THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Shareholders of Landmarks Berhad ("**Landmarks**") should rely on their own evaluation to assess the merits and risks of the Proposed Disposals (as defined herein). Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular and valuation certificate, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

LANDMARKS

LANDMARKS BERHAD
Registration No.: 198901007900 (185202-H)
(Incorporated in Malaysia)

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED DISPOSAL OF THE REMAINING 49% EQUITY INTEREST IN MENDOL INVESTMENTS PTE LTD, 100% EQUITY INTEREST IN HINAKO INVESTMENTS PTE LTD, 60% EQUITY INTEREST IN PRIME HOLDINGS PTE LTD, 60% EQUITY INTEREST IN ENGGANO INVESTMENTS PTE LTD AND 60% EQUITY INTEREST IN MESAWAK INVESTMENTS PTE LTD BY TIARA GATEWAY PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF PRIMARY GATEWAY SDN BHD, WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF LANDMARKS, TO SOUTHERN ARCHIPELAGO LTD (FORMERLY KNOWN AS BLUMONT GROUP LTD ("BLUMONT")) FOR A TOTAL AGGREGATE CONSIDERATION OF SGD63.40 MILLION (EQUIVALENT TO APPROXIMATELY RM195.10 MILLION) TO BE SATISFIED VIA THE ISSUANCE OF NEW ORDINARY SHARES IN BLUMONT ("PROPOSED DISPOSALS")

PART B

INDEPENDENT ADVICE LETTER FROM FHMH CORPORATE ADVISORY SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF LANDMARKS IN RELATION TO THE PROPOSED DISPOSALS

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

HongLeong Investment Bank

Hong Leong Investment Bank Berhad
(Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

Independent Adviser for Part B

bakertilly

FHMH Corporate Advisory Sdn Bhd
(Registration No. 200701016946 (774955-D)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting of Landmarks ("**EGM**"), to be conducted virtually through live streaming and online voting using the Remote Participation and Voting ("**RPV**") facility from the broadcast venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Friday, 8 April 2022 at 10.00 a.m., or any adjournment thereof, together with the accompanying Form of Proxy are enclosed herein.

You are encouraged to participate, speak (in the form of real time submission of typed texts) and vote remotely at the EGM using the RPV facility. A member entitled to attend, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend and to vote on his/her behalf. In such event, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time stipulated for holding the EGM as indicated below, otherwise the instrument of proxy should not be treated as valid. Alternatively, you may also submit the form of proxy electronically via TIIH Online at website: https://tiih.online. For further information on the electronic lodgement of form of proxy, please refer to the Administrative Guide for the EGM of the Company. The lodging of the Form of Proxy will not preclude you from participating and voting remotely at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 6 April 2022 at 10.00 a.m.
Date and time of the EGM : Friday, 8 April 2022 at 10.00 a.m., or at any adjournment thereof

The Circular is dated 24 March 2022

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016 and any amendments made thereto from time to time
Attractions Operating Equipment	:	Attractions operating equipment to operate recreational and sporting activities in Chill Cove
AOR	:	Average Occupancy Rate
Bintan	:	Indonesian island of Bintan
BNM	:	Bank Negara Malaysia
Blumont	:	Blumont Group Ltd as at the LPD (now known as Southern Archipelago Ltd)
Blumont Group	:	Blumont and its subsidiaries, collectively
Blumont Shares	:	Ordinary shares in Blumont
Board	:	Board of Directors of Landmarks
Bursa Securities	:	Bursa Malaysia Securities Berhad
CBRE	:	CBRE, an integrated global property consultant listed in New York Stock Exchange
Chill Cove	:	a 52-hectare waterfront resort city located within Treasure Bay Bintan
Circular	:	This circular dated 24 March 2022 issued to our shareholders in relation to the Proposed Disposals
Consideration Shares	:	12,680,116,600 Blumont Shares to be issued at the Issue Price pursuant to the Proposed Disposals
COVID-19	:	Coronavirus disease (COVID-19), an infectious disease caused by a newly discovered strain of coronavirus. The first outbreak of this new virus and disease was reported in December 2019 and it is now a pandemic affecting many countries globally. The disease was named by a combination of "CO" which stands for corona, "VI" for virus and "D" for disease
Disposal Considerations	:	The consideration of the Proposed Disposals is amounting to a total aggregate of SGD63.40 million (equivalent to approximately RM195.10 million) to be satisfied via issuance of Consideration Shares
EGM	:	Extraordinary general meeting
Enggano	:	Enggano Investments Pte Ltd
Enggano Group	:	Enggano and its subsidiaries, Enggano Alpha Pte Ltd, Enggano Beta Pte Ltd and PT Enggano, collectively
EPS	:	Earnings per share
FPE	:	Financial period ended
FYE	:	Financial year ended/ending, as the case may be

HGB (Plot H5) or Natra Bintan Land	:	Parcels of lands of approximately 5.2 hectares / 52,031 sq m in aggregate, held under 9 SHGB listed in Section 2.1.2 of this Circular where Natra Bintan Hotel is constructed on
HGB (Plot A4) or Marine Park Land	:	Parcels of lands of approximately 3.2 hectares / 32,070 sq m in aggregate, held under 3 SHGB listed in Section 2.1.3 of this Circular where Marine Park is constructed on
HGB (Plot H4) or Enggano Land	:	Parcels of lands of approximately 3.3 hectares / 33,101 sq m in aggregate, held under 4 SHGB listed in Section 2.1.4 of this Circular
HGB (Plot H6) or Mesawak Land	:	Parcels of lands of approximately 1.8 hectares / 17,807 sq m in aggregate, held under 3 SHGB listed in Section 2.1.5 of this Circular
Hinako	:	Hinako Investments Pte Ltd
Hinako Group	:	Hinako and its subsidiaries, Hinako Alpha Pte Ltd, Hinako Beta Pte Ltd and PT Hinako, collectively
HLIB or Principal Adviser	:	Hong Leong Investment Bank Berhad
IAL	:	The independent advice letter dated 24 March 2022 prepared by the Independent Adviser in relation to the Proposed Disposals
IDR	:	Indonesian Rupiah
Infrastructure Assets	:	Infrastructure constructed on Marine Park Land
Issue Price	:	The issue price of SGD0.005 (equivalent to approximately RM0.015) per Blumont Share
FHCA or Independent Adviser	:	FHMH Corporate Advisory Sdn Bhd
Landmarks or Company	:	Landmarks Berhad
Landmarks Group or Group	:	Landmarks and its subsidiaries, collectively
Landmarks Shares	:	Ordinary shares in Landmarks
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LAT	:	Loss after tax
LBT	:	Loss before tax
LPD	:	28 February 2022, being the latest practicable date prior to the printing of this Circular
LPS	:	Loss per share
LTD	:	30 September 2021, being the last full trading day prior to the date of the announcement of the Proposed Disposals dated 1 October 2021
Marine Park	:	Marine Life Discovery Park
Mark Wee or Interested Director	:	Mark Wee Liang Yee
Mendol	:	Mendol Investments Pte Ltd

Mendol Group	:	Mendol and its subsidiaries, Mendol Alpha Pte Ltd, Mendol Beta Pte Ltd and PT Mendol, collectively
Mendol SSA	:	Conditional share sale agreement dated 1 October 2021 entered into between TGPL and Blumont for the Proposed Disposal of Mendol
Mesawak	:	Mesawak Investments Pte Ltd
Mesawak Group	:	Mesawak and its subsidiaries, Mesawak Alpha Pte Ltd, Mesawak Beta Pte Ltd and PT Mesawak, collectively
NA	:	Net assets
Natra Bintan Hotel	:	a 5-star hotel identified as Natra Bintan, a Tribute Portfolio Resort with the concept of a tented luxury glamping resort
NBV	:	Net book value
NL	:	Net liabilities
N/A	:	Not applicable
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PGSB	:	Primary Gateway Sdn Bhd
Prime	:	Prime Holdings Pte Ltd
Prime Group	:	Prime and its subsidiaries, Prime Lagoon Pte Ltd, Prime Villa Pte Ltd, PT Treasure and PT Marine
Properties (Plot H5)	:	Natra Bintan Hotel and any other buildings constructed on the lands held under HGB (Plot H5)
Properties (Plot A4)	:	Marine Park and any other buildings constructed on the lands held under HGB (Plot A4)
Proposed Disposal of Enggano	:	Proposed disposal of 60% equity interest in Enggano, a wholly-owned subsidiary of TGPL, to Blumont, for a consideration of SGD12.82 million (equivalent to approximately RM39.46 million)
Proposed Disposal of Hinako	:	Proposed disposal of 100% equity interest in Hinako, a wholly-owned subsidiary of TGPL,. to Blumont, for a consideration of SGD13.73 million (equivalent to approximately RM42.26 million)
Proposed Disposal of Mendol	:	Proposed disposal of 2,385,514 ordinary shares in Mendol, representing the remaining 49% equity interest held by TGPL in Mendol to Blumont for a consideration of SGD14.38 million (equivalent to approximately RM44.24 million)
Proposed Disposal of Mesawak	:	Proposed disposal of 60% equity interest in Mesawak, a wholly-owned subsidiary of TGPL, to Blumont, for a consideration of SGD6.90 million (equivalent to approximately RM21.23 million)
Proposed Disposal of Prime	:	Proposed disposal of 60% equity interest in Prime, a wholly-owned subsidiary of TGPL, to Blumont, for a consideration of SGD15.57 million (equivalent to approximately RM47.92 million)

Proposed Disposals	:	Proposed Disposal of Mendol, Proposed Disposal of Hinako, Proposed Disposal of Prime, Proposed Disposal of Enggano and Proposed Disposal of Mesawak, collectively
PT BHU	:	PT Bintan Hotel Utama, an indirect wholly-owned subsidiary of Landmarks
PT BLRV	:	PT Bintan Leisure Resort Ventures, an indirect wholly-owned subsidiary of Landmarks
PT Enggano	:	PT Enggano Estate
PT Hinako	:	PT Hinako Estate
PT Marine	:	PT Marine Life Discovery Park
PT Mendol	:	PT Mendol Estate
PT Mesawak	:	PT Mesawak Estate
PT PBI	:	PT Pelangi Bintan Indah, an indirect wholly-owned subsidiary of Landmarks
PT Treasure	:	PT Treasure Bay Attractions
RM and sen	:	Ringgit Malaysia and sen respectively
Seychelles SSA	:	Conditional share sale agreement dated 1 October 2021 entered into between TGPL and Blumont for the Proposed Disposal of Hinako, Proposed Disposal of Prime, Proposed Disposal of Enggano and Proposed Disposal of Mesawak
SGD	:	Singapore Dollar
SGX	:	Singapore Exchange Securities Trading Limited
SHGB	:	Sertifikat Hak Guna Bangunan / Right to Build Certificates
sq m	:	Square meters
SSAs	:	Mendol SSA and Seychelles SSA, collectively
Subject Property(ies)	:	Natra Bintan Hotel, Natra Bintan Land, Marine Park Land, Enggano Land and Mesawak Land, collectively
Target Companies	:	Mendol, Hinako, Prime, Enggano and Mesawak, collectively
TGPL	:	Tiara Gateway Pte Ltd
Treasure Bay Bintan	:	a 338-hectare premier tourism destination on the Indonesian island of Bintan
USD	:	United States Dollar
Valuation Certificate	:	Valuation certificate dated 30 September 2021 in respect of the Subject Properties
Valuation Date	:	24 September 2021, being the material date of valuation for the Subject Properties
Valuer	:	KJPP Rengganis, Hamid & Rekan, in a strategic alliance with CBRE

VWAMP	:	Volume weighted average market price

References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company, and where the context requires, shall include our subsidiaries. References to "**you**" in this Circular are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

All references to an enactment in this Circular are references to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Unless stated otherwise, the exchange rate of SGD1 : RM3.0772, being the prevailing exchange rate as at 5 p.m. on 30 September 2021 as published by BNM has been applied in this Circular.

Any exchange rate translation in this Circular is provided solely for your convenience and should not be constituted as representative that the translated amounts stated in this Circular could have been or would have been converted into such other amounts or vice versa.

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PART A

LETTER TO OUR SHAREHOLDERS ON THE PROPOSED DISPOSALS

LANDMARKS

LANDMARKS BERHAD
Registration No.: 198901007900 (185202-H)
(Incorporated in Malaysia)

Registered Office:
20th Floor
Menara Haw Par
Jalan Sultan Ismail
50250 Kuala Lumpur

24 March 2022

Board of Directors:

Tan Sri Zakaria bin Abdul Hamid *(Non-Independent Non-Executive Chairman)*
Mark Wee Liang Yee *(Executive Deputy Chairman & Chief Executive Officer)*
Robin Tan Wee Hoong *(Executive Director)*
Dato' Abdul Malek bin Abdul Hamid *(Non-Independent Non-Executive Director)*
Bernard Chong Lip Tau *(Independent Non-Executive Director)*
John Ko Wai Seng *(Independent Non-Executive Director)*
Dato' Sri Ramli bin Yusuff *(Independent Non-Executive Director)*
Chin Mui Khiong (*Independent Non-Executive Director)*

To: Our shareholders

Dear Sir/Madam,

PROPOSED DISPOSALS

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1. INTRODUCTION

On 1 October 2021, HLIB had, on behalf of our Board, announced that TGPL had on even date entered into the Mendol SSA and Seychelles SSA with Blumont for the Proposed Disposal of Mendol, Proposed Disposal of Hinako, Proposed Disposal of Prime, Proposed Disposal of Enggano and Proposed Disposal of Mesawak.

In view of the interest of the Interested Director and major shareholder of our Company, Mark Wee, as set out in **Section 11** of Part A of this Circular, the Proposed Disposals are deemed as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, FHCA has been appointed as the Independent Adviser to advise our non-interested Directors and non-interested shareholders on the Proposed Disposals. The IAL in relation to the Proposed Disposals is set out in **Part B** of this Circular.

Further details of the Proposed Disposals are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED DISPOSALS TOGETHER WITH THE RECOMMENDATION OF OUR BOARD (SAVE FOR THE INTERESTED DIRECTOR) AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION IN RELATION TO THE PROPOSED DISPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

WE ADVISE YOU TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTION IN RELATION TO THE PROPOSED DISPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DISPOSALS

2.1 Proposed Disposals

The Proposed Disposals by TGPL, a wholly-owned subsidiary of PGSB, which in turn is a wholly-owned subsidiary of Landmarks, entail the proposed disposal of the Target Companies in the following manner:

(a) remaining 49% equity interest in Mendol for a consideration of SGD14.38 million (equivalent to approximately RM44.24 million);

(b) 100% equity interest in Hinako for a consideration of SGD13.73 million (equivalent to approximately RM42.26 million);

(c) 60% equity interest in Prime for a consideration of SGD15.57 million (equivalent to approximately RM47.92 million);

(d) 60% equity interest in Enggano for a consideration of SGD12.82 million (equivalent to approximately RM39.46 million); and

(e) 60% equity interest in Mesawak for a consideration of SGD6.90 million (equivalent to approximately RM21.23 million).

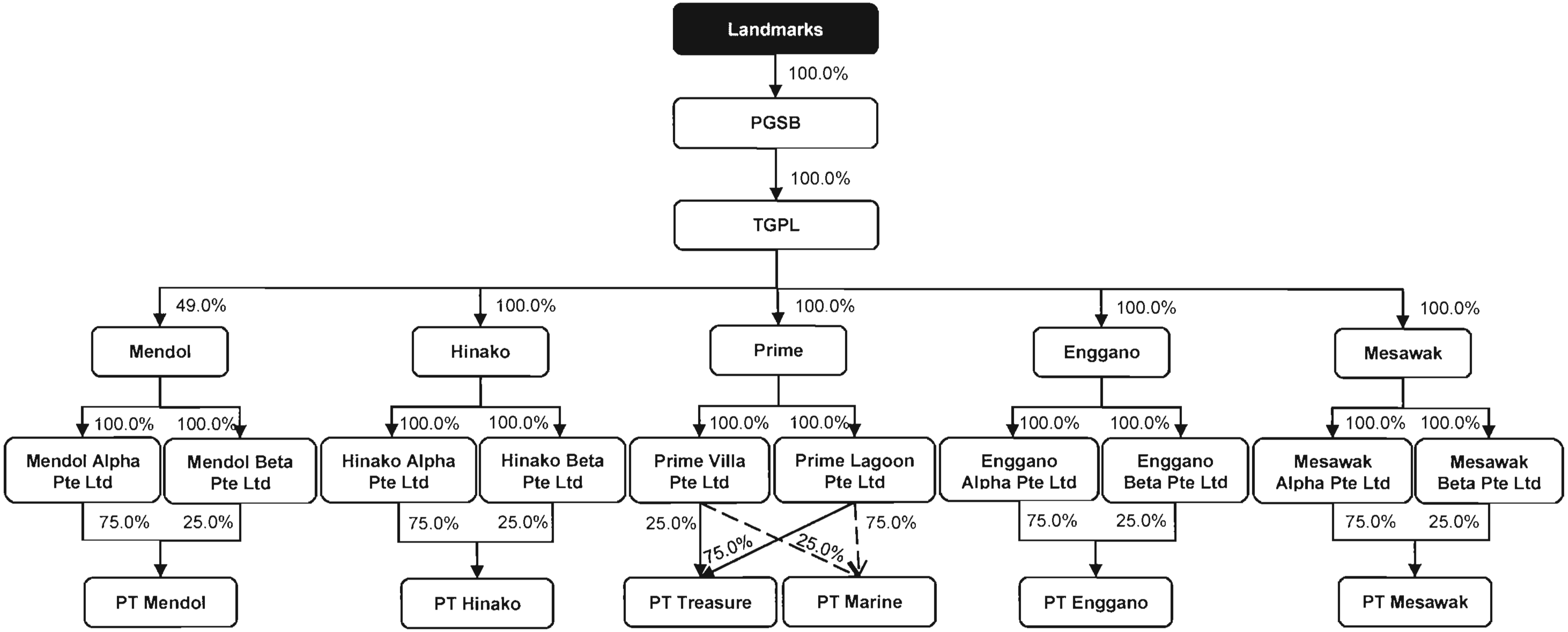
The Disposal Considerations amounting to a total aggregate of SGD63.40 million (equivalent to approximately RM195.10 million) will be satisfied through the issuance of 12,680,116,600 Consideration Shares at SGD0.005 per Blumont Share.

Upon completion of the Proposed Disposals, Mendol shall cease to be an investment in joint venture of our Group, Hinako shall cease to be the subsidiary of our Group, whilst the remaining of the Target Companies shall cease to be subsidiaries and become joint venture companies of our Group with our Group holding 40.0% equity interest in Prime, Enggano and Mesawak and 29.32% equity interest in Blumont. Please refer to Section 2.1.6 of Part A of this Circular for information on Blumont.

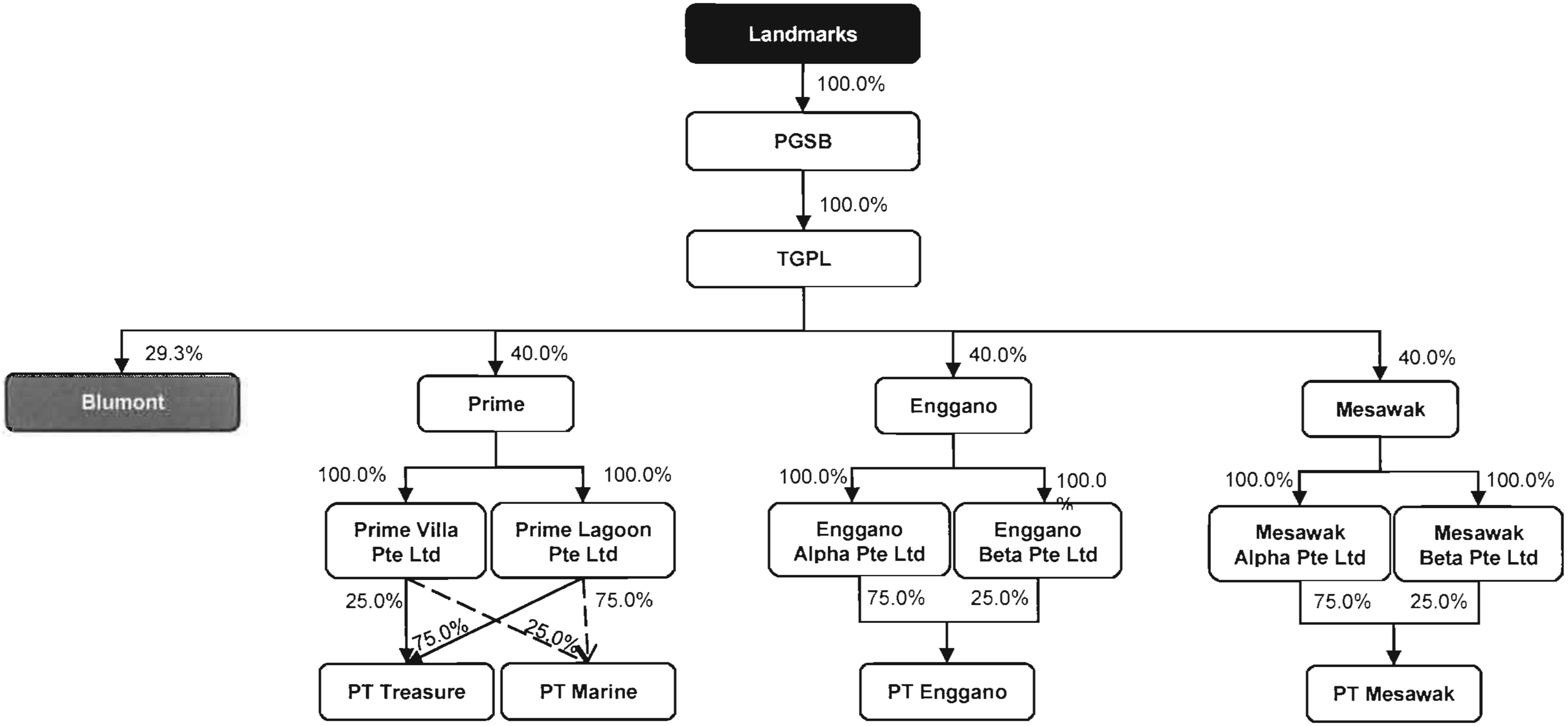
Landmarks Group has no intention to dispose of its remaining 40% equity interest in Prime, Enggano and Mesawak at this juncture as Landmarks intends to co-develop the vacant lands held by the Target Companies with Blumont.

Summary of the Proposed Disposals is set out as below:

(i) Before Proposed Disposals



(ii) After Proposed Disposals



The Target Companies are involved in operations and/or own lands located in Chill Cove located within Treasure Bay Bintan developed by Landmarks Group on Bintan as shown below:

Treasure Bay Bintan

The 52-hectares of land where Chill Cove is located (demarcated in purple)

Chill Cove is an attraction park which comprises the following activities:

(i) Natra Bintan Hotel;

(ii) an activity hub surrounding the Crystal Lagoon, a man-made sea water lagoon;

(iii) ANMON, a desert inspired glamping concept resort for nomadic communities; and

(iv) Marine Park.

As at the LPD, the proposed development in Chill Cove includes integrated development comprising of commercial and resort property development. Nevertheless, there is no ongoing development in Chill Cove as at the LPD. Upon completion of the Proposed Disposals, Landmarks Group will still continue to own the remaining 38.5 hectares of land in Chill Cove that consists as follows:

(a) an area of approximately 18.1 hectares which forms the Crystal Lagoon and the existing infrastructure;

(b) ANMON which sits on a 2.2-hectare land; and

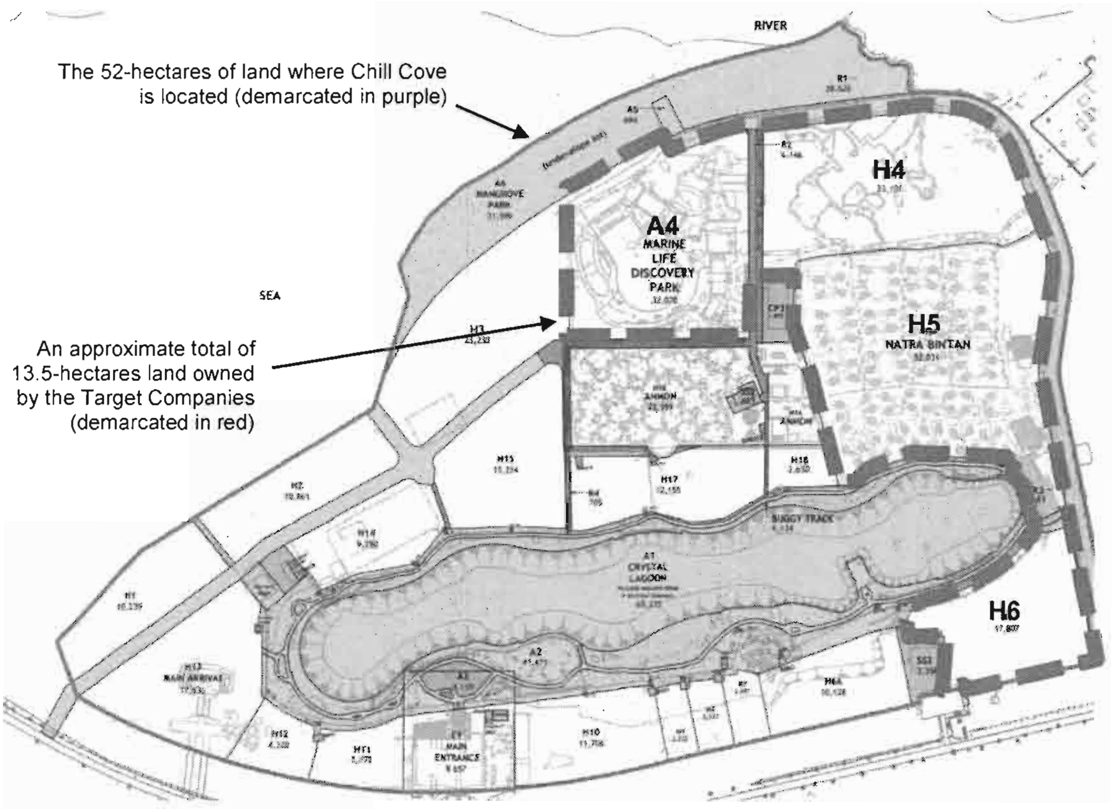
(c) approximately 18.2 hectares of vacant prime land which remains to be developed.

The list below sets out a summary of the assets held within the group of the respective Target Companies, as indicated in the location plan of Chill Cove thereafter:

Target Companies	**Assets**
Mendol	Natra Bintan Hotel constructed on Natra Bintan Land
Hinako	Natra Bintan Land *(the plot is indicated as H5 in the map below)*
Prime	▪ Attractions Operating Equipment ▪ Marine Park Land *(the plot is indicated as A4 in the map below)* ▪ Infrastructure Assets constructed on Marine Park Land

Target Companies	Assets
Enggano	Enggano Land *(the plot is indicated as H4 in the map below)*
Mesawak	Mesawak Land *(the plot is indicated as H6 in the map below)*
Total land area	**Approximately 13.5 hectares / 135,009 sq m *(demarcated in red)***

Chill Cove



The 52-hectares of land where Chill Cove is located (demarcated in purple)

An approximate total of 13.5-hectares land owned by the Target Companies (demarcated in red)

Further details of the Target Companies are set out in the ensuing sections of Part A of this Circular.

2.1.1 Information on Mendol

Mendol is an international business company limited by shares incorporated under the laws of Seychelles on 18 March 2014. As at the LPD, the issued share capital of Mendol is USD 4,868,394 comprising 4,868,394 ordinary shares of USD1.00 each.

As at the LPD, the directors of Mendol are Mark Wee, Fong Chee Khuen, Yeo Su Hui, Arif Bin Hassan, Dato' Marco Low Peng Kiat and Datin Sim Swee Yoke.

Mendol is a 49% investment in joint venture held by TGPL, a wholly-owned subsidiary of PGSB, while PGSB is a wholly-owned subsidiary of our Company. Thus, Mendol in turn is a 49% investment in joint venture of our Group and is principally engaged in investment holding. As at the LPD, Mendol's immediate subsidiaries are investment holding companies, namely Mendol Alpha Pte Ltd and Mendol Beta Pte Ltd, which in turn jointly holds PT Mendol.

PT Mendol is involved in the development and management of resort hotels and currently owns Natra Bintan Hotel which is operated by PT Indo-Pacific Sheraton, an affiliate of Marriott International, Inc. The main asset components of Natra Bintan Hotel include amongst others, 100 rentable guest rooms consisting of 80 standard rooms, 20 jacuzzi rooms, conference room and recreational facilities.

Further details of the Natra Bintan Hotel are as follows:

Building permit / certificates : The Natra Bintan Hotel is covered by permit as follows:

- Building Permit No. 26/PI-9/0887/BPMPD/2014 dated 19 August 2014 registered on behalf of PT PBI for Natra Bintan Hotel with total building area of about 2,935 sq m for 40 units and facilities.
- Building Permit No. 03/PI-PU 01/069/DPMPTSPTK/2018 dated 29 January 2018 registered on behalf of PT BHU for Natra Bintan Hotel with total building area of about 2,578 sq m for 60 units.
- Certificate of Proper Function No. 001/SLF-PUPR/IV/2019 dated 15 April 2019 registered on behalf of PT BHU.
- Certificate of Proper Operation No. LH9.O.06.171.2101.0000.19 dated 12 March 2019 registered on behalf of PT BHU.
- Certificate of Company Registration No. TDP 33.04.1.55.01376 dated 12 May 2016 registered on behalf of PT BHU.
- The Certificate of Accommodation Services Tourism Business No. 06/PI-14/449/BPMPD/2016 dated 20 May 2016 registered on behalf of PT BHU.
- Foreign Investment Principal License No. 1/4/IP/PMA/2016 dated 27 April 2016 registered on behalf of PT BHU.

Mukim / District / State : Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia

Postal address : Treasure Bay Bintan (TBB), Lagoi Bintan, Sebong Lagoi Sub-district, Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia

Brief description : Natra Bintan, A Tribute Portfolio Resort is a brand-new boutique, glamping-themed resort on Bintan which is Marriott International Inc's newest collection brand. Glamping stands for glamorous camping in the outdoors with all the comforts of resort facilities.

Formerly known as Canopi Bintan, Natra Bintan Hotel is situated at Chill Cove and sits directly by the Crystal Lagoon, which is one of Southeast Asia's largest man-made seawater lagoon.

Natra Bintan Hotel consists of 100 safari-themed tents and hotel facilities which includes back of house, lobby and restaurant.

Existing use : Glamping resort

Age of the building : Approximately 5 years

Category of land use : Tourism Accommodation

Registered owner : PT Mendol

Land area	5.2 hectares / 52,031 sq m
Number of storey	1-storey
Gross built-up	5,622 sq m
Gross floor area	5,622 sq m

Occupancy rate :

Year	Occupancy rate
2019	55.0%
2020	9.7%
2021	13.1%

Tenure(1)	16 years
Valuer	KJPP Rengganis, Hamid & Rekan, in a strategic alliance with CBRE
Material date of valuation	24 September 2021
Market value	IDR274,986,000,000 (equivalent to SGD26,010,000 / RM80,665,000)(2) (as appraised by the Valuer using the income approach by discounted cash flow method as primary method and cost approach by depreciated replacement cost method as check method)
Investment value	IDR320,543,000,000 (equivalent to SGD30,320,000/ RM94,028,000)(2) (as appraised by the Valuer using the income approach by discounted cash flow method)
Audited NBV of the real estate as at 31 December 2020	SGD3.24 million based on 49% equity interest
Encumbrances	Nil

Notes:

(1) Pursuant to the lease agreement between PT Hinako (lessor) and PT Mendol (lessee) dated 6 September 2021, PT Hinako as the owner of Natra Bintan Land has granted a lease over Natra Bintan Land to PT Mendol as the owner of Natra Bintan Hotel for developing, maintaining and operating the Natra Bintan Hotel. The lease commences from 6 September 2021 and ends on 30 June 2037 and will be automatically renewed for 2 successive periods of 5 calendar years.

(2) Based on the middle rate of Bank Indonesia as at the Valuation Date with the exchange rates of SGD1 : IDR10,572 and RM1 : IDR3,409.

Upon completion of the Proposed Disposal of Mendol, Mendol shall cease to be a 49% investment in joint venture of our Group.

Please refer to **Appendix I** of this Circular for further information on Mendol.

2.1.2 Information on Hinako

Hinako is an international business company limited by shares incorporated under the laws of Seychelles on 18 March 2014. As at the LPD, the issued share capital of Hinako is USD609,810.00 comprising 609,810 ordinary shares of USD1.00 each.

As at the LPD, the sole director of Hinako is Fong Chee Khuen.

Hinako is an indirect wholly-owned subsidiary of our Company via TGPL which is wholly-owned by PGSB, a wholly-owned subsidiary of our Company. Hinako is principally engaged in investment holding. As at the LPD, Hinako's immediate subsidiaries are investment holdings companies, namely Hinako Alpha Pte Ltd and Hinako Beta Pte Ltd, which in turn jointly holds 100% equity interest in PT Hinako. PT Hinako in turn owns Natra Bintan Land which was transferred from wholly-owned subsidiaries of our Company, namely PT PBI, PT BHU and PT BLRV, on 6 September 2021.

Further details of the Natra Bintan Land are as follows:

Lot no. / Title no. : Natra Bintan Land is covered by 9 SHGB as follows:

No.	Type and no. of certificate	Issuance date/ Expiry date	No. and date of situation drawing	Land area (sq m)
1	SHGB No. 559	26 July 2021/ 04 June 2044	00943/Sebong Lagoi/2021 21 July 2021	3,217
2	SHGB No. 560	26 July 2021/ 04 June 2044	00945/Sebong Lagoi/2021 21 July 2021	654
3	SHGB No. 561	26 July 2021/ 04 June 2044	00952/Sebong Lagoi/2021 21 July 2021	342
4	SHGB No. 564	26 July 2021/ 04 June 2044	00946/Sebong Lagoi/2021 21 July 2021	131
5	SHGB No. 569	26 July 2021/ 04 June 2044	00951/Sebong Lagoi/2021 21 July 2021	6,683
6	SHGB No. 571	26 July 2021/ 04 June 2044	00940/Sebong Lagoi/2021 21 July 2021	1,027
7	SHGB No. 563	26 July 2021/ 04 June 2044	00944/Sebong Lagoi/2001 21 July 2021	1,050
8	SHGB No. 525	1 December 2020/ 4 June 2044	00897/Sebong Lagoi/2020 27 November 2020	31,131
9	SHGB No. 553	14 July 2021/ 4 June 2044(2)	00935/Sebong Lagoi/2021 8 July 2021	7,796
			Total land area of Natra Bintan Land	**52,031**

Mukim / District / State : Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia

Postal address : Treasure Bay Bintan (TBB), Lagoi Bintan, Sebong Lagoi Sub-district, Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia

Brief description : Natra Bintan Land is where the Natra Bintan Hotel is constructed. Please refer to **Section 2.1.1** of Part A of this Circular for further details on the Natra Bintan Hotel

Existing use : Glamping resort

Category of land use : Tourism Accommodation

Registered owner : PT Hinako(1)

Land area : 52,031 sq m

Tenure : The expiry date of all Natra Bintan Land titles as at LPD are 4 June 2044

Valuer : KJPP Rengganis, Hamid & Rekan, in a strategic alliance with CBRE

Material date of valuation : 24 September 2021

Market value : IDR133,490,000,000 (equivalent to SGD12,627,000 / RM39,158,000)(3)
(as appraised by the Valuer by taking a weighted 50:50 for market approach by comparison method and income approach by land development method)

Investment value : IDR144,997,000,000 (equivalent to SGD13,715,000 / RM42,534,000)(3)
(as appraised by the Valuer using the income approach by land development method)

Unaudited NBV of the real estate as at 6 September 2021 : Based on the transfer of Natra Bintan Land to PT Hinako which occurred after FYE 31 December 2020, the unaudited book value of Natra Bintan Land is approximately SGD0.82 million which is equivalent to the transfer value of Natra Bintan Land and related expenses

Encumbrances : Nil

Notes:

(1) Natra Bintan Land was transferred from PT PBI, PT BHU and PT BLRV to PT Hinako on 6 September 2021 and the registration of the SHGBs in the name of PT Hinako was being effected when Natra Bintan Land was appraised by the Valuer. As at the LPD, the SHGBs of Natra Bintan Land are registered under PT Hinako.

(2) As at the LPD, the expiry date of the newly registered SHGB No. 553 has been extended from 4 June 2024 to 4 June 2044.

(3) Based on the middle rate of Bank Indonesia as at the Valuation Date with the exchange rates of SGD1 : IDR10,572 and RM1 : IDR3,409.

Upon completion of the Proposed Disposal of Hinako, Hinako shall cease to be the subsidiary of Landmarks Group.

Please refer to **Appendix II** of this Circular for further information on Hinako.

2.1.3 Information on Prime

Prime is an international business company limited by shares incorporated under the laws of Seychelles on 16 September 2008 under its present name. As at the LPD, the issued share capital of Prime is USD7,906,960.00 comprising 7,906,960 ordinary shares of USD1.00 each.

As at the LPD, the sole director of Prime is Fong Chee Khuen.

Prime is an indirect wholly-owned subsidiary of our Company via TGPL which is wholly-owned by PGSB, a wholly-owned subsidiary of our Company. Prime is principally engaged in investment holding. As at the LPD, Prime's immediate subsidiaries are investment holdings companies, namely Prime Lagoon Pte Ltd and Prime Villa Pte Ltd, which in turn jointly holds 100% equity interest in PT Treasure and PT Marine.

PT Treasure is involved in the operation and management of recreational and sporting activities carried out in Chill Cove. PT Treasure owns the Attractions Operating Equipment which comprises of the following components with NBV as at 30 June 2021 as set out below:

Components	**NBV as at 30 June 2021 (SGD)**
Water sport equipment[1]	139,509
Road vehicle[2]	125,015
Others[3]	277,335
Total NBV	**541,859**

Notes:

(1) Rental of water sports equipment for activities such as bumper boat ride, wakeboarding, water zorbing, paddle-boarding, aqua-cycling and inflatable floats ride.

(2) Rental of vehicles like All Terrain Vehicles (ATV) Off-Road trains, Utility Terrain Vehicles (UTV) and mini electric ATV.

(3) Consist of fixed assets used to facilitate day to day operations such as management software, office equipment, furniture and fittings.

On the other hand, PT Marine owns Marine Park, an attraction in Chill Cove which was developed to house marine creatures to promote marine awareness where tourists will be able to learn about marine life through interaction with these marine creatures via snorkelling, diving or touch pool activities. Marine Park Land, where Marine Park is constructed on, was transferred together with the Infrastructure Assets from PT PBI and PT BHU, respectively, to PT Marine on 30 September 2021.

Further details of the Marine Park Land are as follows:

Lot no. / Title no. : Marine Park Land is covered by 3 SHGB as follows:

No.	**Type and no. of certificate**	**Issuance date/ Expiry date**	**No. and date of situation drawing**	**Land area (sq m)**
1	SHGB No. 566	26 July 2021/ 04 June 2044	00948/Sebong Lagoi/2021 21 July 2021	20,000
2	SHGB No. 524	1 December 2020/ 4 June 2044	00896/Sebong Lagoi/2020 27 November 2020	1,760
3	SHGB No. 567	26 July 2021/ 04 June 2044	00949/Sebong Lagoi/2021 21 July 2021	10,310
			Total land area of Marine Park Land	**32,070**

Mukim / District / State	:	Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia
Postal address	:	Treasure Bay Bintan (TBB), Lagoi Bintan, Sebong Lagoi Sub-district, Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia
Brief description	:	Marine Park Land is where the Marine Park is constructed. Please refer to **Section 2.1.3** of Part A of this Circular for further details on the Marine Park. However, for the purpose of the valuation, the Valuer has valued the Marine Park Land on a vacant land basis in view that the current development does not reflect its highest and best use as the current development, both physically not feasible and financially, does not benefit our Company
Existing use / Proposed use	:	Attraction
Category of land use	:	Tourism Accommodation
Registered owner	:	PT Marine(1)
Land area	:	3.2 hectares / 32,070 sq m
Tenure	:	The expiry date of all Marine Park Land titles as at LPD are 4 June 2044
Valuer	:	KJPP Rengganis, Hamid & Rekan, in a strategic alliance with CBRE
Material date of valuation	:	24 September 2021
Market value	:	IDR120,693,000,000 (equivalent to SGD11,416,000 / RM35,404,000)(2) (as appraised by the Valuer by taking a weighted 50:50 for market approach by comparison method and income approach by land development method)
Investment value	:	IDR220,728,000,000 (equivalent to SGD20,878,000 / RM64,749,000)(2) (as appraised by the Valuer using the income approach by land development method)
Unaudited NBV of the real estate as at 30 September 2021	:	Approximately SGD5.48 million which includes the value of SGD4.30 million for the aggregated transfer value of Marine Park Land and Infrastructure Assets and related expenses
Encumbrances	:	Nil

Notes:

(1) Marine Park Land was transferred from PT PBI to PT Marine on 30 September 2021 and the registration of the SHGBs in the name of PT Marine was being effected when Marine Park Land was appraised by the Valuer. As at the LPD, the SHGBs of Marine Park Land are registered under PT Marine.

(2) Based on the middle rate of Bank Indonesia as at the Valuation Date with the exchange rates of SGD1 : IDR10,572 and RM1 : IDR3,409.

Upon completion of the Proposed Disposal of Prime, Prime shall cease to be the subsidiary of Landmarks Group and instead, Landmarks Group will hold 40.0% equity interest in Prime and become joint venture of our Group.

Please refer to **Appendix III** of this Circular for further information on Prime.

2.1.4 Information on Enggano

Enggano is an international business company limited by shares incorporated under the laws of Seychelles on 18 March 2014 under its present name. As at the LPD, the issued share capital of Enggano is USD387,880.00 comprising 387,880 ordinary shares of USD1.00 each.

As at the LPD, the sole director of Enggano is Fong Chee Khuen.

Enggano is a wholly-owned subsidiary of our Company via TGPL which is wholly-owned by PGSB, a wholly-owned subsidiary of our Company. Enggano is principally engaged in investment holding. As at the LPD, Enggano's immediate subsidiaries are investment holding companies, namely Enggano Alpha Pte Ltd and Enggano Beta Pte Ltd, which in turns jointly holds 100% equity interest in PT Enggano. PT Enggano in turn owns Enggano Land which was transferred from PT PBI on 3 September 2021.

Further details of the Enggano Land are as follows:

Lot no. / Title no. : Enggano Land is covered by 4 SHGB as follows:

No.	Type and no. of certificate	Issuance date/ Expiry date	No. and date of situation drawing	Land area (sq m)
1	SHGB No. 526	1 December 2020/ 4 June 2044	00898/Sebong Lagoi/2020 27 November 2020	25,744
2	SHGB No. 557	14 July 2021/ 4 June 2044$^{(1)}$	00939/Sebong Lagoi/2021 8 July 2021	6,793
3	SHGB No. 572	5 August 2021/ 4 June 2044	00954/Sebong Lagoi/2021 4 August 2021	144
4	SHGB No. 577	16 August 2021/ 4 June 2044	00964/Sebong Lagoi/2021 16 August 2021	420
			Total land area of Enggano Land	**33,101**

Mukim / District / State : Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia

Postal address : Treasure Bay Bintan (TBB), Lagoi Bintan, Sebong Lagoi Sub-district, Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia

Existing use / Proposed use : Vacant land

Category of land use : Tourism Accommodation

Registered owner : PT Enggano(2)

Land area : 3.3 hectares / 33,101 sq m

Tenure : The expiry date of all Enggano Land titles as at LPD are 4 June 2044

Valuer : KJPP Rengganis, Hamid & Rekan, in a strategic alliance with CBRE

Material date of valuation : 24 September 2021

Market value : IDR126,073,000,000 (equivalent to SGD11,925,000 / RM36,982,000)(3)
(as appraised by the Valuer by taking a weighted 50:50 for market approach by comparison method and income approach by land development method)

Investment value : IDR229,387,000,000 (equivalent to SGD21,697,000 / RM67,289,000)(3)
(as appraised by the Valuer using the income approach by land development method)

Unaudited NBV of the real estate as at 3 September 2021 : Based on the transfer of Enggano Land to PT Enggano which occurred after FYE 31 December 2020, the unaudited book value of Enggano Land is approximately SGD0.52 million which is equivalent to the transfer value of Enggano Land and related expenses

Encumbrances : Nil

Notes:

(1) As at the LPD, the expiry date of the newly registered SHGB No. 557 has been extended from 4 June 2024 to 4 June 2044.

(2) Enggano Land was transferred from PT PBI to PT Enggano on 3 September 2021 and the registration of the SHGBs in the name of PT Enggano was being effected when Enggano Land was appraised by the Valuer. As at the LPD, the SHGBs of Enggano Land are registered under PT Enggano.

(3) Based on the middle rate of Bank Indonesia as at the Valuation Date with the exchange rates of SGD1 : IDR10,572 and RM1 : IDR3,409.

Upon completion of the Proposed Disposal of Enggano, Enggano shall cease to be the subsidiary of Landmarks Group and instead, Landmarks Group will hold 40.0% equity interest in Enggano and become joint venture of our Group.

Please refer to **Appendix IV** of this Circular for further information on Enggano.

2.1.5 Information on Mesawak

Mesawak is an international business company limited by shares incorporated under the laws of Seychelles on 18 March 2014 under its present name. As at the LPD, the issued share capital of Mesawak is USD208,570.00 comprising 208,570 ordinary shares of USD1.00 each.

As at the LPD, the sole director of Mesawak is Fong Chee Khuen.

Mesawak is a wholly-owned subsidiary of our Company via TGPL which is wholly-owned by PGSB, a wholly-owned subsidiary of our Company. Mesawak is principally engaged in investment holding. As at the LPD, Mesawak's immediate subsidiaries are Mesawak Alpha Pte Ltd and Mesawak Beta Pte Ltd, which in turns jointly holds 100% equity interest in PT Mesawak. PT Mesawak in turns owns Mesawak Land which was transferred from PT PBI and PT BHU on 4 September 2021.

Further details of the Mesawak Land are as follows:

Lot no. / Title no. : Mesawak Land is covered by 3 SHGB as follows:

No.	Type and no. of certificate	Issuance date/ Expiry date	No. and date of situation drawing	Land area (sq m)
1	SHGB No. 558	26 July 2021/ 04 June 2044	00942/Sebong Lagoi/2021 21 July 2021	9,704
2	SHGB No. 562	26 July 2021/ 04 June 2044	00953/Sebong Lagoi/2021 21 July 2021	1,516
3	SHGB No. 570	26 July 2021/ 04 June 2044	00941/Sebong Lagoi/2021 21 July 2021	6,587
Total land area of Mesawak Land				**17,807**

Mukim / District / State	:	Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia
Postal address	:	Treasure Bay Bintan (TBB), Lagoi Bintan, Sebong Lagoi Sub-district, Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia
Brief description	:	Please refer to **Section 2.1.5** of Part A of this Circular for further details on the Mesawak Land
Existing use / Proposed use	:	Vacant land
Category of land use	:	Tourism Accommodation
Registered owner	:	PT Mesawak(1)
Land area	:	1.8 hectares / 17,807 sq m
Gross built-up	:	N/A
Tenure	:	The expiry date of all Mesawak Land titles as at LPD are 4 June 2044
Valuer	:	KJPP Rengganis, Hamid & Rekan, in a strategic alliance with CBRE
Material date of valuation	:	24 September 2021
Market value	:	IDR73,573,000,000 (equivalent to SGD6,959,000 / RM21,582,000)(2) (as appraised by the Valuer by taking a weighted 50:50 for market approach by comparison method and income approach by land development method)

Investment value	:	IDR124,693,000,000 (equivalent to SGD11,795,000 / RM36,578,000)[2] (as appraised by the Valuer using the income approach by land development method)
Unaudited NBV of the real estate as at 4 September 2021	:	Based on the transfer of Mesawak Land to PT Mesawak which occurred after FYE 31 December 2020, the unaudited book value of Mesawak Land is approximately SGD0.28 million which is equivalent to the transfer value of Mesawak Land and related expenses
Encumbrances	:	Nil

Notes:

(1) Mesawak Land was transferred from PT PBI and PT BHU to PT Mesawak on 4 September 2021 and the registration of the SHGBs in the name of PT Mesawak was being effected when Mesawak Land was appraised by the Valuer. As at the LPD, the SHGBs of Mesawak Land are registered under PT Mesawak.

(2) Based on the middle rate of Bank Indonesia as at the Valuation Date with the exchange rates of SGD1 : IDR10,572 and RM1 : IDR3,409.

Upon completion of the Proposed Disposal of Mesawak, Mesawak shall cease to be the subsidiary of Landmarks Group and instead, Landmarks Group will hold 40.0% equity interest in Mesawak and become joint venture of our Group.

Please refer to **Appendix V** of this Circular for further information on Mesawak.

2.1.6 Information on Blumont

Blumont was incorporated in Singapore on 26 April 1993 as Adroit Innovations Pte Ltd and was subsequently converted to a public limited company and changed its name to Adroit Innovations Limited. It was listed on the Mainboard of the SGX on 19 June 2000 and assumed the name of Blumont Group Ltd on 25 April 2011. Blumont has subsequently assumed its current name of Southern Archipelago Ltd with effect from 14 March 2022. As at LPD, the change of name of Blumont from Blumont Group Ltd to Southern Archipelago Ltd had not yet come into effect.

Blumont operates as an investment holding company and through its subsidiaries (collectively, "**Blumont Group**") is currently involved in three main business segments, namely, investment holding, sterilisation and polymerisation services, and property development.

As at 31 December 2021, the share capital of Blumont is SGD127,338,850 comprising 27,570,762,183 Blumont Shares. In addition, as at 31 December 2021, Blumont has a total of 1,160,000,000 outstanding share options granted under the Blumont Employee Share Option Scheme 2013, which have yet to be exercised (collectively, "**Outstanding Blumont Options**").

