LANDMARKS

LANDMARKS BERHAD

Registration No. 198901007900 (185202-H)

37th Annual General Meeting
4 June 2026

Question & Answer

Q1. What are the Company's plans to address the going concern issue as highlighted by the Auditors in the Auditors' Report?

A1. The Group had been significantly impacted by the COVID-19 Pandemic in 2020 due to lockdown restrictions. In addition, the Company's hotel, The Andaman Resort in Pulau Langkawi was destroyed by a fire incident in 2021. Consequently, the Group's performance had yet to recover to the pre-pandemic levels achieved in 2018 and 2019, leading to the Auditors raising concerns on cash flow and going concern assessment. The Company had been actively engaging with its bankers and insurers to secure appropriate financing arrangements over the past three years (2022 to 2024). Despite weaker cash flow, the Group currently maintains a zero gearing position, with no borrowings and all assets remaining unencumbered.

Q2. What is the expected duration the Company's cash reserves would be sufficient to sustain its operations?

A2. The Company is currently in discussions to secure funding for its Bintan operations and anticipates making an announcement within the next one to two months. Owing to the relatively higher interest rates in Indonesia, the Company is presently focusing on funding opportunities in Singapore and Malaysia.

Q3. What are the factors contributing to the strong tourism performance in Batam, Indonesia ("Batam"), as compared to the continued weak tourist arrivals in Bintan, Indonesia?

A3. Batam caters to a different market segment and is generally less suited to family-oriented tourism. Additionally, hotel rates in Batam are significantly lower, typically ranging from approximately SGD40 to SGD60 per night, hence is not directly comparable with ANMON and Natra Bintan's room rate ranging between SGD180 and SGD250 per night, on peak periods.

Q4. What is the Company's net asset value per share and in view of the current share price of approximately RM0.10, would the Company consider a potential sale?

A4. The Company's net asset value per share is at approximately RM2.70 and the Group maintains a zero-gearing position. The Chief Executive Officer ("CEO") opined that he personally would not consider selling the Company.

Q5. The Company had recurring losses, has Management been utilising the Company's resources effectively in the discharge of its duties and in acting in the best interests of shareholders, particularly in light of the absence of returns to shareholders?

A5. The Company had in 2019 completed its second hotel, ANMON. However, the Chiva-Som Project was subsequently delayed due to the COVID-19 Pandemic in 2020. Although financing arrangements amounting to USD120 million had previously been secured from Exim Bank, the Chiva-Som Project ultimately did not materialise. Considerable time and effort have been devoted to maintaining a zero-gearing position in order to support future development, as well as resolving insurance settlement claims for The Andaman Resort in 2024.

Q6. What are the Company's plans moving forward?

A6. Noted on the global uncertainties, including wars, sanctions and regional political instability affecting both Malaysia and Indonesia, have significantly disrupted the Company's progress and business momentum. In light of these challenges, the Company is currently focused on securing sufficient funding and upgrading its hotel assets. Subject to an improvement in market conditions over the next six to twelve months, the Company aims to resume its growth plans thereafter.

With Singapore MRT link to Johor Bahru, Malaysia which is expected to be completed by end of 2026, it is anticipated to create significant opportunities in the region. The establishment of a Special Economic Zone between Johor, Malaysia and Singapore is expected following the completion of the MRT project. With the recent discussions with the Governor of Kepulauan Riau, there are potential collaborations involving Indonesia, Singapore and Johor, Malaysia, and the Company would continue to monitor future developments closely for opportunities.

Q7. Should the shareholders attending the AGM be offered complimentary hotel stays in Bintan, as practised by certain other companies, including the necessary logistical arrangement to the location.

A7. Whilst the provision of complimentary stays might not be feasible, the Group may consider offering special discounted room rates in Bintan during off-peak periods to shareholders who attend the AGM.

Q8. Is the Company still own any hotels in Pulau Langkawi, Malaysia?

A8. The Company's hotel in Pulau Langkawi was destroyed following the fire incident in 2021 and the land was subsequently disposed of in 2024.

Q9. What are Chairman's personal views and advice for prospective investors?

