

LANDMARKS

LANDMARKS BERHAD

(Registration No. 198901007900 (185202-H))

(Incorporated in Malaysia)

Unaudited Interim Financial Report For the Fourth Quarter Ended 31 December 2023

LANDMARKS

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	31-December-2023 RM' 000 (Unaudited)	31-December-2022 RM' 000 (Audited)
ASSETS		
Property, plant and equipment	1,233,054	1,248,903
Investment property	29,882	29,882
Right-of-use assets	1,797	10,486
Inventories	736,341	736,341
Investments in joint venture	44,998	41,232
Other investments	67,098	1,448
Other receivable	-	58,031
Total Non-Current Assets	2,113,170	2,126,323
Inventories	58,494	58,019
Receivables, deposits and prepayments	5,693	16,766
Current tax assets	-	29
Other investment	-	50,554
Cash and cash equivalents	1,703	3,538
Total Current Assets	65,890	128,906
TOTAL ASSETS	2,179,060	2,255,229
EQUITY		
Share capital	776,746	776,746
Reserves	6,955	1,492
Retained earnings	1,043,644	1,042,888
Total equity attributable to owners of the Company	1,827,345	1,821,126
Non-controlling Interests	713	713
Total Equity	1,828,058	1,821,839
LIABILITIES		
Lease liabilities	1,432	2,030
Deferred tax liabilities	253,737	253,737
Retirement benefits	78	72
Total Non-Current Liabilities	255,247	255,839
Loans and borrowings	-	126,054
Payables and accruals	93,462	33,296
Lease liabilities	593	618
Current tax liabilities	1,700	17,583
Total Current Liabilities	95,755	177,551
Total Liabilities	351,002	433,390
TOTAL EQUITY & LIABILITIES	2,179,060	2,255,229
Net Assets Per Share (RM)	2.72	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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2023

	INDIVIDUAL PERIOD 3 months ended 31 December		CUMULATIVE PERIOD 12 months ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	<u>8,451</u>	10,357	<u>31,657</u>	24,287
Profit/(Loss) from operations	(6,593)	(10,764)	(22,815)	(29,459)
Net Fair value gain/(loss) on deconsolidation of a subsidiary company	563	-	24,786	-
Finance cost	(448)	(1,664)	(3,698)	(6,094)
Finance income	-	272	296	761
Operating profit/(loss)	(6,478)	(12,156)	(1,431)	(34,792)
Share of profit/(loss) of an equity-accounted joint venture, net of tax	478	555	1,162	213
Profit/(Loss) before taxation	(6,000)	(11,601)	(269)	(34,579)
Income tax (expense)/income	(87)	(9,819)	(325)	(8,704)
Profit/(Loss) for the period	(6,087)	(21,420)	(594)	(43,283)
Other comprehensive income/(expense), net of tax				
Foreign currency translation differences for foreign operations	(128)	(5,553)	6,808	1,333
Re-measurement of defined benefit liability	5	-	5	-
Other comprehensive income/(expense) for the period, net of tax	(123)	(5,553)	6,813	1,333
Total comprehensive income/(expense) for the period	(6,210)	(26,973)	6,219	(41,950)
Profit/(Loss) attributable to:				
Owners of the Company	(6,087)	(21,420)	(594)	(43,283)
Non-controlling interests	-	-	-	-
Profit/(Loss) for the period	(6,087)	(21,420)	(594)	(43,283)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(6,210)	(26,973)	6,219	(41,950)
Non-controlling interests	-	-	-	-
Total comprehensive income/(expense) for the period	(6,210)	(26,973)	6,219	(41,950)

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

Profit/(Loss) for the period				
-Basic	(0.91)	(3.19)	(0.09)	(6.45)
-Diluted	(0.91)	(3.19)	(0.09)	(6.45)

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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 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	-	1,333	-	-	1,333	-	1,333
Total other comprehensive income for the period	-	1,333	-	-	1,333	-	1,333
Loss for the period	-	-	-	(43,283)	(43,283)	-	(43,283)
Total comprehensive income/(expense) for the period	-	1,333	-	(43,283)	(41,950)	-	(41,950)
Issue of new ordinary shares	37	-	-	-	37	-	37
ESOS exercised	13	-	(13)	-	-	-	-
Share-based payment transactions	-	-	201	-	201	-	201
Share options forfeited	-	-	(515)	515	-	-	-
Total contribution from owners of the Company	50	-	(327)	515	238	-	238
At 31 December 2022	776,746	(6,060)	7,552	1,042,888	1,821,126	713	1,821,839
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	-	6,808	-	-	6,808	-	6,808
Re-measurement of defined benefit liability	-	-	-	5	5	-	5
Total other comprehensive income for the period	-	6,808	-	5	6,813	-	6,813
Profit for the period	-	-	-	(594)	(594)	-	(594)
Total comprehensive income for the period	-	6,808	-	(589)	6,219	-	6,219
Share options forfeited	-	-	(1,345)	1,345	-	-	-
Total contribution from owners of the Company	-	-	(1,345)	1,345	-	-	-
At 31 December 2023	776,746	748	6,207	1,043,644	1,827,345	713	1,828,058

