

# LANDMARKS

## **LANDMARKS BERHAD**

(Registration No. 198901007900 (185202-H))

(Incorporated in Malaysia)

### **Unaudited Interim Financial Report For the Third Quarter Ended 30 September 2023**

# LANDMARKS

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	30-September-2023 RM' 000 (Unaudited)	31-December-2022 RM' 000 (Audited)
<b>ASSETS</b>		
Property, plant and equipment	1,237,660	1,248,903
Investment property	29,882	29,882
Right-of-use assets	1,723	10,486
Inventories	736,341	736,341
Investments in joint venture	44,070	41,232
Other investments	69,637	1,448
Other receivable	-	58,031
<b>Total Non-Current Assets</b>	<b>2,119,313</b>	<b>2,126,323</b>
Inventories	58,847	58,019
Receivables, deposits and prepayments	6,605	16,766
Current tax assets	-	29
Other investment	-	50,554
Cash and cash equivalents	1,086	3,538
<b>Total Current Assets</b>	<b>66,538</b>	<b>128,906</b>
<b>TOTAL ASSETS</b>	<b>2,185,851</b>	<b>2,255,229</b>
<b>EQUITY</b>		
Share capital	776,746	776,746
Reserves	7,205	1,492
Retained earnings	1,049,604	1,042,888
<b>Total equity attributable to owners of the Company</b>	<b>1,833,555</b>	<b>1,821,126</b>
<b>Non-controlling Interests</b>	<b>713</b>	<b>713</b>
<b>Total Equity</b>	<b>1,834,268</b>	<b>1,821,839</b>
<b>LIABILITIES</b>		
Lease liabilities	1,187	2,030
Deferred tax liabilities	253,737	253,737
Retirement benefits	63	72
<b>Total Non-Current Liabilities</b>	<b>254,987</b>	<b>255,839</b>
Loans and borrowings	-	126,054
Payables and accruals	94,381	33,296
Lease liabilities	529	618
Current tax liabilities	1,686	17,583
<b>Total Current Liabilities</b>	<b>96,596</b>	<b>177,551</b>
<b>Total Liabilities</b>	<b>351,583</b>	<b>433,390</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,185,851</b>	<b>2,255,229</b>
<b>Net Assets Per Share (RM)</b>	<b>2.73</b>	<b>2.71</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 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 months ended 30 September		9 months ended 30 September	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue	<u>7,508</u>	<u>7,072</u>	<u>23,206</u>	<u>13,930</u>
<b>Loss from operations</b>	<b>(5,876)</b>	<b>(5,442)</b>	<b>(16,222)</b>	<b>(18,695)</b>
Net Fair value gain on deconsolidation of a subsidiary company	<b>24,223</b>	-	<b>24,223</b>	-
Finance cost	<b>(22)</b>	(1,556)	<b>(3,250)</b>	(4,430)
Finance income	-	218	<b>296</b>	489
<b>Operating profit/(loss)</b>	<b>18,325</b>	<b>(6,780)</b>	<b>5,047</b>	<b>(22,636)</b>
Share of profit/(loss) of an equity-accounted joint venture, net of tax	225	331	684	(342)
<b>Profit/(Loss) before taxation</b>	<b>18,550</b>	<b>(6,449)</b>	<b>5,731</b>	<b>(22,978)</b>
Income tax (expense)/income	<b>(78)</b>	144	<b>(238)</b>	1,115
<b>Profit/(Loss) for the period</b>	<b>18,472</b>	<b>(6,305)</b>	<b>5,493</b>	<b>(21,863)</b>
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences for foreign operations	<b>(3,518)</b>	3,910	<b>6,936</b>	6,886
<b>Other comprehensive (expense)/income for the period, net of tax</b>	<b>(3,518)</b>	3,910	<b>6,936</b>	6,886
<b>Total comprehensive income/(expense) for the period</b>	<b>14,954</b>	<b>(2,395)</b>	<b>12,429</b>	<b>(14,977)</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	<b>18,472</b>	(6,305)	<b>5,493</b>	(21,863)
Non-controlling interests	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>18,472</b>	<b>(6,305)</b>	<b>5,493</b>	<b>(21,863)</b>
<b>Total comprehensive income/(expense) attributable to:</b>				
Owners of the Company	<b>14,954</b>	(2,395)	<b>12,429</b>	(14,977)
Non-controlling interests	-	-	-	-
<b>Total comprehensive income/(expense) for the period</b>	<b>14,954</b>	<b>(2,395)</b>	<b>12,429</b>	<b>(14,977)</b>