A9. The Company had over the past few years, focused on strengthening its Earnings Before Interest, Taxes, Depreciation, and Amortisation ("EBITDA") and cash flow position. However, achieving profitability at the profit after tax ("PAT") level had remained challenging, primarily due to the high depreciation charges incurred by the Company. Bintan should be regarded as a distinctly different market from Batam, as it is a more structured and organised destination with substantial investment support from Singapore. Both Singapore and Indonesia have committed significant investments towards infrastructure development in Bintan in the past, thereby enhancing its attractiveness as a destination for hotel development and investment returns. Subject to stable global conditions, the CEO opined that Bintan remains a promising location for investment.

Q10. What is the average and incremental cost per room, as well as the occupancy rate required for the Bintan operations to achieve breakeven, noting that current occupancy levels are approximately 40% to 60%, while the Company's newer resorts are recording comparatively lower occupancy rates?

A10. The breakeven occupancy rate is approximately at 30%, supported by the Group's pricing structure in Singapore dollars against operating costs denominated in Indonesian rupiah. The Group's properties are relatively well-established, whereas newer resorts launched in 2025 have adopted more aggressive pricing strategies.

Weekend occupancy levels remained strong, averaging between 80% and 90%, with weekends and public holidays accounting for approximately 200 days annually. However, the key challenge lies in improving weekday occupancy. To address this, the Company is focusing on organising events and corporate team-building activities to drive demand during weekdays.

Q11. Are there any factors or gaps hindering the Company's path to profitability?

A11. The Company is currently in the process of repositioning its business model from a tented resort concept to a block-style resort. While plans have been formulated to implement this strategy, the Group is presently prioritising the upgrading of its existing hotel properties and would evaluate performance over the coming months before proceeding with any expansion in room capacity.

Q12. What is the rationale for incurring significant capital expenditure on assets funded through debt?

A12. The occupancy rates remain robust, ranging between 70% and 90%, and occasionally reaching 100% on peak periods. Therefore moving forward, the Company aims to improve weekday occupancy rates and focus on strengthening its EBITDA, with the objective of returning to profitability at the PAT level.

Q13. Suggest utilisation of the Company's resources by monetising its substantial land bank, including through the disposal of certain assets to generate funds.

A13. The Group is currently in a zero-gearing position, having navigated a challenging period since 2020. While the Company remains open to taking on leverage to support the refurbishment of its hotels, any such decision will be dependent on prevailing market conditions. The Group stands ready to increase its gearing once market conditions stabilise.

Q14. To whom the Company remains indebted to?

A14. All insurance claims have been fully settled with the major outstanding matter which relates to the Inland Revenue Board ("IRB"), in relation to its tax appeal on fire insurance settlement claims for The Andaman Resort.

Q15. Why there is a tax imposed on the Company, what is the likelihood of recovering the overpaid tax and what is the estimated timeframe for such recovery?

A15. The tax liability arose from The Andaman Resort insurance claim previously recognised on estimated settlement basis by the Company as other income, which was subsequently assessed on provision basis for tax by IRB. The Company is currently engaging with IRB to resolve the matter. In this regard, the timing and any potential recovery remains uncertain, as it is subject to IRB's review and processing timeline.

Q16. Would IRB pay interest on the refunded amount, in the event that the overpaid tax is successfully returned to the Company?

A16. It is not a refund scenario. The funds are currently held by the solicitors pending the resolution of the tax matter with IRB and have therefore had not yet been paid. The amount is presently recorded under "Other Investments", representing the Company's investment in Andaman Resort Sdn. Bhd. ("ARSB"), which is in the process of being disposed of and has been classified as "Assets Held for Sale", as disclosed in Note 11 of the Audited Financial Statements for the financial year ended 31 December 2025 ("AFS 2025"); and Note 15 of the AFS 2025 reflects an amount of approximately RM103 million, together with a net amount of approximately RM10 million owing to ARSB, arising from funds previously drawn down by the Company.

Q17. What is the total revenue for the Company and total remuneration for the Directors and all the staff?

A17. The Company recorded revenue of RM22.2 million. The total remuneration paid to all Directors of the Group amounted to RM2.65 million, while total wages amounted to RM10.77 million, of which approximately RM7 million related to all employees, including those in Indonesia operations and head office.

Q18. What is the reason for Resolution 7 in relation to the authority to issue shares, is not tabled at an Extraordinary General Meeting and did the Company has any plan to allot shares?

A18. Resolution 7 relates to a mandate sought at each AGM for the period until the next AGM is to provide flexibility for the Company to undertake transactions such as private placements. Any issuance of shares exceeding 10% would require separate shareholders' approval. The Company currently has no plan to issue shares as securing borrowings remains the Company's priority.