

LANDMARKS

LANDMARKS BERHAD

(Registration No. 198901007900 (185202-H))

(Incorporated in Malaysia)

Unaudited Interim Financial Report For the Second Quarter Ended 30 June 2023

LANDMARKS

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	30-June-2023 RM' 000 (Unaudited)	31-December-2022 RM' 000 (Audited)
ASSETS		
Property, plant and equipment	1,250,411	1,248,903
Investment property	29,882	29,882
Right-of-use assets	9,145	10,486
Inventories	736,341	736,341
Investments in joint venture	43,768	41,232
Other investments	1,448	1,448
Other receivable	59,913	58,031
Total Non-Current Assets	2,130,908	2,126,323
Inventories	58,774	58,019
Receivables, deposits and prepayments	18,365	16,766
Current tax assets	-	29
Other investment	2,009	50,554
Cash and cash equivalents	1,079	3,538
Total Current Assets	80,227	128,906
TOTAL ASSETS	2,211,135	2,255,229
EQUITY		
Share capital	776,746	776,746
Reserves	11,254	1,492
Retained earnings	1,030,601	1,042,888
Total equity attributable to owners of the Company	1,818,601	1,821,126
Non-controlling Interests	713	713
Total Equity	1,819,314	1,821,839
LIABILITIES		
Lease liabilities	1,014	2,030
Deferred tax liabilities	253,737	253,737
Retirement benefits	-	72
Total Non-Current Liabilities	254,751	255,839
Loans and borrowings	77,678	126,054
Payables and accruals	41,406	33,296
Lease liabilities	403	618
Current tax liabilities	17,583	17,583
Total Current Liabilities	137,070	177,551
Total Liabilities	391,821	433,390
TOTAL EQUITY & LIABILITIES	2,211,135	2,255,229
Net Assets Per Share (RM)	2.71	2.71

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 SIX MONTHS PERIOD ENDED 30 JUNE 2023**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 months ended		6 months ended	
	30 June		30 June	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue	<u>8,826</u>	<u>4,824</u>	<u>15,698</u>	<u>6,858</u>
Loss from operations	(4,596)	(8,104)	(10,346)	(13,253)
Finance cost	(1,233)	(1,480)	(3,228)	(2,874)
Finance income	7	176	296	271
Operating loss	(5,822)	(9,408)	(13,278)	(15,856)
Share of profit/(loss) of an equity-accounted joint venture, net of tax	496	(9)	459	(673)
Loss before taxation	(5,326)	(9,417)	(12,819)	(16,529)
Income tax (expense)/income	(91)	143	(160)	971
Loss for the period	(5,417)	(9,274)	(12,979)	(15,558)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	<u>9,806</u>	<u>2,570</u>	<u>10,454</u>	<u>2,976</u>
Other comprehensive income for the period, net of tax	9,806	2,570	10,454	2,976
Total comprehensive income/(expense) for the period	4,389	(6,704)	(2,525)	(12,582)
Loss attributable to:				
Owners of the Company	(5,417)	(9,274)	(12,979)	(15,558)
Non-controlling interests	-	-	-	-
Loss for the period	(5,417)	(9,274)	(12,979)	(15,558)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	4,389	(6,704)	(2,525)	(12,582)
Non-controlling interests	-	-	-	-
Total comprehensive income/(expense) for the period	4,389	(6,704)	(2,525)	(12,582)

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

Loss for the period

-Basic	(0.81)	(1.38)	(1.93)	(2.32)
-Diluted	(0.81)	(1.38)	(1.93)	(2.32)

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 2022 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 SIX MONTHS PERIOD ENDED 30 JUNE 2023

