

# LANDMARKS

## **LANDMARKS BERHAD**

(Registration No. 198901007900 (185202-H))

(Incorporated in Malaysia)

### **Unaudited Interim Financial Report For the Third Quarter Ended 30 September 2022**

# LANDMARKS

LANDMARKS BERHAD (Registration No. 198901007900 (185202-H))

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	30-September-2022 RM' 000 (Unaudited)	31-December-2021 RM' 000 (Audited)
<b>ASSETS</b>		
Property, plant and equipment	1,257,756	1,260,570
Investment property	23,632	23,632
Right-of-use assets	10,668	11,166
Inventories	688,588	688,588
Investments in joint venture	40,224	38,650
Other investments	1,448	2,085
<b>Total Non-Current Assets</b>	<b>2,022,316</b>	<b>2,024,691</b>
Inventories	106,560	105,089
Receivables, deposits and prepayments	87,956	123,652
Current tax assets	29	29
Cash and cash equivalents	52,374	20,992
<b>Total Current Assets</b>	<b>246,919</b>	<b>249,762</b>
<b>TOTAL ASSETS</b>	<b>2,269,235</b>	<b>2,274,453</b>
<b>EQUITY</b>		
Share capital	776,746	776,696
Reserves	7,080	486
Retained earnings	1,064,273	1,085,656
<b>Total equity attributable to owners of the Company</b>	<b>1,848,099</b>	<b>1,862,838</b>
<b>Non-controlling Interests</b>	<b>713</b>	<b>713</b>
<b>Total Equity</b>	<b>1,848,812</b>	<b>1,863,551</b>
<b>LIABILITIES</b>		
Lease liabilities	2,145	2,529
Deferred tax liabilities	246,807	247,498
Derivative financial liabilities	-	2,000
Retirement benefits	195	315
<b>Total Non-Current Liabilities</b>	<b>249,147</b>	<b>252,342</b>
Loans and borrowings	126,034	125,895
Payables and accruals	27,822	16,864
Derivative financial liabilities	2,000	-
Lease liabilities	627	631
Current tax liabilities	14,793	15,170
<b>Total Current Liabilities</b>	<b>171,276</b>	<b>158,560</b>
<b>Total Liabilities</b>	<b>420,423</b>	<b>410,902</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,269,235</b>	<b>2,274,453</b>
<b>Net Assets Per Share (RM)</b>	<b>2.75</b>	<b>2.77</b>

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

# LANDMARKS

LANDMARKS BERHAD (Registration No. 198901007900 (185202-H))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 months ended		9 months ended	
	30 September		30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue	<u>7,072</u>	<u>425</u>	<u>13,930</u>	<u>3,151</u>
<b>Loss from operations</b>	<b>(5,442)</b>	<b>(9,705)</b>	<b>(18,695)</b>	<b>(4,177)</b>
Finance cost	<b>(1,556)</b>	<b>(1,432)</b>	<b>(4,430)</b>	<b>(4,407)</b>
Finance income	<b>218</b>	<b>306</b>	<b>489</b>	<b>354</b>
<b>Operating loss</b>	<b>(6,780)</b>	<b>(10,831)</b>	<b>(22,636)</b>	<b>(8,230)</b>
Share of profit/(loss) of an equity-accounted joint venture, net of tax	331	(777)	(342)	(2,000)
<b>Loss before taxation</b>	<b>(6,449)</b>	<b>(11,608)</b>	<b>(22,978)</b>	<b>(10,230)</b>
Income tax income/(expense)	<b>144</b>	<b>38</b>	<b>1,115</b>	<b>(5,492)</b>
<b>Loss for the period</b>	<b>(6,305)</b>	<b>(11,570)</b>	<b>(21,863)</b>	<b>(15,722)</b>
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences for foreign operations	<b>3,910</b>	<b>2,688</b>	<b>6,886</b>	<b>4,718</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>3,910</b>	<b>2,688</b>	<b>6,886</b>	<b>4,718</b>
<b>Total comprehensive expense for the period</b>	<b>(2,395)</b>	<b>(8,882)</b>	<b>(14,977)</b>	<b>(11,004)</b>
<b>Loss attributable to:</b>				
Owners of the Company	<b>(6,305)</b>	<b>(11,570)</b>	<b>(21,863)</b>	<b>(15,722)</b>
Non-controlling interests	-	-	-	-
<b>Loss for the period</b>	<b>(6,305)</b>	<b>(11,570)</b>	<b>(21,863)</b>	<b>(15,722)</b>
<b>Total comprehensive expense attributable to:</b>				
Owners of the Company	<b>(2,395)</b>	<b>(8,882)</b>	<b>(14,977)</b>	<b>(11,004)</b>
Non-controlling interests	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(2,395)</b>	<b>(8,882)</b>	<b>(14,977)</b>	<b>(11,004)</b>