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 TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2023

	31-December-2023 RM'000	31-December-2022 RM'000
Cash flows from operating activities		
Loss before tax	(269)	(34,579)
<i>Adjustments for:</i>		
Bad debts written off	13	-
Depreciation of property, plant and equipment	14,079	14,467
Depreciation of right-of-use assets	535	817
Fair value loss on other investments	520	637
Finance costs	3,405	6,094
Finance income	(296)	(761)
Gain on disposal of other investments	-	(3,712)
Gain on disposal of property, plant and equipment	(132)	(234)
Impairment loss of property, plant and equipment	225	-
Insurance claim adjustment	-	13,969
Loss on termination of lease	463	-
Net fair value gain on deconsolidation of a subsidiary company	(24,786)	-
Property, plant and equipment written off	447	117
Reversal of derivative financial liabilities	-	(2,000)
Reversal of impairment loss on investment property	-	(6,250)
Share-based payment transactions	-	201
Share of profit of an equity-accounted joint venture, net of tax	(1,128)	(213)
Operating loss before working capital changes	(6,924)	(11,447)
<i>Changes in working capital:</i>		
Retirement benefits	(9)	(243)
Inventories	118	(683)
Trade and other receivables	(287)	(114)
Trade and others payables and other financial liabilities	9,031	7,904
Cash generated from/(used in) operation	1,929	(4,583)
Income tax paid	(331)	(308)
Income tax refunded	29	269
Net cash generated from/(used in) operating activities	1,627	(4,622)
Cash flows from investing activities		
Acquisition of other investments	-	(31,920)
Acquisition of property, plant and equipment	(795)	(2,159)
Acquisition of right-of-use assets	(429)	-
Interest received	3	761
Proceeds from disposal of other investments	-	3,712
Proceeds from disposal of property, plant and equipment	176	236
Proceeds from insurance claim	-	35,000
Net cash (used in)/generated from investing activities	(1,045)	5,630
Cash flows from financing activities		
Interest paid	-	(3,141)
Interest paid on lease liabilities	(519)	(139)
Acquisition of lease liabilities	428	-
Advances from a Director	(1,898)	3,954
Net proceeds from issue of ordinary shares	-	37
Repayment of lease liabilities	(583)	(651)
Net cash (used in)/generated from financing activities	(2,572)	60
Net decrease in cash and cash equivalents	(1,990)	1,068
Effect of exchange rate fluctuation on cash held	173	112
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 company	(18)	-
Cash and cash equivalents at 31 December	1,703	3,538
	31-December-2023 RM'000	31-December-2022 RM'000
Investment in cash funds		
Cash and bank balances	1,703	3,538

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 31
DECEMBER 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 other financial institution while at the same time discussing with another 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's discussion with the insurers on the final sum of our insurance claim has been suspended in view of the appointment of Receivers and Managers by the financier.

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:

	12 months ended	
	31 December	
	2023	2022
	RM'000	RM'000
Primary geographical markets		
Indonesia	31,258	24,091
	<u>31,258</u>	<u>24,091</u>
Major service lines		
Room revenue	14,905	11,882
Attraction revenue	7,951	6,517
Food and beverage revenue	8,402	5,692
	<u>31,258</u>	<u>24,091</u>
Timing and recognition		
Over time	22,856	18,399
At a point in time	8,402	5,692
	<u>31,258</u>	<u>24,091</u>
Revenue from contracts with customers	31,258	24,091
Other revenue	399	196
Total Revenue	<u>31,657</u>	<u>24,287</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 |

12 months ended 31 December	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	23,307	17,575	7,951	6,517	399	195	31,657	24,287
Profit/(Loss) from operations	5,278	(15,416)	(18,706)	(10,703)	(9,387)	(3,340)	(22,815)	(29,459)
Net fair value gain on deconsolidation of a subsidiary	-	-	-	-	24,786	-	24,786	-
Finance costs	(3,178)	(5,954)	(480)	(91)	(40)	(49)	(3,698)	(6,094)
Finance income	293	757	3	2	-	2	296	761
	2,393	(20,613)	(19,183)	(10,792)	15,359	(3,387)	(1,431)	(34,792)
Included in the measure of segments results from operating activities are :								
- Depreciation and amortisation	(2,725)	(2,803)	(11,519)	(12,100)	(370)	(381)	(14,614)	(15,284)
- Foreign exchange gain/(loss)	559	-	32	1,176	(25)	407	566	1,583
Segment assets	65,863	155,187	2,088,022	2,097,277	25,175	2,765	2,179,060	2,255,229

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 31 December 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 31 December 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*

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 except as disclosed under note B9 Loans and borrowings.