	<-----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
At 1 January 2022	776,696	(7,393)	7,879	1,085,656	1,862,838	713	1,863,551
Foreign currency translation differences for foreign operations	-	2,976	-	-	2,976	-	2,976
Total other comprehensive income for the period	-	2,976	-	-	2,976	-	2,976
Loss for the period	-	-	-	(15,558)	(15,558)	-	(15,558)
Total comprehensive income/(expense) for the period	-	2,976	-	(15,558)	(12,582)	-	(12,582)
Issue of new ordinary shares	37	-	-	-	37	-	37
ESOS exercised	13	-	(13)	-	-	-	-
Share-based payment transactions	-	-	201	-	201	-	201
Share options forfeited	-	-	(232)	232	-	-	-
Total contribution from owners of the Company	50	-	(44)	232	238	-	238
At 30 June 2022	776,746	(4,417)	7,835	1,070,330	1,850,494	713	1,851,207
At 1 January 2023	776,746	(6,060)	7,552	1,042,888	1,821,126	713	1,821,839
Foreign currency translation differences for foreign operations	-	10,454	-	-	10,454	-	10,454
Total other comprehensive income for the period	-	10,454	-	-	10,454	-	10,454
Loss for the period	-	-	-	(12,979)	(12,979)	-	(12,979)
Total comprehensive income/(expense) for the period	-	10,454	-	(12,979)	(2,525)	-	(2,525)
Share options forfeited	-	-	(692)	692	-	-	-
Total contribution from owners of the Company	-	-	(692)	692	-	-	-
At 30 June 2023	776,746	4,394	6,860	1,030,601	1,818,601	713	1,819,314

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 2022 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 SIX MONTHS PERIOD ENDED 30 JUNE 2023

	30-June-2023 RM'000	30-June-2022 RM'000
Cash flows from operating activities		
Loss before taxation	(12,819)	(16,529)
Adjustments for non-cash flow		
Depreciation of property, plant and equipment	7,183	7,250
Depreciation of right-of-use assets	386	405
Finance costs	3,228	2,874
Finance income	(296)	(271)
Gain on disposal of property, plant and equipment	(3)	(211)
Impairment loss of property, plant and equipment	225	-
Loss on termination of lease	35	-
Fair value loss on other investments	-	637
Property, plant and equipment written off	-	117
Share of (profit)/loss of an equity-accounted joint venture, net of tax	(459)	673
Equity settled share-based payment transactions	-	201
Operating loss before changes in working capital	(2,520)	(4,854)
Changes in working capital		
Retirement benefits	(72)	(45)
Inventories	(755)	(8)
Trade and other receivables and prepayments	(3,481)	466
Trade payables and others payables	4,925	5,480
Cash (used in)/generated from operations	(1,903)	1,039
Income tax paid	(163)	(120)
Income tax refunded	29	269
Net cash (used in)/generated from operating activities	(2,037)	1,188
Cash flows from investing activities		
Acquisition of property, plant and equipment	(50)	(1,713)
Net withdrawal/(Placement) of other investments	48,545	(31,443)
Proceeds from disposal of property, plant and equipment	19	212
Proceeds from insurance claim	-	35,000
Interest received	296	271
Net cash generated from investing activities	48,810	2,327
Cash flows from financing activities		
Interest paid	-	(2,698)
Interest paid on lease liabilities	(50)	(71)
Proceeds from issue of new ordinary shares pursuant to ESOS	-	37
Repayment of lease liabilities	(313)	(335)
Repayment of loans and borrowings	(48,869)	-
Net cash used in financing activities	(49,232)	(3,067)
Net (decrease)/increase in cash and cash equivalents	(2,459)	448
Cash and cash equivalents at 1 January	3,538	2,358
Cash and cash equivalents at 30 June	1,079	2,806
	30-June-2023 RM'000	30-June-2022 RM'000
Cash and bank balances	1,079	2,806

The unaudited condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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
June 2023**

**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 2022. 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 2022.

A2. *Changes in Accounting Policies/Estimates*

The audited financial statements of the Group for the year ended 31 December 2022 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 2022. The Group has adopted the MFRSs, amendments and interpretations effective for annual period beginning on or after 1 January 2023 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 was no change 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 2022.

Extract of the Auditors' Report:

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) of the financial statements, which indicates that the Group and the Company incurred net losses for the year ended 31 December 2022 of RM43.3 million and RM3.2 million respectively. As of that date, the Group's and the Company's current liabilities exceeded their current assets by RM48.6 million and RM80.5 million respectively.

The Directors have considered the following in preparing the financial statements of the Group and of the Company using the going concern basis:

- The disposal/liquidation of all the assets in Andaman Resort Sdn Bhd ("ARSB") will be sufficient to cover the term loan and interest amount demanded by the Bank and also other liabilities of ARSB. However, it is uncertain that the Bank will grant further extension for ARSB to realise its assets to settle its obligation.
- The Group's inventories, which comprise mainly land held for development in Treasure Bay Bintan, Indonesia which are free of encumbrances can be subject to disposal to third parties or be used as collateral to secure financing for the purposes of funding its operations and any further financial obligations. However, there is no assurance that the Group is able to realise the above properties within the next twelve months.
- The Group is discussing with potential investors to invest in the redevelopment of The Andaman and provide requisite fundings to repay the term loan and interest amounts demanded by the Bank.