**Loss per share attributable to owners  
of the Company (sen)**

Loss for the period

-Basic	(0.94)	(1.73)	(3.26)	(2.51)
-Diluted	(0.94)	(1.73)	(3.26)	(2.51)

The unaudited condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

# LANDMARKS

LANDMARKS BERHAD (Registration No. 198901007900 (185202-H))

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

<-----Attributable to owners of the Company----->

<----- Non-distributable ----->      Distributable

	Share Capital RM'000	Translation Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
<b>At 1 January 2021</b>	746,384	(12,367)	8,066	1,119,551	1,861,634	713	1,862,347
Foreign currency translation differences for foreign operations	-	4,718	-	-	4,718	-	4,718
Total other comprehensive income for the period	-	4,718	-	-	4,718	-	4,718
Loss for the period	-	-	-	(15,722)	(15,722)	-	(15,722)
<b>Total comprehensive income/(expense) for the period</b>	-	4,718	-	(15,722)	(11,004)	-	(11,004)
Issue of new ordinary shares	29,700	-	-	-	29,700	-	29,700
ESOS exercised	298	-	(298)	-	-	-	-
Share-based payment transactions	-	-	597	-	597	-	597
Share options forfeited	-	-	(528)	528	-	-	-
<b>Total contribution from owners of the Company</b>	29,998	-	(229)	528	30,297	-	30,297
<b>At 30 September 2021</b>	776,382	(7,649)	7,837	1,104,357	1,880,927	713	1,881,640
<b>At 1 January 2022</b>	776,696	(7,393)	7,879	1,085,656	1,862,838	713	1,863,551
Foreign currency translation differences for foreign operations	-	6,886	-	-	6,886	-	6,886
Total other comprehensive income for the period	-	6,886	-	-	6,886	-	6,886
Loss for the period	-	-	-	(21,863)	(21,863)	-	(21,863)
<b>Total comprehensive income/(expense) for the period</b>	-	6,886	-	(21,863)	(14,977)	-	(14,977)
Issue of new ordinary shares	37	-	-	-	37	-	37
ESOS exercised	13	-	(13)	-	-	-	-
Share-based payment transactions	-	-	201	-	201	-	201
Share options forfeited	-	-	(480)	480	-	-	-
<b>Total contribution from owners of the Company</b>	50	-	(292)	480	238	-	238
<b>At 30 September 2022</b>	776,746	(507)	7,587	1,064,273	1,848,099	713	1,848,812

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

# LANDMARKS

LANDMARKS BERHAD (Registration No. 198901007900 (185202-H))

