (iv) Loss of control

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

#### (v) Associates

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Basis of consolidation (continued)

#### (v) Associates (continued)

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

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

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

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

#### (vi) Non-controlling interests

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

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

#### (vii) Transactions eliminated on consolidation

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

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



# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) Foreign currency

#### (i) Foreign currency transactions

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

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

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

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

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") 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Financial instruments

#### (i) Initial recognition and measurement

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

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

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

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

The Group and the Company categorise financial instruments as follows:

##### **Financial assets**

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

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

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

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Financial instruments (continued)

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

##### *Financial assets (continued)*

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

##### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost.

#### (iii) Financial guarantee contracts

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

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

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

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

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

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

#### (v) Derecognition

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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

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

#### (ii) Subsequent costs

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

#### (iii) Depreciation

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

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



# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Property, plant and equipment (continued)

#### (iii) Depreciation (continued)

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

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

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

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

### (e) Leased assets

#### (i) Finance lease

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

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

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

#### (ii) Operating lease

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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

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

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

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

### (h) Property development costs

#### (i) Property development costs

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Property development costs (continued)

#### (ii) Long term leasehold land

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

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

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

#### (i) Cash and cash equivalents

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

### (j) Impairment

#### (i) Financial assets

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Impairment (continued)

#### (i) Financial assets (continued)

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

#### (ii) Other assets

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

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

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Employee benefits

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

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

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

#### (ii) State plans

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

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

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

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

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

#### (iv) Termination benefits

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (l) Revenue recognition

#### (i) Services

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

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

#### (ii) Property development

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

#### (iii) Dividend income

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

#### (iv) Management fees

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

### (m) Interest income

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

### (n) Borrowing costs

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (o) Income tax

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

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

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

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

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

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

### (p) Earnings per ordinary share

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

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

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

### (q) Operating segments

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (r) Fair value measurements

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

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

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

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

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

Level 3: unobservable inputs for the asset or liability

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



# NOTES TO THE FINANCIAL STATEMENTS

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Long term leasehold land RM'000	Buildings RM'000	Hotel properties RM'000	Plant and machinery RM'000	Hotel equipment and operating equipment RM'000	Office equipment and furniture and fittings RM'000	Motor vehicles RM'000	Lagoon RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Cost</b>										
At 1 January 2014	360,652	13,618	141,441	984	26,417	9,097	1,429	-	45,557	599,195
Additions	-	-	3,726	2	615	5,395	688	-	2,510	12,936
Disposals	-	-	-	-	-	(9)	(92)	-	-	(101)
Written off	-	-	-	-	(1,282)	(235)	(127)	-	-	(1,644)
Transfer from property development costs	744,954	-	-	-	-	-	-	-	27,346	772,300
Foreign currency translation differences	-	-	-	(2)	-	65	23	-	-	86
At 31 December 2014/ 1 January 2015	1,105,606	13,618	145,167	984	25,750	14,313	1,921	-	75,413	1,382,772
Additions	-	-	-	-	903	2,780	401	-	119	4,203
Disposals	-	-	-	-	-	(8)	-	-	-	(8)
Written off	-	(6,755)	-	-	-	(943)	-	-	-	(7,698)
Transfer from property development costs	3,840	-	-	-	-	-	-	-	23,317	27,157
Transfer from capital work-in-progress	-	3,829	7,405	37,153	-	5,551	-	34,152	(88,090)	-
Foreign currency translation differences	-	-	-	-	-	1,211	230	-	-	1,441
Reclassification	(12,757)	-	-	-	-	1,411	-	-	11,346	-
At 31 December 2015	1,096,689	10,692	152,572	38,137	26,653	24,315	2,552	34,152	22,105	1,407,867

# NOTES TO THE FINANCIAL STATEMENTS

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

Group	Long term leasehold land RM'000	Buildings RM'000	Hotel properties RM'000	Plant and machinery RM'000	Hotel equipment and operating equipment RM'000	Office equipment and furniture and fittings RM'000	Motor vehicles RM'000	Lagoon RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Accumulated depreciation</b>										
At 1 January 2014	2,220	4,842	23,871	102	10,128	5,404	943	-	-	47,510
Depreciation for the year	306	813	3,474	98	2,323	1,244	240	-	-	8,498
Disposals	-	-	-	-	-	(3)	(92)	-	-	(95)
Written off	-	-	-	-	(935)	(198)	(127)	-	-	(1,260)
Foreign currency translation differences	-	-	-	-	-	17	2	-	-	19
At 31 December 2014/ 1 January 2015	2,526	5,655	27,345	200	11,516	6,464	966	-	-	54,672
Depreciation for the year	<b>828</b>	<b>265</b>	<b>3,715</b>	<b>1,331</b>	<b>2,174</b>	<b>2,002</b>	<b>374</b>	<b>228</b>	-	<b>10,917</b>
Disposals	-	-	-	-	-	(7)	-	-	-	(7)
Written off	-	(3,377)	-	-	-	(943)	-	-	-	(4,320)
Foreign currency translation differences	-	-	-	-	-	385	11	-	-	396
At 31 December 2015	<b>3,354</b>	<b>2,543</b>	<b>31,060</b>	<b>1,531</b>	<b>13,690</b>	<b>7,901</b>	<b>1,351</b>	<b>228</b>	-	<b>61,658</b>
<b>Carrying amounts</b>										
At 1 January 2014	358,432	8,776	117,570	882	16,289	3,693	486	-	45,557	551,685
At 31 December 2014/ 1 January 2015	1,103,080	7,963	117,822	784	14,234	7,849	955	-	75,413	1,328,100
At 31 December 2015	<b>1,093,335</b>	<b>8,149</b>	<b>121,512</b>	<b>36,606</b>	<b>12,963</b>	<b>16,414</b>	<b>1,201</b>	<b>33,924</b>	<b>22,105</b>	<b>1,346,209</b>

# NOTES TO THE FINANCIAL STATEMENTS

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

Company	Office equipment, furniture and fittings RM'000
<b>Cost</b>	
At 1 January 2014	2,176
Additions	62
At 31 December 2014/1 January 2015	2,238
<b>Additions</b>	<b>123</b>
<b>Disposal</b>	<b>(8)</b>
<b>At 31 December 2015</b>	<b>2,353</b>
<b>Accumulated depreciation</b>	
At 1 January 2014	1,698
Depreciation for the year	120
At 31 December 2014/1 January 2015	1,818
<b>Depreciation for the year</b>	<b>144</b>
<b>Disposal</b>	<b>(7)</b>
<b>At 31 December 2015</b>	<b>1,955</b>
<b>Carrying amount</b>	
At 1 January 2014	478
At 31 December 2014/1 January 2015	420
<b>At 31 December 2015</b>	<b>398</b>

### 3.1 Security

Certain property, plant and equipment of the Group and the Company with carrying amounts of RM135,867,000 and RM20,592,000 respectively (2014: RM140,964,000 and RM20,592,000 respectively) are charged to a financial institution to secure the term loan of the Group (Note 14).

### 3.2 Motor vehicles acquired under hire purchase arrangement

Included in property, plant and equipment of the Group are motor vehicles with an aggregate carrying amount of RM237,000 (2014: RM347,000) acquired under hire purchase arrangement.