The directors of Blumont together with their respective shareholdings as at 5 April 2021 are as follows:

	Direct		**Indirect**	
Name	**No. of Blumont Shares ('000)**	**%**	**No. of Blumont Shares ('000)**	**%**
Siaw Lu Howe	-	-	-	-
Alan Chin Yu	10,000	0.04	-	-
John Lee Yow Meng	15,000	0.05	-	-
Ng Keok Chai	-	-	-	-
Tan Gim Kang, Arran	15,000	0.05	-	-
Aris Muhammad Rizal	10,000	0.04	-	-

The substantial shareholders of Blumont together with their respective shareholdings as at 5 April 2021 are as follows:

	Direct		**Indirect**	
Name	**No. of Blumont Shares ('000)**	**%**	**No. of Blumont Shares ('000)**	**%**
Mark Wee	14,162,025	51.37	-	-
Ultimate Horizon Pte Ltd	8,131,184	29.49	-	-
Mezzanotte Capital Pte Ltd	-	-	[(a)]8,131,184	29.49
Datuk Lee Teck Yuen	-	-	[(b)]8,131,184	29.49

Notes:

(a) *Mezzanotte Capital Pte Ltd is deemed interested in 8,131,184,204 Blumont Shares via Ultimate Horizon Pte Ltd.*

(b) *Datuk Lee Teck Yuen, being the sole shareholder of Mezzanotte Capital Pte Ltd, is deemed interested in 8,131,184,204 Blumont Shares via Ultimate Horizon Pte Ltd.*

Based on Blumont's announcement dated 16 July 2018, Blumont intends to expand and diversify the scope of the existing business of Blumont Group to include owning, developing, managing and operating luxury residences, hotels, resorts, villas and lodges, food and beverage operations as well as land tours operations in Southeast Asia. Subsequently based on Blumont's announcement dated 21 September 2021, Blumont intends to diversify into the hospitality and wellness business with a focus on Singapore, Malaysia and Indonesia, as it believes these industries will show strong recovery in the post-pandemic economy. Further, Blumont has also, with effect from 14 March 2022, changed its name to Southern Archipelago Ltd as it represents Blumont's vision of owning and operating establishments in the hospitality and wellness industries in the aforesaid jurisdictions.

Blumont Group had on, 1 October 2021, announced a proposed renounceable non-underwritten rights cum warrants issue ("**Blumont's Proposed Rights Issue**"), together with the proposed acquisition of the Target Companies ("**Blumont's Acquisition Announcement**"). Notwithstanding that Blumont's shareholders' approval for Blumont's Proposed Rights Issue and proposed acquisition of the Target Companies will be sought at the same EGM of Blumont, the said proposals are not inter-conditional.

On the assumption that the acquisition of the Target Companies is completed, Blumont intends to utilise 75% of the net proceeds of approximately SGD6.50 million to be raised from Blumont's Proposed Rights Issue (assuming 100% of Blumont's Proposed Rights Issue is subscribed, after deducting their estimated costs and expenses and without taking into account the proceeds from the exercise of the warrants to be issued) to operate Natra Bintan Hotel and develop the lands of the Target Companies.

According to Blumont's Acquisition Announcement, the rationale for acquiring a majority stake in the Target Companies is because Blumont will hold assets which have the potential for development into an integrated resort with parks. Blumont believes these industries will show strong recovery in the post-pandemic economy and the acquisition of the Target Companies will enable Blumont to capitalise on post-pandemic demands and opportunities, enhancing the overall profile of Blumont Group to investors and stakeholders.

Consistent with the above rationale, and as part of the acquisition of the Target Companies, Blumont will seek its shareholders' approval to diversify into the hospitality and wellness business. The expected commencement date of Blumont Group's hospitality and wellness business is subject to their shareholders' approval being obtained.

Assuming completion of the Proposed Disposals, based on the enlarged number of 43,243,440,783 Blumont Shares in the capital of Blumont, Mark Wee will hold approximately 32.75% of the issued Blumont Shares and TGPL will hold approximately 29.32% of the issued Blumont Shares. Mark Wee and TGPL are presumed to be parties acting in concert under The Singapore Code of Take-overs and Mergers ("**Singapore's Take-over Code**"). In the event that Mark Wee or TGPL shall subscribe for their respective entitlements under the Blumont's Proposed Rights Issue, they could be subject to an obligation under Rule 14.1 of Singapore's Take-over Code to make a mandatory general offer to all of Blumont's shareholders in respect of shares and convertible securities of Blumont held by such shareholders. Accordingly, Blumont will be making an application to the Securities Industry Council under Appendix 1 of Singapore's Take-over Code to seek a waiver from its independent shareholders to waive their rights to receive a mandatory general offer from Mark Wee and/or TGPL arising from the allotment and issuance of Blumont Shares pursuant to the Blumont's Proposed Rights Issue and proposed acquisition of the Target Companies.

Please refer to **Appendix VI** of this Circular for further information on Blumont.

2.1.7 Salient terms of the Mendol SSA

(i) Sale of Mendol Sale Shares

Subject to the terms and conditions of the Mendol SSA, the sellers, namely TGPL, Genprop Pte Ltd, Luminous Global Inc., Strategic Premium Pte Ltd, Wong Ho Kit, Sim Swee Yoke and Golden Prosperity LLP (collectively, "**Mendol Sellers**") agree to sell and Blumont agree to purchase the 4,868,394 ordinary shares in Mendol ("**Mendol Sale Shares**") at a total consideration of SGD29,338,843 ("**Mendol SSA Consideration**").

The number of Mendol Sale Shares held by the Mendol Sellers as at the date of Mendol SSA is set out as below:

No.	Sellers	Number of shares held by Sellers
1.	TGPL	2,385,514 ordinary shares of USD 1 each
2.	Genprop Pte Ltd	248,288 ordinary shares of USD 1 each
3.	Luminous Global Inc.	1,323,375 ordinary shares of USD 1 each
4.	Strategic Premium Pte Ltd	662,929 ordinary shares of USD 1 each
5.	Golden Prosperity LLP	62,072 ordinary shares of USD 1 each
6.	Wong Ho Kit	104,281 ordinary shares of USD 1 each
7.	Sim Swee Yoke	81,935 ordinary shares of USD 1 each
	Total	**4,868,394 ordinary shares of USD 1 each**

(ii) Basis of Sale

The acquisition of the Mendol Sale Shares by Blumont under the Mendol SSA is on the basis that –

(a) Mendol Group consists of 4 companies in aggregate and Mendol Group's corporate structure is as set out in Annexure A of the Mendol SSA;

(b) it includes the benefit of the acquisition of 100% of the legal, beneficial and effective equity interest of Mendol and the subsidiaries held by Mendol;

(c) it includes the benefit of the acquisition of all the business of Mendol Group as a going concern and that the business of Mendol Group is to be continued as a going concern utilising all the assets of Mendol Group;

(d) PT Mendol (one of the subsidiaries held by Mendol) is the legal owner of the Properties (Plot H5);

(e) the Properties (Plot H5) are and will at the completion of sale and purchase of the Mendol Sale Shares ("**Mendol SSA Completion**") be free of encumbrances;

(f) the Properties (Plot H5) remain in the same state and condition as at Mendol SSA Completion as it was on an 'as is where as' as at the date of the Mendol SSA;

(g) the Properties (Plot H5) are located on HGB (Plot H5), which is owned by PT Hinako, one of the companies being acquired by Blumont pursuant to the Seychelles SSA and is subject to a lease agreement between PT Hinako and PT Mendol;

(h) the warranties given by the Mendol Sellers in favour of Blumont as set out in Section **2.1.7(v)** below and the Supplemental Deed (as defined below) are true and accurate in all respects; and

(i) each of the Mendol Sellers waives all of their pre-emption or any other rights to the Mendol Sale Shares arising from or in consequences of the disposal of the Mendol Sale Shares under the Mendol SSA.(1)

Note:

(1) There is currently no pre-emption or any other rights to the Mendol Sale Shares arising from or in consequences of the disposal of the Mendol Sale Shares under the Mendol SSA which the Mendol Sellers have waived or will be waiving.

(iii) Consideration

The Mendol SSA Consideration shall be SGD29,338,843.

The Mendol SSA Consideration was agreed on the basis of –

(a) the net assets of Mendol Group as at 30 June 2021 derived from the management accounts of Mendol for the period ended 30 June 2021, which were prepared and adjusted taking into account the valuation of the assets of Mendol Group given in the valuation certificate dated 30 September 2021 issued by the Valuer; and

(b) a discount of SGD285,641 to take into consideration the losses likely to be incurred due to impact from the COVID-19 pandemic pending Mendol SSA Completion.

The Mendol SSA Consideration will be apportioned between the Mendol Sellers in accordance with their shareholding proportion in Mendol as set out in **Section 2.1.7(i)** above.

(iv) Payment

Mendol SSA Consideration must be satisfied by Blumont by the issuance of 5,867,768,600 new Blumont Shares, at an Issue Price of SGD0.005 per share ("**Mendol SSA Consideration Shares**") in the respective name of the Mendol Sellers or their nominees in accordance with their respective apportionment entitlement to the Mendol SSA Consideration Shares as set out in Schedule 1 of the Mendol SSA, on the business day falling 5 business days after the Mendol SSA Unconditional Date, or such other date as the Mendol Sellers and Blumont may mutually agree in writing, on which Mendol SSA Completion is to take place ("**Mendol SSA Completion Date**").

The Mendol SSA Consideration Shares must be issued by Blumont in accordance with the following terms:

(a) The Mendol SSA Consideration Shares will, upon allotment and issuance, rank equally in all respects with the then existing Blumont Shares, except that the Mendol SSA Consideration Shares will not be entitled to any dividends, rights, allotments or any other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the Mendol SSA Consideration Shares.

(b) SGX approves the listing of and quotation of the Mendol SSA Consideration Shares on the Main Board of SGX.

(v) Representations, Warranties and Undertakings

Each party to the Mendol SSA represents, warrants and undertakes to the other party that –

(a) the execution and delivery of, exercise of its rights under and performance of and compliance by it with the terms of the Mendol SSA –

  (1) do not and will not conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under, the constitution of the party (where applicable) or any existing law or regulation applicable to or affecting the party or any part of its properties, assets or undertakings; and

  (2) do not and will not infringe the terms of, or constitute a default under, or cause to be exceeded any limit imposed by, any agreement or other instrument or obligation to which any party is a party or by which any party or any part of its/his undertaking, property or asset is bound;

(b) the execution and delivery by the party of the Mendol SSA and the performance by the party of its obligations under the Mendol SSA is duly authorised by the party and constitutes legal, valid, binding and enforceable obligations of the party in accordance with its terms; and

(c) there is no investigation, disciplinary proceeding or enquiry by, or order, decree, decision or judgment of, any court, tribunal, arbitrator, governmental agency or regulatory body having jurisdiction over the party that are outstanding or anticipated against the party.

(vi) Conditions for Completion

The Mendol SSA Completion is conditional upon the fulfilment of the following conditions ("**Mendol SSA Conditions**"):

(a) Blumont having undertaken and having completed its due diligence investigations in respect of the Mendol Group, including but limited to the affairs, operations, businesses, assets, liabilities (including tax liabilities), contracts, financial condition, accounts, results, prospects and the legal, accounting, financial and tax affairs of the companies of the Mendol Group ("**Mendol Due Diligence**"), and the results of such Mendol Due Diligence investigation being satisfactory to Blumont in its absolute discretion.

(b) The execution by the parties to Mendol SSA ("**Mendol Parties**") of a supplemental deed of undertakings, warranties and indemnities ("**Supplemental Deed**") in relation to –

  (1) the undertakings, warranties and indemnities (if any) to be given to the Blumont by the Mendol Sellers in respect of the Mendol Sale Shares and Mendol or its subsidiaries, as the context may require ("**Mendol Group Companies**"); and

  (2) limitations and exclusions of liability of the Mendol Sellers in relation to such warranties and indemnities (if any),

in form and substance agreed by the Mendol Parties within 2 weeks from the completion of the Mendol Due Diligence or such other longer period as may be mutually agreed in writing by the Mendol Parties.(1)

Note:

(1) As at LPD, the Supplemental Deed has not been executed by the Mendol Parties as the Mendol Due Diligence has not been completed. An announcement will be released on Bursa Securities upon execution of the Supplemental Deed.

(c) Shareholders' approval of TGPL's holding company, i.e., Landmarks, for the transactions under the Mendol SSA and the acceptance of the Mendol SSA Consideration Shares.

(d) Shareholders' approval of Blumont for the transactions under the Mendol SSA and the issuance of Mendol SSA Consideration Shares.

(e) The approval-in-principle of the SGX for the listing of, and quotation for, the Mendol SSA Consideration Shares on the Main Board of SGX.

(f) The lenders and financiers of the Mendol Sellers and Landmarks approving or confirming (if required) that they have no objection to the transaction under the Mendol SSA.

(g) The legal owner of Natra Bintan Hotel, namely PT Mendol, gives a notice to the service provider/operator/licensor of Natra Bintan Hotel, i.e., PT Indo-Pacific Sheraton, Marriott International Design & Construction Services, Inc., Starwood Hotels & Resorts Worldwide, LLC and Luxury Hotels International of Hong Kong Limited (collectively, "**Hotel Service Provider/ Operator/ Licensor**") pursuant to Clause 11 of the OSA and the other agreements relating to Natra Bintan Hotel which have incorporated Clause 11 of the OSA.

For the purpose of this section, OSA means the operating services agreement dated 8 June 2018 (as amended by side letters dated 30 January 2019, 16 August 2019 and 7 November 2019 and the amendment, assignment and assumption agreement dated 18 November 2020) between PT Mendol and PT Indo-Pacific Sheraton.

(h) The Hotel Service Provider/ Operator/ Licensor having given its consent or no objection for the change of control pursuant to the transaction under the Mendol SSA and for Blumont to fully take over Mendol, which in turn includes PT Mendol and Natra Bintan Hotel.

(i) All the conditions precedent under the Seychelles SSA, except for the condition precedent that the conditions precedent under the Mendol SSA have been satisfied or waived in accordance with the Mendol SSA, have been satisfied or waived in accordance with the Seychelles SSA.

(j) There being no change in the financial position or results of operations of Mendol. Group, or any change or development that, singularly or in the aggregate, would involve a material adverse change or a prospective material adverse change, in or affecting the condition (financial or otherwise), results of operations, business, assets or prospects of the Mendol Group, including but not limited to the loss of any licence or approval of any governmental agency required in connection with the business affecting the Mendol Group since 31 December 2020.

(k) The purchase and transfer of the Mendol Sale Shares upon the terms and conditions of the Mendol SSA not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or other authority of any relevant jurisdiction.

(l) All approvals, consents, licences, permits, waivers and exemptions (collectively, **Approvals**) for the sale and purchase of the Mendol Sale Shares and its completion and the transactions contemplated under the Mendol SSA being granted by third parties, including all legislative, executive, regulatory, judicial or other authorities in any jurisdiction, to Blumont or the applicable Mendol Group Company (as the case may be) and where any such Approval is subject to conditions, such conditions being acceptable to the Mendol Sellers and Blumont, and if such conditions are required to be fulfilled before completion, such conditions being fulfilled before completion, and such Approvals remaining in full force and effect.

The Mendol SSA shall become unconditional on the first day following the day on which the last of the Mendol SSA Conditions to be fulfilled is fulfilled ("**Mendol SSA Unconditional Date**").

(vii) Cut-off Date

If any Mendol SSA Condition is not fulfilled or waived by in accordance with the Mendol SSA on or before 6 months from the date of the Mendol SSA or such later date as may be mutually agreed in writing between the Mendol Parties as the last date by which the Mendol SSA Conditions must be fulfilled, Blumont may issue a Notice of Termination.

(viii) Completion

Mendol SSA Completion must take place at TGPL's office in Singapore on the Mendol SSA Completion Date.

Mendol SSA Completion Obligations

On the Mendol SSA Completion Date –

(a) Blumont must satisfy the Mendol SSA Consideration in the manner set out in **Section 2.1.7(iv)** above;

(b) the Mendol Sellers must each deliver to Blumont the original share certificates in respect of the Mendol Sale Shares, together with the undated share transfer instruments in relation to the Mendol Sale Shares duly executed by the Mendol Sellers in favour of Blumont;

(c) the Mendol Sellers must deliver the Records (as defined in the Mendol SSA) to Blumont;

(d) the Mendol Sellers must deliver to Blumont the resignation letters of all the directors, secretaries and company auditors of each Mendol Group Company, together with a written acknowledgement from each of them that they have no claim whatsoever against such Mendol Group Company in respect of any breach of contract, compensation for loss of office, redundancy or unfair dismissal or on any other grounds whatsoever, in the form acceptable to Blumont;

(e) the Mendol Sellers must procure that resolutions of the board of directors of Mendol, and where necessary also the shareholders of Mendol, are passed approving the registration of the Mendol Sale Shares in the Blumont's name in Mendol's share register subject to the payment of any applicable stamp duty on the share transfer instrument (if applicable) and deliver certified true copies of such resolutions to Blumont; and

(f) the Mendol Sellers must procure that resolutions of the board of directors of each Mendol Group Company, and where necessary also the shareholders of the Mendol Group Company, are passed –

  (1) accepting the resignations of the directors of the Mendol Group and appointing as directors of each Mendol Group Company the persons nominated by Blumont in a notice given to the Mendol Sellers not less than 5 business days prior to the Mendol SSA Completion Date;

  (2) accepting the resignations of the company secretaries and auditors of the Mendol Group and appointing as company secretary and auditors of each Mendol Group Company the persons nominated by Blumont in a notice given to the Mendol Sellers not less than 5 business days prior to the Mendol SSA Completion Date; and

  (3) revoking of all existing mandates for the operation of bank accounts of the Mendol Group and approving the new mandates in favour of the persons nominated by Blumont in a notice given to the Mendol Sellers not less than 5 business days prior to the Mendol SSA Completion Date,

and deliver certified true copies of such resolutions to Blumont.

(Collectively, referred to as "**Mendol SSA Completion Obligations**")

Simultaneous Completion

Mendol SSA Completion is conditional on –

(a) the simultaneous completion of both the Seychelles SSA and the Mendol SSA; and

(b) both Blumont and the Mendol Sellers complying with all their Mendol SSA Completion Obligations.

Breach of Mendol SSA Completion Obligations

If any of the documents required to be delivered to any Mendol Party on the Mendol SSA Completion Date is not forthcoming for any reason or if in any other respect the provisions of the Mendol SSA Completion Obligations are not fully complied with by the Mendol Sellers or Blumont and the Mendol Parties do not complete this Mendol SSA, the Mendol Party that is not in default may (in addition to and without prejudice to all other rights and remedies available to it, including the right to claim damages) –

(a) elect to terminate the Mendol SSA as against the other Mendol Party, without liability on the part of the terminating party and the provisions under **Section 2.1.7(ix)** below will apply;

(b) effect the Mendol SSA Completion so far as practicable having regard to the defaults which have occurred; or

(c) fix a new date for Mendol SSA Completion, in which case the provisions of this paragraph will apply to the Mendol SSA Completion as so deferred.

(ix) Termination

(a) Right of the Mendol Sellers to Terminate

If at any time up to the Mendol SSA Completion –

(1) Blumont defaults in the satisfaction of the Mendol SSA Consideration in accordance with the provisions of the Mendol SSA and fails to rectify such breach within 30 days of the Mendol Sellers giving notice to Blumont to do so;

(2) bankruptcy proceedings are instituted against Blumont or Blumont is or becomes or is adjudicated or found to be, bankrupt or insolvent or suspends payment of its debts or is (is deemed to be) unable to or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to that party under any law regulation or procedure relating to reconstruction or adjustment of debts; or

(3) Blumont has an administrator or receiver or receiver and manager appointed over or distress, attachment or execution is levied or enforced upon any part of Blumont's assets or undertaking,

then the Mendol Sellers may, by giving a Notice of Termination to Blumont before or at Mendol SSA Completion Date, elect to terminate the Mendol SSA.

(b) Right of Blumont to Terminate

If at any time up to the Mendol SSA Completion –

(1) the Mendol Sellers breach a term of the Mendol SSA or the Supplemental Deed and fail to rectify such breach within 30 days of the Blumont giving notice to Mendol Sellers to do so;

(2) the Mendol Sellers fail, neglect or refuse to complete the disposal of the Mendol Sale Shares or any of them in accordance with the provisions in the Mendol SSA;

(3) bankruptcy proceedings are instituted against any of the Mendol Sellers of any of the Mendol Sellers is or becomes or is adjudicated or found to be, bankrupt or insolvent or suspends payment of its debts or is (is deemed to be) unable to or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to that party under any law regulation or procedure relating to reconstruction or adjustment of debts; or

(4) any of the Mendol Sellers has an administrator or receiver or receiver and manager appointed over or distress, attachment or execution is levied or enforced upon any part of the relevant Mendol Seller's assets or undertaking,

then Blumont may, by giving a Notice of Termination to the Mendol Sellers before or at the Mendol SSA Completion Date, elect to terminate the Mendol SSA.

(c) Consequences of termination

Upon termination of the Mendol SSA –

(1) each Mendol Party must return to the other, all documents (if any), delivered to it under the provisions of the Mendol SSA Completion Obligations; and

(2) each Mendol Party must do everything reasonably required by the other Mendol Party to reverse any action taken under the provisions of the Mendol SSA Completion Obligations,

within 14 days from the termination thereof, without prejudice to any other rights any Mendol Party may have in respect of that failure.

(d) Post-termination

Following the giving of a Notice of Termination under any of the provisions of the Mendol SSA, no Mendol Party will have any further obligation under the Mendol SSA to the other Mendol Parties, except in respect of –

(1) their respective obligations set out in this **Section 2.1.7(ix)**;

(2) any obligation under the Mendol SSA which is expressed to apply after the termination of the Mendol SSA; and

(3) any rights or obligations which have accrued in respect of any breach of any of the provisions of the Mendol SSA to any Mendol Party prior to such termination.

2.1.8 Salient terms of the Seychelles SSA

(i) Sale of Seychelles Sale Shares

Subject to the terms and conditions of the Seychelles SSA, TGPL agrees to sell and Blumont agree to purchase the following percentage of shares held by TGPL in the following companies ("**Seychelles Sale Shares**") at a total consideration of SGD49,024,550 ("**Seychelles Consideration**"):

No.	Name of Seychelles Companies	Percentage of shares to be disposed by TGPL
1.	Prime	60% of the enlarged share capital
2.	Enggano	60% of the enlarged share capital
3.	Mesawak	60% of the enlarged share capital
4.	Hinako	100% of the enlarged share capital

Prior to the Seychelles SSA Completion (as defined below), the respective issued and paid-up share capital of each of the Seychelles Company will be increased pursuant to the Capitalisation Exercise (as defined below).

The Prime Group, the Enggano Group, the Mesawak Group and the Hinako Group are collectively referred to as the "**Seychelles Group**".

(ii) Basis of Sale

The acquisition of the Seychelles Sale Shares by Blumont under the Seychelles SSA is on the basis that –

(a) Seychelles Group consists of 17 companies in aggregate and Seychelles Group's corporate structure is as set out in Annexure A of the Seychelles SSA;

(b) it includes the benefit of the acquisition of 100% of the legal, beneficial and effective equity interest of Hinako and the subsidiaries held by Hinako;

(c) it includes the benefit of the acquisition of 60% of the legal, beneficial and effective equity interest of Prime, Enggano and Mesawak and the subsidiaries held by Prime, Enggano and Mesawak;

(d) it includes the benefit of the acquisition of all the business of the Seychelles Group as a going concern and that the business of the Seychelles Group is to be continued as a going concern utilising all the assets of the Seychelles Group;

(e) PT Enggano (one of the subsidiaries within the Seychelles Group) is the legal owner of HGB (Plot H4);

(f) PT Hinako (one of the subsidiaries within the Seychelles Group) is the legal owner of HGB(Plot H5);

(g) PT Mesawak (one of the subsidiaries within the Seychelles Group) is the legal owner of HGB (Plot H6);

(h) PT Marine (one of the subsidiaries within the Seychelles Group) is the legal owner of HGB (Plot A4) and Properties (Plot A4);

(i) PT Treasure (one of the subsidiaries within the Seychelles Group) is the legal owner of the Attractions Operating Equipment and the Attractions Operating Equipment is in reasonable working condition (fair tear and wear excepted);

(j) the HGB (Plot A4), HGB (Plot H4), HGB (Plot H5), HGB (Plot H6) and Properties (Plot A4) are and will at the completion of sale and purchase of the Seychelles Sale Shares ("**Seychelles SSA Completion**") be free of encumbrances;

(k) the Properties (Plot A4) will remain in the same state and condition as at Seychelles SSA Completion as it was on an 'as is where as' as at the date of the Seychelles SSA; and

(l) the warranties given by TGPL in favour of Blumont as set out in **Section 2.1.8(v)** below and the Supplemental Deed to Seychelles SSA (as defined below) are true and accurate in all respects.

(iii) Consideration

The Seychelles Consideration shall be SGD49,024,550.

The Seychelles Consideration was agreed on the basis of –

(a) the net assets of the Seychelles Group (excluding the Attractions Operating Equipment) as at 30 June 2021 derived from the management accounts of the Seychelles Companies for the period ended 30 June 2021, which were prepared and adjusted taking into account the valuation of the assets of the Seychelles Group given in the valuation certificate dated 30 September 2021 issued by the Valuer.

(b) a discount of SGD255,669 to take into consideration the losses likely to be incurred due to impact from the COVID-19 pandemic pending Seychelles SSA Completion; and

(c) the agreed price of SGD1,000,000 on a willing buyer and a willing seller basis for the Attractions Operating Equipment.

(iv) Payment

The Seychelles Consideration must be satisfied by Blumont by the issuance of 9,804,910,000 new Blumont Shares, at an Issue Price of SGD0.005 per share ("**Seychelles SSA Consideration Shares**") in the name of TGPL or its nominees, on the business day falling 5 Business Days after the Seychelles SSA Unconditional Date, or such other date as TGPL and Blumont may mutually agree in writing, on which Seychelles SSA Completion is to take place ("**Seychelles SSA Completion Date**").

The Seychelles SSA Consideration Shares must be issued by Blumont in accordance with the following terms:

(a) The Seychelles SSA Consideration Shares will, upon allotment and issuance, rank equally in all respects with the then existing Blumont Shares, except that the Seychelles SSA Consideration Shares will not be entitled to any dividends, rights, allotments or any other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the Seychelles SSA Consideration Shares.

(b) SGX approves the listing of and quotation of the Seychelles SSA Consideration Shares on the Main Board of SGX.

(v) Representations, Warranties and Undertakings

Each party to the Seychelles SSA represents, warrants and undertakes to the other party that –

(a) the execution and delivery of, exercise of its rights under and performance of and compliance by it with the terms of the Seychelles SSA –

  (1) do not and will not conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under, the constitution of the party (where applicable) or any existing law or regulation applicable to or affecting the party or any part of its properties, assets or undertakings; and

  (2) do not and will not infringe the terms of, or constitute a default under, or cause to be exceeded any limit imposed by, any agreement or other instrument or obligation to which any party is a party or by which any - party or any part of its/his undertaking, property or asset is bound;

(b) the execution and delivery by the party of the Seychelles SSA and the performance by the party of its obligations under the Seychelles SSA is duly authorised by the party and constitutes legal, valid, binding and enforceable obligations of the party in accordance with its terms; and

(c) there is no investigation, disciplinary proceeding or enquiry by, or order, decree, decision or judgment of, any court, tribunal, arbitrator, governmental agency or regulatory body having jurisdiction over the party that are outstanding or anticipated against the party.

(vi) Conditions for Completion

The Seychelles SSA Completion is conditional upon the fulfilment of the following conditions ("**Seychelles SSA Conditions")**:

(a) Blumont having undertaken and having completed its due diligence investigations in respect of the Seychelles Group, including but limited to the affairs, operations, businesses, assets, liabilities (including tax liabilities), contracts, financial condition, accounts, results, prospects and the legal, accounting, financial and tax affairs of the companies of the Seychelles Group ("**Seychelles Due Diligence**"), and the results of such Seychelles Due Diligence investigation being satisfactory to Blumont in its absolute discretion.

(b) The execution by the parties to Seychelles SSA ("**Seychelles SSA Parties**") of a supplemental deed of undertaking, warranties and indemnities (**"Supplemental Deed to Seychelles SSA**") in relation to –

  (1) the undertakings, warranties and indemnities (if any) to be given to Blumont by TGPL in respect of the Seychelles Sale Shares and the Seychelles Companies or its subsidiaries, as the context may require ("**Seychelles Group Companies**"); and

  (2) limitations and exclusions of liability of TGPL in relation to such warranties and indemnities (if any),

in form and substance agreed by the Seychelles SSA Parties within 2 weeks of the completion of the Seychelles Due Diligence or such other longer period as may be mutually agreed in writing by the Seychelles SSA Parties⁽¹⁾.

Note:

(1) As at LPD, the Supplemental Deed to Seychelles SSA has not been executed by the Seychelles SSA Parties as the Seychelles Due Diligence has not been completed. An announcement will be released on Bursa Securities upon execution of the Supplemental Deed to Seychelles SSA.

(c) Shareholders' approval of TGPL's holding company, i.e., Landmarks, for the transactions under the Seychelles SSA and the acceptance of the Seychelles SSA Consideration Shares.

(d) Shareholders' approval of Blumont for the transactions under the Seychelles SSA and the issuance of Seychelles SSA Consideration Shares.

(e) The Seychelles SSA Parties mutually agree on the terms and conditions of the shareholders' agreements in relation to Prime, Enggano and Mesawak, respectively (**Shareholders Agreements**), and the final forms of the shareholders' agreements to be executed on Seychelles SSA Completion.

(f) The completion of the capitalisation of the following shareholder loans owing by each of the Seychelles Company, respectively, to TGPL (**Capitalisation Exercise**[(1)]):

  (1) Prime: SGD10,661,741;

  (2) Enggano: SGD523,004;

  (3) Mesawak: SGD281,224; and

  (4) Hinako: SGD822,264.

Note:

(1) Please refer to Section 2.1.12 of Part A of this Circular for the purpose for undertaking the Capitalisation Exercise prior to the completion of the Seychelles SSA.

(g) The approval-in-principle of the SGX for the listing of, and quotation for, the Seychelles SSA Consideration Shares on the Main Board of SGX.

(h) The lenders and financiers of TGPL and Landmarks approving or confirming (if required) that they have no objection to the transaction under the Seychelles SSA.

(i) The issue of Ijin Mendirikan Bangunan (i.e the license to build and erect buildings and structures on land issued by the relevant regulatory authority in the Republic of Indonesia) in relation to Properties (Plot A4).

(j) All the conditions precedent under the Mendol SSA, except for the condition precedent that the conditions precedent under the Seychelles SSA have been satisfied or waived in accordance with the Seychelles SSA, have been satisfied or waived in accordance with the Mendol SSA.

(k) There being no change in the financial position or results of operations of the Seychelles Group, or any change or development that, singularly or in the aggregate, would involve a material adverse change or a prospective material adverse change, in or affecting the condition (financial or otherwise), results of operations, business, assets or prospects of the Seychelles Group, including but not limited to the loss of any licence or approval of any governmental agency required in connection with the business affecting the Seychelles Group since 31 December 2020.

(l) The purchase and transfer of the Seychelles Sale Shares upon the terms and conditions of the Seychelles SSA not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or other authority of any relevant jurisdiction.

(m) All approvals, consents, licences, permits, waivers and exemptions (collectively, "**Seychelles SSA Approvals**") for the sale and purchase of the Seychelles Sale Shares and its completion and the transactions contemplated under the Seychelles SSA being granted by third parties, including all legislative, executive, regulatory, judicial or other authorities in any jurisdiction, to Blumont or the applicable Seychelles Group Company (as the case may be) and where any such Seychelles SSA Approval is subject to conditions, such conditions being acceptable to TGPL and Blumont, and if such conditions are required to be fulfilled before Seychelles SSA Completion, such conditions being fulfilled before Seychelles SSA Completion, and such Seychelles SSA Approvals remaining in full force and effect.

The Seychelles SSA shall become unconditional on the first day following the day on which the last of the Seychelles SSA Conditions to be fulfilled is fulfilled ("**Seychelles SSA Unconditional Date**").

(vii) Cut-off Date

If any Seychelles SSA Condition is not fulfilled or waived by in accordance with the Seychelles SSA on or before 6 months from the date of the Seychelles SSA or such later date as may be mutually agreed in writing between the Seychelles SSA Parties as the last date by which the Seychelles SSA Conditions must be fulfilled, Blumont may issue a Notice of Termination.

(viii) Completion

Seychelles SSA Completion must take place at TGPL's office in Singapore on the Seychelles SSA Completion Date.

<u>Seychelles SSA Completion Obligations</u>

On the Seychelles SSA Completion Date –

(a) Blumont must satisfy the Seychelles SSA Consideration in the manner set out in **Section 2.1.8(iv)** above;

(b) TGPL must deliver to Blumont the original share certificates in respect of the Seychelles Sale Shares, together with the undated share transfer instruments in relation to the Seychelles Sale Shares duly executed by TGPL in favour of Blumont;

(c) TGPL must execute the Shareholders Agreements;

(d) TGPL must deliver the Records (as defined in the Seychelles SSA) to Blumont;

(e) TGPL must deliver to Blumont the resignation letters of all the directors (except that TGPL is entitled to retain such number of directors of Prime, Enggano and Mesawak as agreed in the Shareholders Agreements), secretaries and company auditors of each Seychelles Group Company, together with a written acknowledgement from each of them that they have no claim whatsoever against such Seychelles Group Company in respect of any breach of contract, compensation for loss of office, redundancy or unfair dismissal or on any other grounds whatsoever, in the form acceptable to Blumont;

(f) TGPL must procure that resolutions of the board of directors of the Seychelles Companies, and where necessary also the shareholders of the Seychelles Companies, are passed approving the registration of the Seychelles Sale Shares in the Blumont's name in the Seychelles Companies' share register subject to the payment of any applicable stamp duty on the share transfer instrument (if applicable) and deliver certified true copies of such resolutions to Blumont;

(g) TGPL must procure that resolutions of the board of directors of each Seychelles Group Company, and where necessary also the shareholders of the Seychelles Group Company, are passed –

    (1) accepting the resignations of the directors of the Seychelles Group and appointing as directors of each Seychelles Group Company the persons nominated by Blumont in a notice given to TGPL not less than 5 business days prior to the Seychelles SSA Completion Date;

(2) accepting the resignations of the company secretaries and auditors of the Seychelles Group and appointing as company secretary and auditors of each Seychelles Group Company the persons nominated by Blumont in a notice given to the TGPL not less than 5 business days prior to the Seychelles SSA Completion Date; and

(3) revoking of all existing mandates for the operation of bank accounts of the Seychelles Group and approving the new mandates in favour of the persons nominated by Blumont in a notice given to the TGPL not less than 5 business days prior to the Seychelles SSA Completion Date,

and deliver certified true copies of such resolutions to Blumont; and

(h) Blumont must procure that resolution of the board of directors of Blumont is passed for the appointment as director of Blumont of a person nominated by TGPL as a director of Blumont (in a notice given by TGPL to Blumont not less than 5 Business Days prior to the Seychelles SSA Completion Date).

(Collectively, referred to as "**Seychelles SSA Completion Obligations**")

Simultaneous Completion

Seychelles SSA Completion is conditional on –

(a) the simultaneous completion of both the Mendol SSA and the Seychelles SSA; and

(b) both TGPL and Blumont complying with all their Seychelles SSA Completion Obligations.

Breach of Seychelles SSA Completion Obligations

If any of the documents required to be delivered to any Seychelles SSA Parties on the Seychelles SSA Completion Date is not forthcoming for any reason or if in any other respect the provisions of the Seychelles SSA Completion Obligations are not fully complied with by TGPL or Blumont and the Seychelles SSA Parties do not complete the Seychelles SSA, the Seychelles SSA Party that is not in default may (in addition to and without prejudice to all other rights and remedies available to it, including the right to claim damages) –

(a) elect to terminate the Seychelles SSA as against the other Seychelles SSA Party, without liability on the part of the terminating party and the provisions under **Section 2.1.8(ix)** below will apply;

(b) effect the Seychelles SSA Completion so far as practicable having regard to the defaults which have occurred; or

(c) fix a new date for Seychelles SSA Completion, in which case the provisions of this paragraph will apply to the Seychelles SSA Completion as so deferred.

(ix) Termination

(a) Right of TGPL to Terminate

If at any time up to the Seychelles SSA Completion –

(1) Blumont defaults in the satisfaction of the Seychelles Consideration in accordance with the provisions of the Seychelles SSA and fails to rectify such breach within 30 days of TGPL giving notice to Blumont to do so;

(2) bankruptcy proceedings are instituted against Blumont or Blumont is or becomes or is adjudicated or found to be, bankrupt or insolvent or suspends payment of its debts or is (is deemed to be) unable to or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to that party under any law regulation or procedure relating to reconstruction or adjustment of debts; or

(3) Blumont has an administrator or receiver or receiver and manager appointed over or distress, attachment or execution is levied or enforced upon any part of Blumont's assets or undertaking,

then TGPL may, by giving a Notice of Termination to Blumont before or at Seychelles SSA Completion Date, elect to terminate Seychelles SSA.

(b) <u>Right of Blumont to Terminate</u>

If at any time up to the Seychelles SSA Completion –

(1) TGPL breaches a term of the Seychelles SSA or the Supplemental Deed to Seychelles SSA and fails to rectify such breach within 30 days of Blumont giving notice to TGPL to do so;

(2) TGPL fails, neglects or refuses to complete the disposal of the Seychelles Sale Shares or any of them in accordance with the provisions in the Seychelles SSA;

(3) bankruptcy proceedings are instituted against TGPL or TGPL is or becomes or is adjudicated or found to be, bankrupt or insolvent or suspends payment of its debts or is (is deemed to be) unable to or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to that party under any law regulation or procedure relating to reconstruction or adjustment of debts; or

(4) TGPL has an administrator or receiver or receiver and manager appointed over or distress, attachment or execution is levied or enforced upon any part of TGPL's assets or undertaking,

then Blumont may, by giving a Notice of Termination to the TGPL before or at the Seychelles SSA Completion Date, elects to terminate the Seychelles SSA.

(c) <u>Consequences of termination</u>

Upon termination of the Seychelles SSA –

(1) each Seychelles SSA Party must return to the other, all documents (if any), delivered to it under the provisions of the Seychelles SSA Completion Obligations; and

(2) each Seychelles SSA Party must do everything reasonably required by the other Seychelles SSA Party to reverse any action taken under the provisions of the Seychelles SSA Completion Obligations,

within 14 days from the termination thereof, without prejudice to any other rights any Seychelles SSA Party may have in respect of that failure.

(d) Post-termination

Following the giving of a Notice of Termination under any of the provisions of the Seychelles SSA, no Seychelles SSA Party will have any further obligation under the Seychelles SSA to the other Seychelles SSA Party, except in respect of –

(1) their respective obligations set out in this **Section 2.1.8(ix)**;

(2) any obligation under the Seychelles SSA which is expressed to apply after the termination of the Seychelles SSA; and

(3) any rights or obligations which have accrued in respect of any breach of any of the provisions of the Seychelles SSA to any Seychelles SSA Party prior to such termination.

2.1.9 Basis and justification on arriving at the Disposal Considerations

The Disposal Considerations of the Target Companies are set out as follows:

	Disposal Considerations	
Target Company	**SGD**	**RM equivalent**
Mendol (49%)	14,376,033	44,237,930
Hinako (100%)	13,733,210	42,259,834
Prime (60%)	15,571,614	47,916,970
Enggano (60%)	12,822,005	39,455,873
Mesawak (60%)	6,897,721	21,225,666
Total	**63,400,583**	**195,096,273**

The Disposals Considerations of SGD63,400,583 (equivalent to RM195,096,273) was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:

(i) the rationale of the Proposed Disposals as set out in **Section 4** of Part A of this Circular;

(ii) the total market value of approximately RM213.79 million and total investment value of approximately RM305.18 million of all the lands involved under the Proposed Disposals, as appraised by the Valuer. The Board has adopted the investment value of approximately RM305.18 million as the value of the lands are maximised under this basis of valuation and the investment value is a better reflection of the Disposal Considerations;

(iii) the adjusted NA value of Mendol Group, based on the unaudited consolidated accounts of Mendol as at 30 June 2021 as illustrated below:

	SGD	**RM equivalent**
NA as at 30 June 2021	5,629,009	17,321,586
*Add: NA value adjustments^*	23,995,476	73,838,878
Adjusted NA of Mendol Group (M)	**29,624,485**	**91,160,464**
Adjusted NA of Mendol Group represented by Landmarks' equity interest in Mendol (**M x 49%**)	14,515,997	44,668,627
Disposal consideration for the Proposed Disposal of Mendol	**14,376,033**	**44,237,930**

Note:

^ *The NA value adjustment is computed as follows:*

	SGD'000
Value of Natra Bintan Hotel[(a)]	*30,000*
Less: Book value of Natra Bintan Hotel as at 30 June 2021	*(6,005)*
NA value adjustment	***23,995***

Note:

(a) Agreed value of Natra Bintan Hotel between the Mendol Sellers and Blumont which was subsequently appraised by the Valuer at the investment value of IDR320,543.0 million (equivalent to approximately SGD30.32 million / RM94.03 million) using discounted cash flow method under the income approach as set out in the Valuation Certificate appended in ***Appendix XIII*** *of this Circular.*

The disposal consideration for the Proposed Disposal of Mendol of SGD14.38 million (equivalent to approximately RM44.24 million) represents a discount of RM0.43 million or 0.96% of the adjusted NA of Mendol Group as at 30 June 2021 after taking into consideration of the estimated business losses likely to be incurred from July 2021 to December 2021 assuming international borders remained closed as at 31 December 2021 due to impact from the COVID-19 pandemic pending Mendol SSA Completion.

(iv) the adjusted NA of Hinako Group, based on the unaudited consolidated accounts of Hinako as at 30 June 2021 as illustrated below:

	SGD	**RM equivalent**
NA as at 30 June 2021	2	6
Add: Value of Natra Bintan Land^	13,733,208	42,259,828
Adjusted NA of Hinako Group / Disposal consideration for the Proposed Disposal of Hinako	**13,733,210**	**42,259,834**

Note:

^ *Injection of Natra Bintan Land based on the agreed value between TGPL and Blumont which was subsequently appraised by the Valuer at the investment value of IDR144,997.0 million (equivalent to approximately SGD13.72 million / RM42.53 million) using land development method under the income approach as set out in the Valuation Certificate appended in* ***Appendix XIII*** *of this Circular.*

The disposal consideration for the Proposed Disposal of Hinako of SGD13.73 million (equivalent to approximately RM42.26 million) is equivalent to the adjusted NA of Hinako Group as at 30 June 2021.

(v) the adjusted NA of Prime Group based on the unaudited consolidated accounts of Prime as at 30 June 2021 as illustrated below:

	SGD	RM equivalent
NL as at 30 June 2021	(4,576,437)	(14,082,612)
Add: NA value adjustments^	30,955,242	95,255,471
Adjusted NA of Prime Group (P)	**26,378,805**	**81,172,859**
Adjusted NA of Prime Group based on 60% equity interest (**P x 60%**)	**15,827,283**	**48,703,716**
Disposal consideration for the Proposed Disposal of Prime	**15,571,614**	**47,916,970**

Notes:

^ *The NA value adjustment is computed as follows:*

	SGD'000
Value of Attractions Operating Equipment, Marine Park Land and Infrastructure Assets[(a)]	*26,106*
Add: Capitalisation of shareholder loans owing to TGPL as at 30 June 2021[(b)]	*6,916*
Less: Book value of the total fixed assets of Prime Group as at 30 June 2021[(c)]	*(2,067)*
NA value adjustment	***30,955***

Notes:

(a) *Agreed value between the TGPL and Blumont as follows:*

- *Attractions Operating Equipment in PT Treasure based on the agreed price of SGD1.0 million (equivalent to approximately RM3.08 million) of the Attractions Operating Equipment on a willing-buyer willing-seller basis as set out in the **Section 2.1.8(iii)** of Part A of this Circular after taking into consideration the NBV of the Attractions Operating Equipment as set out in Section 2.1.3 of Part A of this Circular; and*

- *Marine Park Land which was subsequently appraised by the Valuer at the investment value of IDR220,728.0 million (equivalent to approximately SGD20.88 million / RM64.75 million) using land development method under the income approach as set out in the Valuation Certificate appended in **Appendix XIII** of this Circular and book value of the Infrastructure Assets.*

(b) *Being capitalisation of intercompany loans to TGPL to ensure no further receivables or payables to Landmarks Group is required to be paid by Blumont to Landmarks Group after the completion of the Proposed Disposals.*

(c) *Including the book value of Attractions Operating Equipment and other infrastructures.*

The disposal consideration for the Proposed Disposal of Prime of SGD15.57 million (equivalent to approximately RM47.92 million), represents a discount of RM0.79 million or 1.62% of the adjusted NA of Prime Group as at 30 June 2021 after taking into consideration of the estimated business losses likely to be incurred from July 2021 to December 2021 assuming international borders remained closed as at 31 December 2021 due to impact from the COVID-19 pandemic pending Seychelles SSA Completion.

(vi) the adjusted NA of Enggano Group based on the unaudited consolidated accounts of Enggano as at 30 June 2021 as illustrated below:

	SGD	**RM equivalent**
NA as at 30 June 2021	2	6
Add: Value of Enggano Land^	21,370,006	65,759,782
Adjusted NA of Enggano Group (E)	**21,370,008**	**65,759,789**
Adjusted NA of Enggano Group based on 60% equity interest (**E x 60%**) / **Disposal consideration for the Proposed Disposal of Enggano**	**12,822,005**	**39,455,873**

Note:

^ *Injection of Enggano Land based on the agreed value between TGPL and Blumont which was subsequently appraised by the Valuer at the investment value of IDR229,387.0 million (equivalent to approximately SGD21.70 million / RM67.29 million) using land development method under the income approach as set out in the Valuation Certificate appended in* ***Appendix XIII*** *of this Circular.*

The disposal consideration for the Proposed Disposal of Enggano of SGD12.82 million (equivalent to approximately RM39.46 million) is equivalent to the adjusted NA of Enggano Group as at 30 June 2021.

(vii) the adjusted NA of Mesawak Group based on the unaudited consolidated accounts of Mesawak as at 30 June 2021 as illustrated below:

	SGD	**RM equivalent**
NA as at 30 June 2021	2	6
Add: Value of Mesawak Land^	11,496,199	35,376,104
Adjusted NA of Mesawak Group (**ME**)	**11,496,201**	**35,376,110**
Adjusted NA of Mesawak Group based on 60% equity interest (**ME x 60%**) **/ Disposal consideration for the Proposed Disposal of Mesawak**	**6,897,721**	**21,225,666**

Note:

^ *Injection of Mesawak Land based on the agreed value between TGPL and Blumont which was subsequently appraised by the Valuer at the investment value of IDR124,693.0 million (equivalent to approximately SGD11.80 million / RM36.58 million) using land devlopment method under the income approach as set out in the Valuation Certificate appended in* ***Appendix XIII*** *of this Circular.*

The disposal consideration of the Proposed Disposal of Mesawak of SGD6.90 million (equivalent to approximately RM21.23 million) is equivalent to the adjusted NA of Mesawak Group as at 30 June 2021.

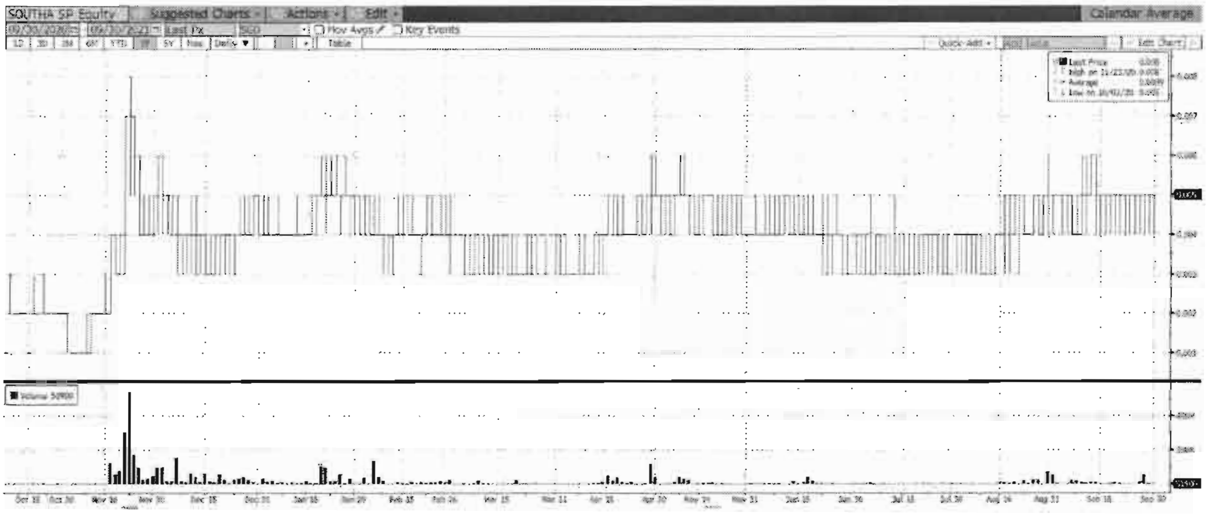
2.1.10 Basis and justification on arriving at the Issue Price of the Consideration Shares

The Issue Price of SGD0.005 (equivalent to RM0.015) per Consideration Share was arrived at after taking into consideration the following:

(i) the last traded price of Blumont Shares on LTD of SGD0.005 (equivalent to RM0.015); and

(ii) a premium of SGD0.0009 or 22.0% to the 5-day VWAMP of Blumont Shares up to and including the LTD of SGD0.0041 (equivalent to RM0.0126).

Notwithstanding the aforesaid premium, the Issue Price falls within the range of the traded share prices of Blumont for the past 12 months up to the LTD, ranging from SGD0.001 to SGD 0.008, as shown in the chart below:



The Issue Price represents a premium/discount to the following market prices of Blumont Shares:

		Volume traded	Issue Price	Share price	Premium / (Discount)	
		('000)	(SGD)	(SGD)	(SGD)	(%)
Closing price as at the LTD		-	0.0050	0.0050	-	-
VWAMP up to and including the LTD:						
(a)	5-day	65,762	0.0050	0.0041	0.0009	22.0
(b)	1-month	208,404	0.0050	0.0047	0.0003	6.4
(c)	3-month	419,544	0.0050	0.0046	0.0004	8.7
(d)	6-month	975,195	0.0050	0.0045	0.0005	11.1
(e)	12-month	4,099,965	0.0050	0.0047	0.0003	6.4
(f)	3 years	-	0.0050	0.0042	0.0008	19.0
(g)	5 years	-	0.0050	0.0035	0.0015	42.9
(h)	Highest closing market price for the past 1-year	-	0.0050	0.0080	(0.0030)	(37.5)
(i)	Lowest closing market price for the past 1-year	-	0.0050	0.0010	0.0040	400.0

Our Company intends to retain the Consideration Shares as its medium to long term investment in Blumont. Nevertheless, the said investment is subject to periodic review by the management and the Board from time to time.

Upon issuance and allotment of the Consideration Shares, the equity interest to be held by our Company in Blumont is as illustrated below:

	No. of Blumont Shares ('000)	**^%**
Existing no. of Blumont Shares issued as at 30 June 2021	27,570,762	63.8
No. of Consideration Shares issued to TGPL pursuant to the Proposed Disposals	12,680,117	29.3
No. of new Blumont Shares issued to other Mendol Sellers (excluding TGPL) pursuant to the disposal of 51% equity interest in Mendol	2,992,562	6.9
Enlarged no. of Blumont Shares issued	**43,243,441**	**100.0**
No. of Blumont Shares to be held by Landmarks via TGPL	**12,680,117**	**29.3**

Note:

^ *Calculated based on the enlarged number of 43,243,440,783 Blumont Shares issued after the Proposed Disposals and assuming none of the Outstanding Blumont Options are exercised.*

2.1.11 Basis and justification on arriving at the Issue Price of the Consideration Shares based on the NA per Blumont Share

The Issue Price also represents a significantly large premium to the NA per Blumont Share of SGD0.0001 as at 31 December 2020 after taking into consideration the following:

(i) the proforma of the NA per Blumont Share will increase to SGD0.0018 upon completion of the acquisition of the Target Companies. Please refer to Section 7.3 of Part A of this Circular for the pro forma effects of NA per Blumont Share; and

(ii) upon completion of the acquisition of the Target Companies and Blumont's proposed diversification of business into hospitality and wellness business, Blumont Group will have an alternate revenue stream which could enhance shareholder's value in addition to Blumont Group's revenue for the FYE 31 December 2020 which was mainly contributed from the contract sterilisation and polymerisation segment only.