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

	30-September-2022 RM'000	30-September-2021 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(22,978)	(10,230)
Adjustments for non-cash flow		
Depreciation of property, plant and equipment	10,926	9,556
Depreciation of right-of-use assets	610	1,376
Dividend income from other investments	-	(45)
Finance costs	4,430	4,407
Finance income	(489)	(354)
Gain on disposal of property, plant and equipment	(237)	(481)
Impairment loss of property, plant and equipment	-	1,255
Insurance claim	-	(140,000)
Provision for minimum wages	-	96
Fair value loss on other investments	637	-
Property, plant and equipment written off	117	105,138
Share of loss of an equity-accounted joint venture, net of tax	342	2,000
Equity settled share-based payment transactions	201	597
<b>Operating loss before changes in working capital</b>	<b>(6,441)</b>	<b>(26,685)</b>
Changes in working capital		
Retirement benefits	(120)	(3,024)
Inventories	(11)	1,695
Trade and other receivables and prepayments	696	3,184
Trade payables and others payables	7,065	(13,305)
Cash generated from/(used in) operations	1,189	(38,135)
Income tax paid	(141)	(94)
Income tax refunded	269	-
<b>Net cash generated from/(used in) operating activities</b>	<b>1,317</b>	<b>(38,229)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,951)	(2,057)
Acquisition of other investments	-	(7,545)
Acquisition of subsidiaries	-	(872)
Proceeds from disposal of property, plant and equipment	237	9
Proceeds from disposal of other investments	-	5,490
Proceeds from insurance claim	35,000	5,000
Increase in pledged deposits placed with licensed bank	(31,657)	(2,029)
Interest received	489	354
Dividend received from :		
- other investments	-	45
<b>Net cash generated from/(used in) investing activities</b>	<b>2,118</b>	<b>(1,605)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(3,141)	(4,029)
Interest paid on lease liabilities	(106)	(290)
Proceeds from issue of new ordinary shares pursuant to ESOS	37	857
Repayment of lease liabilities	(501)	(1,284)
<b>Net cash used in financing activities</b>	<b>(3,711)</b>	<b>(4,746)</b>
Net decrease in cash and cash equivalents	(276)	(44,580)
Cash and cash equivalents at 1 January	2,358	51,127
<b>Cash and cash equivalents at 30 September</b>	<b>2,082</b>	<b>6,547</b>
	<b>30-September-2022 RM'000</b>	<b>30-September-2021 RM'000</b>
Cash and bank balances	2,082	6,067
Deposits with licensed banks	50,292	6,133
	52,374	12,200
Less : Pledged deposits	(50,292)	(5,653)
	<b>2,082</b>	<b>6,547</b>

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**LANDMARKS BERHAD (“LANDMARKS” OR “THE COMPANY”)**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30  
SEPTEMBER 2022**

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM  
FINANCIAL REPORTING**

**A1. *Basis of preparation***

The interim financial report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting* issued by Malaysian Accounting Standards Board and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements. This Condensed Report also complies with International Accounting Standards 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021. The explanatory notes attached to the interim financial report provide an elucidation of the events and transactions that are material to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

**A2. *Changes in Accounting Policies/Estimates***

The audited financial statements of the Group for the year ended 31 December 2021 were prepared in accordance with MFRS. All significant accounting policies adopted in preparing this interim financial report are consistent with those of the audited financial statements for the year ended 31 December 2021. The Group has adopted the MFRSs, amendments and interpretations effective for annual period beginning on or after 1 April 2021 and 1 January 2022 where applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

**A3. *Changes in estimates***

There were no changes in estimates during the quarter under review that had a material effect on the interim financial statements.

**A4. Auditors' Report on the Group's latest Annual Financial Statements**

The auditors had expressed their unqualified opinion with material uncertainty related to going concern in the Audited Financial Statements of the Company for the financial year ended 31 December 2021.

Extract of the Auditors' Report:

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1(b) to the financial statements, which indicates that the Group and the Company incurred net losses for the year ended 31 December 2021 of RM34.5 million and RM4.3 million respectively from its operations. As at that date, the Company's current liabilities exceeded its current assets by RM74.8 million. The Group's and the Company's financial performance and operations were impacted by the fire incident in The Andaman and the COVID-19 pandemic. These events or conditions, along with the matters as set forth in Note 1(b) to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and of the Company to continue as going concerns.

