

# LANDMARKS

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

32<sup>nd</sup> Annual General Meeting  
23 June 2021

## Question & Answer

- Q1. Would the Company consider giving e-token of appreciation to shareholders who participated in this AGM?
- A1. No e-token would be given for this meeting and the Company would evaluate and take this into consideration for future meeting.
- Q2. Are Directors attending this virtual AGM being paid meeting allowances?
- A2. Yes.
- Q3. What is the cost-savings for conducting this virtual AGM as compared to last year virtual AGM and also previous year's physical AGM?
- A3. Year 2021 fully virtual AGM: approximately RM13,000-RM15,000; Year 2020 Virtual AGM: RM20,000; and Year 2019 physical meeting: RM25,000.
- Q4. Will the Minutes of this AGM be uploaded to the corporate website? If yes, please do not include the personal particulars of the participants as they would become public domain material which is in breach of the Personal Data Protection Act.
- A4. The Company will not upload the AGM Minutes on the Corporate Website. However, a summary of the Key Matters Discussed in the AGM will be published in the Company's website in accordance with Bursa Securities' MMLR.
- Q5. Does the reconstruction plan include other areas that were not affected by The Andaman, a Luxury Collection Resort, Langkawi ("The Andaman") fire incident and how many rooms of the proposed new hotel?
- A5. The Andaman fire incident has destroyed approximately 80% to 85% of the entire resort. The Andaman was established for more than 25 years and the Group has no intention to restore back to its original outdated design. Management has decided to demolish the remaining small unrazed area by constructing a brand-new hotel consisting of 110 room keys, 30 villas/suites, a beach club and a wellness centre.
- Q6. How Management deal with the vegetables grown on Treasure Bay Bintan ("TBB") Organic Farm as Tourists are presently scarce. Did the Management consider selling it as additional income to the Company?

- A6. TBB Organic Farm is the Company's strategy in having self-sustaining and for self-consumption products to be utilised to support the Chiva-Som Bintan (TBB's Wellness retreat) to ensure the consumers are leading to a healthy lifestyle by eat healthy, drink healthy and breathe healthily.
- Q7. Did the fire insurance cover the compensation for employee's salary? The compensation calculated based on the number of employees or based on a fixed amount? How much compensation the company expected to receive each month?
- A7. The fire insurance covered the employees' salary based on the number of employees. The claims had been submitted to the insurance company and the initial claim had been partially approved pending for the finalisation of the remaining claims. The finalisation process is expected to take about 1 (one) month or maybe more depends on the insurance company. The monthly instalment payment receivable cannot be ascertained at the moment as it is based on the market conditions and The Andaman's rebuilding progress which would be finalised with the insurance company in due course.
- Q8. What are the tasks assigned to the staff in view that the hotel ceased its operation after the fire incident? Will the affected staff be dismissed and then re-hired after the hotel is rebuilt?
- A8. The Company had retrenched approximately 98% of The Andaman's staffs. Minimal staffs were retained to assist on the insurance claims, financial management, administrative matters and security measures to ensure the site is protected.
- Q9. How did The Andaman fire incident happen?
- A9. It was reported that the fire started at the North Wing roof near the resort's lobby area at around 4 p.m. on 12 January 2021. The fire was reported to be caused by electrical short circuits. All the 60 guests were safely relocated to other neighbouring property.
- The fire was put out at around 8 p.m. After the dinner, the firefighters as a precautionary measure continued applying more water to the affected areas. The firefighters then left the resort at around 12 a. m.. However, the fire possibly due to the strong winds somehow reignited back at around 1 a.m. causing the whole lobby building to be badly destroyed by the time the firefighters returned to the scene at around 3 a. m.. Hampered by low water pressure, the fire continued to burn whole day long and completely destroyed the whole North Wing.
- Q10. How much insurance premiums the Company spent on The Andaman and TBB last year?
- A10. Approximately RM660,000.
- Q11. How and when will the initiatives to boost the Company's financial and business performance to produce necessary results and what other new initiatives if the Company's profitability unable to achieve sustainability?
- A11. The Company had several initiatives for TBB prior to the Covid-19 pandemic. The investments in TBB were totally funded by internal generated funds with no borrowing. The Company had increased 200 room keys and many facilities in TBB and with that, the Company is ready to seek for potential investors, partnerships

and/or joint ventures, of which 51% Natra Bintan's ownership was sold which brought in profit in year 2020. The Company will continue similar initiative as a post-pandemic measure.

Besides, the Company has also planned to rebuild The Andaman into a new luxury hotel in expectation to boost the Company's financial performance. This is because the age of The Andaman, it had reached a saturation point where the Average Occupancy Rate ("AOR") was at 77% to 78% and approximately at RM1,000 Average Room Rate ("ARR"). Hence, the rebuilding and rebranding of The Andaman are expected to boost the AOR and ARR.

Q12. The Company should try to turn losses into profit and with the stock price rebounds, the Directors will also be benefited from their ESOS entitlement.

A12. The Company was supposed to turn around losses into profit in year 2020, but this was held back for another one and a half year due to the Covid-19 pandemic, The Andaman fire accident and the insurance claims. However, rest assured that Management and the Board would strive to improve the Company's performance in near future.