2.1.12 Dates and original costs of investment

As at the LPD, the original costs of investment in Mendol, Hinako, Prime, Enggano and Mesawak are set out below:

(i) Mendol

The original cost of investment in Mendol by Landmarks Group from 18 March 2014 up to 18 November 2020 is SGD6.66 million (equivalent to approximately RM20.51 million), the details are set out below:

Date of investment	**Number of shares**	**Original cost of investment**
18 March 2014	1	SGD1.26
18 November 2020	4,868,393	SGD6.66 million

(ii) Hinako

The original cost of investment in Hinako by Landmarks Group from 18 March 2014 up to 27 October 2021 is SGD0.82 million (equivalent to approximately RM2.53 million), the details are set out below:

Date of investment	Number of shares	Original cost of investment
18 March 2014	1	SGD1.26
27 October 2021	609,809	SGD0.82 million

(iii) Prime

The original cost of investment in Prime by Landmarks Group from 16 September 2008 up to 27 October 2021 is SGD10.67 million (equivalent to approximately RM32.81 million), the details are set out below:

Date of investment	Number of shares	Original cost of investment
16 September 2008	1	SGD1.42
27 October 2021	7,906,959	SGD10.67 million

(iv) Enggano

The original cost of investment in Enggano by Landmarks Group from 18 March 2014 up to 27 October 2021 is SGD0.51 million (equivalent to approximately RM1.58 million), the details are set out below:

Date of investment	Number of shares	Original cost of investment
18 March 2014	1	SGD1.26
27 October 2021	387,879	SGD0.51 million

(v) Mesawak

The original cost of investment in Mesawak by Landmarks Group from 18 March 2014 up to 27 October 2021 is SGD0.28 million (equivalent to approximately RM0.85 million), the details are set out below:

Date of investment	Number of shares	Original cost of investment
18 March 2014	1	SGD1.26
27 October 2021	208,569	SGD0.28 million

The issuance of shares by Hinako, Prime, Enggano and Mesawak have included the Capitalisation Exercise as stated in Section 2.8.1(i) of Part A of this Circular, the objective of which is to ensure no further receivables or payables to Landmarks Group is required to be paid by Blumont to Landmarks Group after the completion of the Proposed Disposals.

2.1.13 Ranking of the Consideration Shares

The Consideration Shares to be issued in relation to the Proposed Disposals will, upon allotment and issuance, rank equally in all respects with the then existing Blumont Shares, except that the Consideration Shares shall not be entitled to any dividends, rights, allotments or any other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the Consideration Shares.

2.1.14 Listing of and quotation for the Consideration Shares

An application will be made by Blumont to the SGX for the listing of and quotation for the Consideration Shares on the SGX.

2.1.15 Liabilities to be assumed

Save for the obligations and liabilities pursuant to the SSAs, there are no liabilities including contingent liabilities, in relation to the Proposed Disposals which remain with Landmarks Group and there are no guarantees given by Landmarks Group to Blumont pursuant to the Proposed Disposals.

2.1.16 Cash company or Practice Note 17 ("PN17") Company

On 13 January 2021, our Board had announced that a major fire incident had occurred at The Andaman, a Luxury Collection Resort, Langkawi, a property owned by a wholly-owned subsidiary of the Company, namely Andaman Resort Sdn Bhd, which was our Group's biggest revenue contributor at 74.3% in FYE 31 December 2020. This has caused significant losses which led to Landmarks triggering Paragraph 8.03A(2) of the Listing Requirements whereby Landmarks has an insignificant business or operations and accordingly, as at the LPD, Landmarks is now classified as an Affected Listed Issuer. Nonetheless, the Proposed Disposals will not result in Landmarks becoming a cash company or a PN17 company as defined under the Listing Requirements.

As at the LPD, our Company has approximately 11 months to submit a regularisation plan to the relevant authorities for approval and is still evaluating on the options available to regularise our Company's Affected Listed Issuer status. For the avoidance of doubt, the Proposed Disposals are not part of our regularisation plan. Nevertheless, the value creation arising from the Proposed Disposals as set out in **Section 4** of Part A of this Circular, will allow our Group to preserve our cash flow requirements in the immediate term as an Affected Listed Issuer by streamlining our operating costs.

Even though the mode of satisfaction of the consideration for the Proposed Disposals is not via cash which could have brought a direct positive impact to the cash position of our Group, the current mode of satisfaction via the issuance of Consideration Shares allows Landmarks to monetise the Consideration Shares at its maximum value as and when the share price movement of Blumont permits in comparison to illiquid real estate investments. Further, due to our current status as an Affected Listed Issuer, our Group faces challenges in raising funds from the capital market or via bank borrowings to develop the vacant lands held by the Target Companies. By participating in the joint-development of the vacant lands with Blumont Group after the Proposed Disposals, our Group will be able to share the development cost with Blumont and potentially tap into Blumont's financial strength via the capital market in Singapore or other alternate source of funding available to Blumont such as bank borrowings from financial institutions in Singapore whom are more familiar with the tourism industry in Bintan. Hence, our Group will be able to benefit from the Proposed Disposals in the longer term upon completion of the joint-development.

3. CURRENT FINANCIAL PERFORMANCE AND POSITION OF LANDMARKS GROUP

A summary of the financial information of Landmarks Group based on the audited results for the past 3 financial years up to the FYE 31 December 2020 and the latest unaudited financial results for the FYE 31 December 2021, is set out below:

	<-------- Audited FYE 31 December------->			Unaudited FYE
	2018	**2019**	**2020**	**2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	111,437	116,601	37,965	5,580
LBT	(32,610)	(55,196)	(8,032)	(27,199)
(LAT) / PAT attributable to owners of the parent	(36,003)	(100,233)	62,414	(32,493)
LPS / EPS (sen)	(6.81)	(18.95)	11.61	(5.10)
Total borrowings	133,419	121,411	125,776	125,895
Fixed deposits, cash and bank balances	30,934	27,520	54,751	20,992
Net cash used in operating activities	(2,655)	(20,386)	(27,943)	(23,062)
Current assets	224,338	113,129	123,488	254,907
Current liabilities	40,758	44,697	47,799	161,705
Equity attributable to owners of the parent / NA	1,887,637	1,789,809	1,861,634	1,864,838
No. of Landmarks Shares outstanding ('000)	528,891	528,891	581,780	671,352
NA per Landmarks Share (RM)(a)	3.57	3.38	3.20	2.78
Current ratio (times)(b)	5.50	2.53	2.58	1.58
Gearing ratio (times)(c)	0.07	0.07	0.07	0.07

Notes:

(a) *Calculated based on NA over total number of Landmarks Shares outstanding.*

(b) *Calculated based on the total current assets over total current liabilities.*

(c) *Calculated based on total borrowings over NA.*

Financial commentaries for audited FYE 31 December 2018

For the FYE 31 December 2018, our Group recorded revenue of RM111.44 million which represented an increase of RM7.63 million or 7.35% as compared to preceding financial year of RM103.81 million. The increase in revenue was mainly attributable to higher revenue from The Andaman by RM0.72 million which was mainly contributed by the increase in Average Room Rate ("**ARR**") of approximately 7.80% as compared with the ARR during the FYE 31 December 2017. Besides, the contribution to Landmarks' revenue by The Canopi (currently known as Natra Bintan) at Treasure Bay Bintan has increased by RM4.23 million due to the higher ARR for The Canopi, which recorded an increase of approximately 10.0% when compared with 2017. In addition, there was higher revenue generated from Treasure Bay Bintan's attractions and entrance fees by RM0.30 million as a result of approximately 9.0% increase in footfall and introduction of new attractions and activities.

Our Group recorded a higher LBT by RM6.51 million or 24.92% from RM26.10 million in FYE 31 December 2017 to RM32.61 million in FYE 31 December 2018. The huge fluctuation in LBT was resulted from share of profits and gain on disposal of the associated company, namely MSL Properties Sdn Bhd of approximately RM12.56 million included in the LBT of the preceding year.

Financial commentaries for audited FYE 31 December 2019

For the FYE 31 December 2019, our Group recorded revenue of RM116.60 million which represented an increase of RM5.16 million or 4.63% as compared to preceding financial year of RM111.44 million. The increase was mainly due to, in 2019, our management continued its aggressive marketing strategy focusing on the European market which has resulted more tourist to its hotels and resorts. The Andaman achieved an AOR of approximately 74.50% in 2019, as compared to approximately 74.40% in 2018. The increase in revenue was further attributable to the higher revenue generated from business operations in Indonesia by RM7.71 million or 24.80% from RM31.09 million in FYE 31 December 2017 to RM38.81 million in FYE 31 December 2018 as a result from the opening of 100 glamping tents branded as ANMON and the Marine Park in October 2019.

Our Group recorded an increase in LBT of RM22.59 million or 69.26% from RM32.61 million in FYE 31 December 2018 to RM55.20 million in FYE 31 December 2019. Our Group's losses were mainly due to pre-opening expenses incurred by ANMON amounting to RM3.22 million in FYE 31 December 2019. Our Group's losses were further compounded by higher depreciation expenses amounting to RM22.68 million in FYE 31 December 2019 which includes ANMON and Marine Park, which both commenced operations after mid-2019 and the implementation of MFRS 16 which required the rights of use of assets under lease to be depreciated as compared with RM16.82 million in FYE 31 December 2018.

Financial commentaries for audited FYE 31 December 2020

For the FYE 31 December 2020, our Group recorded revenue of RM37.97 million which was significantly lower by RM78.64 million or 67.44% as compared with RM116.60 million achieved in the preceding year. The reduction in revenue was mainly due to disruption of economy during the year caused by the COVID-19 pandemic. Most countries had been implementing lockdown or movement control, travel restriction and border closure measures leading to flight cancellations. All these have resulted in massive reductions on both business and leisure travelling leading to cancellation of resort bookings. The Andaman's occupancy dropped by approximately 45.80% from AOR of approximately 74.50% in FYE 2019 to approximately 28.70% in FYE 2020. Treasure Bay Bintan's AOR had also dropped from approximately 54.20% in 2019 to approximately 9.70% in FYE 31 December 2020.

Our Group suffered a decrease in LBT by RM47.16 million or 85.45% from RM55.20 million in FYE 31 December 2019 to RM8.03 million in FYE 31 December 2020. The lower LBT was due to a one-off gain on disposal of 51% equity shares in subsidiaries of RM32.65 million and fair value gain recognised on investment in subsidiaries becoming a joint venture amounting to RM31.07 million. The one-off gain was slightly offset by the operating losses in The Andaman of RM8.58 million in FYE 31 December 2020 as compared to an operating profit of RM14.94 million in FYE 31 December 2019 mainly due to the COVID-19 pandemic. The gain was further offset by the higher operating losses in Treasure Bay Bintan of RM15.40 million as compared to RM10.03 million in FYE 31 December 2019 mainly due COVID-19 pandemic which resulted in temporary closure of hotel business operations from quarter 2 to quarter 3 in FYE 31 December 2020.

Financial commentaries for unaudited FYE 31 December 2021

Our Group's revenue for FYE 31 December 2021 reduced by RM32.39 million or 85.30% to RM5.58 million in FYE 31 December 2021 as compared to the FYE 31 December 2020 of RM37.97 million as the hospitality industry had not fully recovered from the impact of COVID-19 pandemic. Another factor which contributed to the decrease in revenue was the fire incident which happened at The Andaman on 12 January 2021, resulting a cessation of operations of The Andaman.

As a result of the above, our Group recorded a LBT of RM27.20 million in the FYE 31 December 2021 which was higher by RM19.17 million or 238.63% as compared to its LBT of RM8.03 million in the FYE 31 December 2020. The higher LBT in the FYE 31 December 2021 was also due to the write off and impairment of the affected property, plant and equipment pursuant to The Andaman fire incident in January 2021.

4. RATIONALE

4.1 Proposed Disposals

The Proposed Disposals would enable Landmarks Group to fully complete our intention to unlock the value and monetise our investment in the Target Companies. It will also:

(i) reduce Landmarks' costs or overheads;

(ii) give Landmarks the option of retaining an economic interest in the Target Companies through our shareholdings in Blumont, holding the Consideration Shares that can be leveraged as security for borrowings or raising funds through the disposal of some of our shareholdings in Blumont. Please refer to **Section 7.2** of Part A of this Circular for justification of this rationale.; and

(iii) allow Blumont the opportunity to commence the joint-development with Landmarks on the vacant lands acquired through the Proposed Disposals and also to attract investment interest on Landmarks Group's remaining lands surrounding Chill Cove which in turn provide a viable and sustainable platform on which Landmarks can undertake the development of the remaining and substantial Treasure Bay Bintan landbank.

Landmarks is currently an Affected Listed Issuer and will face challenges in raising funds from the capital market or via the bank borrowings. In addition, the 'hotel/resort' sector which Landmarks is currently operating in is facing tremendous headwinds due to the ongoing COVID-19 pandemic, making it even more difficult to raise funds.

As such, the Proposed Disposals allow Landmarks Group to secure associate stake in Blumont and Landmarks Group will benefit from Blumont Group's joint-development on the vacant lands from the Proposed Disposals without the need to incur significant cash outlay, which in turn conserves the cash reserves of Landmarks Group to fund these developments after the completion of the Proposed Disposals. Further, one of the completion obligations under the Seychelles SSA is the appointment of a representative director nominated by TGPL as a director of Blumont, which will provide Landmarks Group with insights to the joint-development with Blumont Group on the vacant lands from the Proposed Disposals and allows Blumont to tap into our Group's expertise and experience in the hospitality and wellness business via the joint development.

Further, Blumont, being the joint venture partner for the joint development, has exposure and experience in the proposed diversification into hospitality and wellness business based on its associate interest in Labrador Hill Pte Ltd, a hotel and restaurant operator. Blumont can also tap into its controlling shareholder, Mark Wee's experience and network in the hospitality and wellness industry.

4.2 Value creation and impact of the Proposed Disposals to our Company and our shareholders

The Proposed Disposals are expected to improve the financial position and earnings of our Company. As set out in **Sections 8.2** and **8.3** of Part A of this Circular, based on our audited consolidated financial position as at 31 December 2020 and assuming that the Proposed Disposals had been completed, the Proposed Disposals are expected to improve our NA from RM1,861.63 million to RM1,960.39 million and reduce our gearing level from 0.07 times to 0.06 times; while recording a total gain of RM96.71 million (which translates into an EPS of 29.61 sen based on the existing number of issued Landmarks Shares).

Even though the mode of satisfaction is not via cash which could have had a direct positive impact on the cash position of our Group, our Group is able to realise a gain in value of the disposal of the Subject Properties even at such challenging market conditions, in particular for the hospitality and tourism industries facing disruption from the COVID-19 pandemic.

Further, the satisfaction of the Disposal Considerations of RM63.40 million in Consideration Shares allows our Group to hold an associate stake in Blumont. Coupled with the net proceeds expected to be raised from Blumont's Proposed Rights Issue, among others, to operate Natra Bintan Hotel and develop the lands of the Target Companies, holding the Consideration Shares would in turn benefit our Group in the long term as our Group will be able to derive future earnings from Blumont via contribution from investment in associate, in addition to the earnings recognised from the joint venture companies (i.e. Prime, Mesawak and Enggano) upon completion of the development of the vacant lands. The rationale and benefit of holding the Consideration Shares is further justified in **Section 7.2** of Part A of this Circular. In comparison to cash consideration based on Blumont Group's cash and bank balances of SGD1.46 million as at 31 December 2021 based on their unaudited financial results, the satisfaction of the Disposal Consideration in Blumont Shares allows Blumont to preserve its cash flow which provides additional flexibility for Blumont's intended use.

Although there is no assurance that Blumont Group will be able to thrive in the hospitality and wellness industry which is currently facing challenging business and operational disruption due to COVID-19 pandemic, the Proposed Disposals represent an exchange of illiquid real estate investments for tradable shares which are more liquid in nature and are more likely to be accepted as securities for financing as Blumont Shares are traded on SGX.

As Treasure Bay Bintan was significantly affected by the COVID-19 pandemic due to the closure of international borders, all the development plans for 2020 had to be put on hold. Further, the continuing slowing down of the world economy which is worsened by the COVID-19 pandemic resulted in financial institutions tightening the requirements for the granting of banking financing and credit facilities which has delayed the implementation of our Group's development plans. This led to our Group's decision to seek strategic partners to jointly develop the vacant lands from the Proposed Disposals to manage our cash flow. At the same time, Landmarks' associate stake in Blumont arising from the Consideration Shares and the appointment of a representative director nominated by TGPL as a director of Blumont would allow Landmarks' participation in the development concept of the vacant lands from the Proposed Disposals to be of strategic value to Treasure Bay Bintan and in line with Landmarks' development plan for our remaining substantial landbank in Treasure Bay Bintan.

Further, the basis of the Disposal Considerations is arrived at after taking into consideration the total investment value as the method of valuation of the Subject Properties, which is higher than the total market value. Hence, the Disposal Considerations are in fact more favourable to our Group in the midst of the ongoing pandemic.

The opportunities for value creation from the Proposed Disposals stemmed from the intention of Blumont Group to co-develop the vacant lands from the Proposed Disposals as it seeks its shareholders' approval to diversify into hospitality and wellness business. Based on Blumont's Acquisition Announcement, the Target Companies hold assets which have the potential for development into an integrated resort with parks. However, the business arrangements of this joint-development with our Group have yet to be finalised as the proposed development is still at preliminary stages. Hence, the commencement and completion date as well as the expected gross development cost cannot be determined at this juncture. Any approvals required for the said proposed development will be sought in due course.

Our Group is also expected to contribute 40% of the development cost which is based on our remaining equity interest in Prime, Enggano and Mesawak. Further, subject to fulfilment of the approvals required for Blumont's Proposed Rights Issue, Blumont's Proposed Rights Issue is expected to raise net proceeds of approximately SGD6.50 million (equivalent to approximately RM20.0 million) of which 75% is intended to be used to operate Natra Bintan Hotel and develop the lands of the Target Companies upon completion of the acquisition. As and when necessary and deemed appropriate, funding from other avenues such as bank financing and other fund-raising activities may be sourced. In addition, Blumont can leverage on its exposure and experience in its associate company, Labrador Hill Pte Ltd, a hotel and restaurant operator and expertise of its controlling shareholder, Mark Wee's experience and network in the hospitality and wellness industry.

Blumont's investment in the development of the vacant lands from the Proposed Disposals is anticipated to accelerate the development of Chill Cove and such enhancement to the surrounding area will attract more tourists to visit Chill Cove which should result in a positive spill over to ANMON's occupancy rate. Further, the increase in tourist traffic would in turn attract investment interest or strategic partners with the necessary expertise, experience and funding to jointly develop and accelerate the development of Chill Cove with us on Landmarks Group's remaining lands surrounding Chill Cove. This should provide a viable and sustainable platform on which Landmarks can undertake the development of our remaining substantial landbank in Treasure Bay Bintan. Hence, the said value creation from the Proposed Disposals may be realised in the mid to long term for Landmarks.

4.3 Adequacy of the Proposed Disposals in addressing our Company's financial concern

Our Group has been proactively reviewing the business plan and streamlining our operating cost just before the onset of the COVID-19 pandemic in April 2020. With the disposal of 51% equity interest in Mendol in December 2020, our Group was able to lower the operating losses incurred in Treasure Bay Bintan. However, with the ceasing in operations of The Andaman Resort in early-2021, our Group still needs to carry out further cost rationalisation exercise to minimise our operating costs.

Upon completion of the Proposed Disposals, the operating costs incurred by Mendol Group and Hinako Group will not be consolidated to our Group's expenses, while the operating costs from Prime Group, Enggano Group and Mesawak Group will be reduced to 40% based on our equity interest. Hence, the Proposed Disposals to a certain extent are able to minimise further incurrence of losses to our Group.

As at 30 September 2021, our Group's net cash used in operating activities amounts to RM33.14 million which takes up 74.54% of our Group's net decrease in cash and cash equivalents of RM44.58 million, resulting in a cash position of RM12.20 million, a 77.72% decrease from 1 January 2021. With the Proposed Disposals, our Group will be able to streamline our operating cost by minimising cash outflow in the Target Companies to maintain our Group's positive cash position. Further, the Proposed Disposals would allow our Group to preserve our cash flow requirements in the immediate term as an Affected Listed Issuer. With the Consideration Shares, our Group also has more flexibility in fundraising via the Consideration Shares which are tradable on SGX as opposed to the limited options of fundraising via real estate investments.

After due consideration, our Board is of the opinion that in the face of unprecedented challenges to our Group brought on by the COVID-19 pandemic and being an Affected Listed Issuer, the Proposed Disposals provide a balance in preserving our cash flow from incurring further operation costs in the Target Companies while recognising an estimated gain of RM96.71 million, at the same time allowing our Group to spread out part of the development cost to Blumont and capitalise on post-pandemic tourism demands upon completion of the development of the vacant lands from the Proposed Disposals from our equity participation in Blumont and in the 40% Target Companies.

Premised on the above, the Proposed Disposals are deemed as an appropriate measure to allow our Group to manage our cash flow for business operational needs in the face of the ongoing COVID-19 pandemic and the restoration of The Andaman Resort which is expected to begin in 2nd quarter 2022. Nonetheless, the Proposed Disposals are not expected to adequately address our financial concern to regularise our Company's Affected Listed Issuer status. Whilst our Company is still evaluating on various options available to regularise our Company's Affected Listed Issuer status, our Board is of the view that the Proposed Disposals are in line with our Company's objective on cost rationalisation which should partially address our Group's current financial concerns.

5. IMPACT OF COVID-19 ON THE FINANCIAL AND OPERATION OF LANDMARKS GROUP

Due to the outbreak of the COVID-19 in Malaysia, the Prime Minister of Malaysia has announced the enforcement of the Movement Control Order ("**MCO**") under the provisions of the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967, which comes into force on 18 March 2020. Following the imposition of MCO, the Ministry of Tourism, Arts and Culture has taken pre-emptive actions which includes the cancellation of Visit Malaysia Campaign 2020 ("**VM2020**") with immediate effect as in line with the impact of COVID-19 outbreak which has profoundly affected the tourism sector in Malaysia and the whole world.

Since March 2020, the Government of Malaysia ("**Government**") has imposed various stages of nationwide movement restrictions to curb the spread of COVID-19, namely MCO, Conditional MCO, Recovery MCO and Enhanced MCO, depending on the severity of the COVID-19 infections in each state, federal territory and area, and subsequently moved into the National Recovery Plan.

The implementation of the MCO in Malaysia and the closure of international borders to contain the virus outbreak have affected people's movements and activities, particularly in tourism-related sub-sectors. Most countries had been implementing lockdown or movement control, travel restriction and border closure measures leading to flight cancellations. All these have resulted in massive reductions on both business and leisure travelling leading to cancellation of resort bookings. Our Group has not been spared from the effects of the economic downturn caused by the COVID-19 pandemic.

As a result of COVID-19 pandemic, our Group has experienced major slowdown of business due to the disruptive stop-and-start of the economy encountered since 2020. The outbreak of the COVID-19 since January 2020 has led to a significant disruption of travel volumes and hotel occupancies throughout Malaysia and Indonesia due to travel restrictions and closure of international borders. Confronted by the steep decline in guests and bookings, our Group made an announcement on 1 April 2020 to close the operations of our resorts in Malaysia and Bintan temporarily.

The Andaman was temporarily closed from 1 April 2020 to 1 July 2020 and again from 11 November 2020 to 7 December 2020 due to the MCO implemented by the Government. The Andaman, which relied heavily on foreign tourists which are affected by flight cancellations and border closures, had experienced major cancellation of bookings by guests. The Andaman's occupancy dropped by 45.8% from AOR of 74.5% in 2019 to 28.7% in 2020. Its revenue dropped by 62.9% from RM76.10 million in 2019 to RM28.22 million in 2020, while its gross operating profit decreased by 97.8% from RM28.50 million in 2019 to RM0.62 million in 2020. Thereafter, on 13 January 2021, our Board announced that a major fire incident had occurred at The Andaman and since then The Andaman has not been in operation.

Both our resorts located in Bintan also suffered from the disruptive impact of the COVID-19 pandemic and was temporary closed from April 2020 to June 2020. Further, business remains slow in Treasure Bay Bintan as it relies mostly on tourists from Singapore, which has yet to open its borders for the Singaporeans and other foreign visitors travelling to Bintan in the past 2 years. This resulted in Natra Bintan Hotel's AOR dropped from 54.2% in 2019 to 9.7% in 2020. Its revenue dropped by 84.2% from RM20.19 million in 2019 to RM3.20 million in 2020, while the said hotel suffered gross operating loss of RM3.17 million, as compared to gross operating profit of RM4.82 million in 2019. The business of ANMON, which had just started operating in September 2019, was immediately affected by the disruptive impact of the COVID-19 pandemic. ANMON's AOR was at 22.4% in 2020 and recorded a gross operating loss of RM0.49 million.

In view of the closure of international borders, our Group has re-focused on sales and marketing plans to drive demand and business from the local and domestic market. Measures to follow the safety and health standard operating procedures (SOPs) implemented by the Government of Malaysia, Indonesia and Singapore are also in place in all our resorts and offices.

In addition to our prudent implementation of cost control measures, various incentives were also provided by the governments. In Malaysia, the government rolled out several economic stimulus measures to support businesses and strengthen the ailing economy. Our Group received government financial aid of RM43,200 from Malaysia government for Landmarks Berhad, SGD 244,529 from Singapore government for Bay Development Services Pte Ltd and IDR1,124,296,220 and IDR 397,894,232 for Indonesia (PT Bintan Hotel Utama and PT Fordate Estate Villa, respectively). Further, due to COVID-19 pandemic, the landlord of Treasure Bay Bintan's main entrance building has waived RM1.2 million from rental during the 3rd quarter of 2020.

In 2021, the surge in variants of concern in particular, COVID-19 Delta variant around the globe has again impacted the hospitality industry severely especially in the Asia region where vaccination rate remained relatively low, as compared to the western countries. International borders remained closed for leisure travelling and governments are still implementing strict movement control and lockdown of economy activities.

Our resorts in Bintan were also temporarily closed for a week in 2021. In view of the worsening COVID-19 pandemic situation, our management has further tightened the operation cost in Treasure Bay Bintan. Subsequently in the same year, the advent of new COVID-19 variants like Omicron has seen governments around the world taking precautionary measures to control the spread. However, the increasing vaccination rate around the world and improvement of treatment options being made available against COVID-19 encouraged countries to open their borders for business and tourism travelling. This can be seen from the travel bubble between Singapore and Bintan which has started on 25 February 2022. Please refer to **Section 6.3** of Part A of this Circular for further information on the development of COVID-19's impact on the prospects of our Group.

6. INDUSTRY OVERVIEW AND PROSPECTS

6.1 Overview and outlook of the Malaysian economy

The Malaysian economy experienced the full adverse impact of the COVID-19 pandemic in 2020, with real gross domestic product (GDP) contracting by 5.6%. However, signs of recovery emerged in late 2020, followed by a significant increase in GDP growth of 16.1% in the second quarter of 2021 compared to a plunge of 17.2% in the corresponding quarter in 2020. The growth was attributed to the low base effect, recovery in external demand and the gradual reopening of economic sectors amid various movement control orders (MCOs) to contain the viral infections.

Considering various levels of MCOs following the emergence of new COVID-19 variants in the third quarter, the economy is anticipated to expand between 3% and 4% in 2021. In 2022, the Malaysian economy is expected to strengthen between 5.5% and 6.5%, supported by significant improvement in global trade, stabilised commodity prices, containment of the pandemic, and gradual improvement in consumer and business sentiments. The 2022 Budget will advance measures to further drive economic recovery, enhance the nation's resilience, catalyse nationwide reforms and improve public service delivery.

(Source: Economic Outlook 2022, Ministry of Finance Malaysia)

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%). Growth was supported mainly by an improvement in domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan (NRP). The improvement also reflected recovery in the labour market as well as continued policy support. In addition, strong external demand amid the continued upcycle in global technology provided a further lift to growth.

On the supply side, all economic sectors recorded improvements in growth, led by the services and manufacturing sectors. On the demand side, growth was driven by higher consumption and trade activity. On a quarter-on-quarter seasonally adjusted basis, the economy registered an increase of 6.6% (3Q 2021: -3.6%).
For 2022, the Malaysian economy is expected to remain on its recovery path. Growth will be supported by the continued expansion in global demand and higher private sector expenditure given improving labour market conditions and ongoing policy support. Furthermore, the continuation of major investment projects in both private and public sectors will lend support to growth.

The balance of risks remains tilted to the downside due to external and domestic factors. These include weaker-than-expected global growth, a worsening in supply chain disruptions, and the emergence of severe and vaccine resistant COVID-19 variants of concern.

(Source: Quarterly Bulletin for the 4th Quarter of 2021, Bank Negara Malaysia)

6.2 Overview and outlook of the Malaysian tourism, leisure and hospitality industry

The services sector will benefit from the pent-up demand, following increased business and consumer confidence as the nation records a high national vaccination rate. As economic and social activities are allowed to operate, the services sector is expected to expand by 7% in 2022. The growth is mainly driven by wholesale and retail trade; information and communications; finance and insurance; transportation and storage; and food & beverages and accommodation subsectors. With these encouraging developments, the tourism industry is projected to rebound strongly by 28.9% with the resurgence of tourists arrivals and domestic tourism.

Tourism is one of the major contributors to economic growth. In 2019, the tourism industry continued to maintain its strong growth momentum, contributing 15.9% to GDP or RM240.2 billion (Department of Statistics Malaysia, 2020). Malaysia was ranked 14th in the world for tourist arrivals and 23rd for tourism receipts (World Tourism Organization, 2019). However, the COVID-19 pandemic has severely impacted the tourism industry, mainly due to worldwide travel bans, travel risk aversion and border closures. The unexpected decline in tourist arrivals, which fell significantly by 83.4% to 4.3 million, and a decrease of 85.3% in tourist receipts to RM12.7 billion in 2020 have adversely affected the tourism-related industries. Thus, the contribution of gross value added of tourism industries to GDP fell to RM199.4 billion or 14.1% to GDP in 2020 (Department of Statistics Malaysia, 2021). The bleak prospects continued in 2021. As of June 2021, tourist arrivals fell by 98.8% to 50,613 tourists (January – June 2020: -68.2%; 4.3 million tourists), while tourist receipts contracted by 99.4% to RM80.2 million (January – June 2020: -69.8%; RM12.7 billion)

The Malaysian Association of Hotels quotes that the revenue loss by the hotel industry amounted to RM6.5 billion in 2020. The average occupancy rate and average daily rate in 2020 declined to 27.5% and RM196.69, respectively (2019: 64.5% and RM223.48). While the industry's recovery depends on the relaxation of borders and travel restrictions, it also depends on innovative solutions to help the industry weather the crisis.

When the COVID-19 pandemic hit Malaysia, the services sector was the most badly impacted sector in 2020, with a contraction of 5.5%. Of this significant decline, the tourism industry was the worst-hit industry, with Gross Value Added of Tourism Industries contracted by 17.1% as tourist arrivals plunged by more than 80% due to worldwide travel bans and strict domestic movement restrictions. In addition, employment in the tourism industry contracted by 2.9% to 3.5 million. Since the tourism industry made up 24.4% of the services sector in 2020, the scarring effect of the tourism industry has continued to weigh on the performance of the services sector in 2021. As the pandemic continues to spread and movement restrictions continue to be imposed in 2021, the tourism industry is estimated to contract further by 19.5%.

As the number of new COVID-19 cases was trending up towards the end of 2020, the Government reimplemented the MCO starting January 2021 but with less strict standard operating procedures (SOPs) than the MCO 1.0. Hence, the services sector rose by 4.8% in the first half of 2021, mainly supported by the wholesale and retail trade; finance and insurance; and information and communication subsectors. The improved performance is attributed to the reopening of more services subsectors and relaxation of the MCOs, especially for businesses providing essential items. This was further supported by an increase in online transactions and payments. On the other hand, the food & beverages and accommodation subsector declined significantly due to movement restrictions which affected the tourism-related activities, despite a steady demand for online food purchases. The services sector is estimated to grow by 0.7% in the second half of the year, supported by the gradual opening of the economy. Overall, the sector is projected to grow by 2.6% in 2021, with most subsectors recording positive growth.

(Source: Economic Outlook 2022, Ministry of Finance Malaysia)

6.3 Prospects of Landmarks Group

The recent spike in new COVID-19 cases and the advent of new variants like Omicron has seen governments around the world taking precautionary measures to control the spread. This has dampened the relaxation of border controls and opening up of most economies worldwide. Even though the Omicron variant becoming endemic which may cause less severe disease, the public are generally wary of being infected and are minimising travelling and social activities which in turn has negatively impacted the tourism and hospitality industry. However, the increasing vaccination rate around the world and improvement of treatment options being made available against COVID-19 have encouraged countries to open their borders for business and tourism travelling.

The travel bubble between Singapore and Bintan has started on 25 February 2022. This will allow travelers between the 2 destinations to enter the designated bubble area without the need to quarantine. Active cooperation with the local government in promoting Bintan both Indonesia and Singapore has seen some positive impacts to the resorts and tourism industry. Even though we have yet to see the volume of arrival of Singapore tourists rise as in the heydays, our resorts in Treasure Bay Bintan have experienced an increase in both occupancy and room rate recently from domestic guests. More efforts will be put in by management to attract visitors to our resorts in Treasure Bay Bintan. Strict SOPs are in place to safeguard the well-being and safety of our visitors and staff and we at Treasure Bay Bintan are ready to welcome the international guests when the demand starts picking up.

Landmarks, as an Affected Listed Issuer and as a result of consequence to the fire incident at the Andaman on 13 January 2021, our Group faced difficulty in raising funds via the capital market or the bank borrowings due to our current status. Nonetheless, our Group is making good progress for application of new loans from financial institutions for the reconstruction of the Andaman. Further, the design of the new resorts in Langkawi is also in progress and the construction is expected to commence in 2nd quarter of 2022. The rebuilding and restoration process of the new resorts will take approximately 24 to 36 months to complete.

Upon completion of the Proposed Disposals and with the associate stake in Blumont, our Group is optimistic that our Group will be able to derive future earnings from Blumont as well as to reap the benefit of the potential earnings from the remaining Target Companies namely the 40% equity interest in Prime, Mesawak and Enggano in the medium to long term basis. In addition, our Group will continue to carry out our cost control and rationalisation programs and take further steps to improve and manage our Group's cashflow. Our Company is actively exploring and evaluating on all available options to regularise our Company's Affected Listed Issuer status.

7. RISK FACTORS

7.1 Completion risk

There is a possibility that the Proposed Disposals may not be completed due to failure in fulfilling the conditions precedent within the timeframe prescribed in the SSAs. Moreover, the Proposed Disposals are conditional upon approvals of the relevant authorities on the listing of and quotation for the Consideration Shares on the Main Board of SGX and approvals for the acquisition of the Target Companies from the shareholders of Blumont at an extraordinary general meeting to be convened. In the event that the conditions precedent are not fulfilled or waived, the SSAs will lapse and our Company will not be able to complete the Proposed Disposals.

There can be no assurance that the conditions precedent can be fulfilled. In order to mitigate this risk, the management of our Company will use its best endeavours and take reasonable steps to ensure the conditions precedent are fulfilled and the Proposed Disposals are completed in a timely manner.

7.2 Capital market risk

Blumont Shares are listed and quoted on the SGX.

As detailed under **Section 3** of **Appendix VI** of this Circular, before the Proposed Disposals, a total of 80.86% of Blumont Shares are closely-held by its substantial shareholders, namely Mark Wee and Ultimate Horizon Pte Ltd. This could indicate low liquidity in Blumont Shares and more time and effort may be required to identify buyers should Landmarks decide to raise funds through the disposal of some of our shareholdings in Blumont.

The performance of the SGX and investors' sentiment are, to a certain extent, dependent on external factors (such as performances of the regional and global stock exchanges and the flows of foreign funds) and internal factors (such as economic and political conditions in Singapore). These external and internal factors constantly contribute to the volatility of trading volume and prices of the SGX and these add risk to future volatility of the market price of Consideration Shares held by our Group. As set out in **Section 2.1.10** of Part A of this Circular, Blumont Shares were trading at SGD0.0041 for the 5-day VWAMP up to and including the LTD. Hence, there can be no assurance that the share price of Blumont would continue to maintain at the Issue Price of SGD0.005. As such, there is no assurance on the value of the Consideration Shares at the point in time should Landmarks wish to leverage the Consideration Shares as security for borrowings and whether it is acceptable by the financial institutions as collateral.

Nonetheless, with Blumont's proposed diversification of business into hospitality and wellness business, this creates fresh business opportunities and an alternate revenue stream for Blumont Group which could enhance shareholder's value to increase the marketability and pledgeability of Blumont Shares. Further, upon completion of the Proposed Disposals, the shareholdings of Mark Wee and Ultimate Horizon Pte Ltd in Blumont will be diluted to 51.55%. With the potential marketability of Blumont Shares to attract external investors, our Company will have the option of retaining an economic interest in the Target Companies, providing security for borrowings or raising funds through the disposal of some of our 29.32% shareholdings in Blumont as and when the need arises. Our Group will also monitor the financial performance and share price movement of Blumont in order to make the necessary investment decision on Blumont Shares. At the same time, our Group will continuously monitor and review our gearing level, interest costs and cash flows to ensure an overall optimal capital structure.

7.3 Investment risks

In view of the rationale of the Proposed Disposals as set out in **Section 4** of Part A of this Circular, the Consideration Shares to be held by Landmarks are expected to contribute positively to the future performance of the enlarged Landmarks Group in the long run as Landmarks Group will be able to derive future earnings of Blumont via contribution from investment in associate.

Blumont Group's revenue mainly derived from the contract sterilisation and polymerisation services which has contributed to PBT of SGD2.07 million, SGD1.90 million and SGD1.31 million for the past 3 audited FYEs 31 December 2018, 2019 and 2020 respectively. The outbreak of COVID-19 has caused the occurrence of a multitude of associated events such as temporary closure of businesses, travel restrictions and implementation of quarantine measures across the globe. These measures and policies that affected supply chains, the production of goods and services and economic activity, are likely to be the factors resulting in a reduced demand for Blumont Group's goods and services. With the waning impact of COVID-19, the performance of the sterilisation segment of Blumont Group has improved during the unaudited FYE 31 December 2021 with the sterilisation segment contributing PBT of SGD1.72 million, an increase of 31.32% from the preceding FYE.

Notwithstanding the precedented PBT contributed from the sterilisation segment as seen above, there is no assurance that the sterilisation segment will be able to generate sufficient returns in view of potential business risk in the sterilisation business which Landmarks could be exposed to upon completion of the Proposed Disposals. Whilst, Blumont would be exposed to the inherent risk in the tourism industry upon completion of the Proposed Disposals.

For illustrative purposes, assuming that the acquisition of the Target Companies by Blumont had been completed on 31 December 2020, being the end of the most recently completed and audited financial year of Blumont Group, the pro forma effects on the net tangible assets attributable to the owners of Blumont ("**NTA**") and NTA per Blumont Share based on the audited financial statements of Blumont Group and the audited consolidated financial statements of the respective Target Companies for the FYE 31 December 2020, are as follows:

	[a]As at 31 December 2020	**After the acquisition of the Target Companies**
	SGD'000	**SGD'000**
NTA	2,983	[b]78,718
No. of Blumont Shares (**'000**)	27,570,762	[c]43,243,441
NTA per Blumont Share (**cents**)[d]	0.01	0.18

Notes:

(a) *Extracted from the latest audited consolidated financial statements of Blumont for the FYE 31 December 2020 and before the acquisition of the Target Companies.*

(b) *After taking into consideration the total asset that will be capitalised into Blumont Group upon acquisition of the Target Companies which is computed based on the audited consolidated NTA of the respective Target Companies as at 31 December 2020 and estimated fair value to be capitalised.*

(c) *After taking into consideration the following:*

  (i) *12,680,116,600 Consideration Shares to be issued to TGPL pursuant to the Proposed Disposals; and* *(ii)* *2,992,562,000 new Blumont Shares to be issued to other Mendol Sellers (excluding TGPL) pursuant to the disposal of 51% equity interest in Mendol.*

(d) *Calculated based on NTA over total number of Blumont Shares.*

Further, subject to fulfilment of the approvals required for Blumont's Proposed Rights Issue, 15% of the net proceeds raised from Blumont's Proposed Rights Issue is intended for loan repayment, on the assumption that the acquisition of the Target Companies is completed. The loan repayment may be able to improve Blumont's current ratio and gearing. Please refer to **Section 7** of **Appendix VI** of this Circular for further information on Blumont Group's historical financial information.

On the other hand, no additional risk exposure would be contributed by Blumont with its proposed diversification into hospitality and wellness in view that Landmarks Group is subject to the same risk in the hospitality industry. As with all hospitality and wellness businesses, both Landmarks and Blumont would be subject to risk arising from COVID-19.

There can be no assurance as all businesses are subject to its own business risk. Our Group will continuously monitor the development of the tourism and hospitality industry in Indonesia and shall take necessary steps to address such risks as they arise through our participation in the joint-development with Blumont on the vacant lands acquired through the Proposed Disposals as well as via our representative director to be appointed on the board of directors of Blumont. Although our associate stake in Blumont arising from the Proposed Disposals would allow Landmarks Group to diversify our investment profile, we will also continuously monitor the developments of the industries related to Blumont and the financial performance of Blumont to make the necessary investment decision on Blumont Shares.

7.4 Foreign exchange and translation risk

The Consideration Shares will be traded in SGD on the SGX and fluctuations in the exchange rate between the SGD and RM may result in foreign currency translation differences when accounting for the future earnings of Blumont via contribution from investment in associate. No assurance can be given that any future exchange rate fluctuations or changes in foreign exchange control regulations will not affect Landmarks Group's financial position or cash flows.

Although our Group does not engage in foreign currency hedging on its foreign currency exposures but our Group monitors these exposures on an ongoing basis. However, whenever deemed appropriate, our Group will take the necessary steps to minimise exchange rate exposures.

7.5 Loss of potentially higher capital value

The Disposal Considerations are based on, amongst others, investment values as appraised by the Valuer. Effecting the Proposed Disposals at this juncture could result in our Group not realising a potentially higher value from the Target Companies if they were disposed later. Nonetheless, the Proposed Disposals are undertaken based on the rationale set out in **Section 4** of Part A of this Circular. There can be no assurance or guarantee that our Group can source for ready buyers for the Target Companies in the future and there is no assurance for them to dispose the said companies at a higher value. Nonetheless, the Proposed Disposals will still result in a gain on disposal for our Group as detailed in **Section 8.3** of Part A of this Circular.

8. EFFECTS OF THE PROPOSED DISPOSALS

8.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Disposals will not have any effect on the issued share capital and substantial shareholders' shareholdings of our Company as it does not involve any issuance of new shares by our Company.

8.2 NA and gearing

For illustrative purposes, the pro forma effects on the NA and gearing of Landmarks Group, based on the latest audited consolidated financial statements of Landmarks for the FYE 31 December 2020, are as follows:

	(a)As at 31 December 2020	After the Proposed Disposals
	RM'000	**RM'000**
Share capital	746,384	746,384
Reserves	(4,301)	(2,969)
Retained earnings	1,119,551	(b)1,216,264
Equity attributable to owners of our Company	**1,861,634**	**1,959,679**
Non-controlling interests	713	713
Shareholders' funds / NA	**1,862,347**	**1,960,392**
No. of Landmarks Shares (**'000**)	537,417	537,417
NA per Landmarks Share (**RM**)(c)	3.46	3.65
Total borrowings (**RM'000**)	125,776	125,776
Gearing ratio (**times**)(d)	0.07	0.06

Notes:

(a) *Extracted from the latest audited consolidated financial statements of Landmarks for the FYE 31 December 2020.*

(b) *The Proposed Disposals are expected to result in an estimated total gain of RM96.71 million to Landmarks based on the Disposal Considerations received, after taking into consideration the carrying value of the Target Companies and the estimated expenses in relation to the Proposed Disposals of approximately RM1.70 million. Please refer to Note (b) in Section 8.3 of Part A of this Circular.*

(c) *Calculated based on NA over total number of Landmarks Shares.*

(d) *Calculated based on total borrowings over NA.*

8.3 Earnings and EPS

For illustrative purposes, assuming the Proposed Disposals had been completed at the beginning of the FYE 31 December 2020, the pro forma consolidated earnings and EPS of Landmarks for the FYE 31 December 2020 would be as follows:

	(a)As at 31 December 2020	After the Proposed Disposals
	RM'000	**RM'000**
PAT attributable to owners of our Company	62,414	62,414
Add: estimated gain on disposal in relation to the Proposed Disposals	-	(b)96,713
Pro forma PAT attributable to owners of our Company	**62,414**	**159,127**

	[(a)] As at 31 December 2020	After the Proposed Disposals
	RM'000	**RM'000**
No. of Landmarks Shares (**'000**)	537,417	537,417
EPS (**sen**)[(c)]	11.61	29.61

Notes:

(a) *Extracted from the latest audited consolidated financial statements of Landmarks for the FYE 31 December 2020.*

(b) *Assuming the Proposed Disposals are completed at the end of FYE 31 December 2020, the Proposed Disposals are expected to result in an estimated total gain of RM96.71 million. Details of which are set out below:*

	SGD'000	***RM'000 equivalent***
Disposal Considerations	*63,401*	*195,096*
Less:		
Carrying value of the Target Companies as at 31 December 2020	*(31,419)*	*(96,683)*
*Estimated expenses of the Proposed Disposals^*	*(552)*	*(1,700)*
Estimated gain on disposal	***31,430***	***96,713***

Note:

^ *The estimated expenses in relation to the Proposed Disposals of approximately RM1.70 million comprises of the following:*

Expenses	***RM' 000***
Professional fees	*1,388*
Fees payable to the relevant authorities	*25*
Cost of convening our EGM and printing of Circular to shareholders for the Proposed Disposals	*282*
Other miscellaneous expenses	*5*
Total	***1,700***

(c) *Calculated based on pro forma PAT attributable to owners of our Company over total number of Landmarks Shares.*

Save for Mendol which contributed 49% of its earnings of SGD0.10 million (equivalent to approximately RM0.31 million), the remaining Target Companies contributed total losses of SGD2.06 million (equivalent to approximately RM6.32 million) to our Group's earnings for the FYE 31 December 2020 as highlighted in the historical financial information of each of the Target Companies in **Section 9** of **Appendices I to V** of this Circular.

Upon completion of the Proposed Disposals and with the associate stake in Blumont, our Group will be able to derive future earnings from Blumont. In addition, our Group will still be able to reap the benefit of the potential earnings from the remaining Target Companies namely our remaining 40% equity interest in Prime, Enggano and Mesawak. Hence, Prime, Enggano and Mesawak shall cease to be a subsidiary and become a joint venture of our Group respectively.

8.4 Convertible securities

Save for the 59,037,200 outstanding ESOS Options, our Company does not have any other existing convertible securities as at the LPD.

9. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Disposals are subject to the approvals being obtained from the following:

(i) the non-interested shareholders of our Company at the EGM to be convened;

(ii) the shareholders of Blumont for the acquisition of the Target Companies and the issuance of the Consideration Shares; and

(iii) any other relevant authorities/parties, if required.

The Proposed Disposals are not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.

10. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Disposals pursuant to Paragraph 10.02(g) of the Listing Requirements is 10.48% calculated based on the Disposal Considerations against the audited consolidated NA of Landmarks as at 31 December 2020.

Pursuant to Paragraph 10.12(2) of the Listing Requirements, the highest aggregate percentage ratio after taking into consideration the disposal of 51% equity interest in Mendol which was completed on 23 December 2020 and the Proposed Disposals is 12.83%.

Separately, the highest percentage ratio applicable to the receipt of Consideration Shares pursuant to Paragraph 10.02(g) of the Listing Requirements is 10.48% calculated based on the Disposal Considerations against the audited consolidated NA of Landmarks as at 31 December 2020.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below in relation to the Proposed Disposals, none of the Directors, major shareholders of Landmarks and/or persons connected with them have any interest, directly and indirectly, in the Proposed Disposals:

Mark Wee is the Executive Deputy Chairman, Chief Executive Officer and substantial shareholder of Landmarks. The shareholdings of Mark Wee in Landmarks as at the LPD is as follows:

	Direct		**Indirect**	
Name	**No. of Landmarks Shares**	**[a]%**	**No. of Landmarks Shares**	**[a]%**
Mark Wee	86,230,494	12.84	[b]69,500,000	10.34

Notes:

(a) *The percentage of holding is based on the issued share capital of 671,514,131 ordinary shares as at LPD.*

(b) *Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Act.*

He is also the controlling shareholder of Blumont via his direct shareholdings in Blumont. The shareholdings of Mark Wee in Blumont as at 5 April 2021 is as follows:

	Direct		Indirect	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Mark Wee	14,162,024,558	51.37	-	-

Mark Wee has abstained and will continue to abstain from all deliberations and voting in relation to the Proposed Disposals at the relevant Board meetings. In addition, Mark Wee will also abstain from voting and/or undertake to ensure that persons connected with him (if any) will abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company on the ordinary resolution pertaining to the Proposed Disposals to be tabled at the forthcoming EGM to be convened.

12. TRANSACTION WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

Save as disclosed below, the recurrent related party transactions which are not subject to disclosure and/or shareholders' approval under the Listing Requirements and the Proposed Disposals, there are no other related party transactions entered into between Landmarks Group with Mark Wee as well as persons connected to him in the 12 months preceding the date of this Circular:

(i) Bay Development Services Pte Ltd, a wholly owned subsidiary of Landmarks had on 1 December 2020, entered into a consultancy agreement with Pathfinder Collective Pte Ltd for the provision of consultancy services, at a consultancy fee of SGD0.01 million (equivalent to approximately RM0.04 million based on the exchange rate of SGD1 : RM3.0910, being the prevailing exchange rate as at 5 p.m. on the LPD as published by BNM) per month for a duration of 2 years commencing from 1 December 2020. The shareholder of Pathfinder Collective Pte Ltd is Shaun Wee Wei San, who is the son of Mark Wee; and

(ii) TGPL had on 2 December 2020, entered into a conditional share sale agreement with Mark Wee to acquire 1 ordinary share in Solid Ally Investments Limited ("**Solid Ally**"), which in turn holds 99.9% equity interest in PT Buana Wisatama ("**PTBW**"), and 500 ordinary shares in PTBW, representing the remaining 0.1% equity interest in PTBW, for a total purchase consideration of SGD9.78 million (equivalent to approximately RM30.22 million based on the exchange rate of SGD1 : RM3.0910, being the prevailing exchange rate as at 5 p.m. on the LPD as published by BNM) to be satisfied through the issuance of 84,830,494 new Landmarks Share at an issue price of RM0.34 per Landmarks Share and a cash of SGD0.30 million (equivalent to approximately RM0.94 million based on the exchange rate of SGD1 : RM3.0910, being the prevailing exchange rate as at 5 p.m. on the LPD as published by BNM). The said acquisition was completed on 21 May 2021.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

Save for Mark Wee, the Board, having considered all aspects of the Proposed Disposals, including but not limited to the rationale, the salient terms of the SSAs, effects of the Proposed Disposals as well as the view of the Independent Adviser, is of the opinion that the Proposed Disposals are in the best interest of our Company.