The ability of the Group and the Company to operate as going concerns and to attain sufficient funds to pay their obligations as and when they are due are dependent on the following:

- continuous financial support from the bank;
- the ability of the Group and the Company to raise additional financing to refinance the term loan and to redevelop The Andaman. The redevelopment of The Andaman and recommencement of operations are in turn dependent on the recovery of the tourism industry, geopolitics and other economic factors, which may affect the final investment decision of the Directors; and
- the successful completion of the Proposed Disposals of the joint venture and subsidiaries of the Group (as discussed in Note 31.3 of the Audited accounts for the financial year ended 31 Dec 2021).

Our opinion is not modified in respect of this matter.

## PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM FINANCIAL REPORTING

### **A4. Auditors' Report on the Group's latest Annual Financial Statements (continued)**

With regards to the above uncertainty related to going concern, we have:

- continued to obtain the financial support from the bank while at the same time discussing with the bank on the proposed funding for rebuilding of new Andaman and restructuring of the existing facilities;
- from our insurance claim for The Andaman fire incident, recovered a total RM55.0 million as at today of which RM52.0 million being the claim for fire damage to real and tangible property and RM3.0 million being the claim for business interruption due to fire consequential loss.

The Company is undergoing discussion with the insurers on the final sum of our insurance claim; and

- the revised proposed disposal is waiting for the company and Southern Archipelago Limited to obtain Bursa Malaysia, SGX and respective shareholders' approval.

### **A5. Exceptional items of a non-recurring nature**

There were no exceptional items of a non-recurring nature during the financial period under review.

### **A6. Changes in composition of the Group**

There were no changes in the composition of the Group arising from business combination, acquisition or disposal of subsidiary companies and long-term investment, restructuring, or discontinued operations for the current interim period.

### **A7. Dividends paid**

There were no dividends paid during the financial period under review.

### **A8. Seasonal or cyclical factors**

The Group's hotel business is generally affected by seasonal or cyclical factors. This has been generally nullified for the time being due to the Covid-19 pandemic. With country borders being re-opened now, the hospitality industry foresees a gradual improvement in business with tourism arrival in our operational resorts back to normal in the foreseeable future.



**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM  
FINANCIAL REPORTING**

**A9. Revenue from contracts with customers**

The disaggregation of the Group's revenue from contracts with customers is as follows:

	<b>9 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Primary geographical markets</b>		
Malaysia	-	1,036
Indonesia	<b>13,801</b>	2,070
	<u><b>13,801</b></u>	<u>3,106</u>
<b>Major service lines</b>		
Room revenue	<b>6,801</b>	1,636
Attraction revenue	<b>3,810</b>	559
Food and beverage revenue	<b>3,190</b>	911
	<u><b>13,801</b></u>	<u>3,106</u>
<b>Timing and recognition</b>		
Over time	<b>10,611</b>	2,195
At a point in time	<b>3,190</b>	911
	<u><b>13,801</b></u>	<u>3,106</u>
Revenue from contracts with customers	<b>13,801</b>	3,106
Other revenue	<b>129</b>	45
<b>Total Revenue</b>	<u><b>13,930</b></u>	<u>3,151</u>

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM  
FINANCIAL REPORTING**

**A10. Operating segments**

The Group's operations comprise the following main business segments:

- |                                       |   |
|---------------------------------------|---|
| a. Hospitality and Wellness           | Provision of hotel management and wellness services |
| b. Resort and Destination Development | Development of resorts, properties and attractions  |

9 months ended 30 September	Hospitality and Wellness		Resort and Destination Development		Others		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	9,991	2,546	3,810	559	129	46	<b>13,930</b>	3,151
Profit/(Loss) from operations	(1,307)	22,754	(15,668)	(21,778)	(1,720)	(5,153)	<b>(18,695)</b>	(4,177)
Finance costs	(4,324)	(4,123)	(69)	(234)	(37)	(50)	<b>(4,430)</b>	(4,407)
Finance income	486	333	2	18	1	3	<b>489</b>	354
	(5,145)	18,964	(15,735)	(21,994)	(1,756)	(5,200)	<b>(22,636)</b>	(8,230)
Included in the measure of segments results from operating activities are :								
- Depreciation and amortisation	(2,118)	(2,474)	(9,129)	(8,117)	(289)	(341)	<b>(11,536)</b>	(10,932)
Segment assets	167,988	180,305	2,098,523	2,116,952	2,724	5,171	<b>2,269,235</b>	2,302,428

There have been no changes in the basis of segmentation or in the basis of measurement of segment profit and loss from the last annual financial statements.