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 31 December 2023 compared with Financial Period Ended 31 December 2022

The results of the Group are tabulated below:

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	3 months ended		Changes	12 months ended		Changes
	31 December			31 December		
	2023	2022	(%)	2023	2022	(%)
	RM'000	RM'000		RM'000	RM'000	
Revenue	8,451	10,357	-18	31,657	24,287	30
Loss from operations	(6,593)	(10,764)	39	(22,815)	(29,459)	23
Net fair value gain on deconsolidation of a subsidiary company	563	-	0	24,786	-	0
Finance costs	(448)	(1,664)	73	(3,698)	(6,094)	39
Finance income	-	272	-100	296	761	-61
Operating loss	(6,478)	(12,156)	47	(1,431)	(34,792)	96
Share of profit of an equity-accounted joint venture, net of tax	478	555	14	1,162	213	-446
Loss before tax	(6,000)	(11,601)	48	(269)	(34,579)	99

(a) Quarter ended 31 December 2023 ("4Q 2023") compared with quarter ended 31 December 2022 ("4Q 2022")

The Group achieved lower operating loss was mainly due to the following:

- (i) Adjustment on net fair value gain on deconsolidation of a wholly owned subsidiary company amounting to RM0.56 million in Q4 2022 as compared to same quarter of preceding year.
- (ii) Andaman Resort Sdn. Bhd. ("ARSB"), a former subsidiary being deconsolidated from the Group's financial statement since July 2023, has recorded operating losses of RM16.29 million in Q4 2022 as compared to Q4 2023, an adjustment of RM1.88 million from the reversal of net present value discounted in Q4 2022 and;
- (iii) Treasure Bay Bintan generated operating profit of RM7.1 million in Q4 2022 as compared with RM 2.67 million losses incurred in Q4 2023 mainly due to reversal of impairment loss on investment property Natra Bintan of RM6.25 million and reversal of fair value on put option on disposal of Mendol Group of RM2.10 million in Q4 2022.

B1. Review of performance for Financial Period Ended 31 December 2023 compared with Financial Period Ended 31 December 2022 (continued)

(b) Financial period ended 31 December 2023 ("12M 2023") compared with financial period ended 31 December 2022 ("12M 2022")

The Group generated lower operating loss in 12M 2023 was mainly due to the following:

- (i) ARSB incurred lower operating costs of RM 1.14 million prior deconsolidation as a subsidiary in current financial year as compared to operating losses of RM17.44 million incurred in previous financial year.
- (ii) Net fair value gain on deconsolidation of ARSB, a wholly owned subsidiary company amounting to RM 24.78 in 12M 2023.
- (iii) Higher share of profit after tax arising from the joint venture due to better operating conditions after relaxation of travel restrictions and;
- (iv) Treasure Bay Bintan incurred higher operating loss mainly due to reversal of impairment loss on investment property Natra Bintan of RM6.25 million and reversal of fair value on put option on disposal of Mendol Group of RM2.10 million in 12M 2022 despite higher operating profit contribution by ANMON of operating profit RM4.28 million in FY 2023 as compared to operating profit of RM2.02 million in 2022.

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 4th Qtr RM'000	2023 3rd Qtr RM'000	Changes %
Revenue	<u>8,451</u>	<u>7,508</u>	13
Loss from operations	<u>(6,593)</u>	<u>(5,876)</u>	-12
Net fair value gain on deconsolidation of a subsidiary company	563	24,223	98
Finance costs	(448)	(22)	-1,936
Finance income	-	-	0
Operating (loss)/profit	<u>(6,478)</u>	<u>18,325</u>	135
Share of profit of an equity-accounted joint venture, net of tax	478	225	-112
(Loss)/Profit before tax	<u>(6,000)</u>	<u>18,550</u>	132

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

- (i) Net fair value gain on deconsolidation of ARSB, a wholly owned subsidiary company amounting to RM0.56 million as compared to preceding quarter of RM24.22 million and;
- (ii) An adjustment of RM1.88 million from the reversal of ARSB's net present value discounted in Q4 2022.

B3. Prospects

The Group's hotels in Bintan island, Indonesia saw out the financial year 2023 on a stronger footing compared to financial year 2022. This improved trend bodes well if the sales pick up momentum continues into the new financial year amidst the increasing uncertain global economy.

As a matter of prudent cashflow management, the Group continues to monitor and review its costs control measures put in place since the Covid-19 pandemic to ensure it does not compromise service delivery standards.