Accordingly, our Board (save for the Interested Director) recommends that you **vote in favour** of the resolutions pertaining to the Proposed Disposals to be tabled at our forthcoming EGM.

14. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of our Company, after having considered all aspects of the Proposed Disposals, including but not limited to the rationale, the salient terms of the SSAs, effects of the Proposed Disposals as well as the views of the Independent Adviser, is of the opinion that the Proposed Disposals are:

(i) in the best interest of our Company;

(ii) fair, reasonable and on normal commercial terms; and

(iii) not detrimental to the interest of the non-interested shareholders of our Company.

15. ADVISERS

HLIB has been appointed as the Principal Adviser to our Company for the Proposed Disposals.

The Proposed Disposals are deemed to be related party transactions pursuant to Paragraph 10.08 of the Listing Requirements. Accordingly, Independent Adviser has been appointed to advise on the Proposed Disposals in accordance with the Listing Requirements to undertake the following in relation to the Proposed Disposals:

(i) comment as to whether the Proposed Disposals are fair and reasonable insofar as our non-interested shareholders are concerned and also whether the Proposed Disposals are to the detriment of our non-interested shareholders; and

(ii) advise our non-interested shareholders whether they should vote in favour of the Proposed Disposals.

16. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Disposals, there are no other outstanding corporate proposals which have been announced by our Company but pending completion before the printing of this Circular.

17. TENTATIVE TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the receipt of all the required approvals from the relevant parties and authorities, the Proposed Disposals are expected to be completed in the 2nd quarter of 2022.

The tentative time frame for the completion of the Proposed Disposals is set out below:

Date	Event
April 2022	EGM
June 2022	Completion of the Proposed Disposals

18. EGM

The EGM, the Notice of which is enclosed with this Circular, will be conducted virtually through live streaming and online voting using the Remote Participation and Voting ("**RPV**") facility from the broadcast venue at Tricor Leadership room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Friday, 8 April 2022 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification, the resolution to give effect to the Proposed Disposals.

If our shareholders are unable to participate and vote at the EGM, the shareholders are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid. Alternatively, the shareholders may also submit the form of proxy electronically via TIIH Online at website: https://tiih.online before the proxy appointment cut off time as mentioned above. For further information on the electronic lodgement of form of proxy, please refer to the Administrative Guide for the EGM of our Company. The Form of Proxy should be completed strictly in accordance with the instruction contained therein. The lodging of the Form of Proxy shall not preclude our shareholders from participating and voting remotely at the EGM should our shareholders subsequently wish to do so.

19. FURTHER INFORMATION

Shareholders are requested to refer to the enclosed appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
LANDMARKS BERHAD

BERNARD CHONG LIP TAU
Independent Non-Executive Director

PART B

INDEPENDENT ADVICE LETTER FROM FHCA IN RELATION TO THE PROPOSED DISPOSALS

EXECUTIVE SUMMARY

ALL DEFINITIONS USED IN THIS EXECUTIVE SUMMARY SHALL HAVE THE SAME MEANING AS THE WORDS AND EXPRESSIONS PROVIDED IN THE "DEFINITIONS" SECTION OF THE CIRCULAR, EXCEPT WHERE THE CONTEXT OTHERWISE REQUIRES OR WHERE OTHERWISE DEFINED IN THIS IAL.

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE PERTINENT INFORMATION OF THE PROPOSED DISPOSALS. NON-INTERESTED SHAREHOLDERS ARE ADVISED TO READ CAREFULLY THE CONTENTS OF THIS IAL IN ITS ENTIRETY FOR FURTHER INFORMATION AND THE RECOMMENDATIONS FROM FHCA, BEING THE IA IN RELATION TO THE PROPOSED DISPOSALS. THIS IAL SHOULD ALSO BE READ IN CONJUNCTION WITH THE CIRCULAR, INCLUDING THE APPENDICES THEREIN, FOR ANY OTHER RELEVANT INFORMATION BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSALS AT THE FORTHCOMING EGM OF THE COMPANY.

1. INTRODUCTION

On 1 October 2021, on behalf of Landmarks, HLIB announced that TGPL, an indirect wholly-owned subsidiary of the Company, had entered into the SSAs with Blumont for the Proposed Disposals.

The Proposed Disposals are deemed as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements as Mark Wee, being the Executive Deputy Chairman & Chief Executive Officer and substantial shareholder of Landmarks has direct or indirect interest in the Proposed Disposals as described in Section 11, Part A of the Circular. Accordingly, the Board had on 24 May 2021 appointed FHCA as the IA to advise the non-interested directors and non-interested shareholders of the Company in relation to the fairness and reasonableness of the Proposed Disposals.

The purpose of this IAL is to provide the non-interested shareholders of the Company with an independent evaluation on the fairness and reasonableness of the Proposed Disposals together with our recommendation thereon, subject to the scope and limitations of our role and evaluation specified in this IAL, in relation to the Proposed Disposals.

2. RATIONALE OF THE PROPOSED DISPOSALS

The rationale for the Proposed Disposals is as set out in Section 4, Part A of the Circular.

The Group is principally involved in hospitality and wellness, and resort and destination development. The Group's main hospitality assets consist of The Andaman, a luxury collection resort in Langkawi and Natra Bintan, a 5-star hotel at Treasure Bay Bintan. Other than the Natra Bintan, the activities at Treasure Bay Bintan comprises Chill Cove (an activity hub surrounding the Crystal Lagoon), ANMON (a desert inspired glamping concept for nomadic communities), Organic farm, Marine Life Discovery Park and prime land earmarked for hotel and resort development.

The Group had experienced major slowdown of business due to disruptive stop-and-start economy encountered since the start of COVID-19 pandemic. Most countries had been implementing lockdowns or movement control, travel restrictions and border closure measures leading to cancellation of travel plans. The cumulative measures have resulted in significant reductions in both business and leisure travelling affecting resort bookings. We also note that the current economic environment had been particularly harsh on the tourism sector of which is the Company's primary revenue generator.

Besides, Landmarks, as an Affected Listed Issuer ("**ALC**") and as a result of consequence to the fire incident at the Andaman on 13 January 2021, the Group will need to re-evaluate its cash flow requirement in the immediate term as an ALC. Further, the tourism industry had been badly affected by the on-going COVID-19 pandemic and has resulted in financing institutions tightening requirements for the granting of banking facilities. Moreover, with Landmarks being an ALC, the Group will have difficulty in raising funds via the capital market or bank borrowings for development to be undertaken in a foreign jurisdiction, i.e. Bintan, Indonesia. We note that the Proposed Disposals do not constitute a regularisation plan for Landmarks as an ALC. However, the value creation arising from the Proposed Disposals as discussed in this IAL, will allow Landmarks Group to focus on the redevelopment and reconstruction of the Andaman while simultaneously continue to benefit from the development of the Subject Properties, via its associate stake in Blumont. Blumont is also expected to be able to raise funds either via the capital market and/or bank borrowing in Singapore as Singaporean investors and financial institutions are more familiar with the economic condition and environment in Bintan, Indonesia, due to their geographical proximity.

As per the Company's latest quarterly results, the Company is also making good progress for new loans for the reconstruction of the Andaman whilst the design team had started work on designing the new resort and it is targeted to commence construction in the second quarter of 2022, of which the rebuilding and restoration process will take approximately 24 to 36 months. The Company is also open to joint-venture with other business partners as a last resort to co-develop and reconstruct the Andaman in the event that the new loans are not secured.

The Proposed Disposals would enable Landmarks Group to preserve significant cash outlay and reduce overhead cost, in particularly the capital expenditure required for the development of Enggano Land and Mesawak Land as well as the operational cost involving Natra Bintan Hotel and the Marine Park, while retaining an associate stake in Blumont via the Consideration Shares. The Consideration Shares can also be leveraged as security for borrowings or used to raise funds through its disposal as and when required by Landmarks.

The Proposed Disposals, involving approximately 13.5 hectares, will also enable the surrounding land to continue being developed by Blumont. Upon completion of the development by Blumont, the resort will start to attract other investment interests on Landmarks Group's remaining land surrounding Chill Cove, measuring some 38.5 hectares. This will in time, provide a sustainable platform on which Landmarks will be able to undertake the development of the remaining and substantial Treasure Bay Bintan landbank. Further, the Proposed Disposals presents an opportunity for Landmarks Group to realise its investment in the Target Companies at a reasonable price (which will be discussed in Section 6.1 of this IAL) notwithstanding the current weak property market sentiment based on the current market valuation as appraised by the Valuer. In addition, the Proposed Disposals will strengthen Landmarks Group's NA with the recognition of RM96.71 million gain on disposal as highlighted in Section 8.3, Part A of the Circular.

Notwithstanding the above, the justification in receiving Blumont Shares as the disposal consideration instead of cash are as follows:-

1. Positive chain of event arising from the development of the Subject Properties:
2. Maximisation of land value; and
3. Blumont to preserve cash.

Premised on the above, we are of the opinion that the rationale for the Proposed Disposals is reasonable and not detrimental to the interests of the non-interested shareholders of the Company.

3. EVALUATION OF THE PROPOSED DISPOSALS

3.1 JUSTIFICATION FOR THE DISPOSAL CONSIDERATION

The Disposal Considerations were arrived at on a willing buyer and willing seller basis after taking into consideration the following, amongst others:

i) The rationale of the Proposed Disposals as set out in Section 4, Part A of the Circular;

ii) The market value and investment value of the Subject Properties of SGD68.58 million (equivalent to approximately RM213.79 million) and SDG98.41 million (equivalent to approximately RM305.18 million) respectively as appraised by the Valuer; and

iii) The adjusted NA of Mendol Group, Hinako Group, Prime Group, Enggano Group and Mesawak Group based on the management accounts as at 30 June 2021 of SGD63.80 million (equivalent to approximately RM196.31 million after taking into consideration the investment value of the Subject Properties of the Target Companies as well as the losses likely to be incurred due to the impact from the COVID-19 pandemic pending the completion of SSAs.

In establishing our opinion on the fairness and reasonableness of the Disposal Considerations, FHCA had considered various methodologies, which are commonly used for valuation of companies, taking into consideration the Target Companies' future earnings generating capabilities, projected future cash flows, its sustainability as well as various business consideration and risk factors affecting its businesses.

In evaluating and arriving at the valuation of the Target Companies, we are of the opinion that the asset-based valuation methodology, i.e., the RNAV methodology, is the most suitable valuation methodology as it will more accurately reflect the value of the Target Companies based on its underlying assets which are the Subject Properties that have yet to be revalued

The RNAV is adjusted to take into consideration the valuation on the Subject Properties prepared by Valuer to reflect the fair market value of the Subject Properties. Computation of the RNAV is as follows:

Target Companies / Descriptions	Mendol SGD'000	Hinako SGD'000	Prime SGD'000	Enggano SGD'000	Mesawak SGD'000
NA as at 30 June 2021 [1][6]	2,356 [2]	822	2,798 [3]	309	166
Add: fair value adjustment for the Subject Properties [4][5][6]	12,177	12,893	12,228	12,709	6,911
RNAV	**14,533**	**13,715**	**15,026**	**13,018**	**7,077**
Total value	**SGD 63,369** (*Equivalent to approximately RM195.00 million*)				

Notes:

[1] Based on the management accounts of the Target Companies as at 30 June 2021, on the assumption that shareholder loan owing by Hinako, Prime, Enggano and Mesawak to TGPL has been capitalised as well as other incidental costs to be incurred to ensure that the ownership of the Subject Properties are in place prior to the completion of the Proposed Disposals.

[2] The NA for Mendol as at 30 June 2021 has taken into consideration the expected operation losses to be incurred from July 2021 to December 2021.

[3] Other than the capitalization of shareholder loan owing to TGPL, the NA for Prime as at 30 June 2021 has taken into consideration the acquisition of new fixed assets.

[4] Computed based on the investment values of the Subject Properties as set out in the Valuation Certificates and the NBV of the Subject Properties as at 30 June 2021 (on the assumption that the Subject Properties are in place). Our comments on the market value and investment value of the Subject Properties are further discussed in the paragraphs below.

[5] There is no capital gain tax in Seychelles.

[6] 49% equity in Mendol, 100% equity interest in Hinako and 60% each in Prime, Enggano and Mesawak.

The RNAV derived based on investment value of approximately SGD63.40 million (*equivalent to approximately RM195.00 million*) is higher than the RNAV derived based on market value of approximately SGD45.73 million (*equivalent to approximately RM140.71 million*) and therefore is favourable to Landmarks as the Disposal Consideration approximate the value derived based on RNAV using the investment value appraised by the Valuer.

Further information on the evaluation of the Disposal Considerations is set out in Section 6.1 of this IAL.

3.2 JUSTIFICATION FOR THE ISSUE PRICE

In assessing the fairness and reasonableness of the issue price of SGD0.005 (equivalent to RM0.015) ("**Issue Price**") per Blumont Share to be issued pursuant to the Proposed Disposals, we have compared said Issue Price against the last transacted price as at LTD and the respective VWAP for five (5)-day, one (1)-month, three (3)-month, six (6)-month and twelve (12)-month up to LTD.

The Issue Price per Consideration Share to be issued pursuant to the Proposed Disposals, represent a premium of 22.0%, 6.4%, 8.7%, 11.1% and 6.4% over the VWAP for the one (1)-month, one (1)-month, three (3)-month, six (6)-month and twelve (12)-month up to LTD.

The Issue Price to be issued pursuant to the Proposed Disposals, represent a premium of 31.6% to the average closing price over the Review Period, discount of 37.5% over the maximum closing price during the Review Period and a premium of 400.0% over the minimum closing pricing during the Review Period.

Notwithstanding that the Issue Price is at the premium of 22.0% to the 5-day VWAMP of Blumont Shares up to and including the LTD, we are of the view that the Issue Price and the mode of settlement via the Consideration Shares are fair and reasonable and not detrimental to the non-interested shareholders of Landmarks premised on the followings:-

(i) With Landmarks securing an associate stake in Blumont arising from the Consideration Shares as well as Mark Wee's current shareholdings in Blumont, Landmarks and Blumont can jointly develop the vacant land pursuant to the Proposed Disposal. Moreover, with the appointment of a representative director nominated by TGPL as a director of Blumont, it would allow Landmarks' participation in the development concept of the vacant lands from the Proposed Disposals to be of strategic value to Treasure Bay Bintan. During the development phases undertaken by Blumont, it will likely attract other investment interests on Landmarks Group's remaining land surrounding Chill Cove, measuring some 38.5 hectares. This will in time, provide a sustainable platform on which Landmarks will be able to undertake the development of the remaining substantial Treasure Bay Bintan landbank;

(ii) We take note of Blumont's historical financials and we wish to highlight that the historical financial performance of Blumont may not be reflective of the future financial performance of Blumont. The future financial performance of Blumont is very dependent on, amongst other, the outlook of the tourism and hospitality industry in both Bintan (Indonesia) and Singapore and the opening of the aforementioned international borders as well as its ability to overcome various risks/ challenges prevalent in the business operations and the industry. The Proposed Disposals represent an exchange of illiquid real estate investment for tradable shares which are more liquid in nature and are more likely to be accepted as securities for financing as Blumont Shares are traded on SGX;

(iii) Blumont is not placed under the Watch-list where SGX will place an issuer on the Watch-list as part of ongoing efforts to improve the overall quality of listed companies in Singapore, and promote investor confidence of the marketplace;

(iv) The Issue Price is alleviated on the basis that the Disposal Considerations were derived based on the investment value of approximately RM305.18 million as the value of the lands are maximised under this basis of valuation and the investment value is a better reflection of the Disposal Considerations, as compared to the use of market value, which in fact has a lower value. Further in the prevailing section, it was noted that the RNAV of the Target Companies, using the market value as appraised by the Valuer, is approximately 27.9% lower than the Disposal Considerations; and

(v) Due to the on-going COVID-19 pandemic and the tightening the requirements for the granting of banking facilities, the Group will have difficulty in raising funds via the capital market or bank borrowings for development to be undertaken in a foreign jurisdiction. By having an associate stake in Blumont arising from the Proposed Disposals, Blumont will be able to raise funds either via the capital market and/or bank borrowing in Singapore.

Further information on the evaluation of the justification for the Issue Price is set out in Section 6.2 of this IAL.

3.3 SALIENT TERMS OF THE SSAS

We have reviewed the salient terms of the SSAs and based on our review, we are of the view that the overall terms and conditions of the SSAs are fair and reasonable and not detrimental to the non-interested shareholders of the Company.

Further information on the evaluation of the salient terms of the SSAs are set out in Section 6.3 of this IAL.

4. RISK FACTORS

We take note of the risk factors as disclosed in Section 7, Part A of the Circular.

As Landmarks is already involved in the hospitality and wellness, resort and destination development, the Group is already exposed to the risks associated with the tourism industry of which the Target Companies are also operating in.

We wish to highlight that although efforts and measures will be taken by the Group to mitigate the risks associated with the Proposed Disposals, no assurance can be given that one or a combination of the risk factors as stated in Section 7, Part A of the Circular will not occur and give rise to material and adverse impact on the business and operations of the Group, its financial performance, financial position or prospects thereon.

Further information on the evaluation of risk factors is set out in Section 7 of this IAL.

5. EFFECTS OF THE PROPOSED DISPOSALS

a. The Proposed Disposals will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company as it does not involve any issuance of new shares by the Company.

b. The Proposed Disposals will increase the NA of the Company whilst it's gearing ratio will decrease as the Proposed Disposals will result in an estimated total gain of RM96.71 million to Landmarks based on the Disposal Considerations.

c. Landmarks Group's EPS will increase as the Proposed Disposals are expected to result in an estimated total gain of RM96.71 million to Landmarks based on the Disposal Considerations received, after taking into consideration the carrying value of the Target Companies, the expenses which Landmarks Group has incurred for the development and operation of the assets involved in the Proposed Disposals.

Further information on the evaluation of the effects of the Proposed Disposals are set out in Section 8 of this IAL.

6. CONCLUSION AND RECOMMENDATION

Premised on our overall assessment of the Proposed Disposals, we are of the opinion that the Proposed Disposals are **fair and reasonable** and not detrimental to the interests of the non-interested shareholders of the Company.

Accordingly, we recommend that the non-interested shareholders of the Company to vote in favour of the resolution pertaining to the Proposed Disposals to be tabled at the forthcoming EGM of the Company.

We have not taken into consideration any specific investment objective, financial situation or particular need of any individual non-interested shareholders. We recommend that any non-interested shareholders who require advice in relation to the Proposed Disposals in the context of their individual investment objectives, financial situation or particular needs, consult their respective stockbrokers, bank managers, accountants, solicitors or other professional advisers.

NON-INTERESTED SHAREHOLDERS OF THE COMPANY ARE ADVISED TO READ BOTH THIS IAL AND THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

bakertilly

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24 March 2022

To: The Non-Interested Shareholders of Landmarks Berhad

Dear Sir/Madam,

LANDMARKS BERHAD ("LANDMARKS" OR THE "COMPANY")
PROPOSED DISPOSALS

1 INTRODUCTION

This IAL is prepared for inclusion in the circular to shareholders of the Company dated 24 March 2022 in relation to the Proposed Disposals ("**Circular**") and should be read in conjunction with the same. All definitions used in this IAL shall have the same meaning as the words and expressions provided in the definitions section of the Circular, except where the context otherwise requires or where otherwise defined herein.

On 1 October 2021, on behalf of Landmarks, HLIB announced that TGPL, an indirect wholly-owned subsidiary of the Company, had entered into the SSAs with Blumont for the Proposed Disposals.

The Proposed Disposals are deemed as related party transactions pursuant to Paragraph 10.08 of the Listing Requirements as Mark Wee, being the Executive Deputy Chairman & Chief Executive Officer and substantial shareholder of Landmarks has direct or indirect interest in the Proposed Disposals as described in Section 11, Part A of the Circular. Accordingly, the Board had on 24 May 2021 appointed FHCA as the IA to advise the non-interested directors and non-interested shareholders of the Company in relation to the fairness and reasonableness of the Proposed Disposals.

The purpose of this IAL is to provide the non-interested shareholders of the Company with an independent evaluation of the Proposed Disposals, to form an opinion as to whether the Proposed Disposals are fair and reasonable in so far as the non-interested shareholders of the Company are concerned and whether the Proposed Disposals are to the detriment of the non-interested shareholders as well as to provide a recommendation thereon on the voting of the resolution pertaining to the Proposed Disposals to be tabled at the forthcoming EGM, subject to the limitation of our role and evaluation as explained herein.

Other than for this intended purpose, this IAL should not be used for any other purpose and/or by any other persons and/or reproduced, wholly or partially, without our expressed written consent.

NON-INTERESTED SHAREHOLDERS OF LANDMARKS ARE ADVISED TO READ THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE APPENDICES THEREON, AND TO CAREFULLY CONSIDER THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2 LIMITATIONS TO THE EVALUATION OF THE PROPOSED DISPOSALS

FHCA was not involved in the formulation of the Proposed Disposals or any deliberation and negotiation on the Proposed Disposals. Our role as the IA does not extend to expressing an opinion on the commercial merits of the Proposed Disposals. The assessment of the commercial merits of the Proposed Disposals are solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. As such, where comments or points of consideration are included on matters, which may be commercially oriented, these are incidental to our overall financial evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Proposed Disposals. FHCA's terms of reference as the IA is limited to expressing our independent evaluation of the Proposed Disposals which are based on the sources of information as highlighted below.

We have evaluated the Proposed Disposals and in forming our opinion, we have considered factors, which we believe, would be of relevance and general importance to the non-interested shareholders of the Company. Our evaluation is rendered solely for the benefit of the non-interested shareholders of the Company as a whole.

In rendering our advice, we have taken note of the pertinent issues that we have considered important in enabling us to assess the implications of the Proposed Disposals and therefore of general concern to the non-interested shareholders of the Company. As such:

(i) The scope of FHCA's responsibility regarding the evaluation and recommendation contained herein is confined to the assessment of the fairness and reasonableness of the Proposed Disposals and other implications of the Proposed Disposals only. Comments or points of consideration which may be commercially oriented such as the rationale and potential benefits of the Proposed Disposals are included in our overall evaluation as we deem it necessary for disclosure purposes to enable the non-interested shareholders of the Company to consider and form their views thereon;

(ii) FHCA's views and advice as contained in this IAL only caters to the non-interested shareholders of the Company at large and not to any non-interested shareholders individually. Hence, in carrying out our evaluation, we have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual non-interested shareholder or any specific group of non-interested shareholders; and

(iii) We recommend that any individual non-interested shareholder or group of non-interested shareholders of the Company who is in doubt as to the action to be taken or require advice in relation to the Proposed Disposals in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, to consult their respective stockbrokers, bankers, solicitors, accountants or other professional advisers immediately.

We shall not be liable for any damage or loss sustained or suffered by any individual shareholder or any group of shareholders in reliance on the opinion stated herein for any purpose whatsoever which is particular to such individual shareholder or group of shareholders.

In performing our evaluation, we have relied on the following sources of information:

(i) Landmarks' announcement dated 1 October 2021 in relation to the Proposed Disposals;
(ii) the SSAs;
(iii) Audited financial statements of the Target Companies for the FYE 31 December 2020;
(iv) Management accounts for the Target Companies for the FPE 30 June 2021;
(v) Independent valuation report for the Subject Properties dated 30 September 2021 prepared by the Valuer;
(vi) information contained in Part A of the Circular and the appendices attached thereto;
(vii) other relevant information furnished to us by the management of the Company and the Target Companies; and
(viii) other publicly available information which we deemed relevant and reasonable.

We have made all reasonable enquiries to and have relied on the Board and management of the Company to exercise due care to ensure that all information and documents as mentioned above and all relevant facts, information and representations necessary for our evaluation of the Proposed Disposals have been disclosed to us and that such information is accurate, valid, reasonable, complete and there is no omission of material facts. We have also performed our reasonableness check and where possible, corroborating such information with independent sources. The Board has, individually and collectively, accepted full responsibility that all material facts, financial and other information essential to our evaluation have been disclosed to us, that they have seen this IAL, and for the accuracy of the information in respect of the Proposed Disposals (save for those in relation to our evaluation and opinion pertaining to the same) as prepared herein and confirmed that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein incomplete, false and/or misleading.

Based on the above and after undertaking reasonableness check and corroborating such information with independent sources, where possible, we are satisfied with the information and documents provided by the Company, TGPL and the Target Companies and are not aware of any fact or matter not disclosed which renders any such information untrue, inaccurate, incomplete, omitted or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL. We have also assumed that the Proposed Disposals will be implemented based on the terms of the SSAs without material waiver or modification.

Our evaluation and recommendation expressed herein are based on prevailing economic, market and other conditions, and the information and/or documents made available to us, as at LPD. Such conditions may change over a short period of time. Accordingly, our evaluation and recommendation expressed herein do not take into account of the information, events and conditions arising after the date hereof. After the dispatch of this IAL, should FHCA become aware of any significant change affecting the information contained in this IAL or have reasonable grounds to believe that any statement in this IAL is misleading or deceptive or have reasonable grounds to believe that there is material omission in this IAL, we will immediately notify the shareholders. If circumstances require, a supplementary IAL will be sent accordingly to the shareholders.

FHCA confirms that it is not aware of any circumstances which exist or are likely to give rise to a possible conflict of interest situation for FHCA to carry out the role as the IA in connection to the Proposed Disposals.

FHCA has acted as IA for the Company in relation to the acquisition by TGPL of the rights and interest under Hak Guna Bangunan No. 00105/Sebong Lagoi in relation to a parcel of land, identified as Lot AR1 Wisma, located at Treasure Bay Bintan, Bintan Island, Republic of Indonesia, having a total estimated area of 12,578 square meters and the buildings constructed thereon for a total consideration of SGD9.78 million to be satisfied through the issuance of 84,830,494 new ordinary shares in Landmarks at the issue price of RM0.34 each and cash consideration of SGD303,750, through the acquisition of the entire equity interest in PT Buana Wisatama, as per our letter to shareholders dated 15 April 2021.

Save for the above, FHCA also confirms that it has not had any professional relationship with the Company for the past two (2) years.

FHCA is an approved corporate financial adviser within the meaning of the SC's Principal Adviser Guidelines. FHCA has undertaken the role as an independent adviser for corporate exercises in the past two (2) years prior to LPD, which include amongst others, the following:

(i) The participation by Ireka Corporation Berhad ("**Ireka**") in the share buy-back and demerger undertaken by Aseana Properties Limited ("**ASPL**") involving the divestment of Ireka's entire quoted investment in ASPL (representing 23.07% equity interest in ASPL) in exchange for shares in a company incorporated by ASPL via our letter to shareholders dated 12 November 2020;

(ii) The acquisition of additional interest in TA Global Berhad ("**TAG**") via a conditional voluntary take-over offer by TA Enterprise Berhad to acquire up to 2,119,389,362 ordinary shares in TAG, representing up to 39.83% equity interest in TAG for a consideration of RM0.28 per offer share which shall be satisfied by way of the cash option or the share exchange option via our letter to shareholders dated 13 November 2020;

(iii) The acquisition by Pansar Berhad of the entire equity interest in Perbena Emas Sdn Bhd from PE Holdings Sdn Bhd for a purchase consideration of RM151.00 million to be satisfied entirely in cash via our letter to shareholders dated 30 November 2020;

(iv) The collaboration between Versatile Creative Berhad and NSK Trading Sdn Bhd to jointly undertake the trading, wholesale and grocery business and diversification of Versatile Creative Berhad into the grocery business via our letter dated 30 November 2020;

(v) The investment in Duramitt Sdn Bhd, comprising the acquisition by Diversified Gateway Solutions Berhad ("**DGSB**") via its 60% subsidiary, namely Paragon Spectrum Sdn Bhd from Teow Yen Kim and Lim Yen Chie of 1,289,500 ordinary shares in Duramitt Sdn Bhd for a cash consideration of RM10.0 million via our letter to shareholders dated 5 April 2021; and

(vi) The disposal by DGSB of 70% equity interest in QBI Packaging Sdn Bhd and 70% equity interest in Makan Channel Sdn Bhd to Insas Technology Berhad for a total cash consideration of RM3.50 million via our letter to shareholders dated 9 March 2022.

Premised on the foregoing, FHCA is capable and competent in carrying out its role and responsibilities as the IA to advise the non-interested directors and non-interested shareholders of the Company on the Proposed Disposals.

3 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

The interests of directors, major shareholders and/or persons connected with them are set out in Section 11, Part A of the Circular.

Mark Wee has abstained and will continue to abstain from all deliberations and voting for the Proposed Disposals at the relevant Board meetings, and shall also abstain from voting in respect of his shareholdings in the Company, if any, on the resolution pertaining to the Proposed Disposals to be tabled at the EGM to be convened.

Mark Wee will abstain and have undertaken to ensure that persons connected to him will also abstain from voting in respect of their respective direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Disposals to be tabled at the forthcoming EGM of the Company.

4 EVALUATION OF THE PROPOSED DISPOSALS

The full details of the Proposed Disposals are as set out in Section 2, Part A of this Circular and should be read and fully understood in its entirety by the non-interested shareholders.

In evaluating the Proposed Disposals, we have considered the following:

(i) Rationale for the Proposed Disposals;
(ii) Evaluation of the Proposed Disposals;
    (a) Justification for the Disposal Considerations;
    (b) Justification for the Issue Price;
    (c) Salient terms of the SSAs;
(iii) Risk factors; and
(iv) Effects of the Proposed Disposals.

The views expressed by FHCA in this IAL are based on, amongst others, current economic, market and political conditions prevailing as at the LPD. In this respect, the non-interested shareholders of the Company should take further note of any announcements relevant to their consideration of the Proposed Disposals which may be released after the LPD.

5 RATIONALE OF THE PROPOSED DISPOSALS

The rationale for the Proposed Disposals is as set out in Section 4, Part A of the Circular.

The Group is principally involved in hospitality and wellness, and resort and destination development. The Group's main hospitality assets consist of The Andaman, a luxury collection resort in Langkawi and Natra Bintan, a 5-star hotel at Treasure Bay Bintan. Other than the Natra Bintan, the activities at Treasure Bay Bintan comprises Chill Cove (an activity hub surrounding the Crystal Lagoon), ANMON (a desert inspired glamping concept for nomadic communities), Organic farm, Marine Life Discovery Park and prime land earmarked for hotel and resort development.

The Group had experienced major slowdown of business due to disruptive stop-and-start economy encountered since the start of COVID-19 pandemic. Most countries had been implementing lockdowns or movement control, travel restrictions and border closure measures leading to cancellation of travel plans. The cumulative measures have resulted in significant reductions in both business and leisure travelling affecting resort bookings. We also note that the current economic environment had been particularly harsh on the tourism sector of which is the Company's primary revenue generator.

Besides, Landmarks, as an Affected Listed Issuer ("**ALC**") and as a result of consequence to the fire incident at the Andaman on 13 January 2021, the Group will need to re-evaluate its cash flow requirement in the immediate term as an ALC. Further, the tourism industry had been badly affected by the on-going COVID-19 pandemic and has resulted in financing institutions tightening requirements for the granting of banking facilities. Moreover, with Landmarks being an ALC, the Group will have difficulty in raising funds via the capital market or bank borrowings for development to be undertaken in a foreign jurisdiction, i.e. Bintan, Indonesia. We note that the Proposed Disposals do not constitute a regularisation plan for Landmarks as an ALC. However, the value creation arising from the Proposed Disposals as discussed in this IAL, will allow Landmarks Group to focus on the redevelopment and reconstruction of the Andaman while simultaneously continue to benefit from the development of the Subject Properties, via its associate stake in Blumont. Blumont is also expected to be able to raise funds either via the capital market and/or bank borrowing in Singapore as Singaporean investors and financial institutions are more familiar with the economic condition and environment in Bintan, Indonesia, due to their geographical proximity.

As per the Company's latest quarterly results, the Company is also making good progress for new loans for the reconstruction of the Andaman whilst the design team had started work on designing the new resort and it is targeted to commence construction in the second quarter of 2022, of which the rebuilding and restoration process will take approximately 24 to 36 months. The Company is also open to joint-venture with other business partners as a last resort to co-develop and reconstruct the Andaman in the event that the new loans are not secured.

The Proposed Disposals would enable Landmarks Group to preserve significant cash outlay and reduce overhead cost, in particularly the capital expenditure required for the development of Enggano Land and Mesawak Land as well as the operational cost involving Natra Bintan Hotel and the Marine Park, while retaining an associate stake in Blumont via the Consideration Shares. The Consideration Shares can also be leveraged as security for borrowings or used to raise funds through its disposal as and when required by Landmarks.

The Proposed Disposals, involving approximately 13.5 hectares, will also enable the development of the surrounding land to be undertaken by Blumont. Upon completion of the development by Blumont, the resort will start to attract other investment interests on Landmarks Group's remaining land surrounding Chill Cove, measuring some 38.5 hectares.

This will in time, provide a sustainable platform on which Landmarks will be able to undertake the development of the remaining and substantial Treasure Bay Bintan landbank. Further, the Proposed Disposals presents an opportunity for Landmarks Group to realise its investment in the Target Companies at a reasonable price (which will be discussed in Section 6.1 of this IAL) notwithstanding the current weak property market sentiment based on the current market valuation as appraised by the Valuer. In addition, the Proposed Disposals will strengthen Landmarks Group's NA with the recognition of RM96.71 million gain on disposal as highlighted in Section 8.3, Part A of the Circular.

Notwithstanding the above, the justification in receiving Blumont Shares as the disposal consideration instead of cash are as follows:-

1. Positive chain of event arising from the development of the Subject Properties: With Landmarks securing an associate stake in Blumont arising from the Consideration Shares as well as Mark Wee's current shareholdings in Blumont, Landmarks and Blumont can jointly develop the vacant land pursuant to the Proposed Disposals. Moreover, with the appointment of a representative director nominated by TGPL as a director of Blumont, it would allow Landmarks' participation in the development concept of the vacant lands from the Proposed Disposals to be of strategic value to Treasure Bay Bintan. During the development phases undertaken by Blumont, it will likely attract other investment interests on Landmarks Group's remaining land surrounding Chill Cove, measuring some 13.0 hectares. This will in time, provide a sustainable platform on which Landmarks will be able to undertake the development of the remaining substantial Treasure Bay Bintan landbank;

2. Maximisation of land value: Even though the mode of satisfaction is not via cash which could have had a direct positive impact to cash position of Landmarks Group, the mode of satisfaction via the issuance of Blumont Shares allows Landmarks to maximise the value arising from the disposal of the Subject Properties even at such challenging market conditions, particularly for hospitality and tourism industries due to disruption from the COVID-19 pandemic. Further, Landmarks may not be able to dispose the Target Companies at the investment value ascribed by the Valuer if the settlement is via cash as cash buyers will more likely negotiate for lower prices and/or structured terms of payment, as the hospitality and tourism industries that are been hit badly by COVID-19 pandemic. The Proposed Disposals represent an exchange of illiquid real estate investments for tradable shares, which are more liquid in nature as Blumont Share are traded on the Singapore Stock Exchange ("**SGX**"); and

3. Blumont to preserve cash: Based on Blumont's condensed financial statements for the FYE 31 December 2021, Blumont Group's cash and bank balances stood at SGD1.46 million and is unable to acquire the Target Companies via cash. Blumont is estimated to have a net proceed of approximately SGD5.87 million arising from the disposal of a property in Malaysia, which shall be used to expand its exiting core business, explore new business opportunities as well as for working capital purposes (*source: Blumont's letter to shareholders dated 18 February 2022*). Further on the above, it will allow Blumont to preserve cash for its intended use.

Historical Financial of Blumont

A summary of the financial information of Blumont Group for the past three (3) financial years up to the latest full year results for the FYE 31 December 2021 is set out as follows:

	←---------- Audited-------------->			Unaudited
	(FYE 31 December)			
	2018 **SGD'000**	**2019** **SGD'000**	**2020** **SGD'000**	**2021** **SGD'000**
Revenue	3,920	4,298	3,499	3,904
Profit before tax/ loss before tax	561	787	89	(4,466)
PAT / (LAT) attributable to owners of Blumont	(141)	202	(378)	(4,905)
PAT / (LAT) for the year	75[1]	202	(378)	(4,905)

	←----------- Audited ---------------	(FYE 31 December)	--------------->	Unaudited
	2018 SGD'000	2019 SGD'000	2020 SGD'000	2021 SGD'000
Share capital	127,339	127,339	127,339	127,339
Shareholders' funds / NA	3,351	3,709	2,983	1,226
Total borrowings	5,673	5,787	5,453	5,510
Net profit / (loss) per share (**cents**)	*	*	*	(0.02)
NA per share (**cents**)	0.01	0.01	0.01	*
Current ratio (**times**) [2]	2.52	1.17	0.84	0.79
Gearing (**times**) [3]	1.69	1.56	1.83	4.49

Notes:

* *Less than 0.01 cents*

[1] *During the FYE 31 December 2018 ("**FYE 2018**"), Blumont Group had acquired the balance equity interest in PT Rel-ion Sterilization Services and Trackplus Sdn Bhd from the non-controlling interest shareholder of the respective companies, increasing its effective equity interest in the 2 companies to 100%.*

[2] *Calculated based on the total current assets over total current liabilities*

[3] *Calculated based on total borrowings over NA.*

Commentary on past financial performance:-

(i) FYE 2018

Blumont recorded a revenue of approximately SGD3.92 million for the FYE 2018, representing an increase of approximately SGD0.22 million or 5.95% as compared to the revenue of approximately SGD3.70 million recorded in the FYE 31 December 2017 ("**FYE 2017**"). The increase in revenue was mainly attributable to the increase in performance of the sterilisation segment of the Blumont Group.

Blumont recorded a PAT of approximately SGD0.08 million for the FYE 2018 as compared to the LAT of approximately SGD2.59 million in the FYE 2017. The PAT is partly contributed by other net gains of SGD1.13 million recorded in FYE 2018 which was mainly due to gain on dissolution of a dormant subsidiary. This was contrasted with other net losses of SGD0.71 million incurred in FYE 2017, mainly due to loss on striking-off of a dormant subsidiary.

(ii) FYE 31 December 2019 ("**FYE 2019**")

Blumont recorded a revenue of approximately SGD4.30 million for the FYE 2019, representing an increase of approximately SGD0.38 million or 9.69% as compared to the revenue of approximately SGD3.92 million recorded in the FYE 2018. The increase in revenue was mainly due to increased sterilisation services rendered and the recovery of previous 3 years rental of SGD0.09 million from settlement of the legal action involving Raintree Rock Sdn Bhd.

Blumont recorded a PAT of approximately SGD0.20 million for the FYE 2019, representing an increase of SGD0.12 million or 150.00% as compared to the PAT of approximately SGD0.08 million in the FYE 2018. The increase of PAT was mainly due to the lower rental and professional fees rebate given in FYE 2019.

(iii) FYE 31 December 2020 ("**FYE 2020**")

Blumont recorded a revenue of approximately SGD3.50 million for the FYE 2020, representing a decrease of SGD0.80 million or 18.60% as compared to the revenue of approximately SGD4.30 million recorded in the FYE 2019.

The decrease in revenue was mainly due to decreased sterilisation services rendered and the recovery of previous 3 years rental of SGD0.09 million from settlement of the legal action involving Raintree Rock Sdn Bhd in FYE 2019.

Blumont recorded a LAT of approximately SGD0.38 million for the FYE 2020 as compared to the PAT of approximately SGD0.20 million in the FYE 2019. Other than the lower revenue for the FYE 2020 which contributed to the losses incurred in the financial year, higher expenses have also been incurred in FYE 2020 partly due to severance payment being made during the financial year which employee benefits increased by SGD0.26 million or 15.48% to approximately SGD1.94 million in FYE 2020 as compared to approximately SGD1.68 million incurred in FYE 2019.

(iv) FYE 31 December 2021 ("**FYE 2021**")

Blumont recorded a revenue of approximately SGD3.90 million for the FYE 2021, representing a increase of SGD0.41 million or 11.57% as compared to the revenue of approximately SGD3.50 million for the FYE 2020. Despite the increase in revenue, Blumont Group LAT's deepen further to SGD4.91 million in the FYE 2021 as compared to a LAT of SGD0.38 million, mainly due to the increase in employee related expenses, fair value loss on its financial assets, impairment loss of its investment in associate as well as increase in other costs i.e. legal, professional and consultancy fees during the FYE 2021.

We wish to highlight that the historical financial performance of Blumont may not be reflective of its future financial performance as its core asset will be the Subject Properties post-completion of the Proposed Disposal. Besides, Blumont had on 14 March 2022, announced that approval had been obtained from its shareholders for the change of its name to Southern Archipelago Ltd. The change of name represents Blumont's vision of owning and operating establishment in the hospitality and wellness industries as Blumont intends to diversify into the hospitality and wellness business with a focus on Singapore, Malaysia and Indonesia. The new ventures will create fresh business opportunities and as an alternate revenue stream for Blumont Group which could in turn enhance shareholder's value thus increasing the marketability and pledgeability of Blumont Shares. Blumont believes that these industries will show strong recovery in the post-pandemic economy. Further, the change of name will better represent Blumont's geographical focus and business strategy as well as allowing the public and Blumont's business partners to better identify Blumont going forward based on its future business plans and directions. Hence, the future financial performance of Blumont is very dependent on, amongst other, the outlook of the tourism and hospitality industry in both Bintan (Indonesia) and Singapore and the re-opening of the aforementioned international borders as well as its ability to overcome various risks/ challenges prevalent in the business operations and the industry. Singapore had on 25 February 2022, started the sea vaccinated travel lane with Bintan, Indonesia where fully vaccinated travellers from Bintan are allowed to enter Singapore without any quarantine requirements. Further, upon completion of the Proposed Disposals, the shareholdings of Mark Wee and Ultimate Horizon Pte Ltd in Blumont will be diluted to 51.55%. With the potential marketability of Blumont Shares to attract external investors, Landmarks will enjoy the flexibility to dispose some of its shareholdings in Blumont as and when the need arises. Although there is no assurance that the Blumont Group will be able thrive in the hospitality and wellness business going forward, shareholder of Landmarks should note that the Proposed Disposals represent an exchange of illiquid real estate investment for tradable shares which are more likely to be accepted as securities for financing as Blumont Shares are traded on SGX.

Premised on the above, we are of the opinion that the rationale for the Proposed Disposals is reasonable and not detrimental to the interests of the non-interested shareholders of the Company. Nevertheless, the non-interested shareholders of the Company should note that the potential benefits arising from the Proposed Disposals are subject to certain risk factors as disclosed in Section 7, Part A of the Circular. Our assessment and evaluation of the risk factors are also being discussed in Section 7 of this IAL.

6 EVALUATION OF THE PROPOSED DISPOSALS

6.1 Justification for Disposal Considerations

The basis and justification on arriving at the Disposal Considerations are set out in Section 2.1.9, Part A of the Circular.

The Disposal Considerations were arrived at on a willing buyer and willing seller basis after taking into consideration the following, amongst others:

i) The rationale of the Proposed Disposals as set out in Section 4, Part A of the Circular;

ii) The market value and investment value of the Subject Properties of SGD68.58 million (equivalent to approximately RM213.79 million) and SDG98.41 million (equivalent to approximately RM305.18 million) respectively as appraised by the Valuer; and

iii) The adjusted NA of Mendol Group, Hinako Group, Prime Group, Enggano Group and Mesawak Group based on the management accounts as at 30 June 2021 of SGD63.80 million (equivalent to approximately RM196.31 million after taking into consideration the investment value of the Subject Properties of the Target Companies as well as the losses likely to be incurred due to the impact from the COVID-19 pandemic pending the completion of SSAs.

In establishing our opinion on the fairness and reasonableness of the Disposal Considerations, FHCA had considered various methodologies, which are commonly used for valuation of companies, taking into consideration the Target Companies' future earnings generating capabilities, projected future cash flows, its sustainability as well as various business consideration and risk factors affecting its businesses.

In evaluating and arriving at the valuation of the Target Companies, we are of the opinion that the asset-based valuation methodology, i.e., the Revalued Net Asset Valuation ("**RNAV**") methodology, is the most suitable valuation methodology as it will more accurately reflect the value of the Target Companies based on its underlying assets which are the Subject Properties that have yet to be revalued. The list below sets out a summary list of the assets held within the group of the respective Target Companies:-

Target Companies	Subject Properties
Mendol	Natra Bintan Hotel which is constructed on Natra Bintan Land
Hinako	Natra Bintan Land
Prime	Marine Park Land
Enggano	Enggano Land
Mesawak	Mesawak Land

We had also considered other valuation methodologies such as Relative Valuation Analysis ("**RVA**") and have found it unsuitable to determine the fair market value of the Target Companies as RVA seeks to compare a company's implied trading multiple to that of comparable companies listed on the stock exchanges in Indonesia or in the region to determine the firm's financial worth. As the Target Companies had been incurring losses for the past three (3) financial years, the RVA will not be an appropriate method to determine the fair market value of the Target Companies.

<u>RNAV</u>

RNAV is commonly adopted valuation methodology in approaching valuations of asset-based companies where all or a substantial portion of its property-related assets are carried at its historical costs. RNAV takes into consideration any surplus and/or deficit arising from the revaluation of the material assets of a company to reflect their current market values, based on the assumption that the market values of the assets are realisable on willing-buyer willing-seller basis in the open market. It is computed in the following manner:-

RNAV = Current NA value – contingent liabilities + fair value adjustment of its assets.

The RNAV is adjusted to take into consideration the valuation on the Subject Properties prepared by the Valuer to reflect the fair market value of the Subject Properties. Computation of the RNAV is as follows:

Target Companies / Descriptions	Mendol SGD'000	Hinako SGD'000	Prime SGD'000	Enggano SGD'000	Mesawak SGD'000
NA as at 30 June 2021 [1][6]	2,356 [2]	822	2,798 [3]	309	166
Add: fair value adjustment for the Subject Properties [4][5][6]	12,177	12,893	12,228	12,709	6,911
RNAV	**14,533**	**13,715**	**15,026**	**13,018**	**7,077**
Total value	**SGD 63,369** (*Equivalent to approximately RM195.00 million*)				

Notes:

[1] Based on the management accounts of the Target Companies as at 30 June 2021, on the assumption that shareholder loan owing by Hinako, Prime, Enggano and Mesawak to TGPL has been capitalised as well as other incidental costs to be incurred to ensure that the ownership of the Subject Properties are in place prior to the completion of the Proposed Disposals.

[2] The NA for Mendol as at 30 June 2021 has taken into consideration the expected operation losses to be incurred from July 2021 to December 2021.

[3] Other than the capitalization of shareholder loan owing to TGPL, the NA for Prime as at 30 June 2021 has taken into consideration the acquisition of new fixed assets.

[4] Computed based on the investment values of the Subject Properties as set out in the Valuation Certificates and the NBV of the Subject Properties as at 30 June 2021 (on the assumption that the Subject Properties are in place). Our comments on the market value and investment value of the Subject Properties are further discussed in the paragraphs below.

[5] There is no capital gain tax in Seychelles.

[6] 49% equity in Mendol, 100% equity interest in Hinako and 60% each in Prime, Enggano and Mesawak.

RNAV analysis assumes, among other things, the existence of ready and committed buyers for each asset at the fully revalued basis, and that the sale can be conducted efficiently without any time constraint and without regard to other relevant market factors that may affect the sale process. In forming our opinion on the fairness and reasonableness of the Disposal Considerations, we had reviewed and taken note of the Valuation Certificates. The valuation certifications in respect of the Subject Properties are appended in Appendix XIII of the Circular.

We note that the Valuation Certificates were prepared in accordance with Indonesia Valuation Standard (Standar Penilaian Indonesia) VII Edition – 2018 with reference made to the Asset Valuation Guidelines issued by the Securities Commission of Malaysia (where applicable). We have reviewed the qualifications of the Valuer, scope of engagement, methodologies and assumptions adopted as well as the resultant valuations. We have made all reasonable enquiries and conducted our own reviews, where possible, with regards to the Valuation Certificates provided to us, and are satisfied that the methodologies and assumptions provide a reasonable basis for the Valuer in arriving at their valuations.

In arriving at the market value and investment value of the Subject Properties, the Valuer had adopted different methodologies for different assets. The description of the methodologies adopted by the Valuer are as follows: -

Valuation methodology	General description
Market approach	Estimates the value of the subject property by analysing sales of similar properties within the neighbourhood and making adjustments to those sales for dissimilarities (physical, legal and economic) between each of the selected comparable and the property under consideration. A reconciliation of adjusted values and a selection of the more suitable comparable and a final decision will be made judgementally based on professional experience.

Valuation methodology	General description
Cost Approach	The value of the property is derived by adding the value of the land to the depreciated replacement cost of all improvements. The land value is obtained through comparison analysis on market activity of similar properties. The replacement cost of the improvements is estimated based on current prices for component parts of the improvements that provide equivalent utility to the improvements being appraised. The depreciation estimate is actually the difference between the open market value of the improvement and its replacements cost which are caused by physical deterioration, functional obsolescence and external obsolescence.
Income approach – Discounted cash flow ("**DCF**") methodology	Under this methodology, there are broadly three components: the expected cash inflows, the expected cash outflows and the present valuing of the net cash flow to adjust for the time value of money. The estimation of future annual cash flows are over an investment horizon from the date of valuation by reference to expected growth rates, operating expenses and terminal value.
Income approach – Land development methodology	This process includes the projection of land development into a number of lots, making an income analysis and related costs and discounting net income revenues into an indication of value.