**A11. Property, plant and equipment**

There were no amendments to the valuation of property, plant and equipment brought forward.

**A12. Intangible asset**

There was no additional purchase of intangible asset for the financial period ended 30 September 2022.

**A13. Issuances, repayments of debt and equity securities**

There were no issuance or repayment of debt, share buy back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 30 September 2022 other than as mentioned below:

During the financial year-to-date, a total of 161,800 new ordinary shares were allotted and issued pursuant to the exercise of the Company's Employees Share Option Scheme.

**A14. Events subsequent to the balance sheet date**

There were no material events subsequent to the end of the financial period under review that have not been reflected in the financial statements as at the date of this report except as disclosed under Part B para B7- Status of corporate proposals announced but not completed.

**A15. Contingent liabilities and contingent assets**

As at 30 September 2022, there were no material contingent assets, which upon being enforced might have a material impact on the financial position or business of the Group. As at the date of this report, the Company has contingent liabilities as follows:-

	<b>RM'000</b>
Corporate guarantees granted for banking facilities of a subsidiary (note B9)	<u><b>126,750</b></u>

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134, INTERIM  
FINANCIAL REPORTING**

**A16. Capital and other commitments**

**30 September 2022  
RM'000**

Authorised but not contracted for	-
Contracted but not provided for	-
<b>Total</b>	<b>-</b>

**A17. Related party transactions**

There were no other material related party transactions for the financial period under review except as disclosed under B7 Status of corporate proposals announced but not completed.

**A18. Financial risk management**

The Group's financial risk management objectives, policies and risk profile are consistent with those disclosed in the consolidated financial statements for the financial year ended 31 December 2021.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES UNDER PART A OF APPENDIX 9B**

**B1. Review of performance for Financial Period Ended 30 September 2022 compared with Financial Period Ended 30 September 2021**

The results of the Group are tabulated below:

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	3 months ended			9 months ended		
	30 September			30 September		
	2022	2021	Changes	2022	2021	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	7,072	425	1,564	13,930	3,151	342
<b>Loss from operations</b>	<b>(5,442)</b>	<b>(9,705)</b>	<b>44</b>	<b>(18,695)</b>	<b>(4,177)</b>	<b>-348</b>
Finance costs	(1,556)	(1,432)	-9	(4,430)	(4,407)	-1
Finance income	218	306	-29	489	354	38
<b>Operating loss</b>	<b>(6,780)</b>	<b>(10,831)</b>	<b>37</b>	<b>(22,636)</b>	<b>(8,230)</b>	<b>-175</b>
Share of profit/(loss) of an equity-accounted joint venture, net of tax	331	(777)	143	(342)	(2,000)	83
<b>Loss before tax</b>	<b>(6,449)</b>	<b>(11,608)</b>	<b>44</b>	<b>(22,978)</b>	<b>(10,230)</b>	<b>-125</b>

(a) Quarter ended 30 September 2022 ("3Q 2022") compared with quarter ended 30 September 2021 ("3Q 2021")

The reduction in the Group operating losses was mainly due to the following:

(i) Treasure Bay Bintan incurred lower operating losses of RM3.61 million as compared to RM7.85 million in 3Q 2021 mainly due to better operating conditions after relaxation of travel restrictions.

ANMON achieved significant improvement in both hotel revenue of RM5.14 million with 61% occupancy rate as compared with RM0.29 million with 7% occupancy rate in Q3 2021.

(ii) Share of profit from joint venture due to better operating conditions after relaxation of travel restrictions.