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

Material Uncertainty Related to Going Concern (continued)

- The Group is in the process of discussions with financial institutions to raise additional financing to redevelop The Andaman.
- The Group had submitted a revised insurance claim to the insurance company to increase our insurance claim recovery from The Andaman fire incident.

These events and conditions, along with the matters as set forth in Note 1(b) to the financial statements, indicate that material uncertainties exist that may cast significant doubt on the ability of the Group and the Company to continue as going concerns. Our opinion is not modified in respect of this matter.

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

- continued discussing with potential investors to invest in the redevelopment of The Andaman and to provide requisite fundings to repay the term loan and interest amounts demanded by the Bank.
- continued to solicit the financial support from the banks/financiers while at the same time discussing with the banks/financiers on the proposed funding for rebuilding of new Andaman and restructuring of the existing facilities; and
- 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.

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. The Covid-19 pandemic has been declared endemic but there has been concern raised now and then worldwide of new strains evolving or variant of concern that will still impact the hospitality industry. Nonetheless with country borders having re-opened since last year and with loosening of travel restrictions and health requirements there has been vast improvement in the hospitality industry resulting in more tourism arrival in our resort.

**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:

	6 months ended 30 June	
	2023 RM'000	2022 RM'000
Primary geographical markets		
Indonesia	<u>15,597</u>	<u>6,858</u>
	15,597	6,858
Major service lines		
Room revenue	7,420	3,369
Attraction revenue	4,040	2,005
Food and beverage revenue	<u>4,137</u>	<u>1,484</u>
	15,597	6,858
Timing and recognition		
Over time	11,460	5,374
At a point in time	<u>4,137</u>	<u>1,484</u>
	15,597	6,858
Revenue from contracts with customers	15,597	6,858
Other revenue	<u>101</u>	<u>-</u>
Total Revenue	15,698	6,858

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 |

6 months ended 30 June	Hospitality and Wellness		Resort and Destination Development		Others		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	11,557	4,853	4,040	2,005	101	-	15,698	6,858
Profit/(Loss) from operations	2,483	(1,800)	(9,892)	(11,071)	(2,937)	(382)	(10,346)	(13,253)
Finance costs	(3,178)	(2,803)	(34)	(46)	(16)	(25)	(3,228)	(2,874)
Finance income	294	268	2	1	-	2	296	271
	(401)	(4,335)	(9,924)	(11,116)	(2,953)	(405)	(13,278)	(15,856)
Included in the measure of segments results from operating activities are :								
- Depreciation and amortisation	(1,401)	(3,589)	(5,983)	(3,871)	(185)	(195)	(7,569)	(7,655)
Segment assets	111,613	168,240	2,097,282	2,097,309	2,240	2,627	2,211,135	2,268,176

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 June 2023.

A13. Issuances, repayments of debt and equity securities

There were no issuance or repayment of debt, share buyback, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period ended 30 June 2023.

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.

A15. Contingent liabilities and contingent assets

As at 30 June 2023, 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:-

	RM'000
Corporate guarantees granted for banking facilities of a subsidiary (note B9)	<u>77,881</u>

A16. Capital and other commitments

	30 June 2023 RM'000
Authorised but not contracted for	-
Contracted but not provided for	-
Total	<u>-</u>

A17. Related party transactions

There were no other material related party transactions for the financial period under review.

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 2022.

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

B1. Review of performance for Financial Period Ended 30 June 2023 compared with Financial Period Ended 30 June 2022

The results of the Group are tabulated below:

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	3 months ended			6 months ended		
	30 June			30 June		
	2023	2022	Changes	2023	2022	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	8,826	4,824	83	15,698	6,858	129
Loss from operations	(4,596)	(8,104)	43	(10,346)	(13,253)	22
Finance costs	(1,233)	(1,480)	17	(3,228)	(2,874)	-12
Finance income	7	176	-96	296	271	9
Operating loss	(5,822)	(9,408)	38	(13,278)	(15,856)	16
Share of profit/(loss) of an equity-accounted joint venture, net of tax	496	(9)	5,611	459	(673)	168
Loss before tax	(5,326)	(9,417)	43	(12,819)	(16,529)	22