### 3.3 Leasehold land transferred from property development costs

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

# NOTES TO THE FINANCIAL STATEMENTS

## 4. INTANGIBLE ASSET

Group	Computer software RM'000
<b>Cost</b>	
At 1 January 2014/31 December 2014/1 January 2015	1,010
<b>Written off</b>	(66)
<b>At 31 December 2015</b>	<b>944</b>
<b>Accumulated amortisation</b>	
At 1 January 2014	435
Amortisation for the year	189
At 31 December 2014/1 January 2015	624
<b>Amortisation for the year</b>	<b>189</b>
<b>At 31 December 2015</b>	<b>813</b>
<b>Carrying amount</b>	
At 1 January 2014	575
<b>At 31 December 2014/1 January 2015</b>	<b>386</b>
<b>At 31 December 2015</b>	<b>131</b>
<b>Company</b>	
<b>Cost</b>	
At 1 January 2014/31 December 2014/1 January 2015	-
<b>Transfer from a subsidiary</b>	<b>1,010</b>
<b>Written off</b>	<b>(66)</b>
<b>At 31 December 2015</b>	<b>944</b>
<b>Accumulated amortisation</b>	
At 1 January 2014/31 December 2014/1 January 2015	-
<b>Transfer from a subsidiary</b>	<b>624</b>
<b>Amortisation for the year</b>	<b>189</b>
<b>At 31 December 2015</b>	<b>813</b>
<b>Carrying amount</b>	
At 1 January 2014/31 December 2014/1 January 2015	-
<b>At 31 December 2015</b>	<b>131</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 5. PROPERTY DEVELOPMENT COSTS

	Group			
	Non-current		Current	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Long term leasehold land</b>				
Balance as at 1 January	784,375	1,529,329	66,230	66,230
Reclassification	(6,560)	-	6,560	-
Costs tranferred to property, plant and equipment (Note 3)	(3,840)	(744,954)	-	-
Balance as at 31 December	773,975	784,375	72,790	66,230
<b>Property development costs</b>				
Balance as at 1 January	3,622	-	1,148	8,327
Costs incurred during the year	4,259	3,622	26,627	20,167
Costs tranferred to property, plant and equipment (Note 3)	-	-	(23,317)	(27,346)
Balance as at 31 December	7,881	3,622	4,458	1,148
<b>Total property development costs</b>	<b>781,856</b>	<b>787,997</b>	<b>77,248</b>	<b>67,378</b>

## 6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 RM'000	2014 RM'000
<b>Unquoted shares</b>		
- 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	28,086	13,388
	1,130,432	1,115,734

### Conditions of RPS

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

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### *Amount due from a subsidiary*

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

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Landmarks Hotels & Realty Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100
Landmarks Engineering & Development Sdn. Bhd. $\varphi$	Malaysia	Property development and civil engineering works	100	100
Ikatan Perkasa Sdn. Bhd. $\varphi$	Malaysia	Investment holding	100	100
Fokus Asas Sdn. Bhd. $\varphi$	Malaysia	Investment holding	100	100
Primary Gateway Sdn. Bhd.	Malaysia	Investment holding	100	100
Capaian Tinggi Sdn. Bhd. $\varphi$	Malaysia	Dormant	100	100
Tender Years Sdn. Bhd. $\varphi$	Malaysia	Dormant	100	100
VIW Management Private Limited *	Singapore	Provision of management services	100	100
<b>Subsidiaries of Landmarks Hotels &amp; Realty Sdn. Bhd.</b>				
Andaman Resort Sdn. Bhd.	Malaysia	Ownership and management of a hotel	100	100
Kuala Lumpur Suburban Centre Sdn. Bhd. $\varphi$	Malaysia	Investment holding	100	100
Resorts Equities Sdn. Bhd. $\varphi$	Malaysia	Investment holding	-	100
Impian Makmur Sdn. Bhd. $\varphi$	Malaysia	Investment holding	100	100
Maya Wilayah Sdn. Bhd. $\varphi$	Malaysia	Investment holding	100	100
Wilayah Ehsan Sdn. Bhd. $\varphi$	Malaysia	Investment holding	100	100
Success Sphere Sdn. Bhd. $\varphi$	Malaysia	Investment holding	100	100
Escalibur Sdn. Bhd. $\varphi$	Malaysia	Investment holding	100	100
Nustulin Sdn. Bhd. $\varphi$	Malaysia	Investment holding	100	100
Landmarks Hotel & Resort Management Sdn. Bhd. $\varphi$	Malaysia	Dormant	100	100
Sungei Wang REIT Manager Sdn. Bhd. $\varphi$	Malaysia	Dormant	100	100
Tumbuk Estate Sdn. Bhd. $\varphi$	Malaysia	Dormant	100	100
The Railway Hotel (1991) Sdn. Bhd. $\varphi$	Malaysia	Dormant	100	100
Maya Baiduri Sdn. Bhd. $\varphi$	Malaysia	Dormant	51	51

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiaries of Landmarks Hotels & Realty Sdn. Bhd. (continued)				
Landmarks Healthcare Sdn. Bhd. ☐	Malaysia	Dormant	100	100
Web Age Sdn. Bhd. ☐	Malaysia	Dormant	100	100
Sungei Wang Ventures Sdn. Bhd. ☐	Malaysia	Dormant	100	100
Subsidiary of The Railway Hotel (1991) Sdn. Bhd.				
Point Merge (M) Sdn. Bhd. ☐	Malaysia	Dormant	100	100
Subsidiary of Landmarks Hotel & Resort Management Sdn. Bhd.				
Desa Lagoon Resort Sdn. Bhd. ☐	Malaysia	Dormant	100	100
Subsidiary of Landmarks Healthcare Sdn. Bhd.				
AHC Consolidated Sdn. Bhd. ☐	Malaysia	Dormant	100	100
Subsidiaries of AHC Consolidated Sdn. Bhd.				
AHC Enterprise Sdn. Bhd. ☐	Malaysia	Dormant	100	100
Landmarks Healthcare Management Sdn. Bhd. ☐	Malaysia	Dormant	100	100
Subsidiary of Web Age Sdn. Bhd.				
Web Portal Technologies Sdn. Bhd. ☐	Malaysia	Dormant	100	100
Subsidiary of Web Portal Technologies Sdn. Bhd.				
Besetter Pty. Ltd. ☐	Australia	Dormant	75	75
Subsidiary of Besetter Pty. Ltd.				
PT Sarana Logistik Medika Nusantara ☐	Indonesia	Dormant	75	75
Subsidiaries of PT Sarana Logistik Medika Nusantara				
PT Jasa Bersama Rumah Sakit Nusantara ☐	Indonesia	Dormant	67.5	67.5
PT Jasa Logistik Kesehatan Nusantara ☐	Indonesia	Dormant	66	66

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiaries of Primary Gateway Sdn. Bhd.				
BTB Corporate Services Sdn. Bhd.	Malaysia	Provision of management services	100	100
Bintan Treasure Bay Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Tiara Gateway Pte. Ltd. *	Singapore	Investment holding	100	100
PG Construction Holdings Pte. Ltd. ☐	Republic of Secyhelles	Investment holding	100	100
Subsidiaries of Bintan Treasure Bay Pte. Ltd.				
Pioneer Investments Limited ☐	Republic of Secyhelles	Investment holding	100	100
Premier Investment Holding Pte. Ltd. ☐	Republic of Secyhelles	Investment holding	100	100
PT Treasure Development Services ☐	Indonesia	Construction, maintenance and rental of buildings	100	100
Bay Development Services Pte. Ltd. *	Singapore	Provision of management and consultancy services	100	100
Subsidiary of Pioneer Investments Limited				
PT Pelangi Bintan Indah ☐	Indonesia	Development of tourism complex and management of resort hotels	100	100
Subsidiaries of Tiara Gateway Pte. Ltd.				
Prime Holdings Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Bintan Resorts Holdings Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Bintan Land Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Bintan Resort Enterprise Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Bintan Leisure Resort Ventures Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Bangkaru Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100



# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiaries of Tiara Gateway Pte. Ltd. (continued)				
Enggano Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Gersik Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Hinako Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Kemaro Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Lasia Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Legundi Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Manawoka Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Manipa Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Mapor Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Marsela Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Mendol Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Mesawak Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Musala Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Nias Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Penasi Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Propos Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Raiba Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Rondo Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiaries of Tiara Gateway Pte. Ltd. (continued)				
Samosir Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Senua Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Sinabol Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Subi Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Tanabala Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Tayandu Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Tinopo Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Watubela Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Wetan Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Boana Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Fordate Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Tambelan Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Tarempa Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Temiyang Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100
Subsidiaries of PG Construction Holdings Pte. Ltd.				
PG Builders Pte. Ltd. ☐	Republic of Seychelles	Property construction works	100	100
PG Contracts Pte. Ltd. ☐	Republic of Seychelles	Property construction works	100	100
Bintan Beach Resorts Investments Pte. Ltd. ☐	Republic of Seychelles	Investment holding	100	100