The general assumptions extracted from the Valuation Certificates are as follows:-

Details		Justification
The use of average room rate ("**ARR**") and average occupancy rate ("**AOR**")		The Valuer has assumed the followings: 1. hotel business will still be affected by the pandemic in 2021, whereas year 2022 will be a transition year and thereafter the average of ARR and AOR during the pre-pandemic period (2017 -2019) and during the pandemic (2020 – 2021) are used to derive at the projection of ARR and AOR for year 2022. 2. Market segment with the period of 2021-2023 will be focusing more on domestic tourist segment with lower ARR. In 2024, ARR will start to reach closer to the pre-pandemic figures assuming that the travel restriction has been fully uplifted. 3. Natra is the first hotel with the glamping concept under Marriot portfolio and with this exclusivity coupled with the Marriot BonVoy membership programme will have an influence on the AOR projection.
Discount rate	Year 1 = 11.51% Year 2 to end = 10.81%	This is an acceptable margin to provide an adequate return for an investment with the risk profiles applicable to Natra Bintan Hotel. For information, the discount rate was derived based on the following parameters:- Year 1

Description	Rate	Source
Risk free rate	6.82%	Long term Indonesian government bond as extracted from Bloomberg

Details		Justification

Default spread	1.68%	Based on the default spread of Indonesia as extracted from *http://pages.stern.nyu.edu /~adamodar/*
Market risk premium	6.56%	Based on Indonesia Market Risk Premium extracted from *http://pages.stern.nyu.edu /~adamodar/*
Beta	1.45	Derived based on average beta of comparable companies selected by the Valuer as extracted from Bloomberg.
Cost of debt	8.73%	Central Bank of Indonesia
Specific risk	2.00%	Valuer's past experience
Ke	16.67%	
We	35.00%	Average debt to equity ratio that is based on several banking institutions that provide loans.
Wd	65.00%	
WACC	11.51%	

Year 2 onwards

Description	Rate	Source
Risk free rate	6.82%	Long term Indonesian government bond as extracted from Bloomberg
Default spread	1.68%	Based on the default spread of Indonesia as extracted from *http://pages.stern.nyu.edu /~adamodar/*
Market risk premium	6.56%	Based on Indonesia Market Risk Premium extracted from *http://pages.stern.nyu.edu /~adamodar/*
Beta	1.45	Derived based on average beta of comparable companies selected by the Valuer as extracted from Bloomberg.
Cost of debt	8.73%	Central Bank of Indonesia
Ke	14.67%	
We	35.00%	Average debt to equity ratio that is based on several banking institutions that provide loans.
Wd	65.00%	
WACC	10.81%	

6.1a Mendol

The details and information of Mendol are set out from section 2.1.1, Part A of the Circular

Income approach - market value

DCF methodology was applied in order to arrive at the market value of the Natra Bintan Hotel and the following parameters were adopted: -

Details	Value	Justification
Projected period	24 years	24 years investment horizon has been adopted commencing from July 2021 and is expected to expire on June 2044 (the expiration of the first period of the SHGB).
Occupancy rate	Year 1 = 22.1% Year 2 = 55.5% Year 3 = 67.8% Year 4 = 78.6% Year 5 = 78.1%	The Valuer has projected the occupancy rates by making analysis of market condition and with the possibility of new future developments from its competitors as selected by the Valuer, namely Angsana Bintan, Nirwana Resort Hotel, Cassia Bintan and ANMON.

<table>
<tr><th>Details</th><th>Value</th><th>Justification</th></tr>
<tr><td></td><td>Year 6 = 77.6%
Year 7 = 77.1%
Year 8 = 76.6%
Year 9 = 76.6%
Year 10 to Year 15 = 76.1%
Year 16 to Year 19 = 75.4%
Year 20 to Year 24 = 75.1%</td><td>The average occupancy rate in 2021 is assumed to be stagnant as compared to historical 2020 but steep decline as compared to 2019 due to COVID-19 pandemic and will improve in 2022 and is expected to reach normal condition in 2023.

For information, the occupancy rate for year 2020 was 9.7% and had achieved the occupancy rate of 78.1%, 74.9%, 74.1% and 55.0% from year 2016 to 2019 respectively.</td></tr>
<tr><td>Revenue</td><td>Room revenue+ Food and beverage ("F&B") + other operating department ("OOD")</td><td>The revenue projection from the room department is derived by multiplying the number of occupied rooms with the ARR for the year. The revenue from food and beverage departments and other departments is analysed based on the percentage of revenue from those departments to total revenues from historical data and the average of similar hotels.
<table>
<tr><th></th><th>Year 1</th><th>Year 2</th><th>Year 3</th></tr>
<tr><td>Food and Beverage</td><td>58.12%</td><td>55.46%</td><td>52.79%</td></tr>
<tr><td>Other operating department</td><td>3.59%</td><td>7.95%</td><td>12.31%</td></tr>
</table>
For information, the food and beverage and other operating department over revenue from 2017 to 2020 are summarised as follows:-
<table>
<tr><th></th><th>2017</th><th>2018</th><th>2019</th><th>2020</th></tr>
<tr><td>Food and Beverage</td><td>32.08%</td><td>29.94%</td><td>50.00%</td><td>62.21%</td></tr>
<tr><td>Other operating department</td><td>11.70%</td><td>11.72%</td><td>3.40%</td><td>5.82%</td></tr>
</table></td></tr>
<tr><td>Operational expenses</td><td>Department Cost and Expenses Undistributed Expenses and owner's cost</td><td>The projection of department cost is calculated based on historical data from the Company and comparable hotels by analysing the ratio of department cost to department revenue. This cost calculation is classified into fixed costs and variable costs.

Fixed costs are costs that tend to remain and unaffected by occupancy rates, while variable costs will vary following occupancy rates.</td></tr>
</table>

Based on the above, the market value of the Natra Bintan Hotel derived from the DCF methodology is IDR274,986,000,000 or SGD26,010,000 (Based on exchange rate of SGD 1.00: IDR 10,572).

Replacement cost approach

The Valuer had also considered the replacement cost approach in order to arrive at the market value of Natra Bintan Hotel. This approach entails estimating the land value for its existing use, and adding the value of machinery and equipment.

The lack of publicly available information in relation to land transaction in the market has resulted in continued difficulties in assessing a benchmark for land value. As a result, the underlying land value was based on vacant lands for sale as reference and comparable from relevant publication and stakeholders; which are yet to be concluded. The following parameters were used by the Valuer to arrive at the market value.

Land area

The table below contains the Valuer's analysis of the comparable evidence:-

Description	Comparable 1	Comparable 2	Comparable 3
Property type	Vacant land	Vacant land	Vacant land
Location	Jalan Gurindam Dua Belas (Block B3)	Ria Bintan (Lot B-2)	Ria Bintan (Lot C-1)
Land area (sqm)	100,000	100,000	93,000
Land area (sqft)	1,076,000	1,076,000	1,000,680
Status	Actual transaction	Asking prices	Asking prices
Topography	Flat	Flat	Flat
View	Beach front	Golf view	Non view
Land shape	Irrectangular	Irrectangular	Irrectangular
Tenure	Freehold	Freehold	Freehold
Certificate	Right to Build (SHGB)	Right to Build (SHGB)	Right to Build (SHGB)
Asking price per sqm (IDR)	1,427,239	1,924,560	1,710,720
Asking price per sqm (SGD)	135	182	162
Offering date	2014	2021	2021
Sources	PT Buana Mega Wisatama	Information memorandum from Colliers International	Information memorandum from Colliers International
Adjustment	The Valuer had made adjustment to several parameters that affect the value of the subject land such as market condition, distance from Bandar Bintan Telani Ferry terminal, infrastructure, land area and land location. No adjustment for impact from COVID-19 pandemic is required for Comparable 2 and Comparable 3 as the asking prices were based on current COVID-19 situation market price.		

The basis of the adjustments to derive the adjusted value from the analysis of the comparable is as follows:

Adjustment	Comparable 1	Comparable 2	Comparable 3
Price indication	0.0%	(20.0%)	(20.0%)
Market conditions	6.0%	2.0%	2.0%
Distance	5.0%	11.0%	14.0%
Infrastructure development conditions	121.0%	104.0%	131.0%
Land area	19.0%	19.0%	16.0%
Land condition	9.0%	9.0%	10.0%
View	0.0%	0.0%	7.0%
Zoning	0.0%	5.0%	0.0%
Total adjustment	160.0%	130.0%	160.0%
Adjusted land value (per sqm)	IDR3,842,698	IDR3,894,694	IDR3,885,970

Based on the above, the Valuer has arrived at IDR201,590,000,000 for freehold land, which is equivalent to IDR3,874,421 per sqm.

In view of limited comparative data on leased land in the Lagoi area, therefore for the rent indication value, the Valuer had used the rental yield to get the land lease rate. The Valuer has obtained the indicative investment value of the leasehold land by multiplying the percentage of leasehold values of freehold values as remaining lease term based on average land yield in several district in Indonesia.

For information, the rate of return adopted by the Valuer is 2.7% based on the average of the rate of return of similar commercial land within larger locality from other provinces in Indonesia such as Medan, Aceh and Bali.

Based on the above, the market value of the subject land derived from the market approach was IDR131,743,000,000 or SGD12,461,345.

Building and site improvement valuation

Building and site improvement value is obtained by calculating the replacement cost new of building and site improvement based on the current components price with a similar usefulness level. The Valuer has adopted the physical obsolescence in a range of 6% to 10% for permanent building with economic life time of 40 years and 23% to 26% for tent with economic life time of 20 years. The external obsolescence, where tourism accommodation and food and beverage sectors experienced slowdown of 9% (Indonesia Central Statistic Agency) due to COVID-19 pandemic impact. On average, the total depreciation ranges from 14% to 32%. The Valuer had made reference to Journal of Building Construction, Interior and Material Prices edition 40 published in year 2021.

Description	Building area (sqm)	Market Value (IDR)	Market Value (SGD)
Glamping tent Deluxe (New)	932	4,511,000,000	426,688
Glamping Tent Garden (New)	1,577	7,362,000,000	696,359
Safari Tent	710	3,225,000,000	305,047
Lagoon View Tent	434	1,971,000,000	186,433
Lagoon View Deluxe Tent	434	1,971,000,000	186,433
BOH	168	743,000,000	70,279
Public Toilet	30	123,000,000	11,634
Store	36	161,000,000	15,229
BOH (New)	274	1,047,000,000	99,034
Arrival Building	276	1,430,000,000	135,261
Restaurant	419	3,139,000,000	296,912
Lobby and Reception	333	2,731,000,000	258,320
Garden and pathway	13,960	3,161,000,000	298,993
Total		**31,575,000,000**	**2,986,623**

Machinery and equipment valuation

Machinery and equipment value is obtained by calculating the replacement cost new of machinery and equipment based on the current components price with a similar usefulness level, and then deducting with the estimated depreciation due to physical obsolescence, functional and external deterioration.

Description	Market Value (IDR)	Market Value (SGD)
Machinery	1,031,144,000	97,534
Fixture, furniture and equipment	21,893,707,000	2,070,887
Vehicle	749,926,000	70,934
Total	**23,674,777,000**	**2,239,355**

Based on the above, the market value of the Natra Bintan Hotel derived based on the cost approach is IDR186,992,777,000. Subsequently, the Valuer has applied the weighted ratio of 100% to the market value derived based on the DCF methodology of **IDR274,986,000,000 or SGD26,010,000** due to the property characteristic and type as income producing property and already in operation.

Income approach - investment value

DCF methodology in order to arrive at the investment value of Natra Bintan Hotel and the following parameters were adopted: -

Details	Value	Justification
Projected period	27 years	27 years investment horizon has been adopted taking into consideration the SHGB extension. Pursuant to the lease agreement between PT Hinako (lessor) and PT Mendol (lessee) dated 6 September 2021, PT Hinako as the owner of Natra Bintan Land has granted a lease over Natra Bintan Land to PT Mendol as the owner of Natra Bintan Hotel for developing, maintaining and operating the Natra Bintan Hotel. The lease commences from 6 September 2021 and ends on 30 June 2037 and will be automatically renewed for two (2) successive periods of five (5) calendar years
Occupancy rate	Year 1 = 22.1% Year 2 = 55.5% Year 3 = 67.8% Year 4 = 78.6% Year 5 = 78.1% Year 6 = 77.6% Year 7 = 77.1% Year 8 = 76.6% Year 9 = 76.6% Year 10 to Year 15 = 76.1% Year 16 to Year 19 = 75.6% Year 20 to Year 27 = 75.3%	The Valuer has projected the occupancy rates based on the business plan provided by the Company and benchmark to historical and market condition and its competitors with the possibility of new future developments especially development of new hotels. The average occupancy rate in 2021 is assumed to be stagnant as compared to historical 2020 but steep decline as compared to 2019 due to COVID-19 pandemic and will improve in 2022 and is expected to reach normal condition in 2023. For information, the occupancy rate for year 2020 was 9.7% and had achieved the occupancy rate of 78.1%, 74.9%, 74.1% and 55.0% from year 2016 to 2019 respectively.
Revenue	Room revenue+ F&B+ OOD	Same basis as Income Approach – market value.
Operational expenses	Department Cost and Expenses Undistributed Expenses and owner's cost	

Based on the above, the investment value of the Natra Bintan Hotel derived from the DCF methodology is **IDR320,543,000,000 or SGD30,320,000.** We note that the Valuer had adopted the investment value as it is a better reflection of the value of the Natra Bintan Hotel in the Proposed Disposals due to the benefit which the new owner will continue to reap from the hotel operations. We concur with the Valuer and we are of the view that it is reasonable and not detrimental to the non-interested shareholders of the Company to use the investment value as Landmarks will hold substantial interest in Blumont and can continue to benefit from the hotel operation.

6.1b Natra Bintan Land, Marine Park Land, Enggano Land and Mesawak Land

The details and information of Natra Bintan Land, Marine Park Land, Enggano Land and Mesawak Land are set out from section 2.1.2 to 2.1.5, Part A of the Circular.

Income approach (Land development method) - market value

Land development methodology was applied in order to arrive at the market value of the Natra Bintan Land, Marine Park Land, Enggano Land and Mesawak Land. This process includes the projection of land development into a number of lots, making an income analysis and related costs and discounting net income revenues into an indication of value. This technique may be acceptable in some situations, but it depends on a number of assumptions that may be very difficult to associate with the definition of market value the following parameters were adopted: -

The general assumptions adopted by the Valuer are set out as follows:-

Details	Justification
Projected period	The Valuer believed that 11 operating years is a realistic period as further extension of the timeframe moves into an area of unpredictability.
Occupancy rate	The Valuer has projected the occupancy rates by making analysis of market condition and with the possibility of new future developments from its competitors as selected by the Valuer, namely Angsana Bintan, Nirwana Resort Hotel, Cassia Bintan and ANMON.
Revenue	The revenue projection from the room department is derived by multiplying the number of occupied rooms with the ARR for the year. The revenue from food and beverage departments and other departments is analysed based on the percentage of revenue from those departments to total revenues from historical data and the average of similar hotels.
Operational expenses	The projection of department cost is calculated based on historical data from the Company and comparable hotels by analysing the ratio of department cost to department revenue. This cost calculation is classified into fixed costs and variable costs. Fixed costs are costs that tend to remain and unaffected by occupancy rates, while variable costs will vary following occupancy rates
Construction cost	The Valuer had made reference to Journal of Building Construction, Interior and Material Prices edition 40 published in year 2021.
Insurance	1.0% from total development cost and it is based on Valuer's past experience.
Contingency	5.0% from total development cost and it is based on Valuer's past experience.
Developer's profit	20.0% to 30% of net operating income and it is based on Valuer's past experience.
Terminal yield	9.25% derived from average yield hotel transaction in Bali area since lack of hotel transaction data in Bintan and Batam.

The specific assumption adopted by the Valuer are set out as follows:-

<table>
<tr><th>Details</th><th>Natra Bintan Land</th><th>Marine Park Land</th><th>Enggano Land</th><th>Mesawak Land</th></tr>
<tr><td rowspan="2">Projected Period</td><td rowspan="2">1 year development phase
11 operating years</td><td>2 years planning phase
2 years development phase
11 operating years.</td><td>3 years planning phase
2 years development phase
11 operating years</td><td>2 years planning phase
2 years development phase
11 operating years</td></tr>
<tr><td colspan="3">Based on market industry, the development of hotel will take approximately 1-2 years meanwhile for integrated resort (consists of several hotel development) with greenfield development where there is no master plan approval and site infrastructure for immediate development will take approximately 5-6 years.

The Valuer has adopted the development period to be around 2 years considering that the existing main infrastructure from the surrounding resort development is ready, thus this will shorten the development period.

The Valuer believed that this is a realistic period as further extension of the timeframe moves into an area of unpredictability.</td></tr>
<tr><td rowspan="2">Occupancy rate</td><td>Year 1 = 0.0%
Year 2 = 22.1%
Year 3 = 55.5%
Year 4 = 67.8%
Year 5 = 78.6%
Year 6 = 78.1%
Year 7 = 76.6%
Year 8 = 76.6%
Year 9 to Year 11= 75.3%

For information, the occupancy rate for year 2020 was 9.7% and had previously achieved the occupancy rate of 78.1%, 74.9%, 74.1% and 55.0% from year 2016 to 2019 respectively</td><td>Year 1 to Year 4= 0.0%
Year 5 = 45.0%
Year 6 = 51.9%
Year 7 = 61.4%
Year 8 = 61.4%
Year 9 = 59.9%
Year 10 = 58.4%
Year 11 = 56.9%
Year 12 = 55.1%
Year 13 = 55.1%
Year 14 = 53.6%
Year 15 = 53.6%</td><td>Year 1 to Year 5= 0.0%
Year 6 = 45.0%
Year 7 = 50.9%
Year 8 = 60.9%
Year 9 = 59.5%
Year 10 = 57.9%
Year 11 = 57.9%
Year 12 = 56.3%
Year 13 = 54.8%
Year 14 = 54.8%
Year 15 = 53.3%</td><td>Year 1 to Year 4= 0.0%
Year 5 = 45.0%
Year 6 = 56.4%
Year 7 = 66.4%
Year 8 = 74.4%
Year 9 = 76.2%
Year 10 = 75.4%
Year 11 = 74.8%
Year 12 = 74.8%
Year 13 = 74.7%
Year 14 = 74.7%
Year 15 = 74.7%</td></tr>
<tr><td colspan="4">The AOR assumptions are based on hotel industry average in Bintan with stable condition for boutique and 5-star hotel and also depending on the number of rooms. The hotel with number of rooms of more than 100, the AOR reached 50%-54%. Meanwhile the hotel with number of rooms of 100 or less, the AOR could reach up to 70%-78%

The Valuer has not taken into consideration the COVID-19 impact in the AOR projection due to the development period is estimated to commence in Year 3 and operating years will only effective in Year 5 onwards.</td></tr>
</table>

<table>
<tr><th>Details</th><th>Natra Bintan Land</th><th>Marine Park Land</th><th>Enggano Land</th><th>Mesawak Land</th></tr>
<tr><td>Revenue</td><td>Room revenue+ F&B (52.79%) + OOD (12.31%)

For information, the F&B and OOD over revenue from 2017 to 2020 are summarised as follows:-
<table><tr><th></th><th>F&B (%)</th><th>OOD (%)</th></tr><tr><td>2017</td><td>32.08</td><td>11.70</td></tr><tr><td>2018</td><td>29.94</td><td>11.72</td></tr><tr><td>2019</td><td>50.00</td><td>3.40</td></tr><tr><td>2020</td><td>62.21</td><td>5.82</td></tr></table></td><td colspan="2">Room revenue+ F&B (74.85%) + OOD (7.91%)</td><td>Room revenue+ F&B (47.51%) + OOD (6.16%)</td></tr>
<tr><td>Construction cost Main Building/ Infrastructure</td><td>IDR687,720 per sqft/ IDR43,836 per sqft</td><td>IDR2,476,898 per sqft/ IDR43,836 per sqft</td><td>IDR2,599,833 per sqft/ IDR43,836 per sqft</td><td>IDR1,814,548 per sqft/ IDR43,836 per sqft</td></tr>
</table>

Pursuant to the lease agreement between PT Hinako (lessor) and PT Mendol (lessee) dated 6 September 2021, PT Hinako as the owner of Natra Bintan Land has granted a lease over Natra Bintan Land to PT Mendol as the owner of Natra Bintan Hotel for developing, maintaining and operating the Natra Bintan Hotel. The lease commences from 6 September 2021 and ends on 30 June 2037 and will be automatically renewed for two (2) successive periods of five (5) calendar year.

In arriving at the land value of the Natra Bintan Hotel, the Valuer has considered the land rental income over the remaining lease period and added with the present value of the land derived upon expiry of the existing lease at year 2045, being the terminal year upon the expiry of the SHGB in year 2044. Land value is obtained by using the Land Development Methodology with value assumed to grow at 5.70% per annum until 2045. The 5.70% was derived from Compound Annual Growth Rate ("**CAGR**") of land value in Bintan for past five (5) years.

Based on the above, the market value of Natra Bintan Land, Marine Park Land, Enggano Land and Mesawak derived from land development methodology are summarised as follows:-

Natra Bintan Land	Marine Park Land	Enggano Land	Mesawak Land
IDR135,237,000,000 or SGD12,791,833.	IDR125,829,512,706 or SGD11,901,991.	IDR133,018,488,381 or SGD12,581,985	IDR75,059,263,773 or SGD7,099,817.

Market approach

The Valuer had adopted the market approach in order to arrive at the market value of Natra Bintan Land, Marine Park Land, Enggano Land and Mesawak Land. This approach entails estimating the value of the Subject Properties by analysing sales of similar properties within the neighbourhood and making adjustments to those sales for dissimilarities (physical, legal and economic) between each of the selected comparable and the property under consideration. A reconciliation of adjusted values and a selection of the more suitable comparable and a final decision will be made judgementally based on professional experience.

The comparable evidence adopted by the Valuer are identical to the evidence adopted in valuation of Mendol (land value) using the replacement cost approach as set out in page 11 of this IAL.

The Valuer has considered the appropriate adjustment to several parameters that affect the value of the subject land such as market condition, distance, infrastructure, land area and location that are summarised as follows:-

Natra Bintan Land

Adjustment	Comparable 1	Comparable 2	Comparable 3
Price indication	0.0%	(20.0%)	(20.0%)
Market conditions	6.0%	2.0%	2.0%
Distance	5.0%	11.0%	14.0%
Infrastructure development conditions	121.0%	104.0%	131.0%
Land area	19.0%	19.0%	16.0%
Land condition	9.0%	9.0%	10.0%
View	0.0%	0.0%	7.0%
Total adjustment	160.0%	130.0%	160.0%
Adjusted land value (per sqm)	IDR3,842,698	IDR3,894,694	IDR3,885,970

Marine Park Land

Adjustment	Comparable 1	Comparable 2	Comparable 3
Price indication	0.0%	(20.0%)	(20.0%)
Market conditions	6.0%	2.0%	2.0%
Distance	5.0%	11.0%	14.0%
Infrastructure development conditions	121.0%	104.0%	131.0%
Land area	20.0%	20.0%	16.0%
Land condition	9.0%	9.0%	10.0%
View	(25.0%)	(18.0%)	0.0%
Zoning	0.0%	5.0%	0.0%
Total adjustment	136.0%	108.0%	153.0%
Adjusted land value (per sqm)	IDR3,479,608	IDR3,549,197	IDR3,776,936

Enggano Land

Adjustment	Comparable 1	Comparable 2	Comparable 3
Price indication	0.0%	(20.0%)	(20.0%)
Market conditions	6.0%	2.0%	2.0%
Distance	5.0%	11.0%	14.0%
Infrastructure development conditions	121.0%	104.0%	131.0%
Land area	20.0%	20.0%	15.0%
Land condition	9.0%	9.0%	10.0%
View	(25.0%)	(18.0%)	0.0%
Zoning	0.0%	5.0%	0.0%
Total adjustment	136.0%	108.0%	152.0%
Adjusted land value (per sqm)	IDR3,479,608	IDR3,549,197	IDR3,764,038

Mesawak Land

Adjustment	Comparable 1	Comparable 2	Comparable 3
Price indication	0.0%	(20.0%)	(20.0%)
Market conditions	6.0%	2.0%	2.0%
Distance	5.0%	12.0%	14.0%
Infrastructure development conditions	121.0%	104.0%	131.0%
Land area	30.0%	30.0%	28.0%
Land condition	9.0%	9.0%	10.0%
View	0.0%	0.0%	7.0%

Adjustment	Comparable 1	Comparable 2	Comparable 3
Zoning	0.0%	5.0%	0.0%
Total adjustment	171.0%	142.0%	172.0%
Adjusted land value (per sqm)	IDR4,009,114	IDR4,083,146	IDR4,051,818

In view of limited comparative data on leased land in the Lagoi area, therefore for the rent indication value, the Valuer had used the rental yield to get the land lease rate. The Valuer has obtained the indicative investment value of the leasehold land by multiplying the percentage of leasehold values of freehold values as remaining lease term based on average land yield in several district in Indonesia. For information, the rate of return adopted by the Valuer is 2.7% based on the average of the rate of return of similar commercial land within larger locality from other provinces in Indonesia such as Medan, Aceh and Bali.

We have also made reference to the valuation of the Main Entrance and Building Facility, which was acquired by the Company in May 2021, the adjusted land value (per sqm) adopted ranges from IDR2,921,841 to IDR3, 371,921, which is lower than the adjusted land value (per sqm) ascribed by the Valuer.

Based on the above, the market value of Natra Bintan Land, Marine Park Land, Enggano Land and Mesawak Land derived from market approach are summarised as follows:-

Natra Bintan Land	Marine Park Land	Enggano Land	Mesawak Land
IDR131,743,000,000 or SGD12,461,345	IDR115,557,147,886 or SGD10,930,491	IDR119,126,659,285 or SGD11,268,129	IDR72,087,196,589 or SGD6,818,691

The Valuer has considered a 50%: 50% weight for the value with the market approach and income approach in the following considerations:

(i) The market approach should be the primary approach but due to market data unavailability that same characteristics with the Subject Properties; and

(ii) The income approach with the land development methodology, and given equal weight for both approaches. Considering the land lot have a potential to development.

Based on the above reconciliation, the market value of Natra Bintan Land, Marine Park Land, Enggano Land and Mesawak Land are summarised as follows:-

Natra Bintan Land	Marine Park Land	Enggano Land	Meswak Land
IDR133,490,000,000 or SGD12,627,000	**IDR120,693,000,000 or SGD11,416,000**	**IDR126,073,000,000 or SGD11,925,000**	**IDR73,573,000,000 or SGD6,959,000**

Income approach - investment value

DCF methodology in order to arrive at the investment value of Natra Bintan Land, Marine Park Land, Enggano Land and Mesawak Land and the following specific parameters were adopted: -

Details	Natra Bintan Land	Marine Park Land	Enggano Land	Mesawak Land
Projected Period	Same as income approach using land development methodology (market value)			
Occupancy rate	Year 1 = 0.0% Year 2 = 22.1% Year 3 = 53.5% Year 4 = 72.8% Year 5 = 80.1% Year 6 = 81.1% Year 7 = 80.6% Year 8 = 80.1%	Year 1 to Year 4= 0.0% Year 5 = 45.0% Year 6 = 53.9% Year 7 = 63.9% Year 8 = 65.2% Year 9 = 63.7% Year 10 = 62.4%	Year 1 to Year 5= 0.0% Year 6 = 45.0% Year 7 = 53.9% Year 8 = 63.9% Year 9 = 64.9% Year 10 = 63.7% Year 11 = 61.9%	Year 1 to Year 4= 0.0% Year 5 = 45.0% Year 6 = 55.9% Year 7 = 67.4% Year 8 = 75.4% Year 9 = 79.4% Year 10 = 79.4%

Details	Natra Bintan Land	Marine Park Land	Enggano Land	Mesawak Land
	Year 9 = 79.3% Year 10 to end = 79.3%	Year 11 = 62.4% Year 12 = 61.4% Year 13 = 61.4% Year 14 = 61.4% Year 15 = 61.4%	Year 12 = 61.4% Year 13 = 61.4% Year 14 = 60.4% Year 15 = 60.4%	Year 11 = 78.9% Year 12 = 78.1% Year 13 = 78.1% Year 14 = 78.1% Year 15 = 78.1%
Revenue	Room revenue+ F&B (74.85%) + OOD (7.91%)			Room revenue+ F&B (47.51%) + OOD (6.16%)
Construction cost Main Building/ Infrastructure	IDR687,720 per sqft/ IDR43,836 per sqft	IDR2,803,093 per sqft/ IDR43,836 per sqft		IDR1,814,548 per sqft/ IDR43,836 per sqft

For Natra Bintan Land's valuation, the revenue recognized is land rental income of 2% of Gross Operating Revenue as per the Lease Agreement and then add up the land value in year 2048. Land value is obtained by using the Land Development Method with value is assumed to grow at 4.6% per annum until 2048.

Based on the above, the investment value of Natra Bintan Land, Marine Park Land, Enggano Land and Mesawak Land are summarised as follows:-

Natra Bintan Land	Marine Park Land	Enggano Land	Mesawak Land
IDR144,997,000,000 or SGD13,715,000	**IDR220,728,000,000 or SGD20,878,000**	**IDR229,387,000,000 or SGD21,697,000**	**IDR124,693,000,000 or SGD11,795,000**

Set out below are the summary of the market value and investment value of the Subject Properties for ease of reference.

Subject Properties	Market Value		Investment Value	
	IDR'000	SGD	IDR'000	SGD
Natra Bintan Hotel	274,986,000	26,010,000	320,543,000	30,320,000
Natra Bintan Land	133,490,000	12,627,000	144,997,000	13,715,000
Marine Park Land	120,693,000	11,416,000	220,728,000	20,878,000
Enggano Land	126,073,000	11,925,000	229,387,000	21,697,000
Mesawak Land	73,573,000	6,959,000	124,693,000	11,795,000

(*Using the exchange rate of SGD1.00: IDR10,572 extracted from the Valuation Certificates*)

Based on the above, the valuation bases adopted by the Valuer are as follows; (i) market value – "The estimated amount for which an asset or liability should exchange or to be paid on the valuation date between a willing-buyer willing-seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion" and (ii) investment value – "The value of an asset to the owner or a prospective owner for individual investment or operational objective.

As the definition implies, and in contrast to market value, this basis of value does not envisage a hypothetical transaction but is a measure of the value of the benefits of ownership to the current owner or to a prospective owner, recognising that these may differ from those of a typical market participant. The Valuer is of the view that investment value reflects the value of the Subject Properties due to the benefits which the owner can continue to reap from the hotel operation and to develop the remaining parcels of vacant land which form part of the integrated resort complex. We concur with the Valuer and we are also of the view that the investment value adopted in arriving at the RNAV of the Target Companies is reasonable as it measures the value of benefits of ownership to Blumont being the owner, upon the completion of the Proposed Disposals. Further, the investment value is approximately 42.7% higher than the market value, and as such is not detrimental to the non-interested shareholders of the Company.

Based on the above and the following page, the RNAV derived based on investment value of approximately SGD63.40 million (*equivalent to approximately RM195.00 million*) is higher than the RNAV derived based on market value of approximately SGD45.73 million (*equivalent to approximately RM140.71 million*) and therefore is favourable to Landmarks as the Disposal Consideration approximate the value derived based on RNAV using the investment value appraised by the Valuer.

For illustration purposes, the RNAV of the Target Companies take into consideration the market value of the Subject Properties prepared by Valuer is as follows:

Target Companies / Descriptions	Mendol SGD'000	Hinako SGD'000	Prime SGD'000	Enggano SGD'000	Mesawak SGD'000
NA as at 30 June 2021 [1][6]	2,356 [2]	822	2,798 [3]	309	166
Add: fair value adjustment for the Subject Properties [4][5][6]	10,065	11,805	6,550	6,846	4,009
RNAV	**12,421**	**12,627**	**9,348**	**7,155**	**4,175**
Total value	**SGD 45,727** (*Equivalent to approximately RM140.71 million*)				

Notes:

[1] Based on the management accounts of the Target Companies as at 30 June 2021, on the assumption that shareholder loan owing by Hinako, Prime, Enggano and Mesawak to TGPL has been capitalised as well as other incidental costs to be incurred to ensure that the ownership of the Subject Properties are in place prior to the completion of the Proposed Disposals

[2] The NA for Mendol as at 30 June 2021 has taken into consideration the expected operation losses to be incurred from July 2021 to December 2021.

[3] Other than the capitalisation of shareholder loan owing to TGPL, the NA for Prime as at 30 June 2021 has taken into consideration the acquisition of new fixed assets.

[4] Computed based on the market values of the Subject Properties as set out in the Valuation Certificates and the NBV of the respective Target Companies as at 30 June 2021(on the assumption that the Subject Properties are in place).

[5] There is no capital gain tax in Seychelles.

[6] 49% equity in Mendol, 100% equity interest in Hinako and 60% each in Prime, Enggano and Mesawak.

In conclusion, after considering the above, we are of the opinion that the Disposal Considerations are fair, reasonable and not detrimental to the non-interested shareholders of the Company. Further, the capitalisation of shareholder loans to TGPL will serve as an avenue for the Target Companies to fully settle the debt owing to TGPL in an expeditious manner. In addition, the effects of the capitalisation exercise have also been taken into consideration in the abovementioned RNAV computation and as such is not detrimental to the interest of the non-interested shareholders of the Company.

For information, it is noted that the Valuation Certificates had been prepared with due regard to the Valuation Practice Guidance Application 10 of the Royal Institute of Chartered Surveyors' Valuation – Global Standard. Given the unknown future impact that COVID-19 might have on the real estate market, hence, such valuation report is recommended to be reviewed frequently.

Notwithstanding the above, non-interested shareholders should note that the market price of the Subject Properties may be affected by various factors, including but not limited to, liquidity risk (i.e. the process of selling and buying property can be time consuming) and valuation risk (i.e. the transacted price may not necessarily reflect the market value appraised by the Valuer). Further, it should be noted that the RNAV approach implicitly includes the assumption that the Subject Properties may be disposed of by the Company at the price determined by the Valuer, on a willing buyer willing seller basis in an arm-length transaction with a third party. The Valuer's valuations do not account for the effort, time, marketability, buyer demand, uncertainty relating to a property sale and potential transaction costs that would be required to dispose of the assets and realise the intrinsic value of the Subject Properties.

6.2 Justification for the Issue Price

Section 2.1.10, Part A of the Circular sets out the basis and justification for the Issue Price.

In assessing the fairness and reasonableness of the issue price of SGD0.005 (equivalent to RM0.015) ("**Issue Price**") per Blumont Share to be issued pursuant to the Proposed Disposals, we have compared said Issue Price against:

(i) the last transacted price of Blumont Shares on LTD of SGD0.005 (equivalent to RM0.015); and

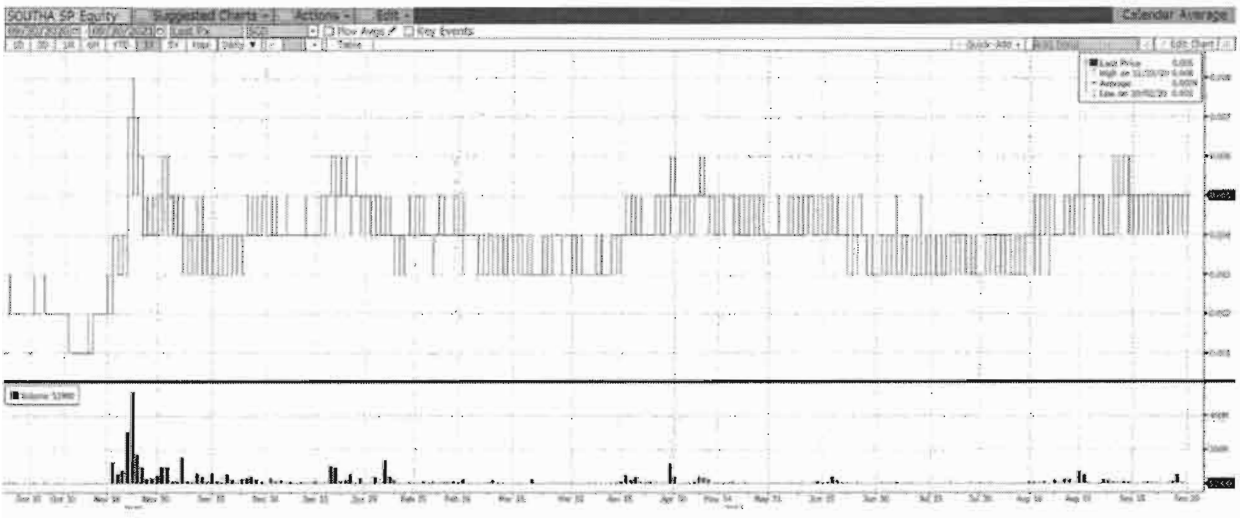
(ii) the 5-day VWAMP of Blumont Shares up to and including the LTD of SGD0.0041 (equivalent to RM0.0126).

The Issue Price represents a premium to the following market prices of Blumont Shares as set out in the table below: -

Basis of comparison base on	VWAP/ Closing Price	Premium over VWAP/closing price	
	SGD	SGD	%
Last transacted price as at LTD	0.0050	-	-
VWAP for the five (5)-day up to and including LTD	0.0041	0.0009	22.0
VWAP for the one (1)-month up to and including LTD	0.0047	0.0003	6.4
VWAP for the three (3)-month up to and including LTD	0.0046	0.0004	8.7
VWAP for the six (6)-month up to and including LTD	0.0045	0.0005	11.1
VWAP for the twelve (12)-month up to and including LTD	0.0047	0.0003	6.4

(Source: Bloomberg)

Set out in the chart below are the daily closing market prices of Blumont Shares on SGX for from 1 October 2020 to 1 October 2021 ("**Review Period**"). We consider that the Review Period which covers a full year prior to the signing of the SSAs represents a reasonable period to provide a general overview of the historical trend of Blumont Shares price when assessing the Issue Price.



As shown in the chart above, the closing price of Blumont Shares ranged from SGD0.001 per share to SGD0.008 per share, with a simple average closing price of approximately SGD0.0038 per share during the Review Period, and the Issue Price:-

(i) Represents a premium of approximately 31.6% to the simple average closing price;
(ii) Represents a discount of approximately 37.5% to the maximum closing price; and
(iii) Represents a premium of approximately 400.0% to the minimum closing price during the Review Period.

Based on the above, we note the following:-

(i) the Issue Price to be issued pursuant to the Proposed Disposals, represent a premium of 22.0%, 6.4%, 8.7%, 11.1% and 6.4% over the VWAP for the one (1)-month, one (1)-month, three (3)-month, six (6)-month and twelve (12)-month up to LTD; and

(ii) the issue price of SGD0.005 per Consideration Shares to be issued pursuant to the Proposed Disposals, represent a premium of 31.6% and 400.0% over the simple average closing price and the minimum closing price, respectively but at a discount of 37.5% to the maximum closing price during the Review Period.

Notwithstanding that the Issue Price is at the premium of 22.0% to the 5-day VWAMP of Blumont Shares up to and including the LTD, we are of the view that the Issue Price and the mode of settlement via the Consideration Shares are fair and reasonable and not detrimental to the non-interested shareholders of Landmarks premised on the followings:-

(i) With Landmarks securing an associate stake in Blumont arising from the Consideration Shares as well as Mark Wee's current shareholdings in Blumont, Landmarks and Blumont can jointly develop the vacant land pursuant to the Proposed Disposal. Moreover, with the appointment of a representative director nominated by TGPL as a director of Blumont, it would allow Landmarks' participation in the development concept of the vacant lands from the Proposed Disposals to be of strategic value to Treasure Bay Bintan. During the development phases undertaken by Blumont, it will likely attract other investment interests on Landmarks Group's remaining land surrounding Chill Cove, measuring some 38.5 hectares. This will in time, provide a sustainable platform on which Landmarks will be able to undertake the development of the remaining substantial Treasure Bay Bintan landbank;

(ii) We take note of Blumont's historical financials and we wish to highlight that the historical financial performance of Blumont may not be reflective of the future financial performance of Blumont. The future financial performance of Blumont is very dependent on, amongst other, the outlook of the tourism and hospitality industry in both Bintan (Indonesia) and Singapore and the opening of the aforementioned international borders as well as its ability to overcome various risks/ challenges prevalent in the business operations and the industry. The Proposed Disposals represent an exchange of illiquid real estate investment for tradable shares which are more liquid in nature and are more likely to be accepted as securities for financing as Blumont Shares are traded on SGX;

(iii) Blumont is not placed under the Watch-list where SGX will place an issuer on the Watch-list as part of ongoing efforts to improve the overall quality of listed companies in Singapore, and promote investor confidence of the marketplace;

(iv) The Issue Price is alleviated on the basis that the Disposal Considerations were derived based on the investment value of approximately RM305.18 million as the value of the lands are maximised under this basis of valuation and the investment value is a better reflection of the Disposal Considerations, as compared to the use of market value, which in fact has a lower value. Further in the prevailing section, it was noted that the RNAV of the Target Companies, using the market value as appraised by the Valuer, is approximately 27.9% lower than the Disposal Considerations; and

(v) Due to the on-going COVID-19 pandemic and the tightening the requirements for the granting of banking facilities, the Group will have difficulty in raising funds via the capital market or bank borrowings for development to be undertaken in a foreign jurisdiction. By having an associate stake in Blumont arising from the Proposed Disposals, Blumont will be able to raise funds either via the capital market and/or bank borrowing in Singapore.

As for the justification to the NA per Blumont Share of SGD0.0001 as compared to the Issue Price, which is at a significantly large premium, which is not detrimental to the non-interested shareholders of Landmarks premised on the followings:

(i) the Issue Price to be issued pursuant to the Proposed Disposals, represent a significantly large premium as compared to the NTA per share attributable to the owners of Blumont based on the audited financial statements for the FYE 31 December 2020 of SGD0.0001. However, assuming that the Proposed Disposals had been completed on 31 December 2020, being the end of the most recently completed financial year of Blumont Group, the pro forma NTA attributable to the owners of Blumont is expected to be at SGD78.72 million with the pro forma NTA per Blumont Share is expected to increase to SGD0.0018. The NTA of Blumont may improve further in the mid to long term period when the Target Companies start generating profits, of which Blumont will be able to operate the Natra Bintan Hotel within a shorter time frame. Based on the valuation report prepared by the Valuer, it was noted that both Marine Park Land and Mesawak Land will take approximately two (2) years for design and two (2) years to develop before operations, whilst Enggano Land will take three (3) years for design and two (2) years to develop before operations; and

(ii) Based on the Blumont audited financial position as at 31 December 2020, Blumont net tangible asset ("**NTA**") stood at SGD2.98 million. We also note that Blumont is currently undertaking a proposed disposal of a property of which will further improve the NTA of Blumont to approximately SGD4.41 million, based on its proforma financial effect. With the said disposal, Blumont will be able to start afresh as a new company in line with the change of name to "Southern Archipelago Ltd", which will allow the public and Blumont's business partners to better identify with Blumont going forward based on its future plans and direction.

Blumont intends to diversify into the hospitality and wellness business with a focus on Singapore, Malaysia and Indonesia as Blumont believes these industries will show strong recovery in the post-pandemic economy. Further, the change of name will better represent Blumont's geographical focus and business strategy as well as allowing the public and Blumont's business partners to better identify Blumont going forward based on its future business plans and directions.

For the past few years, Blumont had attempted to venture into the hospitality and wellness businesses that involved the proposed acquisition of Samahdi Retreats Pte Ltd of which at this juncture is in the midst of negotiations with the vendors on the proposed acquisition but have yet to agree on any further extension of time for completion and the board of directors of Blumont will make the necessary announcement as and when material and significant developments are achieved in relation to the abovementioned proposed acquisition. Further, Blumont currently hold an associate interest in Labrador Hill Pte Ltd, which operates the Villa Samadhi Hotel (www.villasamadhi.com.sg) and Tamarind Hill (www.samadhiretreats.com/tamarind-hill-singapore.html) in Singapore. In other words, Blumont has already being expose to managing and operating of hotels and restaurant. Further, with the representative director from TGPL and the joint-development of the vacant lands from the Proposed Disposals, Blumont will be able to tap into Landmarks Group's experience in the hospitality and wellness business.

6.3 Salient terms of SSAs

The salient terms of the SSAs are disclosed in Sections 2.1.7 and 2.1.8, Part A of the Circular. The following sets out only a summary of the material terms of the SSAs that was considered by us and non-interested shareholders of the Company are advised to read Sections 2.1.7 and 2.1.8, Part A of the Circular in the entirety. Our comments on the salient terms of the SSAs are as follows:

<table>
<tr><th colspan="2">Salient Terms</th><th rowspan="2">FHCA's Comments</th></tr>
<tr><th>Mendol SSA</th><th>Seychelles SSA</th></tr>
<tr>
<td>
Sale of Mendol Sale Shares

Subject to the terms and conditions of the Mendol SSA, the sellers, namely TGPL, Genprop Pte. Ltd., Luminous Global Inc., Strategic Premium Pte. Ltd. Wong Ho Kit, Sim Swee Yoke and Golden Prosperity LLP (collectively, "Mendol Sellers") agree to sell and Blumont agree to purchase the 4,868,394 ordinary shares in Mendol ("Mendol Sale Shares") at a total consideration of SGD29,338,843 ("Mendol SSA Consideration").

The number of Mendol Sale Shares held by the Mendol Sellers as at the date of Mendol SSA is set out as below:

<table>
<tr><th>No.</th><th>Seller</th><th>Number of shares held by Seller</th></tr>
<tr><td>1</td><td>TGPL</td><td>2,385,514 ordinary shares of USD 1 each</td></tr>
<tr><td>2</td><td>Genprop Pte. Ltd.</td><td>248,288 ordinary shares of USD 1 each</td></tr>
<tr><td>3</td><td>Luminous Global Inc.</td><td>1,323,375 ordinary shares of USD 1 each</td></tr>
<tr><td>4</td><td>Strategic Premium Pte. Ltd</td><td>662,929 ordinary shares of USD 1 each</td></tr>
<tr><td>5</td><td>Golden Prosperity LLP</td><td>62,072 ordinary shares of USD 1 each</td></tr>
<tr><td>6</td><td>Wong Ho Kit</td><td>104,281 ordinary shares of USD 1 each</td></tr>
<tr><td>7</td><td>Sim Swee Yoke</td><td>81,935 ordinary shares of USD 1 each</td></tr>
<tr><td colspan="2">Total</td><td>4,868,394 ordinary shares of USD 1 each</td></tr>
</table>
</td>
<td>
Sale of Seychelles Sale Shares

Subject to the terms and conditions of the Seychelles SSA, TGPL agrees to sell and Blumont agree to purchase the following percentage of shares held by TGPL in the following companies ("Seychelles Sale Shares") at a total consideration of SGD49,024,550 ("Seychelles Consideration"):

<table>
<tr><th>No.</th><th>Seller</th><th>Number of shares held by TGPL</th></tr>
<tr><td>1</td><td>Prime</td><td>60% of the enlarged share capital</td></tr>
<tr><td>2</td><td>Enggano</td><td>60% of the enlarged share capital</td></tr>
<tr><td>3</td><td>Mesawak</td><td>60% of the enlarged share capital</td></tr>
<tr><td>4</td><td>Hinako</td><td>100% of the enlarged share capital</td></tr>
</table>

Prior to the Seychelles SSA Completion (as defined below), the respective issued and paid-up share capital of each of the Seychelles Company will be increased pursuant to the Capitalisation Exercise (as defined below).

The Prime Group, the Enggano Group, the Mesawak Group and the Hinako Group are collectively referred to as the "Seychelles Group".
</td>
<td>These terms are typical in transaction of such nature and serve to state the subject matter of the transaction as well as the Disposal Considerations, of which the fairness of the Disposal Considerations have been set out in Section 6.1 and IAL.</td>
</tr>
</table>

Salient Terms		FHCA's Comments
Mendol SSA	Seychelles SSA	
Basis of Sale The acquisition of the Mendol Sale Shares by Blumont under the Mendol SSA is on the basis that – (a) Mendol Group consists of 4 companies in aggregate and Mendol Group's corporate structure is as set out in Annexure A of the Mendol SSA; (b) it includes the benefit of the acquisition of 100% of the legal, beneficial and effective equity interest of Mendol and the subsidiaries held by Mendol; (c) it includes the benefit of the acquisition of all the business of Mendol Group as a going concern and that the business of Mendol Group is to be continued as a going concern utilising all the assets of Mendol Group; (d) PT Mendol (one of the subsidiaries held by Mendol) is the legal owner of the Properties (Plot H5); (e) the Properties (Plot H5) are and will at the completion of sale and purchase of the Mendol Sale Shares ("**Mendol SSA Completion**") be free of encumbrances; (f) the Properties (Plot H5) remain in the same state and condition as at Mendol SSA Completion as it was on an 'as is where as' as at the date of the Mendol SSA; (g) the Properties (Plot H5) are located on HGB (Plot H5), which is owned by PT Hinako, one of the companies being acquired by Blumont pursuant to the Seychelles SSA and is subject to a lease agreement between PT Hinako and PT Mendol; (h) the warranties given by the Mendol Sellers in favour of Blumont as set out in Section 2.1.7(v), Part A of the Circular and the Supplemental Deed (as defined below) are true and accurate in all respects; and	**Basis of Sale** The acquisition of the Seychelles Sale Shares by Blumont under the Seychelles SSA is on the basis that – (a) Seychelles Group consists of 17 companies in aggregate and Seychelles Group's corporate structure is as set out in Annexure A of the Seychelles SSA; (b) it includes the benefit of the acquisition of 100% of the legal, beneficial and effective equity interest of Hinako and the subsidiaries held by Hinako; (c) it includes the benefit of the acquisition of 60% of the legal, beneficial and effective equity interest of Prime, Enggano and Mesawak and the subsidiaries held by Prime, Enggano and Mesawak; (d) it includes the benefit of the acquisition of all the business of the Seychelles Group as a going concern and that the business of the Seychelles Group is to be continued as a going concern utilising all the assets of the Seychelles Group; (e) PT Enggano (one of the subsidiaries within the Seychelles Group) is the legal owner of HGB (Plot H4); (f) PT Hinako (one of the subsidiaries within the Seychelles Group) is the legal owner of HGB(Plot H5); (g) PT Mesawak (one of the subsidiaries within the Seychelles Group) is the legal owner of HGB (Plot H6); (h) PT Marine (one of the subsidiaries within the Seychelles Group) is the legal owner of HGB (Plot A4) and Properties (Plot A4);	These terms are reasonable and are commercial terms which serve to ensure that the Proposed Disposals are completed in a fair and orderly manner and are not detrimental to the non-interested shareholders.

Salient Terms		FHCA's Comments
Mendol SSA	**Seychelles SSA**	
(i) each of the Mendol Sellers waives all of their pre-emption or any other rights to the Mendol Sale Shares arising from or in consequences of the disposal of the Mendol Sale Shares under the Mendol SSA.	(i) PT Treasure (one of the subsidiaries within the Seychelles Group) is the legal owner of the Attractions Operating Equipment and the Attractions Operating Equipment is in reasonable working condition (fair tear and wear excepted); (j) the HGB (Plot A4), HGB (Plot H4), HGB (Plot H5), HGB (Plot H6) and Properties (Plot A4) are and will at the completion of sale and purchase of the Seychelles Sale Shares ("**Seychelles SSA Completion**") be free of encumbrances; (k) the Properties (Plot A4) will remain in the same state and condition as at Seychelles SSA Completion as it was on an 'as is where as' as at the date of the Seychelles SSA; and (l) the warranties given by TGPL in favour of Blumont as set out in clause 7 of the Seychelles SSA and the Supplemental Deed to Seychelles SSA (as defined below) are true and accurate in all respects.	Same comments from the previous page
Consideration The Mendol SSA Consideration shall be SGD29,338,843. The Mendol SSA Consideration was agreed on the basis of – (a) the net assets of Mendol Group as at 30 June 2021 derived from the management accounts of Mendol for the period ended 30 June 2021, which were prepared and adjusted taking into account the valuation of the assets of Mendol Group given in the valuation certificate dated 30 September 2021 issued by the Valuer; and (b) a discount of SGD285,641 to take into consideration the losses likely to be incurred due to impact from the COVID-19 pandemic pending Mendol SSA Completion.	**Consideration** The Seychelles Consideration shall be SGD49,024,550. The Seychelles Consideration was agreed on the basis of – (a) the net assets of the Seychelles Group (excluding the Attractions Operating Equipment) as at 30 June 2021 derived from the management accounts of the Seychelles Companies for the period ended 30 June 2021, which were prepared and adjusted taking into account the valuation of the assets of the Seychelles Group given in the valuation certificate dated 30 September 2021 issued by the Valuer.	These terms were mutually agreed upon by the Company, Mendol Sellers, TGPL and Blumont. The evaluation of the Disposal Consideration for the Proposed Disposals have been set out in Section 6.1 and IAL. We are of the view that the Disposal Considerations are fair and not detrimental to the non-interested shareholders of the Company.