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

Profit/(Loss) for the period				
-Basic	2.75	(0.94)	0.82	(3.26)
-Diluted	2.75	(0.94)	0.82	(3.26)

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 CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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
<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
<b>At 1 January 2023</b>	776,746	(6,060)	7,552	1,042,888	1,821,126	713	1,821,839
Foreign currency translation differences for foreign operations	-	6,936	-	-	6,936	-	6,936
Total other comprehensive income for the period	-	6,936	-	-	6,936	-	6,936
Profit for the period	-	-	-	5,493	5,493	-	5,493
<b>Total comprehensive income for the period</b>	-	6,936	-	5,493	12,429	-	12,429
Share options forfeited	-	-	(1,223)	1,223	-	-	-
<b>Total contribution from owners of the Company</b>	-	-	(1,223)	1,223	-	-	-
<b>At 30 September 2023</b>	776,746	876	6,329	1,049,604	1,833,555	713	1,834,268

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 CASH FLOWS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2023

	30-September-2023 RM'000	30-September-2022 RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	5,731	(22,978)
Adjustments for non-cash flow		
Depreciation of property, plant and equipment	10,677	10,926
Depreciation of right-of-use assets	591	610
Finance costs	3,250	4,430
Finance income	(296)	(489)
Gain on disposal of property, plant and equipment	22	(237)
Impairment loss of property, plant and equipment	225	-
Loss on termination of lease	35	-
Fair value (gain)/loss on other investments	-	637
Net Fair value (gain)/loss on deconsolidation of a subsidiary company	(24,223)	-
Property, plant and equipment written off	-	117
Share of (profit)/loss of an equity-accounted joint venture, net of tax	(684)	342
Equity settled share-based payment transactions	-	201
<b>Operating loss before changes in working capital</b>	<b>(4,672)</b>	<b>(6,441)</b>
Changes in working capital		
Retirement benefits	(9)	(120)
Inventories	(828)	(11)
Trade and other receivables and prepayments	15,617	696
Trade payables and others payables	(8,926)	7,065
Cash generated from operations	1,182	1,189
Income tax paid	(162)	(141)
Income tax refunded	29	269
<b>Net cash generated from operating activities</b>	<b>1,049</b>	<b>1,317</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(104)	(1,951)
Net withdrawal/(Placement) of other investments	-	(31,657)
Proceeds from disposal of property, plant and equipment	19	237
Proceeds from insurance claim	-	35,000
Interest received	296	489
<b>Net cash generated from investing activities</b>	<b>211</b>	<b>2,118</b>
<b>Cash flows from financing activities</b>		
Interest paid	(3,178)	(3,141)
Interest paid on lease liabilities	(72)	(106)
Proceeds from issue of new ordinary shares pursuant to ESOS	-	37
Repayment of lease liabilities	(444)	(501)
Repayment of loans and borrowings	-	-
<b>Net cash used in financing activities</b>	<b>(3,694)</b>	<b>(3,711)</b>
Net decrease in cash and cash equivalents	(2,434)	(276)
Cash and cash equivalents at 1 January	3,538	2,358
Cash and cash equivalent derecognised from the Group resulted from deconsolidation of a subsidiary	(18)	-
<b>Cash and cash equivalents at 30 September</b>	<b>1,086</b>	<b>2,082</b>
	<b>30-September-2023 RM'000</b>	<b>30-September-2022 RM'000</b>
Cash and bank balances	1,086	2,082

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

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

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 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; 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.