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiaries of Prime Holdings Pte. Ltd.				
Prime Lagoon Pte. Ltd. *	Singapore	Investment holding	100	100
Prime Villa Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiaries of Bintan Resorts Holdings Pte. Ltd.				
Bintan Resorts Holdings (Singapore) Pte. Ltd. *	Singapore	Investment holding	100	100
Bintan Hotel Holdings Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiaries of Bintan Land Pte. Ltd.				
Bintan Land (Singapore) Pte. Ltd. *	Singapore	Investment holding	100	100
Bintan Hotel Utama Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiaries of Bintan Resort Enterprise Pte. Ltd.				
Bintan Resort Enterprise (Singapore) Pte. Ltd. *	Singapore	Investment holding	100	100
Bintan Hotel Development Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiaries of Bintan Leisure Resort Ventures Pte. Ltd.				
Bintan Leisure Resort Ventures (Singapore) Pte. Ltd. *	Singapore	Investment holding	100	100
Bintan Hotel Ventures Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiaries of Bintan Beach Resorts Investments Pte. Ltd.				
Bintan Beach Resorts Investments (Singapore) Pte. Ltd. *	Singapore	Investment holding	100	100
Bintan Hotel Management Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiaries of Bangkaru Investments Pte. Ltd.				
Bangkaru Alpha Pte. Ltd. ♡	Singapore	Investment holding	100	100
Bangkaru Beta Pte. Ltd. ♡	Singapore	Investment holding	100	100
Subsidiaries of Enggano Investments Pte. Ltd.				
Enggano Alpha Pte. Ltd. ♡	Singapore	Investment holding	100	100
Enggano Beta Pte. Ltd. ♡	Singapore	Investment holding	100	100

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiaries of Gersik Investments Pte. Ltd.				
Gersik Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Gersik Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Hinako Investments Pte. Ltd.				
Hinako Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Hinako Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Kemaro Investments Pte. Ltd.				
Kemaro Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Kemaro Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Lasia Investments Pte. Ltd.				
Lasia Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Lasia Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Legundi Investments Pte. Ltd.				
Legundi Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Legundi Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Manawoka Investments Pte. Ltd.				
Manawoka Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Manawoka Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Manipa Investments Pte. Ltd.				
Manipa Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Manipa Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Mapor Investments Pte. Ltd.				
Mapor Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Mapor Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiaries of Marsela Investments Pte. Ltd.				
Marsela Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Marsela Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Mendol Investments Pte. Ltd.				
Mendol Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Mendol Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Mesawak Investments Pte. Ltd.				
Mesawak Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Mesawak Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Musala Investments Pte. Ltd.				
Musala Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Musala Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Nias Investments Pte. Ltd.				
Nias Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Nias Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Penasi Investments Pte. Ltd.				
Penasi Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Penasi Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Propos Investments Pte. Ltd.				
Propos Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Propos Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Raiba Investments Pte. Ltd.				
Raiba Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Raiba Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Rondo Investments Pte. Ltd.				
Rondo Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Rondo Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100



# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiaries of Samosir Investments Pte. Ltd.				
Samosir Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Samosir Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Senua Investments Pte. Ltd.				
Senua Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Senua Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Sinabol Investments Pte. Ltd.				
Sinabol Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Sinabol Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Subi Investments Pte. Ltd.				
Subi Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subi Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Tanabala Investments Pte. Ltd.				
Tanabala Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Tanabala Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Tayandu Investments Pte. Ltd.				
Tayandu Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Tayandu Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Tinopo Investments Pte. Ltd.				
Tinopo Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Tinopo Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Watubela Investments Pte. Ltd.				
Watubela Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Watubela Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiaries of Wetan Investments Pte. Ltd.				
Wetan Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Wetan Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Boana Investments Pte. Ltd.				
Boana Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Boana Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Fordate Investments Pte. Ltd.				
Fordate Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Fordate Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Tambelan Investments Pte. Ltd.				
Tambelan Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Tambelan Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Tarempa Investments Pte. Ltd.				
Tarempa Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Tarempa Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiaries of Temiyang Investments Pte. Ltd.				
Temiyang Alpha Pte. Ltd. ☐	Singapore	Investment holding	100	100
Temiyang Beta Pte. Ltd. ☐	Singapore	Investment holding	100	100
Subsidiary of Prime Lagoon Pte. Ltd.				
PT Prime Villa Investment ☐	Indonesia	Development, sales, management and operations of serviced villa	100	100
Subsidiary of Bintan Resorts Holdings (Singapore) Pte. Ltd.				
PT Resort Kirana Bintan ☐	Indonesia	Development and management of resort hotels, and commercial and residential properties	100	100

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
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 ☐	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 ☐	Indonesia	Development and management of resort hotels, and commercial and residential properties	100	100
Subsidiary of Bangkaru Alpha Pte. Ltd.				
PT Bangkaru Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Enggano Alpha Pte. Ltd.				
PT Enggano Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Gersik Alpha Pte. Ltd.				
PT Gersik Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
<b>Subsidiary of Hinako Alpha Pte. Ltd.</b>				
PT Hinako Estate ϕ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Kemaro Alpha Pte. Ltd.</b>				
PT Kemaro Estate ϕ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Lasia Alpha Pte. Ltd.</b>				
PT Lasia Estate ϕ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Legundi Alpha Pte. Ltd.</b>				
PT Legundi Estate ϕ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Manawoka Alpha Pte. Ltd.</b>				
PT Manawoka Estate ϕ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Manipa Alpha Pte. Ltd.</b>				
PT Manipa Estate ϕ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Mapor Alpha Pte. Ltd.</b>				
PT Mapor Estate ϕ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Marsela Alpha Pte. Ltd.</b>				
PT Marsela Estate ϕ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Mendol Alpha Pte. Ltd.</b>				
PT Mendol Estate ϕ	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiary of Mesawak Alpha Pte. Ltd.				
PT Mesawak Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Musala Alpha Pte. Ltd.				
PT Musala Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Nias Alpha Pte. Ltd.				
PT Nias Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Penasi Alpha Pte. Ltd.				
PT Penasi Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Propos Alpha Pte. Ltd.				
PT Propos Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Raiba Alpha Pte. Ltd.				
PT Raiba Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Rondo Alpha Pte. Ltd.				
PT Rondo Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Samosir Alpha Pte. Ltd.				
PT Samosir Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Senua Alpha Pte. Ltd.				
PT Senua Estate ☐	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100



# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
<b>Subsidiary of Sinabol Alpha Pte. Ltd.</b>				
PT Sinabol Estate $\varphi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Subi Alpha Pte. Ltd.</b>				
PT Subi Estate $\varphi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Tanabala Alpha Pte. Ltd.</b>				
PT Tanabala Estate $\varphi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Tayandu Alpha Pte. Ltd.</b>				
PT Tayandu Estate $\varphi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Tinopo Alpha Pte. Ltd.</b>				
PT Tinopo Estate $\varphi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Watubela Alpha Pte. Ltd.</b>				
PT Watubela Estate $\varphi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Wetan Alpha Pte. Ltd.</b>				
PT Wetan Estate $\varphi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Boana Alpha Pte. Ltd.</b>				
PT Boana Estate Villa $\varphi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
<b>Subsidiary of Fordate Alpha Pte. Ltd.</b>				
PT Fordate Estate Villa $\varphi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100

# NOTES TO THE FINANCIAL STATEMENTS

## 6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest	
			2015 %	2014 %
Subsidiary of Tambelan Alpha Pte. Ltd.				
PT Tambelan Estate Villa $\Psi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Tarempa Alpha Pte. Ltd.				
PT Tarempa Estate Villa $\Psi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of Temiyang Alpha Pte. Ltd.				
PT Temiyang Estate Villa $\Psi$	Indonesia	Ownership and/or lease of Estate Villa(s)	100	100
Subsidiary of PT Treasure Development Services				
PT Pesona Lagoi Mandiri $\Psi$	Indonesia	Production and supply of ready mix and dry mix concrete and mortar	51	51

$\Psi$  Not audited by KPMG

\* Audited by other member firms of KPMG International

### Acquisition of a subsidiary

In the previous year, the Group via its wholly-owned subsidiary, PT Treasure Development Services (“TDS”) acquired 51% equity interest in PT Pesona Lagoi Mandiri (“PLM”) for a total consideration of SGD481,240 (equivalent to RM1,273,000) which was satisfied by transfer of assets. The non-controlling interests based on their proportionate shareholding in PLM amounted to RM1.223 million.