<table>
<tr><th colspan="2">Salient Terms</th><th rowspan="2">FHCA's Comments</th></tr>
<tr><th>Mendol SSA</th><th>Seychelles SSA</th></tr>
<tr><td rowspan="2">The Mendol SSA Consideration will be apportioned between the Mendol Sellers in accordance with their shareholding proportion in Mendol as set out in Section 2.1.7(i), Part A of the Circular.</td><td>(b) a discount of SGD255,669 to take into consideration the losses likely to be incurred due to impact from the COVID-19 pandemic pending Seychelles SSA Completion; and</td><td></td></tr>
<tr><td>(c) the agreed price of SGD1,000,000 on a willing buyer and a willing seller basis for the Attractions Operating Equipment.</td><td>For information, the NBV for the Attraction Operating Equipment stood at SGD0.54 million as at 30 June 2021, which is 45.8% lower than the agreed price. As such the agreed price is not detrimental to the non-interested shareholders of the Company.</td></tr>
<tr><td>Payment

Mendol SSA Consideration must be satisfied by Blumont by the issuance of 5,867,768,600 new Blumont Shares, at an Issue Price of SGD0.005 per share ("Mendol SSA Consideration Shares") in the respective name of the Mendol Sellers or their nominees in accordance with their respective apportionment entitlement to the Mendol SSA Consideration Shares as set out in Schedule 1 of the Mendol SSA, on the business day falling 5 business days after the Mendol SSA Unconditional Date, or such other date as the Mendol Sellers and Blumont may mutually agree in writing, on which Mendol SSA Completion is to take place ("Mendol SSA Completion Date").</td><td>Payment

The Seychelles Consideration must be satisfied by Blumont by the issuance of 9,804,910,000 new Blumont Shares, at an Issue Price of SGD0.005 per share ("Seychelles SSA Consideration Shares") in the name of TGPL or its nominees, on the business day falling 5 Business Days after the Seychelles SSA Unconditional Date, or such other date as TGPL and Blumont may mutually agree in writing, on which Seychelles SSA Completion is to take place ("Seychelles SSA Completion Date").</td><td rowspan="2">These terms were mutually agreed upon by the Company, Mendol Sellers, TGPL and Blumont.

The evaluation of the Issue Price of the Consideration Shares for the Proposed Disposals has been set out in Section 6.2 of this IAL.

We are of the view that the Issue Price of the Consideration Shares for the Proposed Disposals are fair and not detrimental to the non-interested shareholders of the Company.</td></tr>
<tr><td colspan="2">The Mendol SSA and Seychelles SSA Consideration Shares must be issued by Blumont in accordance with the following terms

(a) The Mendol SSA and Seychelles SSA Consideration Shares will, upon allotment and issuance, rank equally in all respects with the then existing Blumont Shares, except that the Mendol SSA and Seychelles SSA Consideration Shares will not be entitled to any dividends, rights, allotments or any other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the Mendol SSA and Seychelles SSA Consideration Shares.

(b) SGX approves the listing of and quotation of the Mendol SSA and Seychelles SSA Consideration Shares on the Main Board of SGX.</td></tr>
</table>

Salient Terms		FHCA's Comments
Mendol SSA	**Seychelles SSA**	
Representation, Warranties and Undertakings Each party to the Mendol SSA and the Seychelles SSA represents, warrants and undertakes to the other party that:- (a) the execution and delivery of, exercise of its rights under and performance of and compliance by it with the terms of the Mendol SSA and Seychelles SSA – (1) do not and will not conflict with, or result in a breach of any of the terms or provisions of, or constitute a default under, the constitution of the party (where applicable) or any existing law or regulation applicable to or affecting the party or any part of its properties, assets or undertakings; and (2) do not and will not infringe the terms of, or constitute a default under, or cause to be exceeded any limit imposed by, any agreement or other instrument or obligation to which any party is a party or by which any Party or any part of its/his undertaking, property or asset is bound; (b) the execution and delivery by the party of the Mendol SSA and the Seychelle SSA and the performance by the party of its obligations under the Mendol SSA and the Seychelle SSA is duly authorised by the party and constitutes legal, valid, binding and enforceable obligations of the party in accordance with its terms; and (c) there is no investigation, disciplinary proceeding or enquiry by, or order, decree, decision or judgment of, any court, tribunal, arbitrator, governmental agency or regulatory body having jurisdiction over the party that are outstanding or anticipated against the party.		These terms are common in nature where by the seller will provide representation, warranties and undertaking to the purchaser. The representation, warranties and undertakings set out on the right is reasonable to ensure the interest of Blumont is protected pursuant to the Proposed Disposals.
Condition for Completion	**Condition for Completion**	
The Mendol SSA Completion is conditional upon the fulfilment of the following conditions ("**Mendol SSA Conditions**"):	The Seychelles SSA Completion is conditional upon the fulfilment of the following conditions ("**Seychelles SSA Conditions")**:	The Conditions Precedent as set out in the SSAs are typical of such transactions and in compliance with the Listing Requirements.
(a) Blumont having undertaken and having completed its due diligence investigations in respect of the Mendol Group, including but limited to the affairs, operations, businesses, assets, liabilities (including tax liabilities), contracts, financial condition, accounts, results, prospects and the legal, accounting, financial and tax affairs of the companies of the Mendol Group ("**Mendol Due Diligence**"), and the results of such Mendol Due Diligence investigation being satisfactory to Blumont in its absolute discretion.	(a) Blumont having undertaken and having completed its due diligence investigations in respect of the Seychelles Group, including but limited to the affairs, operations, businesses, assets, liabilities (including tax liabilities), contracts, financial condition, accounts, results, prospects and the legal, accounting, financial and tax affairs of the companies of the Seychelles Group ("**Seychelles Due Diligence**"), and the results of such Seychelles Due Diligence investigation being satisfactory to Blumont in its absolute discretion.	Terms (a) and (b) will protect Blumont from any adverse findings during the due diligence review to ensure that the Proposed Disposals do not pose unnecessary risks or losses to Blumont and the Company subsequent to the completion hereof.

Salient Terms		FHCA's Comments
Mendol SSA	Seychelles SSA	
(b) The execution by the parties to Mendol SSA ("**Mendol Parties**") of a supplemental deed of undertakings, warranties and indemnities (**"Supplemental Deed"**) in relation to – (1) the undertakings, warranties and indemnities (if any) to be given to the Blumont by the Mendol Sellers in respect of the Mendol Sale Shares and Mendol Group Companies; and (2) limitations and exclusions of liability of the Mendol Sellers in relation to such warranties and indemnities (if any), in form and substance agreed by the Mendol Parties within 2 weeks from the completion of the Mendol Due Diligence or such other longer period as may be mutually agreed in writing by the Mendol Parties.	(b) The execution by the parties to Seychelles SSA ("**Seychelles SSA Parties**") of a supplemental deed of undertaking, warranties and indemnities (**"Supplemental Deed to Seychelles SSA"**) in relation to – (1) the undertakings, warranties and indemnities (if any) to be given to Blumont by TGPL in respect of the Seychelles Sale Shares and the Seychelles Group Companies; and (2) limitations and exclusions of liability of TGPL in relation to such warranties and indemnities (if any), in form and substance agreed by the Seychelles SSA Parties within 2 weeks of the completion of the Seychelles Due Diligence or such other longer period as may be mutually agreed in writing by the Seychelles SSA Parties.	
(c) Shareholders' approval of TGPL's holding company, i.e., Landmarks, for the transactions under the Mendol SSA and the acceptance of the Mendol SSA Consideration Shares.	(c) Shareholders' approval of TGPL's holding company, i.e., Landmarks, for the transactions under the Seychelles SSA and the acceptance of the Seychelles SSA Consideration Shares.	Term (c) is reasonable and in compliance with the Listing Requirements.
(d) Shareholders' approval of Blumont for the transactions under the Mendol SSA and the issuance of Mendol SSA Consideration Shares.	(d) Shareholders' approval of Blumont for the transactions under the Seychelles SSA and the issuance of Seychelles SSA Consideration Shares.	Terms (d) and (e) of Mendol SSA and term (d) of the Seychelles SSSA are reasonable and in compliance with SGX's listing requirements.
(e) The approval-in-principle of the SGX for the listing of, and quotation for, the Mendol SSA Consideration Shares on the Main Board of SGX.	(e) The Seychelles SSA Parties mutually agree on the terms and conditions of the shareholders' agreements in relation to Prime, Enggano and Mesawak, respectively (**Shareholders Agreements**), and the final forms of the shareholders' agreements to be executed on Seychelles SSA Completion.	Term (e) of Seychelles SSA is to establish a fair relationship between the shareholders and set out the shareholders' rights and obligation

Salient Terms		FHCA's Comments
Mendol SSA	Seychelles SSA	
(f) The lenders and financiers of the Mendol Sellers and Landmarks approving or confirming (if required) that they have no objection to the transaction under the Mendol SSA.	(f) The completion of the capitalisation of the following shareholder loans owning by each of the Seychelles Company, respectively, to TGPL (**Capitalisation Exercise**): (1) Prime: SGD 10,661,741. (2) Enggano: SGD 523,004. (3) Mesawak: SGD 281,224. (4) Hinako: SGD 822,264.	Term (f) of the Mendol SSA is to ensure that the Company and Mendol Sellers have obtained all consent and approvals from all relevant third parties for the Proposed Disposals. Term (f) of the Seychelles SSA is mutually agreed upon by the Company and Blumont. The RNAV of the Target Companies based on Investment Value, assuming that the Capitalisation Exercise had taken place, is approximate the Disposal Consideration. Please refer to Section 6.1. of the IAL for further information. Besides, the Capitalisation Exercise will prevent any breaches of the rules and regulation in relation to financial assistance among the entities within the Group.
(g) The legal owner of Natra Bintan Hotel, namely PT Mendol, gives a notice to the service provider/operator/licensor of Natra Bintan Hotel, i.e., PT Indo-Pacific Sheraton, Marriott International Design & Construction Services, Inc., Starwood Hotels & Resorts Worldwide, LLC and Luxury Hotels International of Hong Kong Limited (collectively, "**Hotel Service Provider/ Operator/ Licensor**") pursuant to Clause 11 of the OSA and the other agreements relating to Natra Bintan Hotel which have incorporated Clause 11 of the OSA. For the purpose of this section, OSA means the operating services agreement dated 8 June 2018 (as amended by side letters dated 30 January 2019, 16 August 2019 and 7 November 2019 and the amendment, assignment and assumption agreement dated 18 November 2020) between PT Mendol and PT Indo-Pacific Sheraton.	(g) The approval-in-principle of the SGX for the listing of, and quotation for, the Seychelles SSA Consideration Shares on the Main Board of SGX. (h) The lenders and financiers of TGPL and Landmarks approving or confirming (if required) that they have no objection to the transaction under the Seychelles SSA.	Terms (g) and (h) of the Mendol SSA are reasonable and will ensure that the Company, Mendol Sellers and Blumont have legal and beneficial rights to the OSA. Term (g) of the Seychelles SSA is reasonable and in compliance with SGX's listing requirements Term (h) of the Seychelles SSA is to ensure that the Company and TGPL have obtained all consent and approvals from all relevant third parties for the Proposed Disposals.

Salient Terms		FHCA's Comments
Mendol SSA	Seychelles SSA	
(h) The Hotel Service Provider/ Operator/ Licensor having given its consent or no objection for the change of control pursuant to the transaction under the Mendol SSA and for Blumont to fully take over Mendol, which in turn includes PT Mendol and Natra Bintan Hotel.		
(i) All the conditions precedent under the Seychelles SSA, except for the condition precedent that the conditions precedent under the Mendol SSA have been satisfied or waived in accordance with the Mendol SSA, have been satisfied or waived in accordance with the Seychelles SSA.	(i) The issue of Ijin Mendirikan Bangunan (i.e the license to build and erect buildings and structures on land issued by the relevant regulatory authority in the Republic of Indonesia) in relation to Properties (Plot A4).	Term (i) of the Mendol SSA is fair as the completion of the proposed disposal of Mendol is conditional upon the completion of the proposed disposals of Hinako, Prime, Enggano and Mesawak. Term (i) of the Seychelles SSA is reasonable and will ensure that the Company, TGPL and Blumont have the appropriate licenses to carry on the development on the Properties.
(j) There being no change in the financial position or results of operations of Mendol. Group, or any change or development that, singularly or in the aggregate, would involve a material adverse change or a prospective material adverse change, in or affecting the condition (financial or otherwise), results of operations, business, assets or prospects of the Mendol Group, including but not limited to the loss of any licence or approval of any governmental agency required in connection with the business affecting the Mendol Group since 31 December 2020.	(j) All the conditions precedent under the Mendol SSA, except for the condition precedent that the conditions precedent under the Seychelles SSA have been satisfied or waived in accordance with the Seychelles SSA, have been satisfied or waived in accordance with the Mendol SSA.	Term (j) of the Mendol SSA is fair and serves to protect the interest of Blumont. Term (j) of the Seychelles SSA is fair as the completion of the proposed disposal of Seychelles Groups are conditional upon the completion of the proposed disposal of Mendol.
(k) The purchase and transfer of the Mendol Sale Shares upon the terms and conditions of the Mendol SSA not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or other authority of any relevant jurisdiction.	(k) There being no change in the financial position or results of operations of the Seychelles Group, or any change or development that, singularly or in the aggregate, would involve a material adverse change or a prospective material adverse change, in or affecting the condition (financial or otherwise), results of operations, business, assets or prospects of the Seychelles Group, including but not limited	Term (k) of the Mendol SSA is reasonable and will ensure that the Company, Mendol Sellers and Blumont have legal and beneficial ownership of the Mendol Sale Shares. Term (k) of the Seychelles SSA is fair and serves to protect the interest of Blumont

Salient Terms		FHCA's Comments
Mendol SSA	Seychelles SSA	
	to the loss of any licence or approval of any governmental agency required in connection with the business affecting the Seychelles Group since 31 December 2020.	
(l) All approvals, consents, licences, permits, waivers and exemptions (collectively, **Approvals**) for the sale and purchase of the Mendol Sale Shares and its completion and the transactions contemplated under the Mendol SSA being granted by third parties, including all legislative, executive, regulatory, judicial or other authorities in any jurisdiction, to Blumont or the applicable Mendol Group Company (as the case may be) and where any such Approval is subject to conditions, such conditions being acceptable to the Mendol Sellers and Blumont, and if such conditions are required to be fulfilled before completion, such conditions being fulfilled before completion, and such Approvals remaining in full force and effect.	(l) The purchase and transfer of the Seychelles Sale Shares upon the terms and conditions of the Seychelles SSA not being prohibited or restricted by any statute, order, rule, regulation, directive, guideline or request (whether or not having the force of law) promulgated by any legislative, executive or regulatory body or other authority of any relevant jurisdiction.	Term (l) of the Seychelles SSA is reasonable and will ensure that the Company and Blumont have legal and beneficial ownership of the Seychelles Sale Shares Term (l) of the Mendol SSA and term (m) of the Seychelle SSA ensure that the Company and Mendol Sellers have obtained all consent and approvals from all relevant third parties for the Proposed Disposals.
The Mendol SSA shall become unconditional on the first day following the day on which the last of the Mendol SSA Conditions to be fulfilled is fulfilled ("**Mendol SSA Unconditional Date**").	(m) All approvals, consents, licences, permits, waivers and exemptions (collectively, "**Seychelles SSA Approvals**") for the sale and purchase of the Seychelles Sale Shares and its completion and the transactions contemplated under the Seychelles SSA being granted by third parties, including all legislative, executive, regulatory, judicial or other authorities in any jurisdiction, to Blumont or the applicable Seychelles Group Company (as the case may be) and where any such Seychelles SSA Approval is subject to conditions, such conditions being acceptable to TGPL and Blumont, and if such conditions are required to be fulfilled before Seychelles SSA Completion, such conditions being fulfilled before Seychelles SSA Completion, and such Seychelles SSA Approvals remaining in full force and effect.	
	The Seychelles SSA shall become unconditional on the first day following the day on which the last of the Seychelles SSA Conditions to be fulfilled is fulfilled ("**Seychelles SSA Unconditional Date**").	

Salient Terms		FHCA's Comments
Mendol SSA	**Seychelles SSA**	
Cut off Date If any Mendol SSA Condition and Seychelles SSA Condition are not fulfilled or waived by in accordance with the SSAs on or before 6 months from the date of the SSAs or such later date as may be mutually agreed in writing between the Mendol Parties and Seychelles SSA Parties as the last date by which the Mendol SSA Conditions and Seychelle SSA Condition must be fulfilled, Blumont may issue a Notice of Termination		This term is reasonable as it is a normal commercial term, whereby the SSAs shall be terminated without recourse by either party, save for any antecedent breaches, in the event of non-fulfilment of the Condition for Completion within the specified period.
Completion Mendol SSA Completion must take place at TGPL's office in Singapore on the Mendol SSA Completion Date. Mendol SSA Completion Obligations On the Mendol SSA Completion Date – (a) Blumont must satisfy the Mendol SSA Consideration in the manner set out in **Section 2.1.7(iv)** above; (b) the Mendol Sellers must each deliver to Blumont the original share certificates in respect of the Mendol Sale Shares, together with the undated share transfer instruments in relation to the Mendol Sale Shares duly executed by the Mendol Sellers in favour of Blumont; (c) the Mendol Sellers must deliver the Records (as defined in the Mendol SSA) to Blumont; (d) the Mendol Sellers must deliver to Blumont the resignation letters of all the directors, secretaries and company auditors of each Mendol Group Company, together with a written acknowledgement from each of them that they have no claim whatsoever against such Mendol Group Company in respect of any breach of contract, compensation for loss of office, redundancy or unfair dismissal or on any other grounds whatsoever, in the form acceptable to Blumont;	**Completion** Seychelles SSA Completion must take place at TGPL's office in Singapore on the Seychelles SSA Completion Date. Seychelles SSA Completion Obligations On the Seychelles SSA Completion Date – (a) Blumont must satisfy the Seychelles SSA Consideration in the manner set out in **Section 2.1.8(iv)**, Part A of the Circular; (b) TGPL must deliver to Blumont the original share certificates in respect of the Seychelles Sale Shares, together with the undated share transfer instruments in relation to the Seychelles Sale Shares duly executed by TGPL in favour of Blumont; (c) TGPL must execute the Shareholders Agreements; (d) TGPL must deliver the Records (as defined in the Seychelles SSA) to Blumont;	These terms are fair and are common commercial terms of transactions of this nature which stipulates the action to be taken on Completion. We are of the opinion that these terms are fair and reasonable whereby the Company, Mendol Sellers, TGPL and Blumont must fulfil their respective obligations under Clause 6 of the SSAs in ensuring the timely completion of the Proposed Disposals.

Salient Terms		FHCA's Comments
Mendol SSA	**Seychelles SSA**	
(e) the Mendol Sellers must procure that resolutions of the board of directors of Mendol, and where necessary also the shareholders of Mendol, are passed approving the registration of the Mendol Sale Shares in the Blumont's name in Mendol's share register subject to the payment of any applicable stamp duty on the share transfer instrument (if applicable) and deliver certified true copies of such resolutions to Blumont; and (f) the Mendol Sellers must procure that resolutions of the board of directors of each Mendol Group Company, and where necessary also the shareholders of the Mendol Group Company, are passed – (1) accepting the resignations of the directors of the Mendol Group and appointing as directors of each Mendol Group Company the persons nominated by Blumont in a notice given to the Mendol Sellers not less than 5 business days prior to the Mendol SSA Completion Date; (2) accepting the resignations of the company secretaries and auditors of the Mendol Group and appointing as company secretary and auditors of each Mendol Group Company the persons nominated by Blumont in a notice given to the Mendol Sellers not less than 5 business days prior to the Mendol SSA Completion Date; and (3) revoking of all existing mandates for the operation of bank accounts of the Mendol Group and approving the new mandates in favour of the persons nominated by Blumont in a notice given to the Mendol Sellers not less than 5 business days prior to the Mendol SSA Completion Date,	(e) TGPL must deliver to Blumont the resignation letters of all the directors (except that TGPL is entitled to retain such number of directors of Prime, Enggano and Mesawak as agreed in the Shareholders Agreements), secretaries and company auditors of each Seychelles Group Company, together with a written acknowledgement from each of them that they have no claim whatsoever against such Seychelles Group Company in respect of any breach of contract, compensation for loss of office, redundancy or unfair dismissal or on any other grounds whatsoever, in the form acceptable to Blumont; (f) TGPL must procure that resolutions of the board of directors of the Seychelles Companies, and where necessary also the shareholders of the Seychelles Companies, are passed approving the registration of the Seychelles Sale Shares in the Blumont's name in the Seychelles Companies' share register subject to the payment of any applicable stamp duty on the share transfer instrument (if applicable) and deliver certified true copies of such resolutions to Blumont; (g) TGPL must procure that resolutions of the board of directors of each Seychelles Group Company, and where necessary also the shareholders of the Seychelles Group Company, are passed – (1) accepting the resignations of the directors of the Seychelles Group and appointing as directors of each Seychelles Group Company the persons nominated by Blumont in a notice given to TGPL not less than 5 business days prior to the Seychelles SSA Completion Date;	Same comments from the previous page

Salient Terms		FHCA's Comments
Mendol SSA	**Seychelles SSA**	
and deliver certified true copies of such resolutions to Blumont. (Collectively, referred to as "**Mendol SSA Completion Obligations**") Simultaneous Completion Mendol SSA Completion is conditional on – (a) the simultaneous completion of both the Seychelles SSA and the Mendol SSA; and (b) both Blumont and the Mendol Sellers complying with all their Mendol SSA Completion Obligations. Breach of Mendol SSA Completion Obligations If any of the documents required to be delivered to any Mendol Party on the Mendol SSA Completion Date is not forthcoming for any reason or if in any other respect the provisions of the Mendol SSA Completion Obligations are not fully complied with by the Mendol Sellers or Blumont and the Mendol Parties do not complete this Mendol SSA, the Mendol Party that is not in default may (in addition to and without prejudice to all other rights and remedies available to it, including the right to claim damages) – (a) elect to terminate the Mendol SSA as against the other Mendol Party, without liability on the part of the terminating party and the provisions under Section 2.1.7(ix), Part A of the Circular will apply; (b) effect the Mendol SSA Completion so far as practicable having regard to the defaults which have occurred; or (c) fix a new date for Mendol SSA Completion, in which case the provisions of this paragraph will apply to the Mendol SSA Completion as so deferred.	(2) accepting the resignations of the company secretaries and auditors of the Seychelles Group and appointing as company secretary and auditors of each Seychelles Group Company the persons nominated by Blumont in a notice given to the TGPL not less than 5 business days prior to the Seychelles SSA Completion Date; and (3) revoking of all existing mandates for the operation of bank accounts of the Seychelles Group and approving the new mandates in favour of the persons nominated by Blumont in a notice given to the TGPL not less than 5 business days prior to the Seychelles SSA Completion Date, and deliver certified true copies of such resolutions to Blumont; and (h) Blumont must procure that resolution of the board of directors of Blumont is passed for the appointment as director of Blumont of a person nominated by TGPL as a director of Blumont (in a notice given by TGPL to Blumont not less than 5 Business Days prior to the Seychelles SSA Completion Date). (Collectively, referred to as "**Seychelles SSA Completion Obligations**") Simultaneous Completion Seychelles SSA Completion is conditional on – (a) the simultaneous completion of both the Mendol SSA and the Seychelles SSA; and (b) both TGPL and Blumont complying with all their Seychelles SSA Completion Obligations.	Same comments from the previous page

<table>
<tr><th colspan="2">Salient Terms</th><th rowspan="2">FHCA's Comments</th></tr>
<tr><th>Mendol SSA</th><th>Seychelles SSA</th></tr>
<tr><td></td><td><u>Breach of Seychelles SSA Completion Obligations</u>
If any of the documents required to be delivered to any Seychelle SSA Party on the Seychelles SSA Completion Date is not forthcoming for any reason or if in any other respect the provisions of the Seychelles SSA Completion Obligations are not fully complied with by TGPL or Blumont and the Seychelles SSA Parties do not complete this Seychelles SSA, the Seychelles SSA Party that is not in default may (in addition to and without prejudice to all other rights and remedies available to it, including the right to claim damages) –
(a) elect to terminate the Seychelles SSA as against the other Seychelles SSA Party, without liability on the part of the terminating party and the provisions under Section 2.1.7(ix), Part A of the Circular will apply;
(b) effect the Seychelles SSA Completion so far as practicable having regard to the defaults which have occurred; or
(c) fix a new date for Seychelles SSA Completion, in which case the provisions of this paragraph will apply to the Seychelles SSA Completion as so deferred.</td><td>Same comments from the previous page</td></tr>
<tr><td colspan="2">Termination
(a) <u>Right of the Mendol Sellers/ TGPL to Terminate</u>
If at any time up to the SSAs Completion –
(1) Blumont defaults in the satisfaction of the Mendol SSA Consideration/ Seychelles Consideration in accordance with the provisions of the SSAs and fails to rectify such breach within 30 days of the Mendol Sellers/ TGPL giving notice to Blumont to do so;
(2) bankruptcy proceedings are instituted against Blumont or Blumont is or becomes or is adjudicated or found to be, bankrupt or insolvent or suspends payment of its debts or is (is deemed to be) unable to or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to that party under any law regulation or procedure relating to reconstruction or adjustment of debts; or</td><td>These terms are common and reasonable as they give the rights to the non-defaulting parties to terminate the SSAs as well as safeguard the interest of the non-defaulting party in the event that any of the terms and conditions cannot be satisfied or waived.</td></tr>
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<tr><th colspan="2">Salient Terms</th><th rowspan="2">FHCA's Comments</th></tr>
<tr><th>Mendol SSA</th><th>Seychelles SSA</th></tr>
<tr><td colspan="2">
(3) Blumont has an administrator or receiver or receiver and manager appointed over or distress, attachment or execution is levied or enforced upon any part of Blumont's assets or undertaking,
then the Mendol Sellers/ TGPL may, by giving a Notice of Termination to Blumont before or at Mendol SSA Completion Date/ Seychelles SSA Completion Date, elect to terminate the SSAs.
(b) <u>Right of Blumont to Terminate</u>
If at any time up to the Mendol SSA Completion/ Seychelles SSA Completion Date –
(1) the Mendol Sellers/ TGPL breach(s) a term of the SSAs or the Supplemental Deed to the SSAs and fail to rectify such breach within 30 days of the Blumont giving notice to Mendol Sellers/ TGPL to do so;
(2) the Mendol Sellers/ TGPL fail(s), neglect or refuse to complete the disposal of the Mendol Sale Shares/ Seychelles Sale Shares or any of them in accordance with the provisions in the SSAs;
(3) bankruptcy proceedings are instituted against any of the Mendol Sellers/ TGPL of any of the Mendol Sellers/ TGPL is or becomes or is adjudicated or found to be, bankrupt or insolvent or suspends payment of its debts or is (is deemed to be) unable to or admits inability to pay its debts as they fall due or proposes or enters into any composition or other arrangement for the benefit of its creditors generally or proceedings are commenced in relation to that party under any law regulation or procedure relating to reconstruction or adjustment of debts; or
(4) any of the Mendol Sellers/ TGPL has an administrator or receiver or receiver and manager appointed over or distress, attachment or execution is levied or enforced upon any part of the relevant Mendol Seller's/ TGPL's assets or undertaking,
then Blumont may, by giving a Notice of Termination to the Mendol Sellers/ TGPL before or at the Mendol SSA Completion Date/ Seychelles SSA Completion Date, elect to terminate the SSAs.
(c) <u>Consequences of termination</u>
Upon termination of the Mendol SSA and the Seychelles SSA:-
(1) each Mendol Party/ Seychelles SSA must return to the other, all documents (if any), delivered to it under the provisions of the Mendol SSA/ Seychelles SSA Completion ObligationsError! Reference source not found.; and
(2) each Mendol Party/ Seychelles SSA party must do everything reasonably required by the other Mendol Party/ Seychelles SSA Party to reverse any action taken under the provisions of the Mendol SSA/ Seychelles SSA Party Completion Obligations,
within 14 days from the termination thereof, without prejudice to any other rights any Mendol Party/ Seychelles SSA Party may have in respect of that failure.
</td><td>Same comments from the previous page</td></tr>
</table>

Salient Terms		FHCA's Comments
Mendol SSA	Seychelles SSA	
(d) Post-termination Following the giving of a Notice of Termination under any of the provisions of the Mendol SSA/ Seychelles SSA, no Mendol Party/ Seychelles SSA Party will have any further obligation under the Mendol SSA/ Seychelles SSA to the other Mendol Parties/Seychelles SSA Party, except in respect of – (1) their respective obligations set out in this Section 2.1.7(ix) and Section 2.1.8(ix), Part A of the Circular; (2) any obligation under the Mendol SSA/ Seychelles SSA which is expressed to apply after the termination of the Mendol SSA/ Seychelles SSA; and (3) any rights or obligations which have accrued in respect of any breach of any of the provisions of the Mendol SSA/ Seychelles to any Mendol/ Seychelles SSA Party prior to such termination.		Same comments from the previous page

Premised on the above, we are of the view that the abovementioned salient terms of the SSAs are fair and reasonable as far as the interests of the Company are concerned and not detrimental to the non-interested shareholders of the Company.

7 RISK FACTORS

We take note of the risk factors as disclosed in Section 7, Part A of the Circular.

As Landmarks is already involved in the hospitality and wellness, resort and destination development, the Group is already exposed to the risks associated with the tourism industry of which the Target Companies are also operating in. The following are the key risk factors and our comments relating to the Proposed Disposal:-

7.1 Completion risk

We are of the view that the completion risk of the Proposed Disposals is common aspect of similar proposals. We noted that in the event any of the conditions precedent of the SSAs are not able to be fulfilled, some of which are beyond the control of the Group, the Group will not be able to complete the Proposed Disposals, thus resulting non-materialisation of the potential benefits expected from the Proposed Disposals.

7.2 Capital market risk

With the acceptance of quoted and listed shares as consideration, the Group will be exposed to external and internal factors that constantly contribute to the volatility of trading volume and prices of companies listed on the SGX and these add risk to future volatility of the market price of the Consideration Shares held by the Group.

Based on information extracted from S&P Capital IQ on 5 February 2022, Blumont's float percentage stood at 15.9%, calculated based on the free float shares divided by the number of shares outstanding, is lower than the median and average of 30.3% and 27.2% respectively from its peers that are listed on the "real estate: real estate development and operation industry" on the SGX.

The term float indicates how many shares are actually available to be bought and sold by general investing public. As such, more efforts and time may be required to identify investors should the Company decides to raise fund via the disposal of the Company's certain shareholdings in Blumont. Further, the use of Consideration Shares as collateral to secure financing from financial institutions may also be inexpedient unless Blumont's float percentage increases.

However, the benefit arising from holding Blumont Shares, its marketability, liquidity and pledgeability were discussed in Section 5 of this IAL, which are subject to, amongst others, the successful development, implementation and operation of the Target Companies and the Subject Properties, of which theoretically will improve Blumont Shares' marketability, liquidity and pledgeability in the future.

7.3 Investment risk

Upon completion of the Proposed Disposals, Blumont will be an associate company to the Group and is entitle to nominate one (1) director in Blumont. We are of the view that investment risk is mitigated based on the prospect of Blumont post acquisition, which they believe that the tourism and hospitality sectors will show strong recovery in the post-pandemic economy and the acquisition by Blumont will enable Blumont to capitalise on post-pandemic demands and opportunities and thus enhancing the overall profile of Blumont as well as the investment held by the Group in Blumont.

As discussed above, it was noted that on the assumption that the disposal of the Target Companies to Blumont had been completed on 31 December 2020, the pro forma of the NTA per Blumont Share is expected to increase to 0.18 cents as opposed to the NTA per Blumont Share of 0.01 cents before the said disposals.

Besides, with the new identity, it will better represent Blumont's geographical focus and business strategy as well as allowing the public and Blumont's business partners to better identify Blumont going forward based on its future business plans and directions.

7.4 Foreign exchange and translation risk

Considering that the existing investment of the Target Companies are in Indonesia, the Proposed Disposal will reduce the exposure to Indonesia's country risk as oppose to an investment of quoted and listed shares in SGX, which is expected to be more stable abet the underlying assets remain in Indonesia's jurisdiction. For information, the credit rating by Moody on Indonesia and Singapore are Baa2 and Aaa respectively *(Source: https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html and https://tradingeconomics.com/country-list/rating)*. Hence, we are of the view that the Proposed Disposal from the financial aspect, is not detrimental to the non-interested shareholders of the Company.

7.5 Loss of potentially higher capital value

The fairness of the Disposal Consideration has been set out in Section 6.1 of this IAL. The Disposal Consideration is 1% lower than the value derived based on RNAV using the investment value, but is 26.8% higher than the value derived based on RNAV using the market value. Further, save for Mendol, which contributed 49% of its earnings of SGD0.10 million (equivalent to approximately RM0.31 million), the remaining Target Companies incurred total losses of SGD2.06 million (equivalent to approximately RM6.32 million) to the Group's earnings for the FYE 31 December 2020. Further, there can be no assurance or guarantee that the Group can source for ready buyers for the Target Companies in the future and there is no assurance that it can dispose the said companies at a higher value.

Hence, we are of the view that the Proposed Disposal from the financial aspect, is not detrimental to the non-interested shareholders of the Company.

7.6 Risk of COVID-19 pandemic on the hospitality and tourism industries

It should also be noted that social and economic conditions in Southeast Asia have been affected by the COVID-19 outbreak in 2020 (which continued unabated into 2021) and the implementation of various lockdowns and the closure of international borders over the past two (2) years.

Despite the high vaccination rate and the recent re-opening of economic activities, the near-term outlook remains uncertain and any surge in infection rate and/or discovery of new COVID-19 variant of concerns may result in governments around this region re-implementing orders/policies, which may restrict business activities.

As such, there could potentially be disruption to the hospitality and tourism industries, progress and recovery may be slower during this period amidst market uncertainty.

We wish to highlight that although efforts and measures will be taken by the Group to mitigate the risks associated with the Proposed Disposals, no assurance can be given that one or a combination of the risk factors as stated in Section 7, Part A of the Circular will not occur and give rise to material and adverse impact on the business and operations of the Group, its financial performance, financial position or prospects thereon.

In evaluating the Proposed Disposals, non-interested shareholders of the Company should carefully consider the said risk factors and their respective mitigating factors prior to voting on the resolution pertaining to the Proposed Disposals at the forthcoming EGM of the Company. Non-interest shareholders of the Company should also note that the risk factors mentioned therein are not meant to be exhaustive.

8 EFFECTS OF THE PROPOSED DISPOSALS

The effects of the Proposed Disposals as disclosed in Section 8, Part A of the Circular are as follows:-

(i) Issued share capital and substantial shareholders' shareholdings

The Proposed Disposals will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company as it does not involve any issuance of new shares by the Company.

(ii) NA and gearing

The Proposed Disposals will increase the NA of the Company whilst it's gearing ratio will decrease as the Proposed Disposals will result in an estimated total gain of RM96.71 million to Landmarks based on the Disposal Considerations. The proforma effects of the Proposed Disposals on the NA, NA per Landmarks Share and gearing of Landmarks Group, based on the audited consolidated statement of financial position of the Company as at 31 December 2020 is set out below:

	Audited as at 31 December 2020 (RM'000)	After completion of the Proposed Disposals [3] (RM'000)
Total equity	1,861,634	(a)1,959,679
Borrowings (RM'000)	125,776	125,776
Gearing (times)*	0.07	0.06
NA per Share (RM)^	3.46	3.65

Notes:

^ *Calculated based on NA over number of Landmarks Shares.*

* *Calculated based on total borrowings over NA.*

(a) *The Proposed Disposals are expected to result in an estimated total gain of RM96.71 million to Landmarks based on the Disposal Considerations received, after taking into consideration the carrying value of the Target Companies and the estimated expenses in relation to the Proposed Disposals of approximately RM1.70 million.*

(iii) Earnings and EPS

Landmarks Group's EPS will increase as the Proposed Disposals are expected to result in an estimated total gain of RM96.71 million to Landmarks based on the Disposal Considerations received, after taking into consideration the carrying value of the Target Companies, the expenses which Landmarks Group has incurred for the development and operation of the assets involved in the Proposed Disposals.

Upon completion of the Proposed Disposal and with the associate stake in Blumont, Landmarks Group will be able to derive future earnings from Blumont. In addition, the Group will still be able to reap the benefit of the potential earnings from the remaining Target Companies namely the remaining 40% equity interest in Prime, Mesawak and Enggano.

(iii) Convertible securities

Save for the 59,037,200 outstanding ESOS Options, the Group does not have any convertible securities as at LPD.

Based on the above, we are of the opinion that the effects of the Proposed Disposals are fair and reasonable and not to the detriment of the non-interested shareholders of the Company.

9 CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Disposals and have set out our evaluation in Paragraph 4 to 8 of this IAL.

We summarise the potential advantages and disadvantages of the Proposed Disposals as follows:

Potential Advantages	Potential Disadvantages
The Proposed Disposals wound enable Landmarks Group to unlock the value and monetise its investment in the Target Companies, of which will strengthen Landmarks Group's NA with the recognition of RM96.71 million gain on disposal.	The Issue Price is at the premium of 22.0% to the 5-day VWAMP of Blumont Shares up to and including the LTD. In another words, the Company will receive lesser Blumont Shares based on the 5-day VWAMP of Blumont Shares up to and including the LTD of SGD0.0041. However, it was noted that the RNAV of the Target Companies, using the market value as appraised by the Valuer, is approximately 27.9% lower than the Disposal Considerations.
Landmarks still has the option of retaining an economic interest in the Target Companies through its shareholdings in Blumont, holding the Consideration Shares that can be leveraged as security for borrowings or raising funds through the disposal of some of its shareholdings in Blumont, which are relatively liquid and easily traded in exchange for cash.	The Issue Price to be issued pursuant to the Proposed Disposals, represent a significantly large premium as compared to the NTA per share attributable to the owners of Blumont based on the audited financial statements for the FYE 31 December 2020 of SGD0.0001. However, assuming that the disposal of the Target Companies to Blumont had been completed on 31 December 2020, being the end of the most recently completed financial year of Blumont Group, the pro forma NTA attributable to the owners of Blumont is expected to be at SGD78.72 million with the pro forma NTA per Blumont Share is expected to increase to SGD0.0018. The NTA of Blumont may improve further in the mid to long term period when the Target Companies start generating profits.

We have taken cognisance of the rationale, financial evaluation, effects and risk factors of the Proposed Disposals. Based on our evaluation and comments on the Proposed Disposals, we are of the opinion that the Proposed Disposals are **fair and reasonable** and are not detrimental to the non-interested shareholders of the Company.

Accordingly, we recommend that the non-interested shareholders of the Company to vote in favour of the resolution pertaining to the Proposed Disposals to be tabled at the forthcoming EGM of the Company.

Before arriving at the decision to vote on the resolution pertaining to the Proposed Disposals, it is pertinent that the non-interested shareholders of the Company consider the issues and implication raised in this IAL as well as other considerations set out in Part A of the Circular carefully and the recommendation of the Board (save for the Interested Directors) as set out in Section 13, Part A of the Circular.

Yours faithfully
FHMH CORPORATE ADVISORY SDN BHD

NG WOON LIT
Director
Investment Representative
eCMSRL/B5412/2015

DING SU-LYNN
Director
Investment Representative
eCMSRL/B8965/2019

INFORMATION ON MENDOL

1. HISTORY AND BUSINESS

Mendol is an international business company limited by shares incorporated under the laws of Seychelles on 18 March 2014. Mendol is principally engaged in investment holding.

2. SHARE CAPITAL

As at the LPD, there is only one (1) class of shares in Mendol. As at the LPD, the issued share capital of Mendol is USD4,868,394 comprising 4,868,394 ordinary shares of USD1.00 each ("**Mendol Shares**").

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The directors of Mendol together with their respective shareholdings as at the LPD are as follows:

		Direct		Indirect	
Name	**Nationality**	**No. of Mendol Shares ('000)**	**%**	**No. of Mendol Shares ('000)**	**%**
Mark Wee	Malaysian	-	-	-	-
Fong Chee Khuen	Malaysian	-	-	-	-
Yeo Su Hui	Singaporean	-	-	-	-
Arif Bin Hassan	Malaysian	-	-	-	-
Dato' Marco Low Peng Kiat	Malaysian	-	-	-	-
Datin Sim Swee Yoke	Malaysian	81,935	1.7	-	-

The substantial shareholders of Mendol together with their respective shareholdings as at LPD are as follows:

		Direct		Indirect	
Name	**Country of Incorporation**	**No. of Mendol Shares ('000)**	**%**	**No. of Mendol Shares ('000)**	**%**
TGPL	Singapore	2,385,514	49.0	-	-
Luminous Global Inc[(a)]	British Virgin Islands	1,323,375	27.2	-	-
Strategic Premium Pte Ltd[(b)]	Singapore	662,929	13.6	-	-
Genprop Pte Ltd[(c)]	Singapore	248,288	5.1	-	-

Notes:

(a) The shareholders of Luminous Global Inc and their shareholdings are set out below:

	<---------------- *Direct* ----------------->	
Name	***No. of shares***	***%***
Hassan Bin Che Abas & Pah Lai Yin as joint tenants with Rights of Survivorship	*50,000*	*100.0*

(b) *The shareholder of Strategic Premium Pte Ltd and his/her shareholding is set out below:*

	<------------------ Direct ------------------>	
Name	***No. of shares***	***%***
Dato Marco Low Peng Kiat	*1*	*100.0*

(c) *The shareholder of Genprop Pte Ltd and his/her shareholding is set out below:*

	<------------------ Direct ------------------>	
Name	***No. of shares***	***%***
Yeo Su Hui	*200,000*	*100.0*

Mendol is a 49% investment in joint venture held by TGPL, a wholly-owned subsidiary of PGSB, while PGSB is a wholly-owned subsidiary of our Company. Thus, Mendol in turn is a 49% investment in joint venture of our Group.

4. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, the subsidiaries of Mendol are set out below:

Subsidiary	**Date/Place of incorporation**	**Share capital**	**Effective equity interest (%)**	**Principal activity**
Mendol Alpha Pte Ltd	31 March 2014 / Singapore	SGD1	100.0	Investment holding
Mendol Beta Pte Ltd	31 March 2014 / Singapore	SGD1	100.0	Investment holding
PT Mendol	30 May 2014 / Indonesia	IDR71,514,388,000	100.0	Development and management of resort hotels

As at the LPD, Mendol does not have any associate company.

5. MATERIAL CONTRACTS

Save as disclosed below, Mendol Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

(i) sale and purchase agreement between PT Mendol and PT BHU dated 18 November 2020 to acquire Natra Bintan Hotel and the related business assets for a total consideration of IDR27.99 billion (equivalent to approximately RM8.17 million based on the exchange rate of RM1 : IDR3,425, being the prevailing exchange rate as at 5 p.m. on the LPD as published by BNM). The consideration was satisfied by way of cash. The said agreement was completed on 18 November 2020;

(ii) lease agreement between PT Mendol, PT BHU, PT PBI and PT BLRV dated 18 November 2020 for PT Mendol to lease Natra Bintan Land from PT BHU, PT PBI and PT BLRV, the then land owners of Natra Bintan Land. The rental is calculated at the rate of 2% of the gross operating revenue of the Natra Bintan Hotel every calendar year during the term of the lease. The lease commences from 18 November 2020 and ends on 30 June 2037 unless terminated earlier; and

(iii) lease agreement between PT Mendol and PT Hinako dated 6 September 2021 for PT Mendol to lease Natra Bintan Land from PT Hinako. The rental is calculated at the rate of 2% of the gross operating revenue of the Natra Bintan Hotel every calendar year during the term of the lease. The lease commences from 6 September 2021 and ends on 30 June 2037 unless terminated earlier.

6. MATERIAL LITIGATIONS

As at the LPD, Mendol Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of Mendol is not aware of any proceeding pending or threatened against Mendol Group or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of Mendol Group.

7. MATERIAL COMMITMENTS

As at the LPD, the board of directors of Mendol is not aware of any material commitment incurred or known to be incurred by Mendol Group that has not been provided for, which may have a material impact on the financial results or position of Mendol Group.

8. CONTINGENT LIABILITIES

As at the LPD, the board of directors of Mendol is not aware of any contingent liability incurred or known to be incurred by Mendol Group, which upon becoming enforceable, may have a material impact on the financial results or position of Mendol Group.

9. HISTORICAL FINANCIAL INFORMATION

A summary of the financial information of Mendol Group for the past 3 financial years up to the latest available unaudited results for the FYE 31 December 2021 is set out as follows:

	FYE 31 December[(a)]			**Unaudited**
	2018	**2019**	**2020**	**FYE 31 December 2021**
	SGD	**SGD**	**SGD**	**SGD**
Revenue	-	-	186,202	900,831
Gross profit	-	-	136,103	473,618
(LBT) / PBT	(3,880)	(3,880)	202,880	(1,540,887)
(LAT) / PAT	(3,880)	(3,880)	202,880	(1,377,501)
Share capital	1	1	6,663,712	6,663,712
Shareholders' funds / NA	3	3	6,649,868	5,134,663
Total borrowings	-	-	-	-

	FYE 31 December[a]			Unaudited
	2018	2019	2020	FYE 31 December 2021
	SGD	SGD	SGD	SGD
Net LPS (**SGD**)[b]	(3,880)	(3,880)	*	(0.3)
NA per Mendol Share (**SGD**)[c]	3	3	1.4	1.1
Current ratio (**times**)[d]	-	-	1.3	0.5
Gearing (**times**)[e]	-	-	-	-

Notes:

* *Less than SGD0.1.*

(a) *Extracted from the audited consolidated financial statements of Mendol for the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020.*

(b) *Calculated based on LAT / PAT over total number of Mendol Shares.*

(c) *Calculated based on NA over total number of Mendol Shares.*

(d) *Calculated based on the total current assets over total current liabilities.*

(e) *Calculated based on total borrowings over NA.*

Commentary on past financial performance:-

(i) **Audited FYE 31 December 2019 to FYE 31 December 2020**

Mendol Group was dormant since incorporation with no business activities until the commencement of Natra Bintan Hotel's business operation in November 2020 upon injection of the Natra Bintan Hotel into PT Mendol.

(ii) **Unaudited FYE 31 December 2021**

Mendol Group's revenue for FYE 31 December 2021 increased by SGD0.71 million or 383.79% to SGD0.90 million in FYE 31 December 2021 as compared to the FYE 31 December 2020 of SGD0.19 million as Natra Bintan Hotel's business operations had commenced since November 2020 upon injection of the Natra Bintan Hotel into PT Mendol. Hence, there was a one whole year of revenue earned in FYE 31 December 2021 as compared to the FYE 31 December 2020 of just two months.

Mendol Group recorded an LBT of SGD1.54 million in the FYE 31 December 2021, representing a decrease in PBT of SGD1.74 million or 859.51% as compared to its PBT of RM0.20 million in the FYE 31 December 2020. This was because the hospitality industry has been adversely impacted by the COVID-19 pandemic resulting in insufficient revenue earned to cover the high fixed costs such as salaries expenses, depreciation expenses and etc.

Accounting policies and audit qualification

For the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020 under review:

(i) there were no exceptional or extraordinary items reported in Mendol Group's audited financial statements;

(ii) there were no accounting policies adopted by Mendol Group which are peculiar to Mendol Group due to the nature of its business or the industry in which it is involved in; and

(iii) Mendol Group's external auditors had not issued any audit qualification on its financial statements.

1. HISTORY AND BUSINESS

Hinako is an international business company limited by shares incorporated under the laws of Seychelles on 18 March 2014. Hinako is principally engaged in investment holding.

2. SHARE CAPITAL

As at the LPD, there is only one (1) class of shares in Hinako. As at the LPD, the issued share capital of Hinako is USD609,810.00 comprising 609,810 ordinary shares of USD1.00 each.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the LPD, the sole director of Hinako is Fong Chee Khuen, a Malaysian.

Hinako is an indirect wholly-owned subsidiary of our Company via TGPL which is wholly-owned by PGSB, a wholly-owned subsidiary of our Company. TGPL is incorporated in Singapore and PGSB is incorporated in Malaysia.

4. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, the subsidiaries of Hinako are set out below:

Subsidiary	**Date/Place of incorporation**	**Share capital**	**Effective equity interest (%)**	**Principal activity**
Hinako Alpha Pte Ltd	31 March 2014 / Singapore	SGD1	100.0	Investment holding
Hinako Beta Pte Ltd	31 March 2014 / Singapore	SGD1	100.0	Investment holding
PT Hinako	30 May 2014 / Indonesia	IDR11,000,000,000	100.0	Provision of accommodation services

As at the LPD, Hinako does not have any associate company.

5. MATERIAL CONTRACTS

Save as disclosed below, Hinako Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

(i) lease agreement between PT Hinako and PT Mendol dated 6 September 2021 for the grant of lease over Natra Bintan Land by PT Hinako to PT Mendol. The rental is calculated at the rate of 2% of the gross operating revenue of the Natra Bintan Hotel every calendar year during the term of the lease. The lease commences from 6 September 2021 and ends on 30 June 2037 unless terminated earlier; and

(ii) 9 sale and purchase deeds (Akta Jual Beli) between PT Hinako and PT PBI, PT BHU and PT BLRV (collectively, the "**Natra Bintan Land Vendors**") respectively, all dated 6 September 2021 in relation to the transfer of the 9 SHGBs of Natra Bintan Land to PT Hinako for a total consideration of IDR8.32 billion (equivalent to approximately RM2.43 million based on the exchange rate of RM1 : IDR3,425, being the prevailing exchange rate as at 5 p.m. on the LPD as published by BNM) which was satisfied by the acceptance of advances from the Natra Bintan Land Vendors. The said sale and purchase deeds were completed on the even day.

6. MATERIAL LITIGATIONS

As at the LPD, Hinako Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of Hinako is not aware of any proceeding pending or threatened against Hinako Group or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of Hinako Group.

7. MATERIAL COMMITMENTS

As at the LPD, the board of directors of Hinako is not aware of any material commitment incurred or known to be incurred by Hinako Group that has not been provided for, which may have a material impact on the financial results or position of Hinako Group.