**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 other than ARSB, a wholly owned subsidiary company which has been deconsolidated from the Group upon the appointment of Receivers and Managers by the financier on 6<sup>th</sup> July 2023.

**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:

	<b>9 months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Primary geographical markets</b>		
Indonesia	<u>22,949</u>	13,801
	<u>22,949</u>	<u>13,801</u>
<b>Major service lines</b>		
Room revenue	10,877	6,801
Attraction revenue	5,810	3,810
Food and beverage revenue	<u>6,262</u>	<u>3,190</u>
	<u>22,949</u>	<u>13,801</u>
<b>Timing and recognition</b>		
Over time	16,687	10,611
At a point in time	<u>6,262</u>	<u>3,190</u>
	<u>22,949</u>	<u>13,801</u>
Revenue from contracts with customers	<u>22,949</u>	13,801
Other revenue	<u>257</u>	129
<b>Total Revenue</b>	<u>23,206</u>	<u>13,930</u>



**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 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 September 2023.

**A14. *Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period***

There were no material events subsequent to the end of the financial period under review that have not been reflected in this interim financial statements as at the date of this report.

**A15. *Contingent liabilities and contingent assets***

As at 30 September 2023, there were no material contingent assets and contingent liabilities, which upon being enforced might have a material impact on the financial position or business of the Group.

**A16. *Related party transactions***

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

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

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

The results of the Group are tabulated below:

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	3 months ended			9 months ended		
	30 September			30 September		
	2023	2022	Changes	2023	2022	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	7,508	7,072	6	23,206	13,930	67
<b>Profit/(Loss) from operations</b>	<b>(5,876)</b>	<b>(5,442)</b>	<b>-8</b>	<b>(16,222)</b>	<b>(18,695)</b>	<b>13</b>
Fair value gain on deconsolidation of a subsidiary company	24,223	-	100	24,223	-	100
Finance costs	(22)	(1,556)	99	(3,250)	(4,430)	27
Finance income	-	218	-100	296	489	-39
<b>Operating profit/(loss)</b>	<b>18,325</b>	<b>(6,780)</b>	<b>370</b>	<b>5,047</b>	<b>(22,636)</b>	<b>122</b>
Share of profit/(loss) of an equity-accounted joint venture, net of tax	225	331	32	684	(342)	300
<b>Profit/(Loss) before tax</b>	<b>18,550</b>	<b>(6,449)</b>	<b>388</b>	<b>5,731</b>	<b>(22,978)</b>	<b>125</b>

(a) Quarter ended 30 September 2023 ("3Q 2023") compared with quarter ended 30 September 2022 ("3Q 2022")

The Group generated operating profit was mainly due to the following:

- (i) Net fair value gain on deconsolidation of a wholly owned subsidiary company amounting to RM 24.2 million as compared to same quarter of preceding year.

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

(b) Financial period ended 30 September 2023 ("9M 2023") compared with financial period ended 30 September 2022 ("9M 2022")

The Group generated operating profit in 9M 2023 due to the following:

- (i) Net fair value gain on deconsolidation of a wholly owned subsidiary company amounting to RM 24.2 million as compared to same period of preceding year;
- (ii) Treasure Bay Bintan incurred lower operating losses mainly due to ANMON having generated better operating profit of RM4.22 million in 9M 2023 as compared to operating loss of RM0.16 million in 9M 2022 by improvement on attractions revenue and profits.
- (iii) Higher share of profit after tax arising from the 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 3rd Qtr RM'000	2023 2nd Qtr RM'000	Changes %
<b>Revenue</b>	<u>7,508</u>	<u>8,826</u>	-15
<b>Profit/(Loss) from operations</b>	<u>(5,876)</u>	<u>(4,596)</u>	-28
Net Fair value gain on deconsolidation of a subsidiary company	24,223	-	100
Finance costs	(22)	(1,233)	98
Finance income	-	7	-100
<b>Operating profit/(loss)</b>	<u>18,325</u>	<u>(5,822)</u>	415
Share of profit/(loss) of an equity- accounted joint venture, net of tax	225	496	55
<b>Profit/(Loss) before tax</b>	<u>18,550</u>	<u>(5,326)</u>	448