### Additional investment from non-controlling interests

Further in financial year 2015, the Group via TDS, invested additional capital of SGD58,973 (equivalent to RM179,000) in PLM, whilst the non-controlling interests (“NCI”) invested SGD56,660 (equivalent to RM172,000). There was no change in the ownership of interest subsequent to the additional investment. The Group recognised an increase in non-controlling interests of RM149,000.

### Disposal of a subsidiary

During the financial year, the Group’s wholly-owned subsidiary, Landmarks Hotels and Realty Sdn. Bhd., disposed of two ordinary shares of RM1.00 each representing the entire shareholding of Resorts Equities Sdn. Bhd. (“RESB”) for a cash consideration of RM5,000. The gain on disposal amounting to RM4,998 is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 7. INVESTMENTS IN ASSOCIATES

	Group	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost	300	300
Share of post acquisition reserves	66,347	57,207
Less: Impairment losses	(100)	(100)
	66,547	57,407

Details of material associates are as follows:

Name of entity	Principal place of business/ Country of incorporation	Nature of the relationship	Effective ownership interest and voting interest	
			2015	2014
MSL Properties Sdn. Bhd. ("MSL")	Malaysia	Township developer as it is Group's vision to be a leading player in lifestyle sector focusing on resorts, hospitality and wellness in South East Asia.	20%+ 1 share	20%+ 1 share

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

# NOTES TO THE FINANCIAL STATEMENTS

## 7. INVESTMENTS IN ASSOCIATES (CONTINUED)

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

MSL Properties Sdn. Bhd.	Group	
	2015 RM'000	2014 RM'000
<b>Summarised financial information</b>		
<b>As at 31 December</b>		
Non-current assets	402,003	323,902
Current assets	43,643	51,195
Non-current liabilities	(45,520)	(33,112)
Current liabilities	(24,777)	(32,285)
Net assets	375,349	309,700
<b>Year ended 31 December</b>		
Profit from continuing operations/Total comprehensive income	48,700	43,639
<b>Included in the total comprehensive income are:</b>		
Revenue	32,289	51,592
Fair value gain in investment properties	46,148	21,030
<b>Reconciliation of net assets to carrying amount as at 31 December</b>		
Group's share of net assets	75,070	61,940
Consolidation adjustments	(8,523)	(4,533)
Carrying amount in the statements of financial position	66,547	57,407
<b>Group's share of results</b>		
<b>Year ended 31 December</b>		
Group's share of profit from continuing operations/Total comprehensive income	9,740	8,728

# NOTES TO THE FINANCIAL STATEMENTS

## 8. OTHER INVESTMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-current</b>				
<b>Available-for-sale</b>				
Unquoted shares, at fair value	1,885	1,040	-	-
	1,885	1,040	-	-
<b>Current</b>				
<b>Fair value through profit or loss</b>				
Quoted foreign cash funds, at fair value	7,882	13,951	7,882	13,951
Quoted local cash funds, at fair value	14,583	-	4,833	-
	22,465	13,951	12,715	13,951
	24,350	14,991	12,715	13,951



# NOTES TO THE FINANCIAL STATEMENTS

## 9. DEFERRED TAX ASSETS/(LIABILITIES)

### Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property development costs	-	-	(199,482)	(200,384)	(199,482)	(200,384)
Property, plant and equipment	-	-	(269,647)	(268,258)	(269,647)	(268,258)
Unabsorbed capital allowances	349	522	-	-	349	522
Others	4,058	5,775	-	(4,818)	4,058	957
Tax assets/(liabilities)	4,407	6,297	(469,129)	(473,460)	(464,722)	(467,163)
Set off of tax	(4,057)	(4,666)	4,057	4,666	-	-
Net tax assets/(liabilities)	350	1,631	(465,072)	(468,794)	(464,722)	(467,163)
<b>Company</b>						
Property, plant and equipment	-	-	(57)	(73)	(57)	(73)
Unabsorbed capital allowances	349	522	-	-	349	522
Others	58	1,182	-	-	58	1,182
Tax assets/(liabilities)	407	1,704	(57)	(73)	350	1,631
Set off of tax	(57)	(73)	57	73	-	-
Net tax assets	350	1,631	-	-	350	1,631

# NOTES TO THE FINANCIAL STATEMENTS

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

### Movement in temporary differences during the year

Group	At 1.1.2014 RM'000	Recognised in profit or loss (Note 21) RM'000	Transfer RM'000	At 31.12.2014 RM'000	Recognised in profit or loss (Note 21) RM'000	Transfer RM'000	At 31.12.2015 RM'000
Property development costs	(375,884)	-	175,500	(200,384)	-	902	(199,482)
Property, plant and equipment	(88,397)	(4,361)	(175,500)	(268,258)	(487)	(902)	(269,647)
Unabsorbed capital allowances	1,364	(842)	-	522	(173)	-	349
Others	(4,818)	5,775	-	957	3,101	-	4,058
	(467,735)	572	-	(467,163)	2,441	-	(464,722)
<b>Company</b>							
Property, plant and equipment	(80)	7	-	(73)	16	-	(57)
Unabsorbed capital allowances	501	21	-	522	(173)	-	349
Others	-	1,182	-	1,182	(1,124)	-	58
	421	1,210	-	1,631	(1,281)	-	350

### Unrecognised deferred tax assets

	Group	
	2015	2014
	RM'000	RM'000
Other deductible temporary differences	1,694	1,651
Tax losses carried-forward	44,214	31,353
	45,908	33,004

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

# NOTES TO THE FINANCIAL STATEMENTS

## 10. INVENTORIES

	Group 2015 RM'000	2014 RM'000
Spares and consumables	310	338
Saleable merchandise	141	145
	451	483

## 11. TRADE AND OTHER RECEIVABLES

	Note	Group 2015 RM'000	2014 RM'000	Company 2015 RM'000	2014 RM'000
<b>Current</b>					
<b>Trade</b>					
Trade receivables		2,854	2,115	-	-
Less: Impairment loss on trade receivables		-	(20)	-	-
		2,854	2,095	-	-
<b>Non-trade</b>					
Other receivables		3,226	3,030	71	67
Deposits		1,777	1,266	59	55
Amount due from subsidiaries	11.1	-	-	3,361	69
Dividend receivable from an associate		600	1,800	-	-
		5,603	6,096	3,491	191
		8,457	8,191	3,491	191

### 11.1 Amount due from subsidiaries

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

# NOTES TO THE FINANCIAL STATEMENTS

## 12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	14,435	16,687	428	825
Deposits with licensed banks	21,324	66,871	10,777	25,321
	35,759	83,558	11,205	26,146

Included in the Group's and the Company's deposits with licensed banks are RM3,477,000 (2014: RM3,409,000) and RM2,177,000 (2014: RM2,109,000) respectively, under the designated accounts of which the utilisation is subject to the terms and conditions of the term loan of the Group (Note 14) and banking facilities granted to the Group.