(b) Financial period ended 30 September 2022 ("9M 2022") compared with financial period ended 30 September 2021 ("9M 2021")

The Group incurred higher operating losses in 9M 2022 mainly due to the following:

(i) The Andaman recorded an operating profit in preceding year arising from recognition of estimated fire insurance receivable of RM140.0 million together with property, plant and equipment written off and impairment of RM106.16 million and retrenchment costs of RM3.10 million after fire incident happened in January 2021.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES UNDER PART  
A OF APPENDIX 9B**

**B1. Review of performance for Financial Period Ended 30 September 2022 compared with Financial Period Ended 30 September 2021 (continued)**

- (ii) Treasure Bay Bintan recorded lower operating losses of RM15.83 million as compared to RM24.48 million in 9M 2021 mainly due to better operating conditions after relaxation of travel restrictions.

**B2. Comments on performance in the current quarter against preceding quarter**

	<b>2022 3rd Quarter RM'000</b>	<b>2022 2nd Quarter RM'000</b>	<b>Changes %</b>
<b>Revenue</b>	<b>7,072</b>	<b>4,824</b>	<b>47</b>
<b>Loss from operations</b>	<b>(5,442)</b>	<b>(8,104)</b>	<b>33</b>
Finance costs	(1,556)	(1,480)	-5
Finance income	218	176	24
<b>Operating loss</b>	<b>(6,780)</b>	<b>(9,408)</b>	<b>28</b>
Share of profit/(loss) of an equity-accounted joint venture, net of tax	331	(9)	3,778
<b>Loss before tax</b>	<b>(6,449)</b>	<b>(9,417)</b>	<b>32</b>

The lower group's operating losses before tax incurred in current quarter were mainly due to the following:

- (i) A fair value loss incurred on other investment of RM0.64 million in preceding quarter;
- (ii) Lower operating losses incurred in Treasure Bay Bintan due to higher revenue achieved; and
- (iii) Higher profit after tax contribution from joint venture.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES UNDER PART A OF APPENDIX 9B**

**B3. Prospects**

Business in Treasure Bay Bintan has improved significantly in the 2<sup>nd</sup> quarter and we are expecting the recovery momentum to continue. This is due to the more relaxed travel requirements following on improving protocols for Covid-19 treatment and continued joint efforts with the authorities and partners in promoting Treasure Bay Bintan to the Singapore and domestic market.

The Management will be finalizing the insurance claims for the fire losses of The Andaman, Langkawi in order to start the construction soon. The re-development plans are being put in place but the uncertainties from increase in building material and labour costs pose major challenges and the management is exploring various options to mitigate these risks. The rebuilding and restoration process of the new resorts is projected to take approximately 24 to 36 months upon commencement of work.

The Group continues to carry out its cost control and rationalization programs. Further steps are also being taken to improve as well as contain costs and to manage the Group's cashflow. The Company is actively exploring and evaluating on the options available to regularize the company's affected listed issuer status.

**B4. Profit forecast**

Not applicable as no profit forecast was announced or disclosed.

**B5. Loss before tax**

	<b>Current Year Quarter 30 September 2022 RM'000</b>	<b>Current Year To-date 30 September 2022 RM'000</b>
Loss before tax is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	-	-
Depreciation and amortization	3,881	11,536
Gain on foreign exchange	(376)	(823)
Reversal of impairment loss on trade receivables	(68)	(89)
Impairment property, plant and equipment	-	-
Inventories written down	-	-
Gain on disposal of unquoted investment	-	(3,712)
Fair value gain on derivative instruments	-	-

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES UNDER PART A OF APPENDIX 9B**

**B6. Income tax (income)/expense**

	<b>Current period</b>		<b>Cumulative period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation				
Income tax charge				
- Malaysia	-	(560)	(569)	15,040
- Overseas	81	5	145	16
Deferred Taxation	(225)	517	(691)	(9,564)
	<u>(144)</u>	<u>(38)</u>	<u>(1,115)</u>	<u>5,492</u>