(a) Quarter ended 30 June 2023 ("2Q 2023") compared with quarter ended 30 June 2022 ("2Q 2022")

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

- (i) RM0.95 million reversal in Andaman from net present value amortised in FY 2022 on insurance claim receivable.
- (ii) Treasure Bay Bintan incurred significant lower operating losses by RM 1.74 million as a result from better operating conditions after relaxation of travel restrictions with our ANMON hotel having achieved significant improvement in hotel revenue of RM6.46 million with 62% occupancy rate as compared with RM3.42 million with 50% occupancy rate in Q2 2022.
- (iii) Lower finance costs due to repayment of the loan principal amount; and
- (iv) Higher share of profit after tax arising from joint venture due to better operating conditions after relaxation of travel restrictions;

B1. Review of performance for Financial Period Ended 30 June 2023 compared with Financial Period Ended 30 June 2022 (continued)

(b) Financial period ended 30 June 2023 ("1H 2023") compared with financial period ended 30 June 2022 ("1H 2022")

The Group incurred lower operating losses in 1H 2023 due to the following:

- (i) RM1.88 million reversal in Andaman from net present value amortised in FY 2022 on insurance claim receivable.
- (ii) Treasure Bay Bintan incurred significant lower operating losses by RM 4.07 million due to better operating conditions after relaxation of travel restrictions with our ANMON hotel having achieved significant improvement in hotel revenue of RM11.56 million with 57% occupancy rate as compared with RM4.85 million with 43% occupancy rate in 1H 2022; and
- (iii) Higher share of profit after tax arising from joint venture due to better operating conditions after relaxation of travel restrictions.

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

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

	2023 2nd Quarter RM'000	2023 1st Quarter RM'000	Changes %
Revenue	8,826	6,872	28
Loss from operations	(4,596)	(5,750)	20
Finance costs	(1,233)	(1,995)	38
Finance income	7	289	-98
Operating loss	(5,822)	(7,456)	22
Share of profit/(loss) of an equity-accounted joint venture, net of tax	496	(37)	1,441
Loss before tax	(5,326)	(7,493)	29

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

- (i) Treasure Bay Bintan incurred lower operating losses by RM1.10 million mainly due to better operating conditions after relaxation of travel restrictions with our ANMON hotel having achieved higher in hotel revenue of RM6.46 million with 62% occupancy rate as compared with RM5.09 million with 53% occupancy rate in preceding quarter;
- (ii) Lower finance costs due to repayment of term loan principal amount; and
- (iii) Higher share of profit after tax arising from joint venture due to better operating conditions after relaxation of travel restrictions.

B3. Prospects

The Company had on 1 March 2023 announced that Bursa Securities has, via its letter dated 28 February 2023, granted the Company an extension of time up to 28 July 2023 to submit its regularisation plan to the relevant regulatory authorities and the Company had on 20 July 2023 made an application to Bursa Securities for a further extension of time to submit a regularisation plan to Bursa Securities pursuant to Paragraph 8.04(3) and Paragraph 5.0 of Practice Note 17 of the LR.

Bursa Securities had on 16 August 2023 granted the Company an extension of time of 6 months up to 28 January 2024 to submit our regularisation plan to the regulatory authorities subject to certain terms and conditions.

On the 6 July 2023, OCBC Bank (Malaysia) Berhad ("OCBC"), our banker for our wholly owned subsidiary, ARSB, had under a debenture appointed a receiver and manager over ARSB's assets. The guarantee from the Company to secure this loan by OCBC to ARSB has not been recalled and the assets of ARSB is more than enough to repay the OCBC loan.

The Management through a newly appointed insurance claims specialist is in the process of discussing, reviewing and finalizing the insurance claims for the fire losses of The Andaman, Langkawi in order to be able to start the re-construction work soon as part of the regularisation plan. We are exploring innovative and unconventional applications and designs to expedite on the reconstruction of the resort and also to achieve better costs control.

While the Group is continuing to carry out costs control and rationalization programs, we have been and will continue to explore various options including but not limited to potential joint ventures with external parties to invest and to have joint development of new projects in order to improve both the Group's revenue and operating cash flow as part of the regularisation plan to address the affected listed issuer status.

B4. Profit forecast

Not applicable as no profit forecast was announced or disclosed.