## 13. CAPITAL AND RESERVES

### 13.1 Share capital

	Group and Company			
	Amount	Number	Amount	Number
	2015	of shares	2014	of shares
	RM'000	2015	RM'000	2014
		'000		'000
Authorised:				
Ordinary shares of RM1 each	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of RM1 each				
At 1 January/31 December	480,810	480,810	480,810	480,810

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

### 13.2 Capital reserve

#### Company

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

# NOTES TO THE FINANCIAL STATEMENTS

## 13. CAPITAL AND RESERVES (CONTINUED)

### 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 Fair value reserve

#### Group

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

### 13.5 Share option reserve

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

## 14. LOANS AND BORROWINGS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-current</b>				
Secured term loan	70,000	79,584	-	-
Finance lease liabilities	183	271	-	-
	70,183	79,855	-	-
<b>Current</b>				
Secured term loan	10,731	9,499	507	-
Finance lease liabilities	69	84	-	-
	10,800	9,583	507	-
	80,983	89,438	507	-



# NOTES TO THE FINANCIAL STATEMENTS

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

The Company's term loan is secured by:

- i) First legal charge over the 8.1 h.a. land located on Bintan Resort, Sejong Lagoi Village, North Bintan District, Riau Islands ('Bintan Land')
- ii) Second legal charge over the land and building of a subsidiary.
- iii) First priority charge over Revenue Account and Reserve Account 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 2015 RM'000	Interest 2015 RM'000	Present value of minimum lease payments 2015 RM'000	Future minimum lease payments 2014 RM'000	Interest 2014 RM'000	Present value of minimum lease payments 2014 RM'000
Less than one year	80	11	69	96	12	84
Between one and five years	197	14	183	308	37	271
	277	25	252	404	49	355

# NOTES TO THE FINANCIAL STATEMENTS

## 15. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Trade</b>					
Trade payables		<b>4,975</b>	8,097	-	-
<b>Non-trade</b>					
Other payables		<b>5,224</b>	4,817	<b>120</b>	126
Accrued expenses		<b>10,090</b>	8,207	<b>907</b>	951
Amount due to subsidiaries	15.1	-	-	<b>17,001</b>	16,234
		<b>15,314</b>	13,024	<b>18,028</b>	17,311
		<b>20,289</b>	21,121	<b>18,028</b>	17,311

### 15.1 Amount due to subsidiaries

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

## 16. EMPLOYEE BENEFITS

### Share-based payments

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 16. EMPLOYEE BENEFITS (CONTINUED)

### Share-based payments (continued)

Grant date	Remaining life of options	Weighted average exercise price	Outstanding at 1.1.2015	Movement during the year Number of options over ordinary shares of RM1.00 each			Outstanding at 31.12.2015	Exercisable at 31.12.2015
				Exercised	Forfeited			
22.1.2008	2 years	RM2.91	743,800	-	-		743,800	743,800
24.6.2010	2 years	RM1.14	744,000	-	(55,500)		688,500	688,500
27.8.2014	2 years	RM1.44	5,100,000	-	(710,000)		4,390,000	2,634,000
			6,587,800	-	(765,500)		5,822,300	4,066,300

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 16. EMPLOYEE BENEFITS (CONTINUED)

### Share-based payments (continued)

	Group and Company	
	2015 RM'000	2014 RM'000
Share options granted on 27.8.2014	452	947
Total expenses recognised as share-based payments	452	947

During the financial year, 765,500 (2014: 109,900) share options were forfeited and the total amount of RM284,000 (2014: RM42,000) was transferred to retained earnings of the Group and of the Company.

## 17. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Hotel operations	61,920	53,601	-	-
Management fees	-	-	3,210	-
Dividend income from other investments	-	-	354	326
	61,920	53,601	3,564	326

## 18. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense	5,187	5,011	124	-

# NOTES TO THE FINANCIAL STATEMENTS

## 19. LOSS BEFORE TAX

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Loss before tax is arrived at after charging:</b>				
Auditors' remuneration:				
Statutory audit				
- KPMG Malaysia	226	196	85	75
- Overseas affiliates of KPMG Malaysia	102	91	-	-
- Other auditors	212	197	-	-
Other services				
- KPMG Malaysia	70	70	40	40
- Local affiliates of KPMG Malaysia	61	61	11	11
- Overseas affiliates of KPMG Malaysia	127	77	-	-
- Other auditors	95	85	-	-
Depreciation of property, plant and equipment	10,917	8,498	144	120
Amortisation of intangible asset	189	189	189	-
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	1,709	1,453	442	311
- Wages, salaries and others	26,451	19,687	3,663	3,245
- Share-based payments	452	947	452	947
Loss on disposal of property, plant and equipment	1	-	1	-
Property, plant and equipment written off	3,378	384	-	-
Intangible asset written off	66	-	66	-
Fair value loss in other investments	1,050	-	1,213	-
Rental of office	2,635	1,141	233	230
<b>and after crediting:</b>				
Foreign exchange gains	6,393	3,834	3,416	460
Dividend income from other investments	390	326	354	326
Rental income	225	205	-	-
Gains on disposal of other investments	414	-	414	-
Gains on disposal of a subsidiary	5	-	-	-
Fair value gain in other investments	-	686	-	686
Gain on disposal of property, plant and equipment	-	26	-	-
Reversal of impairment loss on trade receivables	20	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 20. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Director				
- Fees	362	363	347	348
- Allowance	62	91	62	91
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	29	23	29	23
Share-based payments	93	195	93	195
Total short-term employee benefits	546	672	531	657

## 21. INCOME TAX EXPENSE

*Recognised in profit or loss*

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Current tax expense</b>					
- current		599	272	-	173
- prior year		(145)	(800)	(173)	(800)
Total current tax recognised in profit or loss		454	(528)	(173)	(627)
<b>Deferred tax expense</b>					
- Origination and reversal of temporary differences		1,087	(97)	190	(1,213)
- (Over)/Under provision in prior year		(3,528)	(475)	1,091	3
Total deferred tax recognised in profit or loss	9	(2,441)	(572)	1,281	(1,210)
Total income tax (credit)/expense		(1,987)	(1,100)	1,108	(1,837)



# NOTES TO THE FINANCIAL STATEMENTS

## 21. INCOME TAX EXPENSE (CONTINUED)

### Reconciliation of effective tax expense

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Loss for the year	<b>(12,058)</b>	(5,314)	<b>(1,438)</b>	(3,913)
Total tax (credit)/expense	<b>(1,987)</b>	(1,100)	<b>1,108</b>	(1,837)
Loss excluding tax	<b>(14,045)</b>	(6,414)	<b>(330)</b>	(5,750)
Share of profit after tax of an equity accounted associate **	<b>(9,740)</b>	(8,728)	-	-
	<b>(23,785)</b>	(15,142)	<b>(330)</b>	(5,750)
Tax calculated using Malaysian tax rate of 25%	<b>(5,946)</b>	(3,786)	<b>(82)</b>	(1,438)
Effect of tax rate in foreign jurisdictions *	<b>1,043</b>	626	-	-
Non-deductible expenses	<b>3,492</b>	808	<b>272</b>	398
Current year losses of which no deferred tax is recognised	<b>3,097</b>	2,527	-	-
	<b>1,686</b>	175	<b>190</b>	(1,040)
(Over)/Under provision in prior year	<b>(3,673)</b>	(1,275)	<b>918</b>	(797)
	<b>(1,987)</b>	(1,100)	<b>1,108</b>	(1,837)

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

\*\* Associate operates in Malaysia tax jurisdiction at the tax rate of 25%.

