



LANDMARKS BERHAD

Registration No. 198901007900 (185202-H)

34th Annual General Meeting
6 June 2023

Question & Answer

Q1. Why and what is the reason for the Board not to dissolve and delisted the entire company as its struggling more than 10 years?

A1. Landmarks had undergone a corporate re-structuring exercise way back in year 2006 - 2007 by selling off all the non-core business operations and the proceeds were utilised to de-gear the Company's bank loans. With the excess from the proceedings and internal generated funds, the Group bought 338 hectares of land in Bintan, Indonesia in year 2007 which constituted 91% of the Group's investment. The land in Treasure Bay Bintan has increased significantly since the Company first acquired it in 2007.

Bintan is a strategic location which command Singapore pricing as it was initially developed by Singapore Government with Singapore's technology before jointly taken over by Bintan Resort Cakrawala ("BRC"). The Group's investment in Bintan is a long-term project with initial emphasise being placed on master planning for the whole of 338 hectares. Infrastructure was built progressively taking into account of the Group's internal funding requirements and external economic conditions.

Bintan land development consists of 3 phases with which hospitality is used as the first platform to build attractions on the ground. Over the years, unique tourism products such as the crystal-clear water lagoon was built. This was followed by 200 room keys glamour glamping accommodation (Natra Bintan and ANMON Resort).

The Company's cash flow position had turned into positive for financial year 2019. Management intended to add another 200 room keys in Bintan in Year 2020 to turn around the Group's result. Unfortunately, Covid-19 Pandemic struck in year 2020 resulting in closing of all Asian countries' borders including Singapore and Indonesia and had gravely affected the performance of the whole Group.

The concept to dissolve and delist the Company does not arise because the Bintan project still presents great opportunity and prospects as Bintan has always been well-positioned to benefit from the anticipated spill-over effects of the tourism boom in Singapore. As at to date, ANMON Resort and Natra Bintan's performance have reached pre-Covid 19 Pandemic level. Unfortunately, with the burning down of The Andaman Resort, a 25 years' old hotel in January 2021 and the loss of its revenue stream had resulted in the Company being classified as an Affected Listed Issuer. Management had been working very hard for the past 2 years to re-structure the Group by talking to the bank and insurance company with intention to re-instate or rebuild The Andaman Resort. Hospitality is the first front line business of the Group

but unfortunately the industry was badly hit by Covid-19 Pandemic. But so long as our resort's location is unique and with proper attractions planted, the Company can expect a better return and to do better. Management is working on the rebuilding of The Andaman Resort which will also simultaneously deal with Bursa Malaysia on the Affected Listed Issuer status when it is in place.

- Q2. The negative energy inside the Company running bigger and bigger, how and when the Company will turn around other than dissolve?
- A2. Management does not see any negative energy in the Group overall. On the contrary, from observation, staff morale is high as all the staffs in Bintan are highly motivated with the coming back of tourist to Bintan during holiday seasons in Indonesia and Singapore.
- Q3. Will 2023 be better than 2022 or worse due to new challenges?
- A3. Notwithstanding the persistent challenges like Covid-19 Pandemic fallout and the fire incident in The Andaman Resort which have been further compounded by inflation, supply chain disruptions and financial crises which are all beyond the control of the Group, Management, with the support of good staff morale, is optimistic in overcoming the challenges posed by the uncertainties created by the ever changing global economic order between the major trading blocks.
- Q4. What is the construction cost of Marine Life Discovery Park ("MLDP")? Does the company plan to reopen the park? Does the Company agree that this is a failed plan?
- A4. MLDP construction cost was approximately RM5.1 million of which it was substantially incurred on the capital expenditure for the water filtration system to withstand life in captured water. Unfortunately, the concept of interactive with fishes due to cultural differences was not as well received and attractive to Asians. Management is presently looking at converting the park to other developments.
- Q5. Saw that many Singaporean tourists left messages on the Internet saying that ANMON Resort sells very expensive things, a bottle of mineral water costs SGD 5. What are the factors?
- A5. The pricing is based on the market rate of a 5-star hotel.
- Q6. Why doesn't the Company seek a capital loan from Genting? Didn't the directors discuss the solutions to the major shareholder Genting for the various problems encountered by the Company? Did Genting seek an explanation from the Landmarks' directors about the problems?
- A6. The Group has no intention of seeking any form of financial assistance from Genting Berhad, which is a passive investor in the Group and there is no engagement on obtaining a loan with the said investor. Moreover, it is not the Group's financial policy to gear up unnecessarily.
- Q7. What is the percentage of the Company to submit a restructuring plan after 2 months to Bursa? Will the Company apply further extension of the submission deadline to Bursa Malaysia?