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

B5. Loss before tax

	Current Year Quarter 30 June 2023 RM'000	Current Year To-date 30 June 2023 RM'000
Loss before tax is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	-	-
Depreciation and amortization	3,833	7,569
Loss on foreign exchange	451	450
Impairment loss on property, plant and equipment	-	225
Impairment loss on trade receivables	-	-
Inventories written down	-	-
Gain on disposal of quoted/unquoted investments or properties	-	-
Fair value gain on derivative instruments	-	-

B6. Income tax expense/(income)

	Current period 3 months ended 30 June 2023 2022 RM'000 RM'000		Cumulative period 6 months ended 30 June 2023 2022 RM'000 RM'000	
Current taxation				
Income tax charge				
- Malaysia	-	-	-	(569)
- Overseas	91	46	160	64
Deferred Taxation	-	(189)	-	(466)
	<u>91</u>	<u>(143)</u>	<u>160</u>	<u>(971)</u>

The effective tax rate of the Group was higher than the statutory tax rate for the current quarter and financial year-to-date mainly due to the tax losses incurred by certain subsidiaries could not be set off against the taxable profit of other subsidiaries.

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 except as disclosed below:

On 17th Feb 2023, the Company announced that in view of the extended period of time to complete the Revised Proposed Disposals in relation to :

- (a) the disposal of the remaining 49% equity interest in Mendol Investments Pte Ltd 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 Investments Pte Ltd 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")

and the volatile market conditions, the Board has decided to withdraw the draft circular in relation to the Revised Proposed Disposals which was submitted to Bursa Securities on 30 December 2022.

On 10 July 2023, the Company announced that Tiara Gateway Pte Ltd, a subsidiary of the Company, had on 10 July 2023 entered into a supplemental agreement to the Revised Mendol SSA and another supplemental agreement to the Revised Seychelles SSA to extend the Cut-Off Date of the respective SSAs to 31 December 2023 or such later date as may be mutually agreed in writing between the Mendol Parties for the Revised Mendol SSA and Seychelles SSA Parties for the Revised Seychelles SSA as the last date by which the respective Mendol SSA Conditions and Seychelles SSA Conditions must be fulfilled.

B8. Changes in material litigation

There was no material litigation pending at the date of this report except as disclosed below:

The Company had on 8 March 2023 received a Notice of Recall from Messrs. Shearn Delamore, solicitors representing OCBC Bank (Malaysia) Berhad ("the Bank or OCBC ") on the Company.

Details of the default in payment by the Company's wholly-owned subsidiary, Andaman Resort Sdn Bhd ("ARSB") on the bank facilities is as follow:-

Bank / Financier	Type of Facilities	Borrower	Outstanding amount (RM)
OCBC Bank (Malaysia) Berhad	Banking and Credit Facilities availed to Andaman Resort Sdn Bhd by OCBC Bank (Malaysia) Berhad (" Facilities ")	Andaman Resort Sdn Bhd	RM 133,368,719.75 as at 22 February 2023

The Company and its wholly owned subsidiary ARSB disputed the claim that the Bank has no other option but to declare an event of default and cancel the Facilities Agreement. Furthermore, the Company and/or ARSB opines that the default is capable of being remedied without a declaration of default as securities currently provided to the Bank are sufficient to meet the outstanding Facilities.

The Company has, through our solicitor, Messrs Shafee & Co, exchanged various correspondences to the Bank proposing terms to both parties to "remedy the default" in a timely and efficient manner.

The Company's solicitors, Messrs Shafee & Co had on 30 March 2023 received a letter dated 30 March 2023 ("Letter dated 30 March 2023") sent by Messrs Shearn Delamore & Co, solicitors representing OCBC Bank acknowledged the proposed repayment plan submitted by our solicitor, Messrs Shafee & Co on behalf of the Company. The Bank expressed its willingness to withhold legal proceedings and/or enforcing its securities, and has granted the Company a period of 60 days to secure the necessary funds for the complete repayment of the Bank's loans, in accordance with the terms and conditions outlined in the Letter dated 30 March 2023.