Q13. The Company Directors' salaries and benefits was higher than many other profitable listed companies. Noted that the Directors' salaries and benefits had dropped by approximate 30% as compared to previous year and hoped that the Directors will not take high Director fees before the Company turns profitable otherwise, the Directors will find many reasons to say that the Company's money is not enough and need to do private placement at a low price, which will damage the interests of all shareholders.

A13. The Company has implemented salary reductions and cost rationalisations throughout the whole Company. The total savings from these implementations was approximately 40%. The Company is mindful on the cost control effort during these difficult times.

Q14. Are the insurance covered the loss of profits caused by the inability to operate after the fire?

A14. Yes, the Company's losses caused by the Company's business interruption after the fire are covered by the insurance but the recovery of the full insurance claim is highly dependent on the current market conditions, specifically in Langkawi. Although the Company had insured for approximately RM50 to 60 million, but the claim is undergoing a thorough checking procedure by the insurance company to reduce it to reflect the current market conditions, taking into consideration the impact of the ongoing Covid-19 pandemic.

Q15. Why the Net Tangible Assets ("NTA") currently is at RM3.20 but the share price is less than RM0.50? What is the Company's plan to get the share price to reflect closer to the NTA? Will the Company plan to give bonus shares in lowering the Company's NTA?

A15. As a master developer, it is unlike developing a hotel in TBB, as the Group owned a large piece of land which requires a large capital for development so as to value add the land. As the Company was only ready to deal in the markets in 2019, and was expected to make profits in Year 2020 but this has now been hampered by the Covid-19 pandemic. The Andaman should be ready to generate cash flow by Year 2023 or

year 2024. There will be certain initiative of disposal of TBB's properties as well as joint venture which will both give rise to profits in the future.

It was observed that the shares of the developers in Malaysia are mostly trading at 40% to 50% below their NTA. The Company aims to achieve the same.

Q16. What is the remaining (estimated) amount of insurance receivable as at current date?

A16. The Company had submitted a total claim of approximately RM175 million. As of to-date, RM5 million had been offered as an initial mobilisation cost for the Company to start the rebuilding programme. The remaining amount of insurance will be determined once the insurance company has appraised the claim and will be released depending on the progressive construction of the hotel.

Q17. if both The Andaman and TBB unable operate for the next 1 or 2 years and how can the Company maintain?

A17. The Andaman is certainly unable to operate as it has been destroyed by fire, which requires approximately 3 years to rebuild. As of now, negotiations had taken place in regards to crowd deals with regional bankers and turnkey contractors to build The Andaman. This will not impact the burn rate but will involve capital expenditure.

For TBB, the Company had managed to make a deal to sell 51% of ownership of Natra Bintan amid the Covid-19 pandemic, despite that the valuation was slightly lower than the market value. The Company will continue to explore on this aspect for deals in the coming 1 to 2 years.

Q18. How many employees of TBB before and after the Covid-19 pandemic?

A18. The Company had approximately 700 employees in TBB before the Covid-19 pandemic. As of now, the number had been reduced to approximately 300 employees.

Q19. Is the compensation paid by the insurance company enough to cover for the reconstruction of the new building? Or the Company needs to use internal fund partially?

A19. The compensation paid by the insurance company is insufficient to fund the reconstruction of The Andaman as the Company needs to pay back bank loan of approximately RM125 million. The Company had put forth the negotiations with regional bankers and turnkey contractors to finance and support the reconstruction project of The Andaman into a new hotel. Therefore, these efforts would require financing from both external and internal generated funds.

Q20. What is the development cost of entire Chiva-Som project?

A20. The components of the Chiva-Som project constituted 72 room keys, a wellness centre, and Chiva-Som Residences Bintan. The Company intends to firstly commence with the constructions of the resort and the wellness centre, whereas the residence will only be built when it is sold. The cost of constructions for the resort and the wellness centre is approximately SGD100 million to SGD110 million.

- Q21. What is the recent AOR of ANMON and Natra Bintan?
- A21. These resorts are hovering around AOR of 10% to 15%, mainly focusing on the domestic market.
- Q22. Why the Company removed Marine Life Discovery Park (“MLDP”) page from Facebook and what is the reason for the removal.
- A22. MLDP project is currently under review by the Company. The Company intends to reposition this project to build a boutique hotel surrounding the park. Therefore, the Facebook page had been taken down for the time being.
- Q23. In view that the MLDP is not too big or small, how did the Company plan to make this place to be more attractive to tourists?
- A23. The Company intends to build a boutique hotel and an integrated spa. The MLDP project is currently in the planning phase, the Company will explain and share with the shareholders when the planning and concept are completed.
- Q24. What elements will the rebuilt hotel focus on? What are the characteristics of the new hotel? What is the expenditure of the entire rebuild project?
- A24. The concept of the hotel would be a boutique hotel with approximately 5 to 6 blocks with integrated facilities and beach club within the properties. The project is in the planning phase. Once the concept of the project is finalised, the Company will proceed to perform cost analysis. The Company will keep the shareholders informed in due course.