

# LANDMARKS

## **LANDMARKS BERHAD**

(Registration No. 198901007900 (185202-H))

(Incorporated in Malaysia)

### **Unaudited Interim Financial Report For the First Quarter Ended 31 March 2024**

# LANDMARKS

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	31-March-2024 RM' 000 (Unaudited)	31-December-2023 RM' 000 (Audited)
<b>ASSETS</b>		
Property, plant and equipment	1,230,386	1,233,054
Investment property	29,882	29,882
Right-of-use assets	1,655	1,797
Inventories	736,448	736,341
Investments in joint venture	45,164	44,998
Other investments	120,108	120,168
<b>Total Non-Current Assets</b>	<b>2,163,643</b>	<b>2,166,240</b>
Inventories	58,871	58,494
Receivables, deposits and prepayments	3,732	4,374
Cash and cash equivalents	998	1,703
<b>Total Current Assets</b>	<b>63,601</b>	<b>64,571</b>
<b>TOTAL ASSETS</b>	<b>2,227,244</b>	<b>2,230,811</b>
<b>EQUITY</b>		
Share capital	776,746	776,746
Reserves	57,059	60,025
Retained earnings	1,037,406	1,043,644
<b>Total equity attributable to owners of the Company</b>	<b>1,871,211</b>	<b>1,880,415</b>
<b>Non-controlling Interests</b>	<b>713</b>	<b>713</b>
<b>Total Equity</b>	<b>1,871,924</b>	<b>1,881,128</b>
<b>LIABILITIES</b>		
Lease liabilities	1,290	1,432
Deferred tax liabilities	253,737	253,737
Retirement benefits	115	78
<b>Total Non-Current Liabilities</b>	<b>255,142</b>	<b>255,247</b>
Payables and accruals	97,906	92,143
Lease liabilities	594	593
Current tax liabilities	1,678	1,700
<b>Total Current Liabilities</b>	<b>100,178</b>	<b>94,436</b>
<b>Total Liabilities</b>	<b>355,320</b>	<b>349,683</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,227,244</b>	<b>2,230,811</b>
<b>Net Assets Per Share (RM)</b>	<b>2.79</b>	<b>2.80</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 2023 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 THREE MONTHS PERIOD ENDED 31 MARCH 2024**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 months ended 31 March		3 months ended 31 March	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue	<u>5,434</u>	<u>6,872</u>	<u>5,434</u>	<u>6,872</u>
<b>Loss from operations</b>	<b>(6,104)</b>	(5,750)	<b>(6,104)</b>	(5,750)
Finance cost	(27)	(1,995)	(27)	(1,995)
Finance income	-	289	-	289
<b>Operating loss</b>	<b>(6,131)</b>	<u>(7,456)</u>	<b>(6,131)</b>	<u>(7,456)</u>
Share of loss of an equity-accounted joint venture, net of tax	(97)	(37)	(97)	(37)
<b>Loss before taxation</b>	<b>(6,228)</b>	<u>(7,493)</u>	<b>(6,228)</b>	<u>(7,493)</u>
Income tax expense	(55)	(69)	(55)	(69)
<b>Loss for the period</b>	<b>(6,283)</b>	<u>(7,562)</u>	<b>(6,283)</b>	<u>(7,562)</u>
<b>Other comprehensive (expense)/income, net of tax</b>				
Foreign currency translation differences for foreign operations	(2,861)	648	(2,861)	648
Fair value adjustment on other investments	(60)	-	(60)	-
<b>Other comprehensive (expense)/income for the period, net of tax</b>	<b>(2,921)</b>	648	<b>(2,921)</b>	648
<b>Total comprehensive expense for the period</b>	<b>(9,204)</b>	<u>(6,914)</u>	<b>(9,204)</b>	<u>(6,914)</u>
<b>Loss attributable to:</b>				
Owners of the Company	(6,283)	(7,562)	(6,283)	(7,562)
Non-controlling interests	-	-	-	-
<b>Loss for the period</b>	<b>(6,283)</b>	<u>(7,562)</u>	<b>(6,283)</b>	<u>(7,562)</u>
<b>Total comprehensive expense attributable to:</b>				
Owners of the Company	(9,204)	(6,914)	(9,204)	(6,914)
Non-controlling interests	-	-	-	-
<b>Total comprehensive expense for the period</b>	<b>(9,204)</b>	<u>(6,914)</u>	<b>(9,204)</b>	<u>(6,914)</u>