The 60-day period commences from 22 March 2023. The Bank will only consider the complete outstanding amount (including interest and late payment charges that will continue until the loans are fully settled) as the repayment sum ("Settlement Sum"). In the event of a breach of any of the terms and conditions outlined therein, including any conditions that require compliance after the acceptance of the Letter dated 30 March 2023, or upon the expiration of the 60-day period without full payment of the

Settlement Sum, the Bank reserves the right to immediately initiate legal proceedings and/or enforce its securities, without any further notice or reference to the Company. The Company confirmed acceptance to the terms and conditions of the Letter dated 30 March 2023.

In regards to the OCBC deadline of 22 May 2023, the bank had further given an extension up to 25 May 2023 for the Company to provide additional information to their queries and the Company had complied with by the sending of a reply to their queries on 25 May 2023.

On 6 July 2023, Mr Khoo Siew Kiat and Mr Lim Keng Peo of Deloitte Restructuring Services PLT have been appointed as the joint and several Receivers and Managers by OCBC over the assets and undertakings of ARSB, the wholly-owned subsidiary of the Company pursuant to the powers contained in the Debenture dated 31 May 2018 executed between ARSB and OCBC.

The Company's solicitors, Messrs Shafee & Co, through letters dated 21 June 2023 and 4 July 2023, have communicated the following updates to OCBC's solicitors, Messrs Shearn Delamore & Co :-

1. that ARSB have engaged negotiations with a reputable private equity fund management company in the prospect of providing a bridging loan to refinance ARSB's existing loan with OCBC;
2. that the aforementioned company is engaged in the preparation of an investment paper;
3. In relation to the Fire Insurance Claims with ARSB's insurers, MSIG Insurance (Malaysia) Bhd ("MSIG"), that ARSB had terminated the engagement of previous insurance claims specialist consultants and have appointed Sterling Insurance Brokers Sdn Bhd ("Sterling") to lead the negotiations with MSIG together with Newfields Advisors Sdn Bhd to act on their behalf. Sterling have indicated that they will endeavour to complete the negotiations for insurance claims within three (3) months from 21 June 2023.
4. MSIG will be holding a meeting on 6 July 2023 with Sterling to continue the negotiations on the insurance claims.

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

In response to our abovementioned reply, Messrs Shearn Delamore & Co, through a letter dated 5 July 2023, has communicated that all timelines stand lapsed and/or have been breached and OCBC asserts that they are “not in any position to agree to any additional time”.

The steps taken or proposed to be taken by the Company/ARSB in respect of the appointment of the joint and several Receivers and Managers include:-

- a. The Company and its wholly owned subsidiary, ARSB are actively involved in ongoing exercises aimed at securing funds and/or investments to address the outstanding amounts owed to OCBC and for the purposes of facilitating future business activities.
- b. ARSB are actively engaged in negotiations with our Insurance Company through their newly appointed insurance claims specialist, Sterling, to recover the insurance claims proceeds which will be used to settle the outstanding amounts owed to OCBC and towards rebuilding of The Andaman.

The Company and ARSB are actively engaged in pursuing both the insurance claims and the funding options concurrently, with the primary objective of repaying the outstanding amounts owing to OCBC.

B9. Loans and borrowings

The Group's borrowings are all secured as follows:

	As at 30 June 2023 RM'000	As at 30 June 2022 RM'000
Short term borrowings - Secured		
Term loans	77,678	126,000
Total borrowings	77,678	126,000

The term loan of RM77.88 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.

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 June 2023.

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.

	Individual period		Cumulative period	
	3 months ended		6 months ended	
	30 June		30 June	
	2023	2022	2023	2022
Basic loss per share				
Loss attributable to equity owners of the Company (RM'000)	(5,417)	(9,274)	(12,979)	(15,558)
Weighted average number of ordinary shares ('000)	671,514	671,514	671,514	671,505
Basic loss per share attributable to equity owners of the Company (sen)	(0.81)	(1.38)	(1.93)	(2.32)

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.

	Individual period 3 months ended 30 June		Cumulative period 6 months ended 30 June	
	2023	2022	2023	2022
Diluted loss per share				
Loss attributable to equity owners of the Company (RM'000)	(5,417)	(9,274)	(12,979)	(15,558)
Weighted average number of ordinary shares ('000)	671,514	671,514	671,514	671,505
Adjustment for dilutive effect of ESOS	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	671,514	671,514	671,514	671,505
Diluted loss per share attributable to equity owners of the Company (sen)	(0.81)	(1.38)	(1.93)	(2.32)

By Order of the Board

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

**Kuala Lumpur
23rd August 2023
www.landmarks.com.my**