**B7. Status of corporate proposals announced but not completed**

There was no corporate proposal announced but not completed at the date of this quarterly report other than as mentioned below:

On 1 October 2021, the Company had announced the following proposals:

- (a) Tiara Gateway Pte Ltd ("TGPL"), a subsidiary of the Company, had on 1 October 2021 entered into a conditional share sale agreement ("Mendol SSA") with Southern Archipelago Ltd ("SAL") for the proposed disposal of 2,385,514 ordinary shares in Mendol Investments Pte Ltd ("Mendol"), representing the remaining 49% equity interest held by TGPL in Mendol to SAL for a consideration of approximately SGD14.38 million (equivalent to RM44.24 million); and
- (b) TGPL, had on 1 | October 2021 entered into another conditional share sale agreement ("Seychelles SSA") with SAL for the disposal of:
  - (i) 100% equity interest in Hinako Investments Pte Ltd ("Hinako"), a wholly-owned subsidiary of TGPL, to SAL, for a consideration of approximately SGD13.73 million (equivalent to RM42.26 million);
  - (ii) 60% equity interest in Prime Holdings Pte Ltd ("Prime"), a wholly-owned subsidiary of TGPL, to SAL, for a consideration of approximately SGD15.57 million (equivalent to RM47.92 million);



**B7. Status of corporate proposals announced but not completed (continued)**

- (iii) 60% equity interest in Enggano Investments Pte Ltd (“Enggano”), a wholly-owned subsidiary of TGPL, to SAL, for a consideration of approximately SGD12.82 million (equivalent to RM39.46 million); and
- (iv) 60% equity interest in Mesawak Investments Pte Ltd (“Mesawak”), a wholly-owned subsidiary of TGPL, to SAL, for a consideration of approximately SGD6.90 million (equivalent to RM21.23 million),

(Item (a) and (b) collectively referred to as “Proposed Disposals”)

The Proposed Disposals amounting to a total aggregate of approximately SGD63.40 million (equivalent to RM195.10 million) are to be satisfied via the issuance of 12,680,116,600 new ordinary shares in SAL (“SAL Shares”) at an issue price of SGD0.005 (equivalent to approximately RM0.015) per SAL Share, subject to the terms and conditions as set out in Mendol SSA and Seychelles SSA.

(Mendol, Hinako, Prime, Enggano and Mesawak are collectively referred to as “Target Companies”)

(The total of 12,680,116,600 SAL Shares issued are collectively referred to “Consideration Shares”)

In view of the disclosure of interest over the Proposed Disposals by director and major shareholder of the Company, Mark Wee Liang Yee (“Mark Wee”), as set out in Section 8 of this announcement, the Proposed Disposals are deemed as related party transactions pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

On 8 April 2022, we have obtained our shareholders’ approval on the Proposed Disposals at the extraordinary general meeting held for this purpose.

By supplemental agreement dated 30 June 2022, the cut-off date for completion of the Proposed Disposals was mutually extended from 30 June 2022 to 31 August 2022 or such later date as may be mutually agreed in writing between the Mendol Parties for the Mendol SSA and Seychelles SSA Parties for the Seychelles SSA as the last date by which the respective Mendol SSA Conditions and Seychelles SSA Conditions must be fulfilled; and: Insertion of a new condition for completion to the SSAs as per our public announcement dated 30 June 2022.