# NOTES TO THE FINANCIAL STATEMENTS

## 22. LOSS PER ORDINARY SHARE

### Basic loss per ordinary share

The calculation of basic loss per share at 31 December 2015 was based on the loss attributable to ordinary equity holders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2015 RM'000	2014 RM'000
Loss for the year attributable to owners	(12,058)	(5,314)

### Weighted average number of ordinary shares

	Group	
	2015 '000	2014 '000
Issued ordinary shares at 1 January	480,810	480,810
Weighted average number of ordinary shares at 31 December	480,810	480,810

### Basic loss per ordinary share

	Group	
	2015 Sen	2014 Sen
From continuing operations	(2.51)	(1.11)

### Diluted loss per ordinary share

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

# NOTES TO THE FINANCIAL STATEMENTS

## 23. OPERATING SEGMENTS

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

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

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

### Segment assets

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

### Segment liabilities

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 23. OPERATING SEGMENTS (CONTINUED)

<b>2014</b>	<b>Hospitality and wellness RM'000</b>	<b>Resort and destination development RM'000</b>	<b>Total RM'000</b>
Total segment revenue	53,601	-	53,601
Results from operating activities	8,722	(13,535)	(4,813)
Included in the measure of segment results from operating activities are:			
Depreciation and amortisation	(6,572)	(1,995)	(8,567)
Not included in the measurement of results from operating activities but provided to the Board of Directors:			
Finance costs	(4,988)	(23)	(5,011)
Income tax expense	(737)	-	(737)
<b>Segment assets</b>	<b>168,722</b>	<b>2,079,954</b>	<b>2,248,676</b>
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	5,030	7,844	12,874

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

	<b>2015 RM'000</b>	<b>2014 RM'000</b>
<b>Segment results from operating activities</b>		
Total results from operating activities for reportable segment	<b>(15,860)</b>	(4,813)
Other non-reportable segments	<b>(3,641)</b>	(6,610)
Finance costs	<b>(5,187)</b>	(5,011)
Finance income	<b>903</b>	1,292
Share of profit of an equity accounted associate	<b>9,740</b>	8,728
Tax expense	<b>1,987</b>	1,100
Consolidated loss after tax	<b>(12,058)</b>	(5,314)

# NOTES TO THE FINANCIAL STATEMENTS

## 23. OPERATING SEGMENTS (CONTINUED)

	Revenue RM'000	Depreciation and amortisation RM'000	Income tax expense RM'000	Segment assets RM'000	Additions to non-assets RM'000
<b>2015</b>					
Total reportable segment	61,920	(10,806)	(1,839)	2,247,687	4,080
Other non-reportable segments	-	(300)	3,826	94,578	123
Consolidated total	61,920	(11,106)	1,987	2,342,265	4,203
<b>2014</b>					
Total reportable segment	53,601	(8,567)	(737)	2,248,676	12,874
Other non-reportable segments	-	(120)	1,837	102,488	62
Consolidated total	53,601	(8,687)	1,100	2,351,164	12,936

### Geographical segments

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

	Non-current assets		Revenue *	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysia	142,375	148,003	61,656	53,601
Indonesia	1,984,628	1,967,287	264	-
Other countries	1,193	1,193	-	-
	2,128,196	2,116,483	61,920	53,601

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

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS

### 24.1 Categories of financial instruments

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

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

	Carrying amount RM'000	L&R RM'000	FVTPL RM'000	AFS RM'000
<b>2015</b>				
<b>Financial assets</b>				
<b>Group</b>				
Other investments	24,350	-	22,465	1,885
Trade and other receivables	8,457	8,457	-	-
Cash and cash equivalents	35,759	35,759	-	-
	68,566	44,216	22,465	1,885
<b>Company</b>				
Other investments	12,715	-	12,715	-
Trade and other receivables	3,491	3,491	-	-
Cash and cash equivalents	11,205	11,205	-	-
	27,411	14,696	12,715	-

<b>2014</b>				
<b>Financial assets</b>				
<b>Group</b>				
Other investments	14,991	-	13,951	1,040
Trade and other receivables	8,191	8,191	-	-
Cash and cash equivalents	83,558	83,558	-	-
	106,740	91,749	13,951	1,040
<b>Company</b>				
Other investments	13,951	-	13,951	-
Trade and other receivables	191	191	-	-
Cash and cash equivalents	26,146	26,146	-	-
	40,288	26,337	13,951	-



# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.1 Categories of financial instruments (continued)

	Carrying amount RM'000	OL RM'000
<b>2015</b>		
<b>Financial liabilities</b>		
<b>Group</b>		
Loans and borrowings	80,983	80,983
Trade and other payables	20,289	20,289
	<b>101,272</b>	<b>101,272</b>
<b>Company</b>		
Loans and borrowings	507	507
Other payables	18,028	18,028
	<b>18,535</b>	<b>18,535</b>
<b>2014</b>		
<b>Financial liabilities</b>		
<b>Group</b>		
Loans and borrowings	89,438	89,438
Trade and other payables	21,121	21,121
	<b>110,559</b>	<b>110,559</b>
<b>Company</b>		
Other payables	17,311	17,311

### 24.2 Net gains arising from financial instruments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net gains arising on:				
Loans and receivables	7,316	5,126	4,049	1,384
Financial liabilities measured at amortised cost	(5,187)	(5,011)	(124)	-
Fair value through profit or loss	(246)	1,012	(445)	1,012
	<b>1,883</b>	<b>1,127</b>	<b>3,480</b>	<b>2,396</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

#### 24.3.1 Credit risk

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

#### Receivables

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

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

*Exposure to credit risk, credit quality and collateral*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.3 Financial risk management (continued)

#### 24.3.1 Credit risk (continued)

##### Receivables (continued)

##### Impairment losses

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

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
<b>2015</b>			
Not past due	2,759	-	2,759
Past due 1 - 60 days	87	-	87
Past due more than 60 days	8	-	8
	<b>2,854</b>	<b>-</b>	<b>2,854</b>
<b>2014</b>			
Not past due	1,879	-	1,879
Past due 1 - 60 days	199	-	199
Past due more than 60 days	37	(20)	17
	<b>2,115</b>	<b>(20)</b>	<b>2,095</b>

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

	Group 2015 RM'000	2014 RM'000
At 1 January	20	9
Impairment loss (reversed)/recognised	(20)	11
At 31 December	-	20

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

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.3 Financial risk management (continued)

#### 24.3.1 Credit risk (continued)

##### Financial guarantees

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

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

*Exposure to credit risk and credit quality*

The maximum exposure to credit risk amounts to RM80,224,000 (2014: RM88,584,000) representing the outstanding banking facilities of the subsidiary as at the end of reporting period.

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

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

##### Cash and cash equivalents

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

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

Cash and cash equivalents are placed with licensed financial institutions.

*Exposure to credit risk and credit quality*

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

*Impairment losses*

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

#### 24.3.2 Liquidity risk

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.3 Financial risk management (continued)

#### 24.3.2 Liquidity risk (continued)

##### *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
<b>2015</b>						
<b>Group</b>						
Secured term loan	80,731	5.23% - 5.88%	92,551	14,520	16,346	61,685
Finance lease liabilities	252	2.47% - 2.85%	277	80	69	128
Trade and other payables	20,289	-	20,289	20,289	-	-
	<b>101,272</b>		<b>113,117</b>	<b>34,889</b>	<b>16,415</b>	<b>61,813</b>
<b>Company</b>						
Secured term loan	507	5.65%-5.88%	507	507	-	-
Other payables	18,028	-	18,028	18,028	-	-
Financial guarantees	-	-	80,224	80,224	-	-
	<b>18,535</b>		<b>98,759</b>	<b>98,759</b>	<b>-</b>	<b>-</b>
<b>2014</b>						
<b>Group</b>						
Secured term loan	89,083	5.10% - 5.35%	108,329	13,610	31,296	63,423
Finance lease liabilities	355	2.47% - 3.25%	404	96	80	228
Trade and other payables	21,121	-	21,121	21,121	-	-
	<b>110,559</b>		<b>129,854</b>	<b>34,827</b>	<b>31,376</b>	<b>63,651</b>
<b>Company</b>						
Other payables	17,311	-	17,311	17,311	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.3 Financial risk management (continued)