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

Loss for the period				
-Basic	(0.94)	(1.13)	(0.94)	(1.13)
-Diluted	(0.94)	(1.13)	(0.94)	(1.13)

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 THREE MONTHS PERIOD ENDED 31 MARCH 2024

<-----Attributable to owners of the Company----->  
<----- Non-distributable ----->      Distributable

	Share Capital RM'000	Translation Reserve RM'000	Share Option Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
<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	-	648	-	-	-	648	-	648
Total other comprehensive income for the period	-	648	-	-	-	648	-	648
Loss for the period	-	-	-	-	(7,562)	(7,562)	-	(7,562)
<b>Total comprehensive income/(expense) for the period</b>	-	648	-	-	(7,562)	(6,914)	-	(6,914)
Share options forfeited	-	-	(46)	-	46	-	-	-
<b>Total contribution from owners of the Company</b>	-	-	(46)	-	46	-	-	-
<b>At 31 March 2023</b>	776,746	(5,412)	7,506	-	1,035,372	1,814,212	713	1,814,925
<b>At 1 January 2024</b>	776,746	748	6,207	53,070	1,043,644	1,880,415	713	1,881,128
Foreign currency translation differences for foreign operations	-	(2,861)	-	-	-	(2,861)	-	(2,861)
Fair value adjustment on other investments	-	-	-	(60)	-	(60)	-	(60)
Total other comprehensive income for the period	-	(2,861)	-	(60)	-	(2,921)	-	(2,921)
Loss for the period	-	-	-	-	(6,283)	(6,283)	-	(6,283)
<b>Total comprehensive expense for the period</b>	-	(2,861)	-	(60)	(6,283)	(9,204)	-	(9,204)
Share options forfeited	-	-	(45)	-	45	-	-	-
<b>Total contribution from owners of the Company</b>	-	-	(45)	-	45	-	-	-
<b>At 31 March 2024</b>	776,746	(2,113)	6,162	53,010	1,037,406	1,871,211	713	1,871,924

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 THREE MONTHS PERIOD ENDED 31 MARCH 2024

	31-March-2024 RM'000	31-March-2023 RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(6,228)	(7,493)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	3,271	3,529
Depreciation of right-of-use assets	149	207
Finance costs	27	1,995
Finance income	-	(289)
Gain on disposal of property, plant and equipment	9	-
Impairment loss of property, plant and equipment	-	225
Share of loss of an equity-accounted joint venture, net of tax	97	37
<b>Operating loss before working capital changes</b>	<b>(2,675)</b>	<b>(1,789)</b>
Changes in working capital:		
Retirement benefits	37	26
Inventories	17	(34)
Trade and other receivables	642	(1,495)
Trade and others payables and other financial liabilities	1,541	1,514
<b>Cash used in operation</b>	<b>(438)</b>	<b>(1,778)</b>
Income tax paid	(78)	(85)
<b>Net cash used in operating activities</b>	<b>(516)</b>	<b>(1,863)</b>
<b>Cash flows from investing activities</b>		
Acquisition of other investments	-	(285)
Acquisition of property, plant and equipment	(12)	(31)
Interest received	-	289
Proceeds from disposal of property, plant and equipment	6	-
<b>Net cash used in investing activities</b>	<b>(6)</b>	<b>(27)</b>
<b>Cash flows from financing activities</b>		
Interest paid on lease liabilities	(27)	(29)
(Repayment to)/Advance from a Director	(12)	22
Repayment of lease liabilities	(150)	(169)
<b>Net cash used in financing activities</b>	<b>(189)</b>	<b>(176)</b>
Net decrease in cash and cash equivalents	(711)	(2,066)
Effect of exchange rate fluctuation on cash held	6	-
Cash and cash equivalents at 1 January	1,703	3,538
<b>Cash and cash equivalents at 31 March</b>	<b>998</b>	<b>1,472</b>
	<b>31-March-2024</b>	<b>31-March-2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Investment in cash funds		
Cash and bank balances	998	1,472

The unaudited condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 MARCH 2024

#### 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 2023. 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 2023.