The Group continues working diligently with its adviser to resolve its sole banking facilities owing to OCBC bank ("Bank"), which in turn will determine the insurance settlement claims for fire property damage and fire consequential loss.

In this regard, the Bank had agreed to temporarily withhold the Andaman land sale process until the end of January 2024 to allow the Group time to find financing. On the expiry of the withholding period, the bank had refused to further extend the withholding period. Subsequently, the Company had requested the Bank to reconsider its decision.

Notwithstanding the above, the Group endeavors to focus and kick start its Bintan island developments with a balanced care for the environment, welfare for staff and good governance. Master plan for Phase 1 of the development, Chill Cove, are being finalised in anticipation of its roll out as part of its plan 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

	Current Year Quarter 31 December 2023 RM'000	Current Year To-date 31 December 2023 RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting):-		
Gross dividend income from short term investments	-	-
Depreciation and amortization	3,346	14,614
Loss/(Gain) on foreign exchange	(258)	(566)
Fair value gain on deconsolidation of a subsidiary company	(563)	(24,786)
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)

	Current period 3 months ended 31 December 2023	2022 RM'000	Cumulative period 12 months ended 31 December 2023	2022 RM'000
Current taxation				
Income tax charge				
- Malaysia	-	2,775	-	2,206
- Overseas	87	114	325	259
Deferred Taxation	-	6,930	-	6,239
	<u>87</u>	<u>9,819</u>	<u>325</u>	<u>8,704</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.

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

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.

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 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.

B8. Changes in material litigation (continued)

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.

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".

B8. Changes in material litigation (continued)

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.

On 14th July 2023, the Company's appointed solicitors, Messrs Shafee & 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 & 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 & 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 & Co requested the High Court Judge to fix an earlier date but to no avail.

On 16 November 2023, our solicitors Messrs Shafee & 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.

B8. Changes in material litigation (continued)

On 29 November 2023, OCBC agreed to ARSB's proposal to explore possibility to refinance the amount owing to OCBC with a reputable party and instructed the Receivers and Managers to withhold the sale process of the Property for 2 months ended on 31 January 2024 ("Moratorium Period") and for a further period of 1 month ("Extended Moratorium Period") subject to the issuance of a letter of offer, on the following terms :-

1. ARSB, the Company and the other Plaintiff withdraw the Application for Erinford injunction in both the High Court and Court of Appeal;
2. ARSB, the Company and the other Plaintiff withdraws the Appeal against the High Court Order dated 20 October 2023; and
3. ARSB and/or its security parties agree not to file any further proceedings and/or actions against OCBC and/or the Receivers and Managers to impede the sale of the Property upon the expiry of the Moratorium Period or the Extended Moratorium Period.

The Company and ARSB accepted this proposal through their advisors, Newsfields and instructed our solicitors Messrs Shafee & Co to withdraw the applications and appeals in the High Court and Court of Appeal.

Our solicitors Messrs Shafee & Co had on 6 February 2024 placed on record to OCBC and the Receivers and Managers that the Company and ARSB are actively taking all steps to secure funds required to fulfil our financial obligations and that the equity of redemption remains in full effect.

The negotiation for insurance claims have been temporarily suspended after the appointment of the Receivers and Managers.

The Company and ARSB are actively engaged in pursuing the funding options 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 31 December 2023 RM'000	As at 31 December 2022 RM'000
Short term borrowings - Secured		
Term loans	-	126,054
Total borrowings	<u>-</u>	<u>126,054</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.

As at 31 December 2023, there might be a contingent liability under a corporate guarantee by the Company for advances to ARSB by OCBC being called, if there is any shortfall in the realization of the ARSB's land charged and the balance of the insurance sum recoverable.

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.

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		12 months ended	
	31 December		31 December	
	2023	2022	2023	2022
Basic loss per share				
Loss attributable to equity owners of the Company (RM'000)	(6,087)	(21,420)	(594)	(43,283)
Weighted average number of ordinary shares ('000)	671,514	671,514	671,514	671,510
Basic loss per share attributable to equity owners of the Company (sen)	(0.91)	(3.19)	(0.09)	(6.45)

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		Cumulative period	
	3 months ended		9 months ended	
	31 December		31 December	
	2023	2022	2023	2022
Diluted loss per share				
Loss attributable to equity owners of the Company (RM'000)	(6,087)	(21,420)	(594)	(43,283)
Weighted average number of ordinary shares ('000)	671,514	671,514	671,514	671,510
Adjustment for dilutive effect of ESOS	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	671,514	671,514	671,514	671,510
Diluted loss per share attributable to equity owners of the Company (sen)	(0.91)	(3.19)	(0.09)	(6.45)

By Order of the Board

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

**Kuala Lumpur
22 February 2024
www.landmarks.com.my**