

LANDMARKS

LANDMARKS BERHAD

Registration No. 198901007900 (185202-H)

Extraordinary General Meeting
30 April 2021

Question & Answer

- Q1. Would the Company consider giving e-token to shareholders who participated in the EGM?
- A1. No e-token would be given for this meeting and the Company would evaluate and take this into consideration for future meeting.
- Q2. The Company's share price had been declining with no improvement even by selling off the Company's assets, suggest Management to return the money back to shareholders.
- A2. Management has decided to be a destination developer under the lifestyle sector, focusing on resorts, hospitality and wellness. Resulting from the re-alignment, whereby assets which are non-core and non-strategic have been disposed-off. Investments have been put into a 338 hectares resort development land in Bintan Island, Indonesia known as Treasure Bay Bintan ("TBB") to be developed into a water resort city. Management noted and would look into the importance of profitability in the near term. However, the recovery of tourism has been weighed down due to movement restrictions arising from the Covid-19 pandemic, causing Management to embark on seeking strategic partners to build a lifestyle city for TBB.
- Q3. What is the latest value of the 338 hectares resort development land in Bintan?
- A3. The value of the 338 hectares resort development land in Bintan is SGD818.3 million (equivalent to approximately RM2.4 billion).
- Q4. If Bursa Securities rejects the application to seek for a waiver from complying with paragraph 8.03(A)(3) of the MMLR, would Landmarks be delisted from Bursa? What plans does the Company have if the application be rejected?
- A4. The Company had on 28 January 2021 submitted an application to Bursa Securities to seek for a waiver from complying with Paragraph 8.03(A)(3) of the MMLR on the grounds that the Company can demonstrate that its remaining businesses are viable, sustainable and has growth prospects supported with justifications and had submitted an appeal to Bursa Securities and is now awaiting outcome from Bursa Securities.
- Q5. When would Bintan new airport be completed?
- A5. The Bintan new airport's construction is on-going and anticipated to be completed in the near future.
- Q6. Can Directors report the progress of Chiva-Som development? When would the construction start?
- A6. Management is currently looking into the funding from financial institutions. Management has completed the design and architecture in early 2020, however the development has been delayed due to Covid-19 pandemic. Management earmarked to start the building

of 72 keys hotel room and the wellness centre pending decline of the Covid-19 pandemic and opening of borders. The building of residences will be built over time pending demand.

- Q7. What stage is The Andaman reconstruction plan? What is the budget for the reconstruction? Would the amount of insurance compensation be exceeded? What is the area to be rebuilt? Would it include rooms that have not been renovated for a long time?
- A7. Following The Andaman's fire incident, the Company has commenced the planning of the reconstruction and rebuilding works for The Andaman and expects to complete the said works within a period of 24 months from the date of approvals obtained from the relevant authorities. It was noted that any property and financial losses are currently covered by insurance policies taken up by the Company. A committee had been set up to evaluate a rebuilding and repositioning plan for The Andaman, and to advise the Company on repositioning of The Andaman and its rebuilding plan.
- Q8. During the pandemic, did the Indonesia government give any cash subsidies?
- A8. Indonesia government allowed 14 days unpaid leave in terms of manpower cost as subsidies to businesses.
- Q9. Why did the Company buy such a large piece of land but only missed the main entrance? Why the Company chooses someone's land to build the entrance instead of choosing from the piece of land that has already bought?
- A9. The main entrance building was ready built by the land owner and the Company could only rent it to be used for commercial facility to support TBB activities and operating office. The Property is the key access point to TBB, its purchase would allow the Company to have full control over the ownership of the Property and undertake any future redevelopment, upgrades or extension of the Property. The Company is currently leasing the Property at a monthly rental rate of SGD81,000. The Proposed Acquisition would allow the Group to save from rental payment. Management is also looking outwards for potential partners and investors to assist in the development of 338 hectares in TBB and the disposal of the Property by the related party to the Company was at a no-gain-no-loss position.
- Q10. The Directors' remuneration was high at RM5 million last year. The Company's poor performance and lack of cash have caused the Company to raise through multiple private placements. Can the remuneration committee explain why the directors are worth paying such high salaries and benefits? As mentioned in the Company's quarterly report, the Company would carry out its cost control and rationalization programmes. Does this include director's remuneration and benefits?
- A10. With the Covid-19 impacting businesses and cessation of business operations back in April 2020, the Group has implemented cost rationalisation on deferment of salary of which 50% deferment of salary for CEO, 40% for the Executive Director and Group COO & CFO, 30% for General Managers, 20% for Senior Managers and 10% for Managers, non-renewal of expired contractual staff and 14 days unpaid leave for Indonesia staff and cost rationalisation of Malaysia & Singapore staff to more manageable level.
- Q11. Would The Andaman's fire bring any impairment for the next fiscal year?
- A11. There would not be any impairment arising from the fire incident as the resort was adequately insured under fire and fire consequential losses insurance policies coverage.

Q12. What is the cost of the virtual EGM?

A12. The cost of virtual EGM is approximately at RM13,000.

Q13. The Company has been languishing in increasing losses for many years despite many assurances at every AGM to move into profitability. What are the Company's plans going forward of returning to operating profitability and when is it expected to be achieved?

A13. The Group is stepping up its tactical sales and marketing plans to drive demand and business from the domestic market. The Group is also actively exploring potential joint venture development, sales of development land and sales of resort. In fact, the results of the efforts had been shown in the Quarter 4 2020 financial results.

Q14. The Company has in the recent financial year disposed major assets, what are the reasons and impact on its business performance? And currently there are also proposed new acquisitions, what are the rational and the expected improvements in business performance/profitability? What other plans are in store and when do Management expect any positive results to be realised?

A14. The Company has returned to black with a net profit of RM115.49 million for the Quarter 4 ended 31 December 2020, amid a one-off gain disposal and fair value gain on an investment. The Company is aligning to focus on the lifestyle sector, focusing on resorts, hospitality and wellness in the South East Asian region. Resulting from this realignment, assets which are non-core and non-strategic have been disposed-off and investment has been put into a 338 hectares resort development land in Bintan island, Indonesia, TBB to be developed into a water resort city.

Q15. What is the impact for failing to secure shareholders' approval for this Proposed Acquisition and what other options do you have in the plan if this is rejected?

A15. If the Proposed Acquisition is rejected, the lease would continue by paying the rental amounted to SGD972,000 (equivalent RM3 million) per annum. The Proposed Acquisition would allow the Company to have full control over the Property and is expected to contribute positively (rental savings) to the Group's earnings.

Q16. Management had been running the Company for some time and until to-date there had been no improvements in the Company's performance. What is the timeline to see profitability and the need to revamp the Board given that the Board has been there for some time and there may be a need to have fresh inputs?

A16. Management needs time to see results of their efforts. TBB's business which relies mostly on the Singapore market remains slow due to closure of Singapore Borders. Nonetheless Management is stepping up efforts to drive domestic market's demand and business.

Q17. In view of the net tangible asset ("NTA") is greater than RM3, did the Company consider giving a bonus shares or warrant to attract participation from more shareholders and to reduce the Company's NTA.

A17. Management would review the options to better realize its potential for improving shareholder value.

Q18. What are the measures undertaken to enhance the Company's future performance?

A18. The Group remains focussed and committed in growing its business. The Proposed Acquisition would have impact on the stabilisation of the business environment and gradual global economy post Covid-19. Management is optimistic on the TBB's potential future growth and expects to contribute positively to the Group in future.