##### **A2. Changes in Accounting Policies**

The audited financial statements of the Group for the year ended 31 December 2023 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 2023. The Group has adopted the MFRSs, amendments and interpretations effective for annual period beginning on or after 1 January 2024 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 2023.

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 reported losses of RM0.6 million and RM2.7 million for the year ended 31 December 2023 respectively. As at that date, the Group's and the Company's current liabilities exceeded their current assets by RM29.9 million and RM83.7 million respectively.

Extract of the Notes 1(b) to the Financial Statements:

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

- i. 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.
- ii. During the year, Andaman Resort Sdn. Bhd. ("ARSB") was placed under receivership and Receivers and Managers ("R&M") have been appointed to take over the assets and undertakings of ARSB. As a result ARSB was deconsolidated during the year (Note 8.3).

Subsequent to year end, R&M informed the Group that ARSB has signed a conditional letter of acceptance with a third party to dispose of the charged assets for a total consideration of RM130.0 million ("Disposal by R&M"). Upon successful Disposal by R&M, R&M will discharge their responsibilities and transfer the control of ARSB to the Group after settlement of loan and interest together with the related costs.

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

Extract of the Notes 1(b) to the Financial Statements: (continued)

Conditional upon the successful disposal by R&M, the Group's and the Company's financial guarantee for the loan of ARSB (Note 26.4) will be extinguished and are expected to have sufficient surplus cash and insurance claimable to fund the operations of the Group and the Company. However, as at the reporting date, the Disposal by R&M remains uncertain as the Sale and Purchase Agreement has not been executed.

**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 high season for ANMON and Natra Bintan which are located in Bintan generally lies in the last quarter of the financial year.



**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>3 months ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Primary geographical markets</b>		
Indonesia	<u>5,341</u>	<u>6,831</u>
	<u>5,341</u>	<u>6,831</u>
<b>Major service lines</b>		
Room revenue	2,421	3,267
Attraction revenue	1,402	1,737
Food and beverage revenue	1,518	1,827
	<u>5,341</u>	<u>6,831</u>
<b>Timing and recognition</b>		
Over time	3,823	5,004
At a point in time	1,518	1,827
	<u>5,341</u>	<u>6,831</u>
Revenue from contracts with customers	5,341	6,831
Other revenue	93	41
<b>Total Revenue</b>	<u>5,434</u>	<u>6,872</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  |

3 months ended March 2024	Hospitality and Wellness		Resort and Destination Development		Others		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment revenue	3,938	5,094	1,403	1,737	93	41	<b>5,434</b>	6,872
Profit/(Loss) from operations	4,684	893	(9,349)	(5,436)	(1,439)	(1,207)	<b>(6,104)</b>	(5,750)
Finance costs	-	(1,966)	(18)	(21)	(9)	(8)	<b>(27)</b>	(1,995)
Finance income	-	288	-	1	-	-	-	289
	<b>4,684</b>	<b>(785)</b>	<b>(9,367)</b>	<b>(5,456)</b>	<b>(1,448)</b>	<b>(1,215)</b>	<b>(6,131)</b>	<b>(7,456)</b>
Included in the measure of segments results from operating activities are :								
- Depreciation and amortisation	(2,417)	(683)	(909)	(2,962)	(94)	(91)	<b>(3,420)</b>	(3,736)
- Foreign exchange gain/(loss)	559	155	(473)	(92)	2	(62)	<b>88</b>	1
Segment assets	<b>66,563</b>	<b>158,535</b>	<b>2,083,397</b>	<b>2,093,751</b>	<b>77,284</b>	<b>2,664</b>	<b>2,227,244</b>	<b>2,254,950</b>

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 March 2024.