**B7. Status of corporate proposals announced but not completed (continued)**

On 31 October 2022, the Company had announced that TGPL, had on 31 October 2022 entered into the following conditional share sale agreements with SAL to revise the structure and certain terms of the Proposed Disposals:

- (a) supplemental agreement to the Mendol SSA ("Revised Mendol SSA") to revise the disposal of the remaining 49% equity interest in Mendol at a consideration of approximately SGD14.48 million (equivalent to approximately RM48.38 million); and
- (b) supplemental agreement to the Seychelles SSA ("Revised Seychelles SSA") to revise the disposal to be limited to 100% equity interest in Hinako at a consideration of approximately SGD13.68 million (equivalent to approximately RM45.70 million),

for a total aggregate consideration of approximately SGD28.15 million (approximately RM94.09 million) to be satisfied via the issuance of 9,384,800,104 SAL Shares at the issuance price of SGD0.003 per SAL Share. ("Revised Proposed Disposals")

The Revised Proposed Disposals are subject to further approvals being obtained from the following:

- (i) the non-interested shareholders of the Company at an extraordinary general meeting to be convened;
- (ii) the shareholders of SAL for the acquisition of the Revised Target Companies and the issuance of the Revised Consideration Shares; and
- (iii) any other relevant authorities/parties, if required.

The Revised Proposed Disposals are not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES UNDER PART A OF APPENDIX 9B**

**B8. Changes in material litigation**

There was no material litigation pending at the date of this report.

**B9. Loans and borrowings**

The Group's borrowings are all secured as follows:

	As at 30 September 2022 RM'000	As at 30 September 2021 RM'000
<b>Short term borrowings - Secured</b>		
Term loans	126,034	18,240
	126,034	18,240
<b>Long term borrowings - Secured</b>		
Term loans	-	107,625
	-	107,625
<b>Total borrowings</b>	<b>126,034</b>	<b>125,865</b>

The term loan of RM126.75 million for subsidiary was secured by a corporate guarantee from Landmarks Berhad.

**B10. Derivative financial instruments**

There are no derivative financial instruments as at the date of this quarterly report except as disclosed below.

Put Option - Profit Guarantee Contract		
Type of Derivatives	Contract/Notional value as at the date of the Statement of Financial Position (RM'000)	Fair Value as at the date of the Statement of Financial Position (RM'000)
- Less than 1 year	2,751	2,000
- 1 year to 3 years	-	-
- More than 3 years	-	-

**PART B – ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES UNDER PART  
A OF APPENDIX 9B**

**B11. Fair value changes of financial liabilities**

The Group does not have any material financial liabilities that are measured at fair value through profit and loss as at the date of this quarterly report.

**B12. Dividends**

The Board of Directors does not recommend the payment of any dividend for the financial period ended 30 September 2022.

**B13. Basic loss per ordinary share**

a) Basic loss per ordinary share was calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of issued and paid-up ordinary shares during the financial period.

	<b>Individual period 3 months ended 30 September</b>		<b>Cumulative period 9 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Basic loss per share</b>				
Loss attributable to equity owners of the Company (RM'000)	<b>(6,305)</b>	(11,570)	<b>(21,863)</b>	(15,722)
Weighted average number of ordinary shares ('000)	<b>671,514</b>	670,093	<b>671,508</b>	625,199
Basic loss per share attributable to equity owners of the Company (sen)	<b>(0.94)</b>	(1.73)	<b>(3.26)</b>	(2.51)

**B13. Basic loss per ordinary share (continued)**

b) Diluted loss per share was calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of shares in issue during the financial period, adjusted to assume the conversion of all dilutive potential ordinary shares from share options granted to directors and employees under the Employees' Share Option Scheme.

	<b>Individual period</b>		<b>Cumulative period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Diluted loss per share</b>				
Loss attributable to equity owners of the Company (RM'000)	<b>(6,305)</b>	(11,570)	<b>(21,863)</b>	(15,722)
Weighted average number of ordinary shares ('000)	<b>671,514</b>	670,093	<b>671,508</b>	625,199
Adjustment for dilutive effect of ESOS	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	<b>671,514</b>	670,093	<b>671,508</b>	625,199
Diluted loss per share attributable to equity owners of the Company (sen)	<b>(0.94)</b>	(1.73)	<b>(3.26)</b>	(2.51)

**By Order of the Board**

**TAN AI NING  
NELSON FOO CHEAN EE  
Company Secretaries**

**Kuala Lumpur  
23<sup>rd</sup> November 2022**

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