The group generated profit before tax in current quarter was mainly due to the following:

- (i) Net fair value gain on deconsolidation of a wholly owned subsidiary company amounting to RM 24.2 million as compared to preceding quarter; and
- (ii) Lower share of profit after tax arising from the joint venture due to low season in hospitality business in Bintan Indonesia in Q3 2023 as compared with Q2 2023.

**B3. Prospects**

On the 5<sup>th</sup> May 2023, the world health organization's Director General concurred in their statement (Source : WHO) that COVID-19 is now an established and ongoing health issue which no longer constitutes a public health emergency of international concern (PHEIC). Business in Treasure Bay Bintan with relaxation of travel restrictions and more flights has improved significantly since the 2<sup>nd</sup> quarter of last year and we are expecting the recovery momentum to continue provided there are no deadlier mutated Covid-19 virus that cannot be contained.

The Company had on 17 August 2023 announced that Bursa Securities has, via its letter dated 16 August 2023, granted the Company an extension of time up to 28 January 2024 to submit its regularization plan to the relevant regulatory authorities.

Negotiation for the insurance settlement claims for The Andaman are temporarily suspended currently pending resolution of the outcome of the receivers and managers sale of the Andaman land. In this regard, management have been working tirelessly by legal proceedings and negotiation with OCBC bank to stop the impending sale by receivers and managers.

Management has finalized The Andaman rebuilding plans and a reputable contractor has expressed its interest to rebuild The Andaman on turnkey basis pending finalization of a definitive contract. The Andaman rebuilding is part of the regularization plan.

The Group continues to carry out its costs 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 various new products or ventures at the appropriate locations to increase the revenue and also 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.



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

**B5. Loss before tax**

	<b>Current Year Quarter 30 September 2023 RM'000</b>	<b>Current Year To-date 30 September 2023 RM'000</b>
Profit/(Loss) before tax is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	-	-
Depreciation and amortization	3,699	11,268
(Gain)/Loss on foreign exchange	(758)	(308)
Fair value gain on deconsolidation of a subsidiary company	(24,223)	(24,223)
Impairment loss on property, plant and Equipment	-	225
Impairment loss on other receivables	-	-
Inventories written down	-	-
Gain on disposal of quoted/unquoted investments or properties	-	-
Fair value gain on derivative instruments	-	-

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

	<b>Current period 3 months ended 30 September 2023      2022 RM'000      RM'000</b>		<b>Cumulative period 9 months ended 30 September 2023      2022 RM'000      RM'000</b>	
Current taxation				
Income tax charge				
- Malaysia	-	-	-	(569)
- Overseas	78	81	238	145
Deferred Taxation	-	(225)	-	(691)
	<u>78</u>	<u>(144)</u>	<u>238</u>	<u>(1,115)</u>

The effective tax rate of the Group was lower than the statutory tax rate for the current quarter and financial year-to-date mainly due to the fair value gain arising from deconsolidation of ARSB was not subject to tax.

**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 17<sup>th</sup> 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").

Due to 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:-

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

**B8. Changes in material litigation (continued)**

<b>Bank / Financier</b>	<b>Type of Facilities</b>	<b>Borrower</b>	<b>Outstanding amount (RM)</b>
OCBC Bank (Malaysia) Berhad	Banking and Credit Facilities availed to Andaman Resort Sdn Bhd by OCBC Bank (Malaysia) Berhad (" <b>Facilities</b> ")	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 from 22 March 2023 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 which was accepted by the Company.