**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 March 2024.

**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 March 2024 compared with Financial Period Ended 31 March 2023**

The results of the Group are tabulated below:

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	3 months ended			3 months ended		
	31 March			31 March		
	2024	2023	Changes	2024	2023	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	5,434	6,872	-21	5,434	6,872	-21
<b>Loss from operations</b>	<b>(6,104)</b>	<b>(5,750)</b>	<b>-6</b>	<b>(6,104)</b>	<b>(5,750)</b>	<b>-6</b>
Finance costs	(27)	(1,995)	99	(27)	(1,995)	99
Finance income	-	289	-100	-	289	-100
<b>Operating loss</b>	<b>(6,131)</b>	<b>(7,456)</b>	<b>18</b>	<b>(6,131)</b>	<b>(7,456)</b>	<b>18</b>
Share of profit of an equity-accounted joint venture, net of tax	(97)	(37)	-162	(97)	(37)	-162
<b>Loss before tax</b>	<b>(6,228)</b>	<b>(7,493)</b>	<b>17</b>	<b>(6,228)</b>	<b>(7,493)</b>	<b>17</b>

(a) Quarter ended 31 March 2024 ("1Q 2024") compared with quarter ended 31 March 2023 ("1Q 2023")

The Group lower operating loss in 1Q 2024 was mainly due to the following:

- (i) Andaman Resort Sdn. Bhd. ("ARSB"), a former subsidiary being deconsolidated from the Group's financial statement since July 2023, has recorded finance cost of RM2.0 million in 1Q 2023 but not recognised in 1Q 2024 due to deconsolidation.

(b) Financial period ended 31 March 2024 ("3M 2024") compared with financial period ended 31 March 2023 ("3M 2023")

The Group lower operating loss in 3M 2024 was mainly due to the following:

1. ARSB has recorded finance cost of RM2.0 million in 3M 2023 but not recognised in 3M 2024 due to deconsolidation.

**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**

	2024 1st Qtr RM'000	2023 4th Qtr RM'000	Changes %
<b>Revenue</b>	<u>5,434</u>	<u>8,451</u>	<b>-36</b>
<b>Loss from operations</b>	<u>(6,104)</u>	<u>(7,009)</u>	<b>13</b>
Net fair value gain on deconsolidation of a subsidiary company	-	563	100
Finance costs	(27)	(32)	16
Finance income	-	-	0
<b>Operating (loss)/profit</b>	<u>(6,131)</u>	<u>(6,478)</u>	<b>5</b>
Share of profit of an equity-accounted joint venture, net of tax	(97)	478	120
<b>(Loss)/Profit before tax</b>	<u>(6,228)</u>	<u>(6,000)</u>	<b>-4</b>

The Group achieved higher operating loss in 1Q 2024 was mainly due to the following:

- (i) In 4Q 2023, there is an adjustment of RM1.9 million from the reversal of amortisation on net present value of insurance claims of ARSB; and
- (ii) TBB generated operating losses of RM4.7 million in 1Q 2024 as compared with RM3.1 million losses incurred in 4Q 2023 mainly due to drop of revenue from RM8.3 million in Q4 2023 to RM5.3 million in Q1 2024.

**B3. Prospects**

The Group is now near resolution of Andaman fire insurance settlement claims with insurance company and consequently, the partial repayment of the outstanding amounts owing to OCBC.

As advised by the Receivers and Managers (“R&M”) lawyer on 23 February 2024, that R&M have entered into a binding agreement with Mutiara Hotels & Resorts Sdn. Bhd. (“Buyer”) for the sale of Andaman Resort Sdn. Bhd.’s charged assets on 19 February 2024 for a total consideration of RM130.0 million. As at the date of this report, the R&M is still negotiating to finalise the Sales and Purchase Agreement with the Buyer. R&M will discharge their responsibilities and transfer the control of Andaman Resort Sdn. Bhd. to the Group after settlement of the loan.

With that, the Group is able to refocus its efforts on Bintan island developments. In this regard, Master plan for whole of Treasure Bay Bintan and in particular phase 1, Chill Cove development has been finalised. The roll out of the Master Plan is pivoting on innovative hotel offerings with enhanced attractions activities around its iconic crystal lagoon, to create a more integrated and appealing resort experience.