#### 24.3.3 Market risk

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

##### 24.3.3.1 Currency risk

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

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

##### *Exposure to foreign currency risk*

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

	Denominated in		
	USD RM'000	SGD RM'000	IDR RM'000
<b>Group</b>			
<b>2015</b>			
Other investments	-	7,882	-
Trade and other receivables	691	-	178
Trade and other payables	(178)	-	(670)
Cash and cash equivalents	50	2,915	766
<b>Net exposure</b>	<b>563</b>	<b>10,797</b>	<b>274</b>
<b>2014</b>			
Other investments	-	13,951	-
Trade and other receivables	245	-	166
Trade and other payables	(119)	-	(834)
Cash and cash equivalents	50	2,253	436
<b>Net exposure</b>	<b>176</b>	<b>16,204</b>	<b>(232)</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.3 Financial risk management (continued)

#### 24.3.3 Market risk (continued)

##### 24.3.3.1 Currency risk (continued)

*Exposure to foreign currency risk (continued)*

	Denominated in SGD	
	2015 RM'000	2014 RM'000
<b>Company</b>		
Other investments	7,882	13,951
Cash and cash equivalents	2,814	2,116
	<b>10,696</b>	16,067

*Currency risk sensitivity analysis*

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

	Group Profit or Loss		Company Profit or Loss	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
USD	(56)	(18)	-	-
SGD	(1,080)	(1,620)	(1,070)	(1,607)
IDR	(27)	23	-	-

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

##### 24.3.3.2 Interest rate risk

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

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.3 Financial risk management (continued)

#### 24.3.3 Market risk (continued)

##### 24.3.3.2 Interest rate risk (continued)

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

##### *Exposure to interest rate risk*

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Fixed rate instruments</b>				
Financial assets	21,324	66,871	10,777	25,321
Financial liabilities	(252)	(355)	-	-
	21,072	66,516	10,777	25,321
<b>Floating rate instruments</b>				
Financial liabilities	(80,731)	(89,083)	(507)	-

##### *Interest rate risk sensitivity analysis*

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

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

##### (b) *Cash flow sensitivity analysis for variable rate instruments*

An increase/(decrease) of 100 basis points in interest rates at the end of the reporting period would have increased/(decrease) loss before tax by RM807,000 (2014: RM890,000) for the Group. This analysis assumes that all other variables remain constant.

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.3 Financial risk management (continued)

#### 24.3.3 Market risk (continued)

##### 24.3.3.3 Other price risk

Equity price risk arises from the Group's and Company's investment in funds in Singapore and Malaysia.

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

The management monitors the investments and all buy and sell decisions are approved by management.

*Equity price risk sensitivity analysis*

A 5% strengthening in the fund prices published by the fund manager at the end of the reporting period would have reduced loss before tax of RM1,123,000 (2014: RM698,000) for investments classified as fair value through profit or loss. A 5% weakening would have had equal but opposite effect on profit or loss, on the basis that all other variables remain constant.

### 24.4 Fair value of financial instruments

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

#### 24.4.1 Fair value hierarchy

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL INSTRUMENTS (CONTINUED)

### 24.4 Fair value of financial instruments (continued)

#### 24.4.1 Fair value hierarchy (continued)

2014 Group	Fair value of financial instruments ← carried at fair value →				Fair value of financial instruments not ← carried at fair value →				Total fair value RM'000	Carrying amount RM'000
	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		
<b>Financial assets</b>										
Other investments	-	13,951	1,040	14,991	-	-	-	-	14,991	14,991
<b>Financial liabilities</b>										
Secured term loan	-	-	-	-	-	-	89,083	89,083	89,083	89,083
Finance lease liabilities	-	-	-	-	-	-	340	340	340	355
	-	-	-	-	-	-	89,423	89,423	89,423	89,438

#### Level 2 fair value

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

#### Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2014 : no transfer in either directions).

#### Level 3 fair value

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 25. CAPITAL MANAGEMENT

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

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

## 26. CAPITAL AND OTHER COMMITMENTS

	Group	
	2015 RM'000	2014 RM'000
Authorised but not contracted for	50,057	25,532
Contracted but not provided for	20,582	21,927

## 27. RELATED PARTIES

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 28. OPERATING LEASE

### Leases as a lessee

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Less than one year	2,941	1,141	240	233
Between one and five years	4,282	2,813	529	39
More than five years	-	-	-	-
	7,223	3,954	769	272



## NOTES TO THE FINANCIAL STATEMENTS

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

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2015, into realised and unrealised profits, pursuant to the Bursa Malaysia Securities Berhad's directive, is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Total retained earnings of Landmarks Berhad and its subsidiaries:</b>				
- Realised	<b>(94,343)</b>	(64,594)	<b>416,626</b>	416,600
- Unrealised	<b>(6,021)</b>	(3,713)	<b>315</b>	1,495
	<b>(100,364)</b>	(68,307)	<b>416,941</b>	418,095
Total share of retained earnings from an associate	<b>73,071</b>	62,937	-	-
Consolidation adjustments	<b>1,085,053</b>	1,074,904	-	-
Total retained earnings	<b>1,057,760</b>	1,069,534	<b>416,941</b>	418,095

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

The Group is unable to provide the Realised and Unrealised Profits disclosure for the associate, MSL, as the Group has no control over its financial and operating policies.

# STATEMENT BY DIRECTORS

pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 47 to 123 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended.

In the opinion of the Directors, the information set out in Note 29 on page 124 to the financial statements has been compiled in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

**Tan Sri Zakaria bin Abdul Hamid**

**John Ko Wai Seng**

Kuala Lumpur,  
Date: 13 April 2016

# STATUTORY DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

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 47 to 124 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 13 April 2016.

**Fong Chee Khuen**

Before me:

**P. Valliamah**

Pesuruhjaya Sumpah  
Kuala Lumpur

# INDEPENDENT AUDITORS' REPORT

to the members of Landmarks Berhad

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Landmarks Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 123.

### *Directors' Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

# INDEPENDENT AUDITORS' REPORT

to the members of Landmarks Berhad

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

## OTHER REPORTING RESPONSIBILITIES

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 29 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

## OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

### KPMG

Firm Number: AF 0758  
Chartered Accountants

### Chong Dee Shiang

Approval Number:2782/09/16(J)  
Chartered Accountant

Petaling Jaya,  
Date: 13 April 2016

# OTHER INFORMATION

## 1. ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2016

### Share Capital

Authorised	:	RM1,000,000,000.00
Issued and Paid-Up	:	RM480,809,700.00
Class of Shares	:	Ordinary Shares of RM1.00 each
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	197	1.48	5,511	0.00
100 – 1,000	4,010	30.16	3,755,027	0.78
1,001 – 10,000	6,964	52.38	30,505,415	6.34
10,001 – 100,000	1,887	14.19	59,005,750	12.27
100,001 – 24,040,484	235	1.77	140,616,997	29.25
24,040,485 and above	2	0.02	246,921,000	51.36
<b>Total</b>	<b>13,295</b>	<b>100.00</b>	<b>480,809,700</b>	<b>100.00</b>

### Substantial Shareholders

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

\* Deemed interest pursuant to Section 6A of the Companies Act, 1965



## OTHER INFORMATION

### 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	101,230,000	21.05
2.	Phoenix Spectrum Sdn Bhd	62,361,700	12.97
3.	Phoenix Spectrum Sdn Bhd	39,958,300	8.31
4.	Phoenix Spectrum Sdn Bhd	22,371,000	4.65
5.	Phoenix Spectrum Sdn Bhd	21,000,000	4.37
6.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Kim Eng Securities Pte Ltd for Chumpon Chantharakulpongsa	15,000,000	3.12
7.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Bch)	14,884,000	3.10
8.	Prestasi Cergas Sdn Bhd	12,469,250	2.59
9.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd	5,339,642	1.11
10.	Lim Li Li	3,000,000	0.62
11.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited	2,778,866	0.58
12.	Lee Eng Hock & Co. Sendirian Berhad	2,450,000	0.51
13.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Sosial (Pacific 6939-407)	2,261,700	0.47
14.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	2,119,208	0.44
15.	Amsec Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for Pacific Pearl Fund (UT-PM-PPF)	2,106,600	0.44
16.	Cimsec Nominees (Asing) Sdn Bhd Exempt AN for CIMB Securities (Singapore) Pte Ltd	1,800,999	0.37
17.	Amsec Nominees (Tempatan) Sdn Bhd Amtrustee Bhd for Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	1,781,700	0.37
18.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund J728 for SPDR S&P Emerging Asia Pacific ETF	1,708,800	0.36
19.	Universal Trustee (Malaysia) Berhad Pacific Premier Fund	1,671,700	0.35
20.	Citigroup Nominees (Asing) Sdn Bhd UBS AG for SFC Foresta Master Fund, L.P.	1,649,510	0.34
21.	Tham Kin Foong (John)	1,647,700	0.34
22.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	1,575,200	0.33
23.	Citigroup Nominees (Asing) Sdn Bhd UBS AG for Stone Forest EM Master Fund, L.P.	1,484,690	0.31