- A7. Management will make the necessary announcement on the regularisation plan in due course. If an extension is required, we will apply for it.
- Q8. What are the differences encountered when the company and the insurance company negotiate the amount of compensation?
- A8. There are 2 components for the insurance claims namely: fire losses and business continuity. Management through insurance claims specialist is negotiating with the insurance company to determine the fire losses and business continuity claim as insurance company is using the Covid-19 Pandemic performance rather than pre Covid-19 Pandemic performance as yardstick to calculate potential losses of which Management is not agreeable with.
- Q9. When will the Company make profit?
- A9. The Group was on track for a promising year in 2019 with the completion of ANMON Resort, Bintan in October 2019. Unfortunately, Covid-19 Pandemic struck in 2020 and derailed the progress. Management is hopeful that the Company will return to the black soon upon the finalisation of the insurance claims for the fire losses of The Andaman Resort in order to kick start the construction soon as well as development plans for Bintan.
- Q10. Has the recent OCBC Bank (Malaysia) Berhad ("OCBC") debt collection action had any impact on the Company's image? Will it affect other bank's interest in providing financing to the Company? A few years ago, a director said that a bank wanted to borrow money to support the Company's Chiva Som's project, why haven't we seen any progress yet and the project still on hold. What factors are the Company still considering?
- A10. The Company has always continued to fulfil its loan obligations even after the fire incident at The Andaman Resort in 2021. Despite the Covid-19 Pandemic compounded by the fire incident, it is the Group's intention to resolve the outstanding loan issues with the bank in a satisfactory and just manner. Upon the rationalisation of financial repositioning to be made in order, Management will work on the Chiva Som project.
- Q11. Any potential to build a new hotel in the Bintan area this year?
- A11. A lot of people are showing interest and after a 3 years' break, Management will resume the same, leveraging on the tourism potential in Bintan.
- Q12. Is the Bintan's casino plan still on-going?
- A12. Indonesia currently doesn't have the legal framework and legislation for casino. However, if the legislation is in place, the Company will consider participating if invited.
- Q13. At the beginning, the Company chose to develop the Bintan business with a company that lacked cash and resources (Southern Archipelago Ltd), but why not consider some other companies that have cash and can help the Company to attract Chinese tourists, such as Foliday holding Club Med or other companies?

- A13. Southern Archipelago Ltd is a clean company as the receiver has cleaned up the Company. The intention was to get the infrastructure in place and then raise funds in Singapore.
- Q14. In the best case, how much the Company expects to get from The Andaman Resort's fire insurance compensation? Approximately what percent of the total insurance claims filled by the Company has been received until today.
- A14. Negotiations for the highest claimable amount with the insurance company are currently on-going of which is not appropriate to be disclosed at this juncture to prejudice our ongoing negotiations through our insurance claims specialist with the insurance company. As at the date of AGM, the Company had received in total a sum of RM55 Million in part payment of our insurance claims proceeds.
- Q15. After China opened its borders for its citizens to travel abroad, what percentage of Chinese tourists accounted for the total number of tourists in ANMON Resort? How does the Company plan to attract more Chinese tourists?
- A15. After China opened its citizens to travel abroad, approximately 6.9% of Chinese tourists accounted for the total number of tourists in ANMON Resort. The Company will engage in more marketing and sales events to promote our Treasure Bay Bintan together with ANMON Resort Operator.
- Q16. How big is the organic farm land in Bintan? Has it contributed to the company's turnover in the past?
- A16. Our organic park total land size is approximately 160.228 acres with 10.434 acres developed. Our organic park is currently meant to be an attraction feature of Treasure Bay Bintan where it was incorporated as an eco-tourism feature of our resort. Current produce from the park is sufficient for internal consumption while the Group explores the sustainability of its agricultural potential to be carried out for areas outside the organic park in the future.
- Q17. How many employees does the Company have in Bintan now? What is the total salary of staff in Bintan?
- A17. We have 184 employees (excluding hotel operations) in Treasure Bay Bintan with monthly average salaries of approximately SGD180K.
- Q18. During the financial year 2022, land held for development of RM47,753,000 is transferred from current to non-current, what is the original development plan of this land?
- A18. Those land was previously announced and proposed for disposal to Southern Archipelago Limited under related party transactions and subsequently announced for cancellation on 17 Feb 2023 in view of the extended period needed to complete those transactions and in the face of 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. Hence these lands were reclassified to non-current assets, as these lands were originally held for future development.
- Q19. Can Director explain more details of item 18.3 on page 135 of Annual Report about the amount due to a director of RM5 million?