Treasure Bay Bintan development is a main component of the Company's plan to regularise its affected listed issuer status.

**B4. Profit forecast**

Not applicable as no profit forecast was announced or disclosed.

**B5. Loss before tax**

	<b>Current Year Quarter 31 March 2024 RM'000</b>	<b>Current Year To-date 31 March 2024 RM'000</b>
Profit/(Loss) before tax is arrived at after charging/(crediting):-		
Depreciation and amortization	3,420	3,420
Loss/(Gain) on foreign exchange	<u>(88)</u>	<u>(88)</u>

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

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

	Current period 3 months ended 31 March		Cumulative period 3 months ended 31 March	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Income tax charge				
- Malaysia	-	-	-	-
- Overseas	55	69	55	69
Deferred Taxation	-	-	-	-
	<u>55</u>	<u>69</u>	<u>55</u>	<u>69</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.

**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 former subsidiary, ARSB on the bank facilities is as follow:-

<b>Bank / Financier</b>	<b>Type of Facilities</b>	<b>Borrower</b>	<b>Outstanding amount (RM)</b>
OCBC	Banking and Credit Facilities availed to ARSB by OCBC (" <b>Facilities</b> ")	ARSB	RM 133,368,719.75 as at 22 February 2023

**B8. Changes in material litigation**

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.

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;



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

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.

On 14 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 2 August 2023, 24 August 2023 and 22 September 2023 as parties attempted to settle the matter out of court). The matter was finally heard on 20 October 2023.

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

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

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 1 December 2023.

On 30 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 7 November 2023, the High Court fixed the hearing of the Erinford injunction on 21 December 2023. On 11 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 1 December 2023, the Court of Appeal has refixed the hearing date of the Erinford injunction to Thursday, 30 November 2023.

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 ending 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.

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

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

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.

As part of the Company's efforts to repaying the outstanding amounts owing to OCBC, the Company has identified a new strategic investor in late January 2024 who requested for an extension of Moratorium Period to 30 April 2024 to facilitate negotiation with Landmarks Berhad.

Unfortunately, OCBC is unable to accede to such request on ground that tender process for sale of the Property has closed on 1 December 2023 and therefore earlier agreement to withhold the sale process of the Property has ceased following the non-compliance of conditions set out in the Moratorium Period. Hence, Receivers and managers has been instructed to proceed with the tender process.

**B9. Loans and borrowings**

The Group's borrowings are all secured as follows:

	<b>As at 31 March 2024 RM'000</b>	<b>As at 31 March 2023 RM'000</b>
<b>Short term borrowings - Secured</b>		
Term loans	-	126,378
<b>Total borrowings</b>	<u>-</u>	<u>126,378</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.

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 realisation 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.

**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 31 March 2024.

**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 3 months ended 31 March		Cumulative period 3 months ended 31 March	
	2024	2023	2024	2023
<b>Basic loss per share</b>				
Loss attributable to equity owners of the Company (RM'000)	<b>(6,283)</b>	(7,562)	<b>(6,283)</b>	(7,562)
Weighted average number of ordinary shares ('000)	<b>671,514</b>	671,514	<b>671,514</b>	671,514
Basic loss per share attributable to equity owners of the Company (sen)	<b>(0.94)</b>	(1.13)	<b>(0.94)</b>	(1.13)

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

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

	<b>Individual period</b>		<b>Cumulative period</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Diluted loss per share</b>				
Loss attributable to equity owners of the Company (RM'000)	<b>(6,283)</b>	(7,562)	<b>(6,283)</b>	(7,562)
Weighted average number of ordinary shares ('000)	<b>671,514</b>	671,514	<b>671,514</b>	671,514
Adjustment for dilutive effect of ESOS	-	-	-	-
Adjusted weighted average number of ordinary shares ('000)	<b>671,514</b>	671,514	<b>671,514</b>	671,514
Diluted loss per share attributable to equity owners of the Company (sen)	<b>(0.94)</b>	(1.13)	<b>(0.94)</b>	(1.13)

**By Order of the Board**

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

**Kuala Lumpur  
29 May 2024  
www.landmarks.com.my**