## OTHER INFORMATION

No.	Name	No. of Shares Held	%
24.	Geo-Mobile Asia Sdn Bhd	1,420,000	0.30
25.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investments Growth Fund	1,326,400	0.28
26.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund	1,286,400	0.27
27.	Lee Hong Choon	1,241,000	0.26
28.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	1,216,192	0.25
29.	Ong Kok Seng	1,209,100	0.25
30.	YTL Power International Berhad	1,144,000	0.24

### 2. DIRECTORS' INTERESTS

There was no change to the Directors' interests in the shares of the Company and/or its related corporations subsequent to the financial year ended 31 December 2015.

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 2015.

### 3. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no sanctions and/or material penalties imposed on the Company and/or its subsidiaries, Directors or management by relevant regulatory bodies during the financial year ended 31 December 2015.

### 4. 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 2015 or entered into since the end of the previous financial year.

### 5. NON-AUDIT FEES

The non-audit fees incurred for professional services and tax advisory rendered by the external auditors and/or companies affiliated to the auditors during the financial year ended 31 December 2015 totaled RM351,682 for the Group.

### 6. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any securities during the financial year ended 31 December 2015.

None of the options granted under the Employees' Share Option Scheme have been exercised during the financial year.

## OTHER INFORMATION

### 7. PROPERTIES AS AT 31 DECEMBER 2015

Held by Subsidiary	Name Description Location	Tenure	Approx Age of Building (years)	Approx Land Area (sq. metres)	Net Book Value as at 31.12.2015 RM' million	Date of Valuation	Date of Acquisition / Completion
<b>Andaman Resort Sdn Bhd</b>	The Andaman - a five star, 178 room hotel and V Integrated Wellness located at Datai Bay, Langkawi	Leasehold expiring in 2087, 2089 and 2104	19	164,861	145.69	2.5.2012	1996
<b>PT Pelangi Bintan Indah</b>	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	3,062,239	1,748.89	28.3.2014	2008
<b>PT Resorts Development and Management Bintan</b>	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024* and expiring in 2028*	-	37,086	21.19	28.3.2014	2009
				85,288	48.74	28.3.2014	2010
<b>PT Bintan Leisure Resort Ventures</b>	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	55,128	31.51	28.3.2014	2009
<b>PT Bintan Hotel Utama</b>	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	95,628	54.13	28.3.2014	2009
<b>PT Hotel Management Bintan</b>	Resort development land in Bintan Island, Indonesia	Leasehold expiring in 2024*	-	46,011	26.30	28.3.2014	2009

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

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-seventh Annual General Meeting of Landmarks Berhad (“Landmarks” or “Company”) will be held at the Saujana Ballroom, Ground Floor, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Tuesday, 24 May 2016 at 10.00 a.m. for the following purposes:-

1. To receive the audited financial statements for the year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon (Please refer to Note A)
2. To approve the payment of Directors’ fees of RM346,850.00 (Resolution 1)
3. To re-elect the following Directors who retire in accordance with Article 63 of the Company’s Articles of Association:-
  - (a) Sulip R Menon (Resolution 2)
  - (b) Dato’ Abdul Malek bin Abdul Hamid (Resolution 3)
4. To re-appoint Tan Sri Zakaria bin Abdul Hamid who retires pursuant to Section 129(6) of the Companies Act, 1965 (Resolution 4)
5. To re-appoint Messrs KPMG as auditors and to authorise the Directors to fix their remuneration (Resolution 5)

## As Special Business

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

6. **Authority to Issue and Allot Shares** (Resolution 6)

THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution during the preceding 12 months does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also authorised to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

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

BY ORDER OF THE BOARD

**IRENE LOW YUET CHUN**

Secretary

Kuala Lumpur  
29 April 2016

# NOTICE OF ANNUAL GENERAL MEETING

## Note A

This agenda item is meant for discussion only as the provisions of Section 169(1) of the Companies Act, 1965 does not require a formal approval by the members and hence, is not put forward for voting.

## Explanatory Note on Resolution No. 6 - Authority to Issue and Allot Shares

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

### Notes:

1. Each member may vote in person or by proxy or by attorney or, being a corporation, by a duly authorised representative.
2. If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.
3. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting.  
  
Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.  
  
Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Where a member or an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the member, authorised nominee or exempt authorised nominee specifies the proportions of the member's, authorised nominee's or exempt authorised nominee's holdings, as the case may be, to be represented by each proxy in the instrument appointing the proxies.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and paragraphs (a) and (b) of Section 149(1) of the Companies Act, 1965 shall not apply.
6. The instrument appointing a proxy must be deposited at the Company's Registered Office at 20th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 May 2016 shall be entitled to attend and vote at the Meeting or appoint proxy(ies) to attend and vote on his behalf.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

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

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

## 2. General mandate for issue of shares

The Company had at the Twenty-sixth Annual General Meeting held on 29 May 2015 obtained members' approval for the general mandate for issuance of shares pursuant to Section 132D of the Companies Act, 1965. As at the date of this notice, the Company did not issue any new shares pursuant to the general mandate.

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

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# FORM OF PROXY

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of **LANDMARKS BERHAD**, hereby appoint \_\_\_\_\_

NRIC No/Passport No: \_\_\_\_\_ of \_\_\_\_\_

and/or failing him/her \_\_\_\_\_ NRIC No/Passport No: \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Twenty-seventh Annual General Meeting of the Company, to be held on Tuesday, 24 May 2016 at 10.00 a.m. at the Saujana Ballroom, Ground Floor, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan and at any adjournment thereof.

My/Our proxies shall vote as follows:

Resolutions	For	Against
1. Payment of Directors' Fees		
2. Re-election of Sulip R Menon		
3. Re-election of Dato' Abdul Malek bin Abdul Hamid		
4. Re-appointment of Tan Sri Zakaria bin Abdul Hamid		
5. Re-appointment of Messrs KPMG		
6. Authority to Issue and Allot Shares		

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

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

Number of Shares Held

Name of Proxy	Number of Shares Represented

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016

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

## Notes:

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

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

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

- Where a member or an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the member, authorised nominee or exempt authorised nominee specifies the proportions of the member's, authorised nominee's or exempt authorised nominee's holdings, as the case may be, to be represented by each proxy in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and paragraphs (a) and (b) of Section 149(1) of the Companies Act, 1965 shall not apply.
- The instrument appointing a proxy must be deposited at the Company's Registered Office at 20th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 May 2016 shall be entitled to attend and vote at the Meeting or appoint proxy(ies) to attend and vote on his/her behalf.

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Affix stamp

The Company Secretary  
**Landmarks Berhad** 185202-H  
20th Floor, Menara Haw Par  
Jalan Sultan Ismail  
50250 Kuala Lumpur

FOLD HERE



**Landmarks Berhad** 185202-H  
20th Floor, Menara Haw Par  
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50250 Kuala Lumpur  
Tel: 603-2026 0088  
Fax: 603-2026 0099