- A19. This related to advance made by the CEO to help the Group's OPEX following The Andaman Resort fire incident and Covid-19 Pandemic.
- Q20. How much does the company spend on this virtual AGM?
- A20. Approximately RM15,000.
- Q21. Would the BOD kindly give e-wallet to shareholders as a token of appreciation for taking time to participate in today's RPV.
- A21. We are not giving any e-token for this meeting. The Company would evaluate and take this suggestion into consideration for future meetings.
- Q22. Kindly share the policy for review of directors' fees and remunerations. When was the last time a review was done?
- A22. Directors' fees and remunerations is subject to annual review by the Remuneration Committee and the last review was made on 17 January 2023.
- Q23. What is the Company's future outlook?
- A23. We are optimistic of the future outlook for the Company as we have planned to rebuild The Andaman Resort in due course and the potential of land bank in Treasure Bay Bintan for future developments.
- Q24. When can we attend the physical meeting?
- A24. In view of the prevalence and persistence of Covid-19 Pandemic infections, we will consider having physical AGM when it is safe and feasible.
- Q25. Why after all the promises of rejuvenating our Company for years has come to nothing but more losses?
- A25. As explained earlier, the Group's progress was derailed by the Covid-19 Pandemic and the unfortunate fire incident of The Andaman Resort. However, the Group is doing its utmost best to reset and go forward to be profitable.
- Q26. What existing initiatives have yet to be carried out and what new extra initiatives are being made to overcome our Company's present dire predicament of bankruptcy? Please elaborate honestly.
- A26. The Group is in the discussion with the insurance company to resolve fire claim settlement in order to rebuild The Andaman Resort while development plans are also being formulated to be put in place for Bintan land development.
- Q27. Last year 2022, the Company's administrative expenses were higher than the Company's turnover and in 2019 administrative expenses alone have consumed all the company's gross profit. What is the director's explanation for this high expenses? What fee structure in it makes administrative too high? Is the salary of the directors still high after salary cut or is the Company increasing the number of directors of the company and subsidiaries this year despite the tight cash flow?

- A27. No revenue was generated from The Andaman Resort after the fire incident happened in January 2021. Hence the Financial Year ("FY") 2022, administrative expenses were higher than the revenue generated and sourced solely from ANMON Resort and Attractions, Treasure Bay Bintan located in Indonesia. Both FY 2019 and FY 2018 company's level of administrative expenses was more than gross profit mainly due to additional costs incurred on the ESOS shared based payment of RM2.1 Million for FY 2019 and RM3.8 Million for FY 2018 and no dividend income from subsidiaries as compared to FY 2017 with dividend income from a subsidiary of RM81.5 Million. As at the date of AGM, significant portion of our Executive Directors and staff salaries remained deferred for payment to a later date since Covid-19 Pandemic in order to sustain the working capital needs of the Group.
- Q28. Hope the directors can provide more details about administrative expenses and other operating expenses in the notes to the financial statements in the future annual report.
- A28. Our disclosure is based on and is in compliance with the Malaysia Financial Reporting Standards International Financial Reporting Standards and the requirements of the Companies Act 2016, Malaysia.
- Q29. May I know when the Company going to reward shareholders with dividends? If not, will the company give something good, like e-wallet to shareholders as a reward for shareholders.
- A29. Dividend payments to shareholders is the ultimate aim of the Company. We will consider when there is profit and circumstances permitting (after allocation of capital expenditure requirements) in rewarding our shareholders by way of dividends in future and we will take into consideration your suggestion on e-wallet gift, vouchers as an alternative reward.
- Q30. Last year's EGM the Director said "Our Banks had expressed their support on the re-development of The Andaman Resort and the Company is currently working on finalising the terms with the Banks" But why the reconstruction still on hold? Is it because the bank no longer supports this plan?
- A30. The rebuilding plan for The Andaman Resort was recently finalised in May 2023. The delay is due to careful evaluation taking into account the product unique concept, construction cost and ESG impact on the rainforest.
- Q31. In which zone of the Company's Bintan island plan will Chiva Som be built?
- A31. The proposed Chiva Som will be built on the northern side of our existing Phase I developed Treasure Bay Bintan land.
- Q32. In the current situation, it is unrealistic to require the Company to distribute dividends to shareholders. But can the Directors seriously consider distributing highly discounted Treasure Bay Bintan leisure packages and ANMON Resort accommodation packages to shareholders in the 2023 financial year or maybe every year?

- A32. We will take into consideration on your proposal to distribute discounted Treasure Bay Bintan leisure packages and ANMON Resort's accommodation packages to shareholders if feasible.
- Q33. What is the Company's current resorts occupancy rate in Bintan Island?
- A33. On the date of AGM, the year-to-date average occupancy rate of ANMON Resort was 63% as compared to 40% in preceding year.
- Q34. What was the purpose of borrowing more than RM100 million from OCBC before?
- A34. To refinance the previous loan which was utilised for The Andaman Resort refurbishment carried out around 2012.