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.

**B8. Changes in material litigation (continued)**

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.

In response to our abovementioned reply, Messrs Shearn Delamore & Co, through a letter dated 5 July 2023, 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.

**B8. *Changes in material litigation (continued)***

On 14th July 2023, the Company's appointed solicitors, Messrs Shafee and Co filed a suit in the Kuala Lumpur High Court together with an ex-parte injunction which was converted into an inter-parties hearing on 21 July 2023 (which was later fixed on 2nd August 2023, 24th August 2023 and 22nd September 2023 as parties attempted to settle the matter out of court). The matter was finally heard on 20th October 2023.

The High Court had on 20 October 2023 dismissed the injunction and our solicitors, Messrs Shafee and Co had on 27th October 2023 filed a notice of appeal to the Court of Appeal against the decision made on 20th October 2023.

Deloitte, the appointed Receivers and Manager by OCBC had on 27 October 2023 advertised the sale of the ARSB's land in The Star Newspaper, inviting interested parties to submit their offers to acquire ARSB's land and buildings that were charged to OCBC by 1st December 2023.

On 30th October 2023, our solicitors Messrs Shafee and Co filed an Erinford injunction (with a certificate of urgency) to the High Court pending the disposal of the appeal in the Court of Appeal. During the case management on 7th November 2023, the High Court fixed the hearing of the Erinford injunction on 21st December 2023. On 11th November 2023, Messrs Shafee and Co requested the High Court Judge to fix an earlier date but to no avail.

On 11 November 2023, our solicitors Messrs Shafee and Co filed an Erinford injunction in the Court of Appeal (with a certificate of urgency) in light of the fact that the deadline for offers to be made for the land is on or before 1st December 2023, the Court of Appeal has refixed the hearing date of the Erinford injunction to Thursday, 30 November 2023.

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.

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

**B9. Loans and borrowings**

The Group's borrowings are all secured as follows:

	As at 30 September 2023 RM'000	As at 30 September 2022 RM'000
<b>Short term borrowings - Secured</b>		
Term loans	-	126,000
<b>Total borrowings</b>	<u>-</u>	<u>126,000</u>

The loan and borrowings under ARSB were no longer form integral part of the group after deconsolidation of ARSB upon the appointment of the Receivers and Managers by the financier on 6th July 2023.

**B10. Derivative financial instruments**

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

**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 2023.

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

**B13. Basic earnings/(loss) per ordinary share**

a) Basic earnings/(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		9 months ended	
	30 September		30 September	
	2023	2022	2023	2022
<b>Basic earnings/(loss) per share</b>				
Earnings/(Loss) attributable to equity owners of the Company (RM'000)	<b>18,472</b>	(6,305)	<b>5,493</b>	(21,863)
Weighted average number of ordinary shares ('000)	<b>671,514</b>	671,514	<b>671,514</b>	671,505
Basic earnings/(loss) per share attributable to equity owners of the Company (sen)	<b>2.75</b>	(0.94)	<b>0.82</b>	(3.26)

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

b) Diluted earnings/(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>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Diluted earnings/(loss) per share</b>				
Earnings/(Loss) attributable to equity owners of the Company (RM'000)	<b>18,472</b>	(6,305)	<b>5,493</b>	(21,863)
Weighted average number of ordinary shares ('000)	<b>671,514</b>	671,514	<b>671,514</b>	671,505
Adjustment for dilutive effect of ESOS	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	<b>671,514</b>	671,514	<b>671,514</b>	671,505
Diluted earnings/(loss) per share attributable to equity owners of the Company (sen)	<b>2.75</b>	(0.94)	<b>0.82</b>	(3.26)

**By Order of the Board**

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

**Kuala Lumpur  
29 November 2023  
www.landmarks.com.my**