8. CONTINGENT LIABILITIES

As at the LPD, the board of directors of Hinako is not aware of any contingent liability incurred or known to be incurred by Hinako Group, which upon becoming enforceable, may have a material impact on the financial results or position of Hinako Group.

9. HISTORICAL FINANCIAL INFORMATION

A summary of the financial information of Hinako Group for the past 3 financial years up to the latest available unaudited results for the FYE 31 December 2021 is set out as follows:

	FYE 31 December[(a)]			**Unaudited**
	2018	**2019**	**2020**	**FYE 31 December 2021**
	SGD	**SGD**	**SGD**	**SGD**
Revenue	-	-	-	8,326
Gross profit	-	-	-	8,326
(LBT) / PBT	(3,880)	(3,880)	(3,880)	4,446
(LAT) / PAT	(3,880)	(3,880)	(3,880)	3,613
Share capital	1	1	1	822,268
Shareholders' funds / NA	3	3	3	826,255
Total borrowings	-	-	-	-

INFORMATION ON HINAKO (CONT'D)

	FYE 31 December[(a)]			Unaudited
				FYE 31 December
	2018	2019	2020	2021
	SGD	SGD	SGD	SGD
Net LPS (**SGD**)[(b)]	(3,880)	(3,880)	(3,880)	*
NA per share (**SGD**)[(c)]	3.0	3.0	3.0	1.4
Current ratio (**times**)[(d)]	-	-	-	0.9
Gearing (**times**)[(e)]	-	-	-	-

Notes:

*	*Less than SGD0.1.*
(a)	*Extracted from the audited consolidated financial statements of Hinako for the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020.*
(b)	*Calculated based on LAT / PAT over total number of Hinako Shares.*
(c)	*Calculated based on NA over total number of Hinako Shares.*
(d)	*Calculated based on the total current assets over total current liabilities.*
(e)	*Calculated based on total borrowings over NA.*

Commentary on past financial performance:-

Hinako Group was dormant since incorporation with no business activities. The losses incurred for the FYE 31 December 2018 to FYE 31 December 2020 were related to statutory expenses.

In the FYE 31 December 2021, the increase in revenue as compared with FYE 31 December 2020 was mainly due to rental revenue earned for the grant of lease over Natra Bintan Land to PT Mendol.

On 6 September 2021, Natra Bintan Land was transferred from PT PBI, PT BHU and PT BLRV to PT Hinako. Besides that, the increase in share capital and shareholders' fund in FYE 31 December 2021 was due to the completion of the capitalisation of the shareholders' loans owing to TGPL amounting to SGD0.82 million. The objective of capitalising the shareholders' loans to TGPL was to ensure no further receivables or payables to Landmarks Group is required to be paid by Blumont to Landmarks Group after the completion of the Proposed Disposals.

Accounting policies and audit qualification

For the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020 under review:

(i) there were no exceptional or extraordinary items reported in Hinako Group's audited financial statements;

(ii) there were no accounting policies adopted by Hinako Group which are peculiar to Hinako Group due to the nature of its business or the industry in which it is involved in; and

(iii) Hinako Group's external auditors had not issued any audit qualification on its financial statements.

1. HISTORY AND BUSINESS

Prime is an international business company limited by shares incorporated under the laws of Seychelles on 16 September 2008 under its present name. Prime is principally engaged in investment holding.

2. SHARE CAPITAL

As at the LPD, there is only one (1) class of shares in Prime. As at the LPD, the issued share capital of Prime is USD7,906,960.00 comprising 7,906,960 ordinary shares of USD1.00 each.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the LPD, the sole director of Prime is Fong Chee Khuen, a Malaysian.

Prime is an indirect wholly-owned subsidiary of our Company via TGPL which is wholly-owned by PGSB, a wholly-owned subsidiary of our Company. TGPL is incorporated in Singapore and PGSB is incorporated in Malaysia.

4. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, the subsidiaries of Prime are set out below:

Subsidiary	Date/Place of incorporation	Share capital	Effective equity interest (%)	Principal activity
Prime Lagoon Pte Ltd	07 October 2011 / Singapore	SGD1	100.0	Investment holding
Prime Villa Pte Ltd	07 October 2011 / Singapore	SGD1	100.0	Investment holding
PT Treasure	23 December 2011 / Indonesia	IDR9,115,000,000	100.0	Operation and management of a recreational park
PT Marine	03 May 2018 / Indonesia	IDR3,475,000,000	100.0	Operation and management of a recreational park

As at the LPD, Prime does not have any associate company.

5. MATERIAL CONTRACTS

Save as disclosed below, Prime Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

(i) 3 sale and purchase deeds (Akta Jual Beli) between PT Marine and PT PBI, all dated 30 September 2021 in relation to the transfer of the 3 SHGBs of Marine Park Land to PT Marine for a total consideration of IDR14.21 billion (equivalent to approximately RM4.15 million based on the exchange rate of RM1 : IDR3,425, being the prevailing exchange rate as at 5 p.m. on the LPD as published by BNM) which was satisfied by the acceptance of advances from PT PBI. The said sale and purchase deeds were completed on the even day; and

(ii) sale and purchase deed (Akta Jual Beli) between PT Marine and PT BHU dated 30 September 2021 in relation to the transfer of the Infrastructure Assets constructed on the Marine Park Land for a total consideration of IDR27.70 billion (equivalent to approximately RM8.09 million based on the exchange rate of RM1 : IDR3,425, being the prevailing exchange rate as at 5 p.m. on the LPD as published by BNM) which was satisfied by the acceptance of advances from PT BHU. The said sale and purchase deeds were completed on the even day.

(iii) sale and purchase agreement between PT Treasure and PT BHU dated 31 December 2020 in relation to the Attractions Operating Equipment for a total consideration of IDR5.77 billion (equivalent to approximately RM1.68 million based on the exchange rate of RM1 : IDR3,425, being the prevailing exchange rate as at 5 p.m. on the LPD as published by BNM) which was satisfied by the acceptance of advances from PT BHU. The said sale and purchase agreement was completed on the even day.

6. MATERIAL LITIGATIONS

As at the LPD, Prime Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of Prime is not aware of any proceeding pending or threatened against Prime Group or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of Prime Group.

7. MATERIAL COMMITMENTS

As at the LPD, the board of directors of Prime is not aware of any material commitment incurred or known to be incurred by Prime Group that has not been provided for, which may have a material impact on the financial results or position of Prime Group.

8. CONTINGENT LIABILITIES

As at the LPD, the board of directors of Prime is not aware of any contingent liability incurred or known to be incurred by Prime Group, which upon becoming enforceable, may have a material impact on the financial results or position of Prime Group.

9. HISTORICAL FINANCIAL INFORMATION

A summary of the financial information of Prime Group for the past 3 financial years up to the latest available unaudited results for the FYE 31 December 2021 is set out as follows:

	FYE 31 December[a]			**Unaudited**
	2018	**2019**	**2020**	**FYE 31 December 2021**
	SGD	**SGD**	**SGD**	**SGD**
Revenue	-	1,675,217	633,145	372,977
Gross loss	-	(47,105)	(249,094)	(248,594)
LBT	(345,186)	(1,386,832)	(2,043,644)	(1,433,607)
LAT	(345,186)	(1,386,832)	(2,043,644)	(1,433,607)

	FYE 31 December[a]			Unaudited
	2018	2019	2020	FYE 31 December 2021
	SGD	SGD	SGD	SGD
Share capital	1	1	1	10,661,745
Shareholders' funds / NA	(489,917)	(2,302,517)	(4,311,458)	4,884,289
Total borrowings	-	-	-	-
Net LPS (**SGD**)[b]	(345,186)	(1,386,832)	(2,043,644)	(0.2)
(NL) / NA per share (**SGD**)[c]	(489,917)	(2,302,517)	(4,311,458)	0.6
Current ratio (**times**)[d]	0.8	0.4	0.3	0.4
Gearing (**times**)[e]	-	-	-	-

Notes:

(a) Extracted from the audited consolidated financial statements of Prime for the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020.

(b) Calculated based on LAT over total number of Prime Shares.

(c) Calculated based on NL / NA over total number of Prime Shares.

(d) Calculated based on the total current assets over total current liabilities.

(e) Calculated based on total borrowings over NL / NA.

Commentary on past financial performance:-

Prime Group has not commenced business in FYE 31 December 2018, the operating loss incurred was mainly related to staff costs and operating supplies under PT Marine Life Discovery Park.

In FYE 31 December 2019, PT Treasure started its attraction business which was acquired from PT BHU, a wholly owned subsidiary of Landmarks.

In FYE 31 December 2020, the reduction in revenue as compared with FYE 31 December 2019 was mainly due to COVID-19 pandemic and temporary closure of business from April to June in financial year 2020.

In FYE 31 December 2021, the reduction in revenue as compared with FYE 31 December 2020 was mainly due to the COVID-19 pandemic resulting in insufficient revenue earned to cover the high fixed costs such as salaries expenses, depreciation expenses and etc.

On 30 September 2021, Marine Park Land together with the Infrastructure Assets were transferred from PT PBI and PT BHU to PT Marine, respectively. Besides that, the increase in share capital and shareholders' fund in FYE 31 December 2021 was due to the completion of the capitalisation of the shareholders' loans owing to TGPL amounting to SGD SGD10.66 million. The objective of capitalising the shareholders' loans to TGPL was to ensure no further receivables or payables to Landmarks Group is required to be paid by Blumont to Landmarks Group after the completion of the Proposed Disposals.

Accounting policies and audit qualification

For the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020 under review:

(i) there were no exceptional or extraordinary items reported in Prime Group's audited financial statements;

(ii) there were no accounting policies adopted by Prime Group which are peculiar to Prime Group due to the nature of its business or the industry in which it is involved in; and

(iii) Prime Group's external auditors had not issued any audit qualification on its financial statements.

INFORMATION ON ENGGANO

1. HISTORY AND BUSINESS

Enggano is an international business company limited by shares incorporated under the laws of Seychelles on 18 March 2014 under its present name. Enggano is principally engaged in investment holding.

2. SHARE CAPITAL

As at the LPD, there is only one (1) class of shares in Enggano. As at the LPD, the issued share capital of Enggano is USD387,880.00 comprising comprising 387,880 ordinary shares of USD1.00 each.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the LPD, the sole director of Enggano is Fong Chee Khuen, a Malaysian.

Enggano is a wholly-owned subsidiary of our Company via TGPL which is wholly-owned by PGSB, a wholly-owned subsidiary of our Company. TGPL is incorporated in Singapore and PGSB is incorporated in Malaysia

4. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, the subsidiaries of Enggano are set out below:

Subsidiary	Date/Place of incorporation	Share capital	Effective equity interest (%)	Principal activity
Enggano Alpha Pte Ltd	31 March 2014 / Singapore	SGD1	100.0	Investment holding
Enggano Beta Pte Ltd	31 March 2014 / Singapore	SGD1	100.0	Investment holding
PT Enggano	30 May 2014/ Indonesia	IDR11,000,000,000	100.0	Provision of accommodation services

As at the LPD, Enggano does not have any associate company.

5. MATERIAL CONTRACTS

Save as disclosed below, Enggano Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

(i) 4 sale and purchase deeds (Akta Jual Beli) between PT Enggano and PT PBI, all dated 3 September 2021 in relation to the transfer of the 4 SHGBs of Enggano Land to PT Enggano for a total consideration of IDR5.30 billion (equivalent to approximately RM1.55 million based on the exchange rate of RM1 : IDR3,425, being the prevailing exchange rate as at 5 p.m. on the LPD as published by BNM) which was satisfied by the acceptance of advances from PT PBI. The said sale and purchase deeds were completed on the even day.

6. MATERIAL LITIGATIONS

As at the LPD, Enggano Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of Enggano is not aware of any proceeding pending or threatened against Enggano Group or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of Enggano Group.

7. MATERIAL COMMITMENTS

As at the LPD, the board of directors of Enggano is not aware of any material commitment incurred or known to be incurred by Enggano Group that has not been provided for, which may have a material impact on the financial results or position of Enggano Group.

8. CONTINGENT LIABILITIES

As at the LPD, the board of directors of Enggano is not aware of any contingent liability incurred or known to be incurred by Enggano Group, which upon becoming enforceable, may have a material impact on the financial results or position of Enggano Group.

9. HISTORICAL FINANCIAL INFORMATION

A summary of the financial information of Enggano Group for the past 3 financial years up to the latest available unaudited results for the FYE 31 December 2021 is set out as follows:

	FYE 31 December[(a)]			**Unaudited**
				FYE 31 December
	2018	**2019**	**2020**	**2021**
	SGD	**SGD**	**SGD**	**SGD**
Revenue	-	-	-	-
Gross profit	-	-	-	-
LBT	(3,880)	(3,880)	(3,880)	(3,880)
LAT	(3,880)	(3,880)	(3,880)	(3,880)
Share capital	1	1	1	523,017
Shareholders' funds / NA	3	3	3	520,740
Total borrowings	-	-	-	-
Net LPS (**SGD**)[(b)]	(3,880)	(3,880)	(3,880)	*
NA per share (**SGD**)[(c)]	3	3	3	1.3
Current ratio (**times**)[(d)]	-	-	-	*
Gearing (**times**)[(e)]	-	-	-	-

Notes:

* *Less than SGD0.1.*

(a) *Extracted from the audited consolidated financial statements of Enggano for the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020.*

(b) *Calculated based on LAT over total number of Enggano Shares.*

(c) *Calculated based on NA over total number of Enggano Shares.*

(d) *Calculated based on the total current assets over total current liabilities.*

(e) *Calculated based on total borrowings over NA.*

Commentary on past financial performance:-

Enggano Group was dormant since incorporation with no business activities. The losses incurred for the past 3 financial years up to the latest available unaudited results for the FYE 31 December 2021 were related to statutory expenses.

On 3 September 2021, Enggano Land was transferred from PT PBI to PT Enggano. Besides that, the increase in share capital and shareholders' fund in FYE 31 December 2021 was due to the completion of the capitalisation of the shareholders' loans owing to TGPL amounting to SGD0.52 million. The objective of capitalising the shareholders' loans to TGPL was to ensure no further receivables or payables to Landmarks Group is required to be paid by Blumont to Landmarks Group after the completion of the Proposed Disposals.

Accounting policies and audit qualification

For the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020 under review:

(i) there were no exceptional or extraordinary items reported in Enggano Group's audited financial statements;

(ii) there were no accounting policies adopted by Enggano Group which are peculiar to Enggano Group due to the nature of its business or the industry in which it is involved in; and

(iii) Enggano Group's external auditors had not issued any audit qualification on its financial statements.

INFORMATION ON MESAWAK

1. HISTORY AND BUSINESS

Mesawak is an international business company limited by shares incorporated under the laws of Seychelles on 18 March 2014 under its present name. Mesawak is principally engaged in investment holding.

2. SHARE CAPITAL

As at the LPD, there is only one (1) class of shares in Mesawak. As at the LPD, the issued share capital of Mesawak is USD208,570.00 comprising 208,570 ordinary shares of USD1.00 each.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the LPD, the sole director of Mesawak is Fong Chee Khuen, a Malaysian.

Mesawak is a wholly-owned subsidiary of our Company via TGPL which is wholly-owned by PGSB, a wholly-owned subsidiary of our Company. TGPL is incorporated in Singapore and PGSB is incorporated in Malaysia.

4. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, the subsidiaries of Mesawak are set out below:

Subsidiary	Date/Place of incorporation	Share capital	Effective equity interest (%)	Principal activity
Mesawak Alpha Pte Ltd	31 March 2014 / Singapore	SGD1	100.0	Investment holding
Mesawak Beta Pte Ltd	31 March 2014 / Singapore	SGD1	100.0	Investment holding
PT Mesawak	30 May 2014 / Indonesia	IDR11,000,000,000	100.0	Provision of accommodation services

As at the LPD, Mesawak does not have any associate company.

5. MATERIAL CONTRACTS

Save as disclosed below, Mesawak Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

(i) 3 sales and purchase deeds (Akta Jual Beli) between PT Mesawak and PT PBI and PT BHU (collectively, "**Mesawak Land Vendors**") respectively, all dated 4 September 2021 in relation to the transfer of the 3 SHGBs of Mesawak Land to PT Mesawak for a total consideration of IDR2.85 billion (equivalent to approximately RM0.83 million based on the exchange rate of RM1 : IDR3,425, being the prevailing exchange rate as at 5 p.m. on the LPD as published by BNM) which was satisfied by the acceptance of advances from the Mesawak Land Vendors. The said sale and purchase deeds were completed on the even day.

6. MATERIAL LITIGATIONS

As at the LPD, Mesawak Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of Mesawak is not aware of any proceeding pending or threatened against Mesawak Group or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of Mesawak Group.

7. MATERIAL COMMITMENTS

As at the LPD, the board of directors of Mesawak is not aware of any material commitment incurred or known to be incurred by Mesawak Group that has not been provided for, which may have a material impact on the financial results or position of Mesawak Group.

8. CONTINGENT LIABILITIES

As at the LPD, the board of directors of Mesawak is not aware of any contingent liability incurred or known to be incurred by Mesawak Group, which upon becoming enforceable, may have a material impact on the financial results or position of Mesawak Group.

9. HISTORICAL FINANCIAL INFORMATION

A summary of the financial information of Mesawak Group for the past 3 financial years up to the latest available unaudited results for the FYE 31 December 2021 is set out as follows:

	FYE 31 December[(a)]			**Unaudited**
	2018	**2019**	**2020**	**FYE 31 December 2021**
	SGD	**SGD**	**SGD**	**SGD**
Revenue	-	-	-	-
Gross profit	-	-	-	-
LBT	(3,880)	(3,880)	(3,880)	(3,880)
LAT	(3,880)	(3,880)	(3,880)	(3,880)
Share capital	1	1	1	281,236
Shareholders' funds / NA	3	3	3	280,012
Total borrowings	-	-	-	-
Net LPS (**SGD**)[(b)]	(3,880)	(3,880)	(3,880)	*
NA per share (**SGD**)[(c)]	3	3	3	3
Current ratio (**times**)[(d)]	-	-	-	*
Gearing (**times**)[(e)]	-	-	-	-

Notes:

* *Less than SGD0.1.*

(a) *Extracted from the audited consolidated financial statements of Mesawak for the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020.*

(b) *Calculated based on LAT over total number of Mesawak Shares.*

(c) *Calculated based on NA over total number of Mesawak Shares.*

(d) *Calculated based on the total current assets over total current liabilities.*

(e) *Calculated based on total borrowings over NA.*

Commentary on past financial performance:-

Mesawak Group was dormant since incorporation with no business activities. The losses incurred for the past 3 financial years up to the latest available unaudited results for the FYE 31 December 2021 were related to statutory expenses.

On 4 September 2021, Mesawak Land was transferred from PT PBI and PT BHU to PT Mesawak. Besides that, the increase in share capital and shareholders' fund in FYE 31 December 2021 was due to the completion of the capitalisation of the shareholders' loans owing to TGPL amounting to SGD0.28 million. The objective of capitalising the shareholders' loans to TGPL was to ensure no further receivables or payables to Landmarks Group is required to be paid by Blumont to Landmarks Group after the completion of the Proposed Disposals.

Accounting policies and audit qualification

For the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020 under review:

(i) there were no exceptional or extraordinary items reported in Mesawak Group's audited financial statements;

(ii) there were no accounting policies adopted by Mesawak Group which are peculiar to Mesawak Group due to the nature of its business or the industry in which it is involved in; and

(iii) Mesawak Group's external auditors had not issued any audit qualification on its financial statements.

1. HISTORY AND BUSINESS

Blumont was incorporated in Singapore on 26 April 1993 as Adroit Innovations Pte Ltd and was subsequently converted to a public limited company and changed its name to Adroit Innovations Limited. It was listed on the Mainboard of the SGX on 19 June 2000 and assumed the name of Blumont Group Ltd on 25 April 2011. Blumont has subsequently assumed its current name of Southern Archipelago Ltd with effect from 14 March 2022. As at LPD, the change of name of Blumont from Blumont Group Ltd to Southern Archipelago Ltd had not yet come into effect.

Blumont operates as an investment holding company and through its subsidiaries, Blumont Group is currently involved in 3 main business segments as follows:

Business segment	**Principal activities**	**Principal market of the business operation**	**Revenue contribution segmented by business**	
			Audited FYE 31 December 2020	**Unaudited FYE 31 December 2021**
(i) Investment holding	Investment in transferable securities including but not limited to marketable shares, warrants and debentures etc.	Singapore, being the country of domicile	N/A	N/A
(ii) Sterilisation	Providing contract sterilisation and polymerisation services to food packaging, medical devices, cosmetic raw materials and consumers products	Indonesia	SGD3,495,382 (99.9% of total revenue)	SGD3,904,000 (100.0% of total revenue)
(iii) Property	Development of properties for sale, long-term holding of properties for rental and related income	Malaysia	SGD3,869(1) (0.1% of total revenue)	N/A

Note:

(1) Rental income from investment property.

As at 31 December 2021, the material/significant non-current assets owned by Blumont Group includes the following:

Type of material/significant non-current assets owned	As at 31 December 2021 (SGD'000)
Property and equipment which includes the following: ▪ Freehold land of 20,080 sq m, for industrial property for the existing operation located at Kampung Mariuk RT. 002 / RW. 002, Desa Gandamekar, Kecamatan Cikarang Barat (known as Cibitung), Kabupaten Bekasi, Jawa Barat, Indonesia ▪ Building with gross floor area of 4,687 sq m for industrial property for the existing operation located at Kampung Mariuk RT. 002 / RW. 002, Desa Gandamekar, Kecamatan Cikarang Barat (known as Cibitung), Kabupaten Bekasi, Jawa Barat, Indonesia.	3,795

2. SHARE CAPITAL

As at 31 December 2021, the share capital of Blumont is SGD127,338,850 comprising 27,570,762,183 Blumont Shares.

In addition, as at 31 December 2021, Blumont has a total of 1,160,000,000 Outstanding Blumont Options granted under the Blumont Employee Share Option Scheme 2013, of which 580,000,000 were granted at the exercise price of SGD0.004 per Blumont Share exercisable from the 1st anniversary of the date of grant to the 5th anniversary from the date of grant for non-executive directors and the 10th anniversary for group employees. While the remaining 580,000,000 were granted at the exercise price of SGD0.0032 per Blumont Share exercisable from the 2nd anniversary of the date of grant to the 5th anniversary from the date of grant for non-executive directors and the 10th anniversary for group employees.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The directors of Blumont together with their respective shareholdings as at 5 April 2021 are as follows:

			Direct		Indirect	
Name	Designation	Nationality	No. of Blumont Shares ('000)	%	No. of Blumont Shares ('000)	%
Siaw Lu Howe	Non-Executive Chairman	Malaysian	-	-	-	-
Alan Chin Yu	Executive Director	Australian	10,000	0.04	-	-
John Lee Yow Meng	Executive Director and Chief Financial Officer	Malaysian	15,000	0.05	-	-
Ng Keok Chai	Lead Independent Director	Malaysian	-	-	-	-

			Direct		Indirect	
Name	**Designation**	**Nationality**	**No. of Blumont Shares ('000)**	**%**	**No. of Blumont Shares ('000)**	**%**
Tan Gim Kang, Arran	Independent Non-Executive Director	Malaysian	15,000	0.05	-	-
Aris Muhammad Rizal	Independent Non-Executive Director	Indonesian	10,000	0.04	-	-

The substantial shareholders of Blumont together with their respective shareholdings as at 5 April 2021 are as follows:

		Direct		Indirect	
Name	**Nationality / Country of Incorporation**	**No. of Blumont Shares ('000)**	**%**	**No. of Blumont Shares ('000)**	**%**
Mark Wee	Malaysian	14,162,025	51.4	-	-
Ultimate Horizon Pte Ltd	Singapore	8,131,184	29.5	-	-
Mezzanotte Capital Pte Ltd	Singapore	-	-	[a]8,131,184	29.5
Datuk Lee Teck Yuen	Malaysian	-	-	[b]8,131,184	29.5

Notes:

(a) Mezzanotte Capital Pte Ltd is deemed interested in 8,131,184,204 Blumont Shares via Ultimate Horizon Pte Ltd.

(b) Datuk Lee Teck Yuen, being the sole shareholder of Mezzanotte Capital Pte Ltd, is deemed interested in 8,131,184,204 Blumont Shares via Ultimate Horizon Pte Ltd.

4. SUBSIDIARY AND ASSOCIATE COMPANIES

As at 21 October 2021, the subsidiaries of Blumont are set out below:

Subsidiary	Date/Place of incorporation	Share capital	Effective equity interest (%)	Principal activity
Adroit Innovations Investment Pte Ltd	4 November 2000 / Singapore	SGD2	100.0	Investment holding
Tria Holdings Pte Ltd	25 January 2007 / Singapore	SGD2	100.0	Investment holding
Asphere Holdings Pte Ltd	17 July 2007 / Singapore	SGD2	100.0	Investment holding
Raintree Rock Sdn Bhd	25 May 2007 / Malaysia	RM250,000	100.0	Investment holding

Subsidiary	Date/Place of incorporation	Share capital	Effective equity interest (%)	Principal activity
SAL Resorts & Development Pte Ltd	18 October 2021 / Singapore	SGD10,000	100.0	Investment holding
Held by Adroit Innovations Investment Pte Ltd				
PT Rel-ion Sterilization Services	30 August 1989 / Indonesia	IDR30,616,000,000	77.71	Sterilisation and polymerisation services
Held by Tria Holdings Pte Ltd				
Trackplus Sdn Bhd	28 October 1999 / Malaysia	RM4,600,000	65.0	Property development
Solid Base Limited	11 September 2007 / Seychelles	USD100	100.0	Investment holding
Held by Solid Base Limited.				
Trackplus Sdn Bhd	28 October 1999 / Malaysia	RM4,600,000	35.0	Property development
Held by Asphere Holdings Pte Ltd				
Gemisuria Corporation Sdn Bhd	11 July 2005 / Malaysia	RM1,000,000	100.0	Property development
PT Rel-ion Sterilization Services	30 August 1989 / Indonesia	IDR30,616,000,000	22.29	Sterilisation and polymerisation services

As at 1 April 2021, the associate company of Blumont is set out below:

Associate company	Date/Place of incorporation	Share capital	Effective equity interest (%)	Principal activity
Labrador Hill Pte Ltd	25 March 2010 / Singapore	SGD100,000	27.0	Hotel and restaurant operator

5. MATERIAL CONTRACTS

Save as disclosed below, Blumont has not entered into any material contract (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular:

(i) Share sale agreement dated 1 October 2021 2021 between Blumont as purchaser and all the shareholders of Mendol as sellers, in relation to the proposed acquisition of 100% of the issued and paid up share capital in Mendol for a total of total consideration of SGD29.34 million (equivalent to approximately RM90.28 million) to be satisfied via issuance of Blumont Shares. The said acquisition is yet to complete and is pending shareholders' approval as set out in **Section 9** of Part A of this Circular;

(ii) Share sale agreement dated 1 October 2021 between Blumont as purchaser and TGPL as seller, in relation to the proposed acquisition of 100% of the issued and paid up share capital in Hinako and 60% of the issued and paid up share capital in each of Prime, Enggano and Mesawak for a total of total consideration of SGD49.02 million (equivalent to approximately RM150.86 million) to be satisfied via issuance of Blumont Shares. The said acquisition is yet to complete and is pending shareholders' approval as set out in **Section 9** of Part A of this Circular; and

(iii) Sale and purchase agreement dated 15 September 2021 between Blumont's indirect wholly-owned subsidiary, Trackplus Sdn Bhd as seller, and Armani Alliance Sdn Bhd. as purchaser, in relation to the proposed disposal of vacant land located in Malaysia for a total cash consideration of RM20.0 million. The said disposal has been approved by Blumont's shareholders on 14 March 2022 but is yet to complete.

6. MATERIAL LITIGATIONS

As at the LPD, Blumont Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of Blumont is not aware of any proceeding pending or threatened against Blumont Group or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of Blumont Group.

7. HISTORICAL FINANCIAL INFORMATION

A summary of the financial information of Blumont Group for the past 3 financial years up to the latest unaudited results for the FYE 31 December 2021 is set out as follows:

	Audited			**Unaudited**
	FYE 31 December			**FYE 31 December**
	2018	**2019**	**2020**	**2021**
	SGD'000	**SGD'000**	**SGD'000**	**SGD'000**
Revenue	3,920	4,298	3,499	3,904
PBT / (Loss before tax)	561	787	89	(4,466)
PAT / (LAT) attributable to owners of Blumont	(141)	202	(378)	(4,905)
PAT / (LAT) for the year	(a)75	202	(378)	(4,905)

	Audited			Unaudited
	FYE 31 December			FYE 31 December
	2018	**2019**	**2020**	**2021**
	SGD'000	**SGD'000**	**SGD'000**	**SGD'000**
Share capital	127,339	127,339	127,339	127,339
Shareholders' funds / NA	3,351	3,709	2,983	1,226
Total borrowings	5,673	5,787	5,453	5,510
Net profit / (loss) per share (**cents**)	*	*	*	(0.02)
NA per share (**cents**)	0.01	0.01	0.01	*
Current ratio (**times**)(b)	2.52	1.17	0.84	0.79
Gearing (**times**)(c)	1.69	1.56	1.83	4.49

Notes:

* *Less than 0.01 cents.*

(a) *During the FYE 31 December 2018 ("**FYE 2018**"), Blumont Group had acquired the balance equity interest in PT Rel-ion Sterilization Services and Trackplus Sdn Bhd from the non-controlling interest shareholder of the respective companies, increasing its effective equity interest in the 2 companies to 100%.*

(b) *Calculated based on the total current assets over total current liabilities.*

(c) *Calculated based on total borrowings over NA.*

Commentary on past financial performance:-

(i) Audited FYE 2018

Blumont recorded a revenue of approximately SGD3.92 million for the FYE 2018, representing an increase of approximately SGD0.22 million or 5.95% as compared to the revenue of approximately SGD3.70 million recorded in the FYE 31 December 2017 ("**FYE 2017**"). The increase in revenue was mainly attributable to the increase in performance of the sterilisation segment of the Blumont Group.

Blumont recorded a PAT of approximately SGD0.08 million for the FYE 2018, representing an increase of SGD2.67 million or 103.09% as compared to the LAT of approximately SGD2.59 million in the FYE 2017. The increase of PAT is partly due to other net gains of SGD1.13 million recorded in FYE 2018 which was mainly due to gain on dissolution of a dormant subsidiary. This was contrasted with other net losses of SGD0.71 million incurred in FYE 2017, mainly due to loss on striking-off of a dormant subsidiary.

(ii) Audited FYE 31 December 2019 ("FYE 2019")

Blumont recorded a revenue of approximately SGD4.30 million for the FYE 2019, representing an increase of approximately SGD0.38 million or 9.69% as compared to the revenue of approximately SGD3.92 million recorded in the FYE 2018. The increase in revenue was mainly due to increased sterilisation services rendered and the recovery of previous 3 years rental of SGD0.09 million from settlement of the legal action involving Raintree Rock Sdn Bhd.

Blumont recorded a PAT of approximately SGD0.20 million for the FYE 2019, representing an increase of SGD0.12 million or 150.00% as compared to the PAT of approximately SGD0.08 million in the FYE 2018. The increase of PAT was mainly due to the lower rental and professional fees rebate given in FYE 2019.

(iii) Audited FYE 31 December 2020 ("FYE 2020")

Blumont recorded a revenue of approximately SGD3.50 million for the FYE 2020, representing a decrease of SGD0.80 million or 18.60% as compared to the revenue of approximately SGD4.30 million recorded in the FYE 2019. The decrease in revenue was mainly due to decreased sterilisation services rendered and the recovery of previous 3 years rental of SGD0.09 million from settlement of the legal action involving Raintree Rock Sdn Bhd in FYE 2019.

Blumont recorded a LAT of approximately SGD0.38 million for the FYE 2020, representing a decrease of SGD0.58 million or 290.00% as compared to the PAT of approximately SGD0.20 million in the FYE 2019. Other than the lower revenue for the FYE 2020 which contributed to the losses incurred in the financial year, higher expenses have also been incurred in FYE 2020 partly due to severance payment made during the financial year which increased the employee benefits by SGD0.26 million or 15.48% to approximately SGD1.94 million in FYE 2020 as compared to approximately SGD1.68 million incurred in FYE 2019.

(iv) Unaudited FYE 31 December 2021 ("FYE 2021")

Blumont recorded a revenue of approximately SGD3.90 million for the FYE 2021, representing an increase of SGD0.41 million or 11.57% as compared to the revenue of approximately SGD3.50 million in the FYE 2020. This was mainly due to the better performance of the sterilisation segment of Blumont Group during FYE 2021 as the impact of COVID-19 which severely affected financial performance of many industries worldwide began to wane.

Blumont recorded a LAT of approximately SGD4.91 million for the FYE 2021, representing an increase in losses of SGD4.53 million or 1,197.62% as compared to the LAT of approximately SGD0.38 million in the FYE 2020. The increase in LAT was mainly due to the incurring of share-based payment expense, which relates to the fair value recognised for employee services received during the year in return for share options granted, which increased the employee benefits expenses by SGD1.70 million or 87.29% to approximately SGD3.64 million in FYE 2021 as compared to approximately SGD1.94 million incurred in FYE 2020. Other than that, the increase in LAT was also partly due to provision of professional fees amounting to SGD1.15 million in FYE 2021 incurred relating to corporate exercises undertaken in FYE 2021, in comparison to the professional fees of SGD0.06 million incurred in FYE 2020 where no corporate exercises were undertaken.

Accounting policies and audit qualification

For the FYE 31 December 2018, FYE 31 December 2019 and FYE 31 December 2020 under review:

(i) there were no exceptional or extraordinary items reported in Blumont Group's audited financial statements;

(ii) there were no accounting policies adopted by Blumont Group which are peculiar to Blumont Group due to the nature of its business or the industry in which it is involved in; and

(iii) Blumont Group's external auditors had not issued any audit qualification on its financial statements.

Mendol Investments Pte Ltd
(Company No. 142763)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Financial statements for the year ended 31 December 2020

Mendol Investments Pte Ltd

(Company No. 142763)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Consolidated statements of financial position as at 31 December 2020

	Note	Group 2020 SGD	 2019 SGD
Assets			
Property, plant and equipment	3	6,617,913	-
Total non-current assets		6,617,913	-
Inventories	4	23,766	-
Trade and other receivables	5	91,943	1
Prepayments		6,737	-
Cash and cash equivalents	6	107,685	2
Total current assets		230,131	3
Total assets		6,848,044	3
Equity			
Share capital	7	6,663,712	1
Capital contribution	7	39,496	39,496
Reserves	7	(216,726)	-
Retained earnings/(Accumulated losses)		163,386	(39,494)
Equity attributable to owners of the Company		6,649,868	3
Total equity		6,649,868	3
Liabilities			
Employee benefits	8	26,930	-
Total non-current liabilities		26,930	-
Trade and other payables	9	171,246	-
Total current liabilities		171,246	-
Total liabilities		198,176	-
Total equity and liabilities		6,848,044	3

The notes set out on pages 5 to 39 are an integral part of these financial statements.

Mendol Investments Pte Ltd

(Company No. 142763)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2020

	Note	Group 2020 SGD	 2019 SGD
Revenue	10	186,202	-
Cost of sales		(50,099)	-
Gross profit		136,103	-
Administrative expenses		(147,204)	(3,880)
Other operating expenses		(153,234)	-
Other income		367,160	-
Results from operating activities		202,825	(3,880)
Finance income	11	55	-
Profit/(Loss) before tax	12	202,880	(3,880)
Tax expense	13	-	-
Profit/(Loss) for the year		202,880	(3,880)
Other comprehensive expense, net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		(216,726)	-
Other comprehensive expense for the year		(216,726)	-
Loss and total comprehensive expense for the year		(13,846)	-

The notes set out on pages 5 to 39 are an integral part of these financial statements.

Mendol Investments Pte Ltd

(Company No. 142763)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Consolidated statement of changes in equity for the year ended 31 December 2020

		/------Attributable to owners of the Company------/				
		/------Non-distributable------/			Distributable	
Group	**Note**	**Share capital SGD**	**Capital contribution SGD**	**Translation reserve SGD**	**Retained earnings SGD**	**Total equity SGD**
At 1 January 2019		1	35,616	-	(35,614)	3
Capital contribution		-	3,880	-	-	3,880
Loss and total comprehensive expense for the year		-	-	-	(3,880)	(3,880)
At 31 December 2019/1 January 2020		1	39,496	-	(39,494)	3
Foreign currency translation differences for foreign operations		-	-	(216,726)	-	(216,726)
Total other comprehensive expense for the year		-	-	(216,726)	-	(216,726)
Profit for the year		-	-	-	202,880	202,880
Loss and total comprehensive expense for the year		-	-	(216,726)	202,880	(13,846)
Issuance of new ordinary shares	7	6,663,711	-	-	-	6,663,711
Total contributions from owners of the Company		6,663,711	-	-	-	6,663,711
At 31 December 2020		6,663,712	39,496	(216,726)	163,386	6,649,868
		Note 7	Note 7	Note 7		

The notes set out on pages 5 to 39 are an integral part of these financial statements

Mendol Investments Pte Ltd
(Company No. 142763)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Consolidated statements of cash flows for the year ended 31 December 2020

	Note	Group 2020 SGD	 2019 SGD
Cash flows from operating activities			
Profit/(Loss) before tax		202,880	(3,880)
Adjustments for:			
Depreciation of property, plant and equipment	3	203,163	-
Operating profit/(loss) before changes in working capital		406,043	(3,880)
Change in inventories		(23,766)	-
Change in trade and other receivables		(91,942)	-
Change in prepayments		(6,737)	-
Change in trade and other payables		5,297	-
Change in employee benefits		26,930	-
Net cash generated from/(used in) operations		315,825	(3,880)
Cash flows from investing activities			
Advances from a corporate shareholder/immediate holding company		-	3,880
Proceeds from issue of share capital	7	6,663,711	-
Purchase of property, plant and equipment	3	(6,871,853)	-
Net cash used in investing activities		(208,142)	-
Net increase in cash and cash equivalents		107,683	-
Cash and cash equivalents at 1 January		2	2
Cash and cash equivalents at 31 December		107,685	2

The notes set out on pages 5 to 39 are an integral part of these financial statements.

Mendol Investments Pte Ltd

(Company No. 142763)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Notes to the financial statements

Mendol Investments Pte Ltd is a private limited liability company, incorporated and domiciled in Republic of Seychelles. The address of its registered office is as follows:

Registered office
Suite 23, 1st Floor,
Eden Plaza, Eden Island,
Mahé, Republic of Seychelles.

The consolidated financial statements of the Company as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 16.

The immediate and ultimate holding companies during the financial year were Tiara Gateway Pte. Ltd., a company incorporated in Singapore and Landmarks Berhad, a company incorporated in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad respectively. On 23 December 2020, the Group ceased to be a direct subsidiary of Tiara Gateway Pte. Ltd., and an indirect subsidiary of Landmarks Berhad.

The consolidated financial statements were authorised for issue by the Director on 30 September 2021.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The following are the accounting standards, amendments and interpretations of the IFRSs that have been issued but have not been adopted by the Group:

IFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to IFRS 16, *Leases – Covid-19-Related Rent Concessions*

IFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to IFRS 9, *Financial Instruments*, IFRS 139, *Financial Instruments: Recognition and Measurement*, IFRS 7, *Financial Instruments: Disclosures*, IFRS 4, *Insurance Contracts* and IFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

IFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to IFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

IFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to IFRS 1, *First-time Adoption of International Financial Reporting Standards (Annual Improvements to IFRS Standards 2018–2020)*
- Amendments to IFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to IFRS 9, *Financial Instruments (Annual Improvements to IFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying IFRS 16, *Leases (Annual Improvements to IFRS Standards 2018–2020)*
- Amendments to IFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to IFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to IFRS 141, *Agriculture (Annual Improvements to IFRS Standards 2018–2020)*

IFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- IFRS 17, *Insurance Contracts*
- Amendments to IFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to IFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to IFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

IFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to IFRS 10, *Consolidated Financial Statements* and IFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2021 for those amendments that are effective for annual periods beginning on or after 1 June 2020 and 1 January 2021.
- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021 and 1 January 2022, except for IFRS 1 and IFRS 141 which are not applicable to the Group.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for IFRS 17 which is not applicable to the Group.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Singapore Dollar ("SGD"), which is the Company's functional currency. All financial information is presented in SGD unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Singapore Dollar

The assets and liabilities of operations denominated in functional currencies other than SGD, including fair value adjustments arising on acquisition, are translated to SGD at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to SGD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 2(h)(i)).

Financial liabilities

Amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Regular way purchase or sale of financial assets (continued)

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group; and
(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. Significant accounting policies (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date they are available for use. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Hotel properties*	15 years
Plant and machinery	5 years
Hotel equipment and operating equipment	5 years
Office equipment, furniture and fittings	5 years
Motor vehicles	5 years

* Hotel properties comprise hotel buildings and integral plant and machinery.

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

(e) Leases

(i) Definition of leases

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

2. Significant accounting policies (continued)

(e) Leases (continued)

(i) Definition of leases (continued)

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities uses their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Significant accounting policies (continued)

(e) Leases (continued)

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(f) Inventories

Consumables and saleable merchandise are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2. Significant accounting policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks, and are used by the Group in the management of their short-term commitments.

(h) Impairment

(i) Financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(i) Financial assets (continued)

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(ii) Other assets (continued)

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expense

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contribution to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

2. Significant accounting policies (continued)

(j) Employee benefits (continued)

(iii) Defined benefit plans

The Group operates an unfunded plan for the eligible employees. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed once every one to four years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2. Significant accounting policies (continued)

(j) Employee benefits (continued)

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(k) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

2. Significant accounting policies (continued)

(l) Income tax

Income tax expense comprises current tax and deferred tax. Current tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences of the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

2. Significant accounting policies (continued)

(m) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. Property, plant and equipment

Group	Hotel properties SGD	Plant and machinery SGD	Hotel equipment and operating equipment SGD	Office equipment, furniture and fittings SGD	Motor vehicles SGD	Capital work-in-progress SGD	Total SGD
Cost							
At 1 January 2019/31 December 2019/1 January 2020	-	-	-	-	-	-	-
Additions	3,934,499	497,029	314,152	1,743,729	79,000	303,444	6,871,853
Foreign currency translation differences	(29,464)	(3,722)	(2,353)	(13,058)	(591)	(2,273)	(51,461)
At 31 December 2020	3,905,035	493,307	311,799	1,730,671	78,409	301,171	6,820,392
Depreciation							
At 1 January 2019/ 31 December 2019/ 1 January 2020							
Depreciation for the year	(43,536)	(13,324)	(17,109)	(122,326)	(6,868)	-	(203,163)
Foreign currency translation differences	146	45	58	412	23	-	684
At 31 December 2020	(43,390)	(13,279)	(17,051)	(121,914)	(6,845)	-	(202,479)
Carrying amounts							
At 1 January 2019/ 31 December 2019	-	-	-	-	-	-	-
At 31 December 2020	3,861,645	480,028	294,748	1,608,757	71,564	301,171	6,617,913

4. Inventories

	Group	
	2020 SGD	2019 SGD
Spares and consumables	23,766	-

5. Trade and other receivables

		Group	
	Note	2020 SGD	2019 SGD
Current			
Trade			
Trade receivables		17,870	-
Non-trade			
Deposits		74,072	-
Amount due from a corporate shareholder	5.1	1	-
Amount due from immediate holding company	5.2	-	1
		74,073	1
		91,943	1

5.1 Amount due from a corporate shareholder

Amount due from a corporate shareholder is unsecured, interest free and repayable on demand.

5.2 Amount due from immediate holding company

Amount due from immediate holding company is unsecured, interest free and repayable on demand.

6. Cash and cash equivalents

	Group	
	2020 SGD	2019 SGD
Cash and bank balances	107,685	2

7. Capital and reserves

7.1 Share capital

	Group			
	Number of shares 2020	Amount 2020 SGD	Number of shares 2019	Amount 2019 SGD
Issued ordinary shares:				
At 1 January	1	1	1	1
Issuance of new ordinary shares*	4,868,393	6,663,711	-	-
At 31 December	4,868,394	6,663,712	1	1

* During the financial year, 4,868,393 ordinary shares have been issued at a share price of USD1 for working capital purposes.

7.2 Capital contribution

This is in respect of advances from immediate holding company in the previous financial year which is neither fixed nor expected and this is treated as capital contribution from immediate holding company which is now a corporate shareholder.

7.3 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

8. Employee benefits

8.1 Retirement benefits

	Group 2020 SGD	 2019 SGD
Net defined benefit liability	26,930	-

The Group operates the defined benefit plans that provide pension for employees upon retirement for certain subsidiaries. The plans entitle a retired employee to receive a lump sum payment of final salary for each year of service that the employee provided.

The defined benefit plans expose the Group to financial risks such as change in discount rates and demographic risk such as turnover rate not being borne out.

Movement in net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liability and its components. There were no movements presented for the financial year 31 December 2019 as the net defined benefit liability was nil.

Group	Defined benefit obligation SGD	Net defined benefit liability SGD
2020		
Balance at 1 January 2020	-	-
Addition	44,148	44,148
Included in profit or loss		
Current service cost	(20,338)	(20,338)
Interest cost	3,393	3,393
	27,203	27,203
Included in other comprehensive income		
Foreign currency translation differences	(273)	(273)
Balance at 31 December 2020	26,930	26,930

8. Employee benefits (continued)

8.1 Retirement benefits (continued)

Defined benefit obligation

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	Group	
	2020	**2019**
Discount rate	7.25%	7.75%
Future salary growth	8.00%	8.00%

Sensitivity analysis

The Group's exposure to relevant actuarial assumptions is not significant, hence sensitivity analysis is not disclosed.

9. Trade and other payables

		Group	
	Note	**2020** **SGD**	**2019** **SGD**
Trade			
Trade payables		1,107	-
Non-trade			
Other payables		116,243	-
Accrued expenses		52,856	-
Amount due to a corporate shareholder	9.1	1,040	-
		170,139	-
		171,246	-

9.1 Amount due to a corporate shareholder

Amount due to a corporate shareholder is unsecured, interest free and repayable on demand.

10. Revenue

	Group	
	2020 **SGD**	**2019** **SGD**
Revenue from contract with customer		
Hospitality and wellness	186,202	-

10. Revenue (continued)

10.1 Disaggregation of revenue

	Hospitality and wellness	
	2020	**2019**
Group	**SGD**	**SGD**
Primary geographical market		
Indonesia	186,202	-
Major service lines		
Room revenue	111,987	-
Food and beverages revenue	74,215	-
	186,202	-
Timing of recognition		
Over time	111,987	-
At a point in time	74,215	-
	186,202	-
Revenue from contracts with customer	186,202	-

10.2 Nature of goods and services

Room revenue

Room revenue generally relates to contracts with customers in which performance obligations are to provide accommodations to hotel guests. As compensation for such services, the Group is typically entitled to a fixed nightly fee for an agreed upon period. These fees are generally payable at the time hotel guests check out from the hotel. The Group generally satisfies its performance obligations over time, and recognise the revenue from room sales on a daily basis, as the rooms are occupied and the services are rendered.

The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component. The customers will notify the hotel in writing of any cancellation to the confirmed reservations at least 30 days (Malaysia) or 7 days (Indonesia) before arrival.

10. Revenue (continued)

10.2 Nature of goods and services (continued)

Food and beverages revenue

Food and beverages revenue primarily relates to ancillary services that are provided to hotel guests for the period of stay. These fees are generally payable at the time hotel guests consume the service or upon check out from the hotel. The Group generally satisfies its performance obligations at a point in time, and recognises the revenue from food and beverages on a daily basis as the services are performed.

The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component. There are no variable considerations, and no obligations for returns or refunds or warranties for hotel guests.

11. Finance income

	Group	
	2020 SGD	**2019 SGD**
Interest income of financial assets calculated using the effective interest method that are:		
- at amortised cost	55	-

12. Profit/(Loss) before tax

	Group	
	2020 SGD	**2019 SGD**
Profit/(Loss) before tax is arrived at after charging:		
Auditors' remuneration:		
Audit fees:		
- Overseas affiliates of KPMG PLT Malaysia	4,502	1,200
Material expenses/(income)		
Depreciation of property, plant and equipment	203,163	-
Net foreign exchange differences		
- realised gain	(282,590)	-
Personnel expenses (including key management personnel):		
- Wages, salaries and others	55,923	-
Expenses arising from leases		
Expenses relating to variable lease payments not included in the measurement of lease liabilities	3,427	-

13. Tax expense

Reconciliation of tax expense	Group	
	2020	**2019**
	SGD	**SGD**
Profit/(Loss) before tax	202,880	(3,880)
Tax calculated using Republic of Seychelles tax rate of 0% (2019: 0%)	-	-
Effect of tax rate in foreign jurisdictions *	28,338	(660)
Non-deductible expenses	5,145	660
Non-taxable income	(48,164)	-
Deferred tax assets not recognised	14,681	-
	-	-

* Subsidiaries operate in a tax jurisdiction with differrent tax rate.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following temporary differences (stated at gross):

	Group	
	2020	**2019**
	SGD	**SGD**
Tax losses carried-forward	73,405	-
	73,405	-

The abovementioned tax losses carried-forward do not expire under the current tax legislation (subject to Indonesia Income Tax Law) as shown below:

	Group	
	2020	**2019**
	SGD	**SGD**
Year of assessment in which tax losses carried-forward will expire:		
- 2025	73,405	-

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

14. Financial instruments

14.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised at amortised cost ("AC"):

	Carrying amount SGD	AC SGD
2020		
Group		
Financial assets		
Trade and other receivables	91,943	91,943
Cash and cash equivalents	107,685	107,685
	199,628	199,628
Financial liabilities		
Trade and other payables	(171,246)	(171,246)
	(171,246)	(171,246)
2019		
Group		
Financial assets		
Trade and other receivables	1	1
Cash and cash equivalents	2	2
	3	3
Financial liabilities		
Trade and other payables	-	-
	-	-

14. Financial instruments (continued)

14.2 Net (losses)/gains arising from financial instruments

	Group	
	2020	**2019**
	SGD	**SGD**
Net (losses)/gains arising on:		
Financial assets at amortised cost	(133)	-
Financial liabilities at amortised cost	282,778	
	282,645	-

14.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

14.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

14. Financial instruments (continued)

14.4 Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Group's debt recovery process is above 60 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2020. There was no exposure to credit risk and ECLs for trade receivables as at 31 December 2019 as the balance was nil.

Group	**Gross carrying amount SGD**	**Loss allowance SGD**	**Net balance SGD**
2020			
Current (not past due)	17,870	-	17,870
Credit impaired			
More than 60 days past due	-	-	-
Individually impaired	-	-	-
	-	-	-
Total receivables	17,870	-	17,870

14. Financial instruments (continued)

14.4 Credit risk (continued)

Cash and cash equivalents

Cash and cash equivalents are placed with licensed financial institutions.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risk on other receivables are mainly arise from receivables from third party which arose from deposits.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

14. Financial instruments (continued)

14.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at a significantly different amount.

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	**Carrying amount SGD**	**Contractual interest rate %**	**Contractual cash flows SGD**	**Under 1 year SGD**
2020				
Trade and other payables	171,246	-	171,246	171,246
2019				
Trade and other payables	2	-	2	2

14.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

14.6.1 Currency risk

The Group is exposed to foreign currency risk on hotel revenue and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollars ("USD").

The Group does not engage in foreign currency hedging on its foreign currency exposures but the Group monitors these exposures on an ongoing basis.

14. Financial instruments (continued)

14.6 Market risk (continued)

14.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period is as follows:

	Denominated in **USD**
	SGD
Group	
2020	
Cash and cash equivalents	2,615
Net exposure	2,615
2019	
Cash and cash equivalents	-
Net exposure	-

Currency risk sensitivity analysis

A 10% strengthening of SGD against the following currencies at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amounts shown below.

	Group **Profit or loss**	
	2020	**2019**
	SGD	**SGD**
USD	(262)	-

A 10% weakening of SGD against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

14.7 Fair value of financial instruments

The carrying amounts of cash and bank balances, short term receivables and payables approximate fair value due to the relatively short term nature of these financial instruments.

15. Related parties

For the purposes of the consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Director of the Group.

There were no significant transactions with related parties during the year (2019: Nil).

Amount due from a corporate shareholder and immediate holding company are disclosed in Note 5 and amount due to a corporate shareholder is disclosed in Note 9.

16. Details of subsidiaries

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2020 %	2019 %
Mendol Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Mendol Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiary of Mendol Alpha Pte. Ltd.				
PT Mendol Estate φ	Indonesia	Provision of accommodation services	100	100

φ *Not audited by KPMG PLT*

17. Significant event

In November 2020, the indirect wholly owned subsidiary of the Group, PT Mendol Estate ("PT Mendol") has commenced its operations. PT Mendol is engaged in development and management of resort hotels, commercial and residential properties. PT Mendol's resort hotel was managed and operated by PT Indo-Pacific Sheraton (affiliate of "Marriot International, Inc") under brand "Natra Bintan, a Tribute Portfolio Resort".

18. Effect of COVID-19

The outbreak of the COVID-19 since January 2020 led to a significant disruption of travel volumes and hotel occupancies throughout Indonesia. With more countries being affected and containment measures imposed to mitigate the spread of the pandemic, increase in number of countries-imposed travel restrictions and movement control orders, performance of most of the hotels were materially adversely affected since January 2020.

The former ultimate holding company, Landmarks Berhad made an announcement on 1 April 2020 that they have temporarily closed the operations of the resorts and leisure operations in Indonesia from April 2020 to July 2020. With effect from 31 July 2020, the Group's operations resumed in stages. The Group is monitoring the situation with a view to recommencing operations bearing in mind that the safety of patrons is paramount. In the interim, the Group is prudently implementing cost control measures.

Mendol Investments Pte. Ltd.

(Company No. 142763)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Statement by Directors

In the opinion of the Directors, the consolidated financial statements set out on pages 1 to 39 are drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 December 2020 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

……………………………………………………………

Fong Chee Khuen
Director

Kuala Lumpur,

Date: 30 SEP 2021

KPMG PLT
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TO THE BOARD OF DIRECTOR OF LANDMARKS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mendol Investments Pte Ltd ("Mendol or Mendol Group"), which comprise the statements of financial position as at 31 December 2020 of the Group, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out on pages 1 to 39. The financial statements of the Group have been prepared in conjunction with the proposed disposal of Mendol Group by Landmarks Berhad and for no other purposes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Mendol Group for the year ended 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Director and Management of Mendol for the Financial Statements

The Director and Management of Mendol are responsible for the preparation of the financial statements of the Group that give a true and fair view in accordance with International Financial Reporting Standards. The Director and Management of Mendol are also responsible for such internal control as the Director and Management of Mendol determine is necessary to enable the preparation of financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the Director and Management of Mendol are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Director and Management of Mendol either intends to liquidate Mendol Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director and Management of Mendol.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Director's and Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of Group represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Director and Management of Mendol regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 3 0 SEP 2021

Hinako Investments Pte Ltd
(Company No. 142755)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Financial statements for the year ended 31 December 2020

Hinako Investments Pte Ltd

(Company No. 142755)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Consolidated statements of financial position as at 31 December 2020

	Note	Group 2020 SGD	 2019 SGD
Assets			
Amount due from immediate holding company	3	1	1
Cash on hand		2	2
Total current assets		3	3
Total assets		3	3
Equity			
Share capital	4	1	1
Capital contribution	4	43,376	39,496
Accumulated losses		(43,374)	(39,494)
Total equity attributable to owner of the Company		3	3
Total equity		3	3

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Hinako Investments Pte Ltd
(Company No. 142755)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2020

	Note	Group 2020 SGD	 2019 SGD
Administrative expenses		(3,880)	(3,880)
Loss before tax	5	(3,880)	(3,880)
Tax expense	6	-	-
Loss for the year and total comprehensive expense for the year attributable to owner of the Company		(3,880)	(3,880)

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Hinako Investments Pte Ltd
(Company No. 142755)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Consolidated statements of changes in equity for the year ended 31 December 2020

	Attributable to owner of the Company			
	/------------*Non-distributable*------------/			
Group	**Share capital SGD**	**Capital contribution SGD**	**Accumulated losses SGD**	**Total equity SGD**
At 1 January 2019	1	35,616	(35,614)	3
Capital contribution	-	3,880	-	3,880
Loss for the year and total comprehensive expense for the year	-	-	(3,880)	(3,880)
At 31 December 2019/ 1 January 2020	1	39,496	(39,494)	3
Capital contribution	-	3,880	-	3,880
Loss for the year and total comprehensive expense for the year	-	-	(3,880)	(3,880)
At 31 December 2020	1	43,376	(43,374)	3
	Note 4	Note 4		

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Hinako Investments Pte Ltd

(Company No. 142755)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Consolidated statements of cash flows for the year ended 31 December 2020

	Group 2020 SGD	Group 2019 SGD
Cash flows from operating activity		
Loss before tax	(3,880)	(3,880)
Operating loss before change in working capital	(3,880)	(3,880)
Net cash used in operating activity	(3,880)	(3,880)
Cash flows from investing activity		
Advances from immediate holding company	3,880	3,880
Net cash generated from investing activity	3,880	3,880
Net increase in cash on hand	-	-
Cash on hand at 1 January	2	2
Cash on hand at 31 December	2	2

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Hinako Investments Pte Ltd

(Company No. 142755)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Notes to the consolidated financial statements

Hinako Investments Pte Ltd is a private limited liability company, incorporated and domiciled in Republic of Seychelles. The address of its registered is as follows:

Registered office
Suite 23, 1st Floor,
Eden Plaza, Eden Island,
Mahé, Republic of Seychelles.

The consolidated financial statements of the Company as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 8.

The immediate and ultimate holding companies during the financial year are Tiara Gateway Pte. Ltd., a company incorporated in Singapore and Landmarks Berhad, a company incorporated in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad respectively.

The consolidated financial statements were authorised for issue by the Director on 30 September 2021.

1. Basis of preparation

(a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The Group has not applied various accounting standards, interpretations and amendments of the IFRSs which are not yet effective. As the Group is dormant, these accounting standards, interpretations and amendments do not have a material impact on consolidated financial statements of the Group in the period of initial application.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis unless otherwise disclosed in Note 2.

(c) Functional and presentation currency

The consolidated financial statements is presented in Singapore Dollar ("SGD"), which is the Company's functional currency. All financial information is presented in SGD, unless otherwise stated.

1. Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the consolidated financial statements.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in the consolidated financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2. Significant accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Singapore Dollar

The assets and liabilities of operations denominated in functional currencies other than SGD, including goodwill and fair value adjustments arising on acquisition, are translated to SGD at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to SGD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

2. Significant accounting policies (continued)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus or minus, transaction costs that are directly attributable to its acquisition or issuance.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Other receivables and cash and cash equivalents are categorised and subsequently measured at amortised cost using the effective interest method.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost. Interest income is recognised in the profit or loss.

Financial assets categorised as amortised costs are subject to impairment assessment.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised by applying effective interest rate to the gross carrying amount. Interest expense is recognised in the profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and are used by the Group in the management of their short term commitments.

(e) Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (continued)

(f) Income tax

Income tax expense comprises current tax. Current tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

3. Amount due from immediate holding company

The amount due from immediate holding company is non-trade in nature, unsecured, interest free and repayable on demand.

4. Equity

4.1 Share capital

	Group			
	Amount 2020 SGD	Number of shares 2020	Amount 2019 SGD	Number of shares 2019
Issued ordinary shares:				
At 1 January/31 December	1	1	1	1

4.2 Capital contribution

This is in respect of advances from immediate holding company which is neither fixed nor expected and this is treated as capital contribution from immediate holding company.

5. Loss before tax

Loss before tax is after charging audit fee of SGD 1,200 (2019: SGD 1,200).

6. Tax expense

There is no tax expense in the current and prior years as the Group has not commenced operations.

7. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Director of the Group.

There are no significant related party transactions during the year (2019: Nil).

8. Details of subsidiaries

Details of the subsidiaries are as follows:

Name of subsidiary	**Country of incorporation**	**Principal activities**	**Effective ownership interest**	
			2020	**2019**
			%	**%**
Hinako Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Hinako Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiary of Hinako Alpha Pte. Ltd.				
PT Hinako Estate φ	Indonesia	Provision of accommodation services	100	100

φ *Not audited by KPMG PLT*

9. Subsequent event

An indirect subsidiary of the Group, PT Hinako Estate ("PT Hinako") acquired a plot of land approximately 5.2 hectares (52,031 square meters) amounting to SGD 822,265 (includes all related expenses) from a related company. PT Hinako is the new owner of the land based on the sales and purchase deeds (Akta Jual Beli) dated 6 September 2021. Currently, the registration of the Right to Build certificates to PT Hinako is being effected.

Hinako Investments Pte Ltd
(Company No. 142755)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Statement by a Director

In the opinion of the Director, the consolidated financial statements set out on pages 1 to 11 are drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 December 2020 and of their financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Director:

....

Fong Chee Khuen
Director

Kuala Lumpur,

Date: 30 SEP 2021

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
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8, First Avenue, Bandar Utama
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TO THE BOARD OF DIRECTORS OF LANDMARKS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hinako Investments Pte Ltd ("Hinako or Hinako Group"), which comprise the statements of financial position as at 31 December 2020 of the Group, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 1 to 11. The financial statements of the Group have been prepared in conjunction with the proposed disposal of Hinako Group by Landmarks Berhad and for no other purposes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Hinako Group for the year ended 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Director and Management of Hinako for the Financial Statements

The Director and Management of Hinako are responsible for the preparation of the financial statements of the Group that give a true and fair view in accordance with International Financial Reporting Standards. The Director and Management of Hinako are also responsible for such internal control as the Director and Management of Hinako determine is necessary to enable the preparation of financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the Director and Management of Hinako are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Director and Management of Hinako either intends to liquidate Hinako Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director and Management of Hinako.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Director's and Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Director and Management of Hinako regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 30 SEP 2021

Prime Holdings Pte Ltd
(Company No. 054318)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Financial statements for the year ended 31 December 2020

Prime Holdings Pte Ltd
(Company No. 054318)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Consolidated statements of financial position as at 31 December 2020

		Group	
	Note	2020 SGD	2019 SGD
Assets			
Property, plant and equipment	3	2,404,708	1,907,527
Right-of-use assets	4	2,485,449	-
Total non-current assets		4,890,157	1,907,527
Inventories	5	3,936	-
Trade and other receivables	6	3,137,147	3,057,231
Prepayments		21,006	18,429
Cash and cash equivalents	7	52,499	158,647
Total current assets		3,214,588	3,234,307
Total assets		8,104,745	5,141,834
Equity			
Share capital	8	1	1
Reserves		(388,915)	(423,618)
Accumulated losses		(3,922,544)	(1,878,900)
Total equity		(4,311,458)	(2,302,517)
Liability			
Lease liabilities	9	1,839,685	-
Employee benefits		3,241	-
Total non-current liabilities		1,842,926	-
Trade and other payables	10	9,529,967	7,444,351
Lease liabilities	9	1,043,310	-
Total current liabilities		10,573,277	7,444,351
Total liabilities		12,416,203	7,444,351
Total equity and liabilities		8,104,745	5,141,834

The notes set out on pages 5 to 39 are an integral part of these financial statements.

Prime Holdings Pte Ltd
(Company No. 054318)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2020

	Note	Group 2020 SGD	 2019 SGD
Revenue	11	633,145	1,675,217
Cost of sales		(882,239)	(1,722,322)
Gross loss		(249,094)	(47,105)
Administrative expenses		(2,227,244)	(1,752,628)
Other income		610,698	412,316
Result from operating activities		(1,865,640)	(1,387,417)
Finance income		135	585
Finance costs		(178,139)	-
Net finance (costs)/income		(178,004)	585
Loss before tax	12	(2,043,644)	(1,386,832)
Tax expense	13	-	-
Loss for the year		(2,043,644)	(1,386,832)
Other comprehensive income/(expense), net of tax			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		34,703	(425,768)
Other comprehensive income/(expense) for the year		34,703	(425,768)
Loss and total comprehensive expense for the year		(2,008,941)	(1,812,600)

The notes set out on pages 5 to 39 are an integral part of these financial statements.

Prime Holdings Pte Ltd

(Company No. 054318)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Consolidated statement of changes in equity for the year ended 31 December 2020

	/-------Attributable to owner of the Company------/			
	/------------Non-distributable------------/			
Group	**Share capital SGD**	**Translation reserve SGD**	**Accumulated losses SGD**	**Total equity SGD**
At 1 January 2019	1	2,150	(492,068)	(489,917)
Foreign currency translation differences for foreign operations	-	(425,768)	-	(425,768)
Total other comprehensive expense for the year	-	(425,768)	-	(425,768)
Loss for the year	-	-	(1,386,832)	(1,386,832)
Total comprehensive expense for the year	-	(425,768)	(1,386,832)	(1,812,600)
At 31 December 2019/ 1 January 2020	1	(423,618)	(1,878,900)	(2,302,517)
Foreign currency translation differences for foreign operations	-	34,703	-	34,703
Total other comprehensive income for the year	-	34,703	-	34,703
Loss for the year	-	-	(2,043,644)	(2,043,644)
Total comprehensive income/(expense) for the year	-	34,703	(2,043,644)	(2,008,941)
At 31 December 2020	1	(388,915)	(3,922,544)	(4,311,458)
	Note 8	Note 8		

The notes set out on pages 5 to 39 are an integral part of these financial statements.

Prime Holdings Pte Ltd

(Company No. 054318)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Consolidated statements of cash flows for the year ended 31 December 2020

		Group	
	Note	2020 SGD	2019 SGD
Cash flows from operating activities			
Loss before tax		(2,043,644)	(1,386,832)
Adjustments for:			
Depreciation of property, plant and equipment	3	317,871	74,851
Depreciation of right-of-use assets	4	831,280	-
Finance costs		178,139	-
Operating loss before changes in working capital		(719,354)	(1,311,981)
Change in employee benefits		3,241	-
Change in inventories		(3,936)	-
Change in trade and other receivables		(3,422)	(318,206)
Change in trade and other payables		(337,835)	422,618
Net cash used in operating activities		(1,058,306)	(1,207,569)
Cash flows from investing activities			
Acquisition of property, plant and equipment	3	(875,443)	(1,864,733)
Proceeds from disposal of property, plant and equipment		4,241	-
Advances from related companies		2,431,837	3,226,594
Net cash generated from investing activities		1,560,635	1,361,861
Cash flows from financing activities			
Lease rental relief	9	(430,338)	-
Interest paid on lease liabilities	9	(178,139)	-
Net cash used in financing activities		(608,477)	-
Net (decrease)/increase in cash and cash equivalents		(106,148)	154,292
Cash and cash equivalents at 1 January		158,647	4,355
Cash and cash equivalents at 31 December		52,499	158,647

(i) Cash outflow for leases as a lessee

	Group	
	2020 SGD	2019 SGD
Included in net cash from financing activity		
Interest paid on lease liabilities	178,139	-
Total cash flow for leases	178,139	-

The notes set out on pages 5 to 39 are an integral part of these financial statements.

Prime Holdings Pte Ltd

(Company No. 054318)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Notes to the financial statements

Prime Holdings Pte Ltd is a private limited liability company, incorporated and domiciled in Republic of Seychelles. The address of its registered office is as follows:

Registered office
Suite 23, 1st Floor,
Eden Plaza, Eden Island,
Mahé, Republic of Seychelles

The consolidated financial statements of the Company as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 16.

The immediate and ultimate holding companies during the financial year are Tiara Gateway Pte. Ltd., a company incorporated in Singapore and Landmarks Berhad, a company incorporated in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad respectively.

The consolidated financial statements were authorised for issue by the Director on 30 September 2021.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The following are the accounting standards, amendments and interpretations of the IFRSs that have been issued but have not been adopted by the Group:

IFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to IFRS 16, *Leases – Covid-19-Related Rent Concessions*

IFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to IFRS 9, *Financial Instruments*, IFRS 139, *Financial Instruments: Recognition and Measurement*, IFRS 7, *Financial Instruments: Disclosures*, IFRS 4, *Insurance Contracts* and IFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

IFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to IFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

IFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to IFRS 1, *First-time Adoption of International Financial Reporting Standards (Annual Improvements to IFRS Standards 2018–2020)*
- Amendments to IFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to IFRS 9, *Financial Instruments (Annual Improvements to IFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying IFRS 16, *Leases (Annual Improvements to IFRS Standards 2018–2020)*
- Amendments to IFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to IFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to IFRS 141, *Agriculture (Annual Improvements to IFRS Standards 2018–2020)*

IFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- IFRS 17, Insurance Contracts
- Amendments to IFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to IFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to IFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

IFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to IFRS 10, *Consolidated Financial Statements* and IFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2021 for those amendments that are effective for annual periods beginning on or after 1 June 2020 and 1 January 2021.
- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021 and 1 January 2022, except for IFRS 1 and IFRS 141 which are not applicable to the Group.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for IFRS 17 which is not applicable to the Group.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise disclosed in Note 2 and on the assumption that the Group is a going concern.

The Group incurred net loss during the financial year ended 31 December 2020 of SGD2,043,644 and, as of that date, the Group's current liabilities exceeded its current assets by SGD7,358,689 and had deficit in shareholders fund of SGD4,311,458. These conditions may cast significant doubt on the ability of the Group to continue as a going concern. The validity of the going concern assumption is dependent upon the Group achieving future profitable operations and attaining cash inflows to sustain its operations and the ultimate holding company continuing to provide such financial assistance to enable the Group to meet its obligations as and when they fall due.

Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that would be required should the going concern basis prove to be invalid.

1. Basis of preparation (continued)

(c) Functional and presentation currency

These financial statements are presented in Singapore Dollar ("SGD"), which is the company's functional currency. All financial information is presented in SGD, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4.1 – Extension options and incremental borrowing rate in relation to leases

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2. Significant accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Singapore Dollar

The assets and liabilities of operations denominated in functional currencies other than SGD, including fair value adjustments arising on acquisition, are translated to SGD at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to SGD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

2. Significant accounting policies (continued)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 2(h)(i)).

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

Amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group; and

(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group applies settlement date accounting unless otherwise stated for the specific class of asset.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date they are available for use. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	10 years
Plant and machinery	10 years
Office furniture, fittings and other equipment	5 years
Hotel equipment and operating equipment	5 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

(e) Leases

(i) Definition of leases

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset. the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

2. Significant accounting policies (continued)

(e) Leases (continued)

(i) Definition of leases (continued)

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

2. Significant accounting policies (continued)

(e) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Significant accounting policies (continued)

(f) Inventories

Consumables and saleable merchandise are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and other cost incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks, and are used by the Group in the management of their short-term commitments.

(h) Impairment

(i) Financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group measures loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(ii) Other assets (continued)

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(i) Equity instrument

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expense

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contribution to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

2. Significant accounting policies (continued)

(j) Employee benefits (continued)

(iii) Defined benefit plans

The Group operates an unfunded plan for the eligible employees. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed once every one to four years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

2. Significant accounting policies (continued)

(k) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(l) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences of the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

2. Significant accounting policies (continued)

(l) Income tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(m) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1:	quoted price (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3:	unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3 Property, plant and equipment

Group	**Buildings SGD**	**Plant and machinery SGD**	**Office furniture, fittings and other equipment SGD**	**Hotel equipment and operating equipment SGD**	**Motor vehicles SGD**	**Capital work-in-progress SGD**	**Total SGD**
Cost							
At 1 January 2019	-	-	1,146	-	-	114,776	115,922
Additions	-	273,181	371,677	194,492	-	1,025,383	1,864,733
Reclassification	232,964	239,145	9,781	8,460	-	(490,350)	-
Foreign currency translation differences	-	-	32	-	-	3,261	3,293
At 31 December 2019/1 January 2020	232,964	512,326	382,636	202,952	-	653,070	1,983,948
Additions	234,697	494	266,919	317,856	8,658	46,819	875,443
Disposal	-	(931)	(3,621)	-	-	-	(4,552)
Reclassification	156,933	-	-	-	-	(156,933)	-
Foreign currency translation differences	(6,988)	(15,368)	(11,478)	(6,089)	-	(19,590)	(59,513)
At 31 December 2020	617,606	496,521	634,456	514,719	8,658	523,366	2,795,326

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3 Property, plant and equipment (continued)

Group	**Buildings SGD**	**Plant and machinery SGD**	**Office furniture, fittings and other equipment SGD**	**Hotel equipment and operating equipment SGD**	**Motor vehicles SGD**	**Capital work-in-progress SGD**	**Total SGD**
Accumulated depreciation							
At 1 January 2019	-	-	1,146	-	-	-	1,146
Charge for the year	9,600	28,540	21,840	14,871	-	-	74,851
Foreign currency translation differences	50	149	147	78	-	-	424
At 31 December 2019/1 January 2020	9,650	28,689	23,133	14,949	-	-	76,421
Charge for the year	81,230	63,740	101,557	70,589	755	-	317,871
Disposal	-	-	(311)	-	-	-	(311)
Foreign currency translation differences	(563)	(1,075)	(1,036)	(686)	(3)	-	(3,363)
At 31 December 2020	90,317	91,354	123,343	84,852	752	-	390,618
Carrying amounts							
At 1 January 2019	-	-	-	-	-	114,776	114,776
At 31 December 2019/1 January 2020	223,314	483,637	359,503	188,003	-	653,070	1,907,527
At 31 December 2020	527,289	405,167	511,113	429,868	7,905	523,366	2,404,708

4. Right-of-use assets

Group	**Building**
Cost	**SGD**
At 1 January 2019	-
Addition	-
At 31 December 2019/1 January 2020	-
Addition	3,313,932
At 31 December 2020	3,313,932
Accumulated Depreciation	
At 1 January 2019	-
Depreciation	-
At 31 December 2019/1 January 2020	-
Depreciation	831,280
Foreign currency translation differences	(2,797)
At 31 December 2020	828,483
Carrying amounts	
At 1 January 2019/31 December 2019/1 January 2020	-
At 31 December 2020	2,485,449

The Group leases an office building that run 4 years, with an option to renew the lease after that date. Lease payments are based on the prevailing market rent for renewal upon expiry of the lease term.

4.1 Extension options and incremental borrowing rate in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. Inventories

	Group 2020 SGD	Group 2019 SGD
Spare and consumables	3,936	-

6. Trade and other receivables

	Note	Group 2020 SGD	Group 2019 SGD
Current			
Trade			
Trade receivables		235,039	240,058
Non-trade			
Other receivables		339	794
Deposits		179,319	172,999
Amount due from related companies	6.1	2,722,450	2,643,380
		2,902,108	2,817,173
		3,137,147	3,057,231

6.1 Amount due from related companies

Amount due from related companies are unsecured, interest free and repayable on demand.

7. Cash and cash equivalents

	Group 2020 SGD	Group 2019 SGD
Cash on hand	6,126	4,281
Bank balances	46,373	154,366
	52,499	158,647

8. Capital and reserves

8.1 Share capital

	Group			
	Amount 2020 SGD	Number of shares 2020	Amount 2019 SGD	Number of shares 2019
Issued ordinary shares:				
At 1 January/31 December	1	1	1	1

8.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

9. Lease liabilities

	Group	
	2020 SGD	2019 SGD
Non-current liabilities		
Lease liabilities	1,839,685	-
Current liabilities		
Lease liabilities	1,043,310	-
	2,882,995	-

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities SGD
Balance at 1 January 2020	-
Changes from financing cash flows	
Payment of lease liability	-
Total changes from financing cash flows	-
Other changes	
Liability-related	
New leases	3,313,932
Interest expenses	178,139
Rental relief	(608,477)
Foreign currency translation differences	(599)
Total liability-related other changes	2,882,995
Balance at 31 December 2020	2,882,995

10. Trade and other payables

	Note	Group 2020 SGD	Group 2019 SGD
Trade			
Trade payables		181,457	361,704
Non-trade			
Other payables		141,262	198,978
Accruals and provisions		122,617	309,945
Amount due to:	10.1		
- ultimate holding company		2,517,365	2,514,825
- immediate holding company		27,016	27,016
- related companies		6,540,250	4,031,883
		9,348,510	7,082,647
		9,529,967	7,444,351

10.1 Amount due to ultimate, immediate holding companies and related companies

Amount due to ultimate, immediate holding companies and related companies are unsecured, interest free and repayable on demand.

11. Revenue

	Group 2020 SGD	Group 2019 SGD
Revenue from contract with customer		
Resort and destination development	633,145	1,675,217
Total revenue	633,145	1,675,217

11.1 Disaggregation of revenue

Group	Resort and destination development 2020 SGD	Resort and destination development 2019 SGD
Primary geographical market		
Indonesia	633,145	1,675,217
Major service lines		
Attractions revenue	633,145	1,675,217
Timing and recognition		
Over time	633,145	1,675,217
Revenue from contract with customer	633,145	1,675,217

11. Revenue (continued)

11.2 Nature of goods and services

Attractions revenue

Attractions revenue primarily consists of recreational fees in which the performance obligations are to provide rights of enjoyment of facilities to hotel guests. These fees are generally payable upon check out from the hotel. The Group generally satisfies its performance obligations over time, and recognise the revenue from attraction sales on a daily basis, as the services are rendered.

The Group has a range of credit terms which are typically short term, in line with market practice, and without any financing component. There are no variable considerations, and no obligations for returns or refunds or warranties for hotel guests.

12. Loss before tax

	Group	
	2020 **SGD**	**2019** **SGD**
Loss before tax is arrived at after charging:		
Auditors' remuneration:		
Statutory audit		
- Overseas affiliates of KPMG PLT Malaysia	42,802	35,226
Material expenses/(income)		
Depreciation of property, plant and equipment	317,871	74,851
Depreciation of right-of-use assets	831,280	-
Finance income	(135)	(585)
Net foreign exchange loss/(gain)	65,715	(412,203)
Personnel expenses (including key management personnel):		
- Wages, salaries and others	740,794	1,145,625

13. Tax expense

	Group	
	2020 **SGD**	**2019** **SGD**
Reconciliation of tax expense		
Loss before tax	(2,043,644)	(1,386,832)
Tax calculated using Republic of Seychelles tax rate of 0% (2019: 0%)	-	-
Effect of tax rate in foreign jurisdictions *	(509,605)	(378,152)
Non-deductible expenses	477,755	57,838
Non-taxable income	(152,708)	(69,679)
Deferred tax assets not recognised	184,558	389,993
	-	-

* Subsidiaries operate in a tax jurisdiction with differrent tax rate.

13. Tax expense (continued)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following temporary differences (stated at gross):

	Group	
	2020 SGD	2019 SGD
Tax losses carried-forward	2,635,598	1,712,809
	2,635,598	1,712,809

The abovementioned tax losses carried-forward do not expire under the current tax legislation (subject to Income Tax Act 1967 and Indonesia Income Tax Law) as shown below:

	Group	
	2020 SGD	2019 SGD
Year of assessment in which tax losses carried-forward will expire:		
- 2021	2,743	2,804
- 2022	3,744	3,827
- 2023	180,097	184,079
- 2024	1,526,225	1,559,972
- 2025	922,789	-
	2,635,598	1,750,682

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

14. Financial instruments

14.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC"):

	Carrying amount SGD	AC SGD
2020		
Group		
Financial assets		
Trade and other receivables	3,137,147	3,137,147
Cash and cash equivalents	52,499	52,499
	3,189,646	3,189,646
Financial liabilities		
Trade and other payables	(9,529,967)	(9,529,967)
	(9,529,967)	(9,529,967)
2019		
Group		
Financial assets		
Trade and other receivables	3,057,231	3,057,231
Cash and cash equivalents	158,647	158,647
	3,215,878	3,215,878
Financial liabilities		
Trade and other payables	(7,444,351)	(7,444,351)

14.2 Net gains/(losses) arising from financial instruments

	Group	
	2020 SGD	2019 SGD
Net gains/(losses) arising on:		
Financial assets at amortised cost	502	(1,432)
Financial liabilities at amortised cost	(66,082)	414,220
	(65,580)	412,788

14. Financial instruments (continued)

14.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

14.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

14. Financial instruments (continued)

14.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days. The Group's debt recovery process is above 60 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2020 and 31 December 2019.

Group	**Gross carrying amount SGD**	**Loss allowance SGD**	**Net balance SGD**
2020			
Current (not past due)	37,984	-	37,984
1 – 60 days past due	37,289	-	37,289
	75,273	-	75,273
Credit impaired			
More than 60 days past due	159,766	-	159,766
Individually impaired	-	-	-
	159,766	-	159,766
Total receivables	235,039	-	235,039
2019			
Current (not past due)	184,996	-	184,996
1 – 60 days past due	54,479	-	54,479
	239,475	-	239,475
Credit impaired			
More than 60 days past due	583	-	583
Individually impaired	-	-	-
	583	-	583
Total receivables	240,058	-	240,058

14. Financial instruments (continued)

14.4 Credit risk (continued)

Cash and cash equivalents

Cash and cash equivalents are placed with licensed financial institutions.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risk on other receivables are mainly arise from deposits.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

Amount due from related companies

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured advances to related companies. The Group monitors the ability of the related companies to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

14. Financial instruments (continued)

14.4 Credit risk (continued)

Amount due from related companies (continued)

Recognition and measurement of impairment loss

Generally, the Group considers amount due from related companies has low credit risk. The Group assumes that there is a significant increase in credit risk when a related company's financial position deteriorates significantly. As the Group is able to determine the timing of payments of the related companies' advances when they are payable, the Group considers the advances to be in default when the related companies are not able to pay when demanded. The Group considers a related companies' advance to be credit impaired when:

- The related companies is unlikely to repay its advance to the Group in full; or
- The related companies is continuously loss making and is having a deficit shareholders' fund.

As at the end of the reporting period, there was no indication that the related companies would default on repayment.

14. Financial instruments (continued)

14.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, lease liabilities and loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management and to obtain continuous financial support from its ultimate holding company to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at a significantly different amount

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount	Contractual interest rate	Contractual Cash flows	Within 1 year	1 - 2 year
2020	SGD		SGD	SGD	SGD
Group					
Lease liabilities	2,882,995	6%	3,123,516	1,176,389	1,947,127
Trade and other payables	9,529,967	-	9,529,967	9,529,967	-
	12,412,962		12,653,483	10,706,356	1,947,127
2019					
Group					
Trade and other payables	7,444,351	-	7,444,351	7,444,351	-

14. Financial instruments (continued)

14.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

14.6.1 Currency risk

The Group is exposed to foreign currency risk on hotel revenue and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Ringgit Malaysia ("RM").

The Group does not engage in foreign currency hedging on its foreign currency exposures but the Group monitors these exposures on an ongoing basis.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in RM SGD
Group	
2020	
Trade and other payables	(2,577,016)
Net exposure	(2,577,016)
2019	
Trade and other payables	(2,542,939)
Net exposure	(2,542,939)

Currency risk sensitivity analysis

A 10% strengthening of SGD against the following currencies at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amounts shown below.

	Group Profit or loss	
	2020 SGD	**2019 SGD**
RM	257,702	254,294

A 10% weakening of SGD against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

14. Financial instruments (continued)

14.7 Fair value of financial instruments

The carrying amounts of cash and bank balances, short term receivables and payables approximate fair value due to the relatively short-term nature of these financial instruments.

15. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

For the purposes of the consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Director of the Group.

There were no significant transactions with related parties during the year except payment on behalf.

Amount due from related companies are disclosed in Note 6 and amount due to holding companies and related companies are disclosed in Note 10.

16. Details of subsidiaries

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2020 %	Effective ownership interest 2019 %
Prime Lagoon Pte. Ltd. *	Singapore	Investment holding	100	100
Prime Villa Pte. Ltd. *	Singapore	Investment holding	100	100
Subsidiary of Prime Lagoon Pte Ltd				
PT. Treasure Bay Attractions *	Indonesia	Operation and management of a recreation park	100	100
PT Marine Life Discovery Park *	Indonesia	Operation and management of a recreation park	100	100

** Audited by other member firms of KPMG International*

17. Effect of COVID-19

The outbreak of the COVID-19 since January 2020 led to a significant disruption in travel volumes and hotel occupancies throughout Indonesia. With more countries being affected and containment measures imposed to mitigate the spread of the pandemic, increase in number of countries-imposed travel restrictions and movement control orders, performance of most of the hotels were materially adversely affected since January 2020.

The ultimate holding company, Landmarks Berhad made an announcement on 1 April 2020 that they have temporarily closed the operations of the resorts and leisure operations in Indonesia from April 2020 to July 2020. With effect from 31 July 2020, the Group's operations resumed in stages. The Group is monitoring the situation with a view to recommencing operations bearing in mind that the safety of patrons is paramount. In the interim, the Group is prudently implementing cost control measures.

18. Subsequent event

An indirect subsidiary of the Group, PT Marine Life Discovery Park ("PT Marine") acquired a plot of land approximately 3.2 hectares (32,070 square meters) amounting to SGD1,945,285 (includes all relevant expenses) from a related company. PT Marine is the new owner of the land pursuant to the sales and purchase deeds (Akta Jual Beli) dated 30 September 2021. Currently the registration of the Right to Build certificates to PT Marine is being effected. PT Marine has also acquired the infrastructure constructed on the said land amounting to SGD2,895,726 (includes all relevant expenses) from a related company.

Prime Holdings Pte Ltd
(Company No. 054318)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Statement by a Director

In the opinion of the Director, the consolidated financial statements set out on pages 1 to 39 are drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 December 2020 and of their financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Director:

....

Fong Chee Khuen
Director

Kuala Lumpur

Date: 30 SEP 2021

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
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TO THE BOARD OF DIRECTORS OF LANDMARKS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prime Holdings Pte Ltd ("Prime or Prime Group"), which comprise the statements of financial position as at 31 December 2020 of the Group, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 1 to 39. The financial statements of the Group have been prepared in conjunction with the proposed disposal of Prime Group by Landmarks Berhad and for no other purposes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Prime Group as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Director and Management of Prime for the Financial Statements

The Director and Management of Prime are responsible for the preparation of the financial statements of the Group that give a true and fair view in accordance with International Financial Reporting Standards. The Director and Management of Prime are also responsible for such internal control as the Director and Management of Prime determine is necessary to enable the preparation of financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the Director and Management of Prime are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Director and Management of Prime either intends to liquidate Prime Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls of the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Director's and Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Director and Management of Prime regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 3 0 SEP 2021

Enggano Investments Pte Ltd
(Company No. 142753)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Financial statements for the year ended 31 December 2020

Enggano Investments Pte Ltd
(Company No. 142753)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Consolidated statements of financial position as at 31 December 2020

	Note	Group 2020 SGD	 2019 SGD
Assets			
Amount due from immediate holding company	3	1	1
Cash on hand		2	2
Total current assets		3	3
Total assets		3	3
Equity			
Share capital	4	1	1
Capital contribution	4	43,376	39,496
Accumulated losses		(43,374)	(39,494)
Total equity attributable to owner of the Company		3	3
Total equity		3	3

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Enggano Investments Pte Ltd
(Company No. 142753)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2020

	Note	Group 2020 SGD	 2019 SGD
Administrative expenses		(3,880)	(3,880)
Loss before tax	5	(3,880)	(3,880)
Tax expense	6	-	-
Loss for the year and total comprehensive expense for the year attributable to owner of the Company		(3,880)	(3,880)

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Enggano Investments Pte Ltd
(Company No. 142753)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Consolidated statements of changes in equity for the year ended 31 December 2020

	Attributable to owner of the Company			
	/------------*Non-distributable*------------/			
Group	**Share capital SGD**	**Capital contribution SGD**	**Accumulated losses SGD**	**Total equity SGD**
At 1 January 2019	1	35,616	(35,614)	3
Capital contribution	-	3,880	-	3,880
Loss for the year and total comprehensive expense for the year	-	-	(3,880)	(3,880)
At 31 December 2019/ 1 January 2020	1	39,496	(39,494)	3
Capital contribution	-	3,880	-	3,880
Loss for the year and total comprehensive expense for the year	-	-	(3,880)	(3,880)
At 31 December 2020	1	43,376	(43,374)	3
	Note 4	Note 4		

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Enggano Investments Pte Ltd
(Company No. 142753)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Consolidated statements of cash flows for the year ended 31 December 2020

	Group	
	2020	**2019**
	SGD	**SGD**
Cash flows from operating activity		
Loss before tax	(3,880)	(3,880)
Operating loss before change in working capital	(3,880)	(3,880)
Net cash used in operating activity	(3,880)	(3,880)
Cash flows from investing activity		
Advances from immediate holding company	3,880	3,880
Net cash generated from investing activity	3,880	3,880
Net increase in cash on hand	-	-
Cash on hand at 1 January	2	2
Cash on hand at 31 December	2	2

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Enggano Investments Pte Ltd

(Company No. 142753)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Notes to the consolidated financial statements

Enggano Investments Pte Ltd is a private liability company, incorporated and domiciled in Republic of Seychelles. The address of its registered office is as follows:

Registered office
Suite 23, 1st Floor,
Eden Plaza, Eden Island,
Mahé, Republic of Seychelles.

The consolidated financial statements of the Company as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 8.

The immediate and ultimate holding companies during the financial year are Tiara Gateway Pte. Ltd., a company incorporated in Singapore and Landmarks Berhad, a company incorporated in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad respectively.

The consolidated financial statements were authorised for issue by the Director on 30 September 2021.

1. Basis of preparation

(a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The Group has not applied various accounting standards, interpretations and amendments of the IFRSs which are not yet effective. As the Group is dormant, these accounting standards, interpretations and amendments do not have a material impact on consolidated financial statements of the Group in the period of initial application.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis unless otherwise disclosed in Note 2.

(c) Functional and presentation currency

The consolidated financial statements is presented in Singapore Dollar ("SGD"), which is the Company's functional currency. All financial information is presented in SGD, unless otherwise stated.

1. Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the consolidated financial statements.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in the consolidated financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2. Significant accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Singapore Dollar

The assets and liabilities of operations denominated in functional currencies other than SGD, including goodwill and fair value adjustments arising on acquisition, are translated to SGD at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to SGD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

2. Significant accounting policies (continued)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus or minus, transaction costs that are directly attributable to its acquisition or issuance.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Other receivables and cash and cash equivalents are categorised and subsequently measured at amortised cost using the effective interest method.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost. Interest income is recognised in the profit or loss.

Financial assets categorised as amortised costs are subject to impairment assessment.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised by applying effective interest rate to the gross carrying amount. Interest expense is recognised in the profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and are used by the Group in the management of their short term commitments.

(e) Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (continued)

(f) Income tax

Income tax expense comprises current tax. Current tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

3. Amount due from immediate holding company

The amount due from immediate holding company is non-trade in nature, unsecured, interest free and repayable on demand.

4. Equity

4.1 Share capital

	Group			
	Amount 2020 SGD	Number of shares 2020	Amount 2019 SGD	Number of shares 2019
Issued ordinary shares:				
At 1 January/31 December	1	1	1	1

4.2 Capital contribution

This is in respect of advances from immediate holding company which is neither fixed nor expected and this is treated as capital contribution from immediate holding company.

5. Loss before tax

Loss before tax is after charging audit fee of SGD 1,200 (2019: SGD 1,200).

6. Tax expense

There is no tax expense in the current and prior years as the Group has not commenced operations.

7. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Director of the Group.

There are no significant related party transactions during the year (2019: Nil).

8. Details of subsidiaries

Details of the subsidiaries are as follows:

Name of subsidiary	**Country of incorporation**	**Principal activities**	**Effective ownership interest**	
			2020 %	**2019 %**
Enggano Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Enggano Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiary of Enggano Alpha Pte. Ltd.				
PT Enggano Estate φ	Indonesia	Provision of accommodation services	100	100

φ *Not audited by KPMG PLT*

9. Subsequent event

An indirect subsidiary of the Group, PT Enggano Estate ("PT Enggano") acquired a plot of land approximately 3.3 hectares (33,101 square meters) amounting to SGD 523,005 (includes all related expenses) from a related company. PT Enggano is the new owner of the land based on the sales and purchase deeds (Akta Jual Beli) dated 3 September 2021. Currently the registration of the Right to Build certificates to PT Enggano is being effected.

Enggano Investments Pte Ltd
(Company No. 142753)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Statement by a Director

In the opinion of the Director, the consolidated financial statements set out on pages 1 to 11 are drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 December 2020 and of their financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Director:

....
Fong Chee Khuen
Director

Kuala Lumpur

Date: 3 0 SEP 2021

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
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TO THE BOARD OF DIRECTORS OF LANDMARKS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Enggano Investments Pte Ltd ("Enggano or Enggano Group"), which comprise the statements of financial position as at 31 December 2020 of the Group, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 1 to 11. The financial statements of the Group have been prepared in conjunction with the proposed disposal of Enggano Group by Landmarks Berhad and for no other purposes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Enggano Group for the year ended 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Director and Management of Enggano for the Financial Statements

The Director and Management of Enggano are responsible for the preparation of the financial statements of the Group that give a true and fair view in accordance with International Financial Reporting Standards. The Director and Management of Enggano are also responsible for such internal control as the Director and Management of Enggano determine is necessary to enable the preparation of financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the Director and Management of Enggano are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Director and Management of Enggano either intends to liquidate Enggano Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director and Management of Enggano.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Director's and Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Director and Management of Enggano regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 30 SEP 2021

Mesawak Investments Pte Ltd

(Company No. 142764)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Financial statements for the year ended 31 December 2020

Mesawak Investments Pte Ltd

(Company No. 142764)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Consolidated statements of financial position as at 31 December 2020

	Note	Group 2020 SGD	Group 2019 SGD
Assets			
Amount due from immediate holding company	3	1	1
Cash on hand		2	2
Total current assets		3	3
Total assets		3	3
Equity			
Share capital	4	1	1
Capital contribution	4	43,376	39,496
Accumulated losses		(43,374)	(39,494)
Total equity attributable to owner of the Company		3	3
Total equity		3	3

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Mesawak Investments Pte Ltd
(Company No. 142764)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2020

	Note	Group 2020 SGD	 2019 SGD
Administrative expenses		(3,880)	(3,880)
Loss before tax	5	(3,880)	(3,880)
Tax expense	6	-	-
Loss for the year and total comprehensive expense for the year attributable to owner of the Company		(3,880)	(3,880)

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Mesawak Investments Pte Ltd

(Company No. 142764)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Consolidated statements of changes in equity for the year ended 31 December 2020

	Attributable to owner of the Company			
	/-------------*Non-distributable*-------------/			
Group	**Share capital SGD**	**Capital contribution SGD**	**Accumulated losses SGD**	**Total equity SGD**
At 1 January 2019	1	35,616	(35,614)	3
Capital contribution	-	3,880	-	3,880
Loss for the year and total comprehensive expense for the year	-	-	(3,880)	(3,880)
At 31 December 2019/ 1 January 2020	1	39,496	(39,494)	3
Capital contribution	-	3,880	-	3,880
Loss for the year and total comprehensive expense for the year	-	-	(3,880)	(3,880)
At 31 December 2020	1	43,376	(43,374)	3
	Note 4	Note 4		

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Mesawak Investments Pte Ltd

(Company No. 142764)
(Incorporated in Republic of Seychelles)

and its subsidiaries

Consolidated statements of cash flows for the year ended 31 December 2020

	Group	
	2020	**2019**
	SGD	**SGD**
Cash flows from operating activity		
Loss before tax	(3,880)	(3,880)
Operating loss before change in working capital	(3,880)	(3,880)
Net cash used in operating activity	(3,880)	(3,880)
Cash flows from investing activity		
Advances from immediate holding company	3,880	3,880
Net cash generated from investing activity	3,880	3,880
Net increase in cash on hand	-	-
Cash on hand at 1 January	2	2
Cash on hand at 31 December	2	2

The notes set out on pages 5 to 11 are an integral part of these financial statements.

Mesawak Investments Pte Ltd
(Company No. 142764)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Notes to the consolidated financial statements

Mesawak Investments Pte Ltd is a private limited liability company, incorporated and domiciled in Republic of Seychelles. The address of its registered office is as follows:

Registered office
Suite 23, 1st Floor,
Eden Plaza, Eden Island,
Mahé, Republic of Seychelles.

The consolidated financial statements of the Company as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 8.

The immediate and ultimate holding company during the financial year are Tiara Gateway Pte. Ltd., a company incorporated in Singapore and Landmarks Berhad, a company incorporated in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad respectively.

The consolidated financial statements were authorised for issue by the Director on 30 September 2021.

1. Basis of preparation

(a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The Group has not applied various accounting standards, interpretations and amendments of the IFRSs which are not yet effective. As the Group is dormant, these accounting standards, interpretations and amendments do not have a material impact on consolidated financial statements of the Group in the period of initial application.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis unless otherwise disclosed in Note 2.

(c) Functional and presentation currency

The consolidated financial statements is presented in Singapore Dollar ("SGD"), which is the Company's functional currency. All financial information is presented in SGD, unless otherwise stated.

1. Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the consolidated financial statements.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in the consolidated financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2. Significant accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Singapore Dollar

The assets and liabilities of operations denominated in functional currencies other than SGD, including goodwill and fair value adjustments arising on acquisition, are translated to SGD at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to SGD at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

2. Significant accounting policies (continued)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus or minus, transaction costs that are directly attributable to its acquisition or issuance.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Other receivables and cash and cash equivalents are categorised and subsequently measured at amortised cost using the effective interest method.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost. Interest income is recognised in the profit or loss.

Financial assets categorised as amortised costs are subject to impairment assessment.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised by applying effective interest rate to the gross carrying amount. Interest expense is recognised in the profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and are used by the Group in the management of their short term commitments.

(e) Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (continued)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at fair value plus or minus, transaction costs that are directly attributable to its acquisition or issuance.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Other receivables and cash and cash equivalents are categorised and subsequently measured at amortised cost using the effective interest method.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost. Interest income is recognised in the profit or loss.

Financial assets categorised as amortised costs are subject to impairment assessment.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised by applying effective interest rate to the gross carrying amount. Interest expense is recognised in the profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and are used by the Group in the management of their short term commitments.

(e) Ordinary shares

Ordinary shares are classified as equity.

2. Significant accounting policies (continued)

(f) Income tax

Income tax expense comprises current tax. Current tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

3. Amount due from immediate holding company

The amount due from immediate holding company is non-trade in nature, unsecured, interest free and repayable on demand.

4. Equity

4.1 Share capital

	Group			
	Amount 2020 SGD	Number of shares 2020	Amount 2019 SGD	Number of shares 2019
Issued ordinary shares:				
At 1 January/31 December	1	1	1	1

4.2 Capital contribution

This is in respect of advances from immediate holding company which is neither fixed nor expected and this is treated as capital contribution from immediate holding company.

5. Loss before tax

Loss before tax is after charging audit fee of SGD 1,200 (2019: SGD 1,200).

6. Tax expense

There is no tax expense in the current and prior years as the Group has not commenced operations.

7. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Director of the Group.

There are no significant related party transactions during the year (2019: Nil).

8. Details of subsidiaries

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2020 %	 2019 %
Mesawak Alpha Pte. Ltd. φ	Singapore	Investment holding	100	100
Mesawak Beta Pte. Ltd. φ	Singapore	Investment holding	100	100
Subsidiary of Mesawak Alpha Pte. Ltd.				
PT Mesawak Estate φ	Indonesia	Provision of accommodation services	100	100

φ *Not audited by KPMG PLT*

9. Subsequent event

An indirect subsidiary of the Group, PT Mesawak Estate ("PT Mesawak") acquired a plot of land approximately 1.8 hectares (17,807 square meters) amounting to SGD 281,225 (includes all related expenses) from a related company. PT Mesawak is the new owner of the land based on the sales and purchase deeds (Akta Jual Beli) dated 4 September 2021. Currently, the registration of the Right to Build certificates to PT Mesawak is being effected.

Mesawak Investments Pte Ltd
(Company No. 142764)
(Incorporated in Republic of Seychelles)
and its subsidiaries

Statement by a Director

In the opinion of the Director, the consolidated financial statements set out on pages 1 to 11 are drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 December 2020 and of their financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Director:

………………………………………………………………
Fong Chee Khuen
Director

Kuala Lumpur,

Date: 3 0 SEP 2021

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

TO THE BOARD OF DIRECTORS OF LANDMARKS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mesawak Investments Pte Ltd ("Mesawak or Mesawak Group"), which comprise the statements of financial position as at 31 December 2020 of the Group, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 1 to 11. The financial statements of the Group have been prepared in conjunction with the proposed disposal of Mesawak Group by Landmarks Berhad and for no other purposes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Mesawak Group for the year ended 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Director and Management of Mesawak for the Financial Statements

The Director and Management of Mesawak are responsible for the preparation of the financial statements of the Group that give a true and fair view in accordance with International Financial Reporting Standards. The Director and Management of Mesawak are also responsible for such internal control as the Director and Management of Mesawak determine is necessary to enable the preparation of financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the Director and Management of Mesawak are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Director and Management of Mesawak either intends to liquidate Mesawak Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director and Management of Mesawak.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Director's and Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Director and Management of Mesawak regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 3 0 SEP 2021

PKF

BLUMONT GROUP LTD.
AND ITS SUBSIDIARIES

(Registration Number: 199302554G)
(Incorporated in the Republic of Singapore)

FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

CORPORATE INFORMATION
For the financial year ended 31 December 2020

DIRECTORS

Siaw Lu Howe	Non-Executive Chairman
Lee Tak Meng	Executive Director and Chief Executive Officer (Resigned on 30 November 2020)
John Lee Yow Meng	Executive Director and Chief Financial Officer
Alan Chin Yu	Executive Director (Appointed on 6 November 2020)
Ng Keok Chai	Lead Independent Non-Executive Director
Tan Gim Kang, Arran	Independent Non-Executive Director
Aris Muhammad Rizal	Independent Non-Executive Director

COMPANY SECRETARY

Nor Hafiza Alwi, FCIS

REGISTERED OFFICE

201 Henderson Road
#03-26/27 Apex @ Henderson
Singapore 159545

AUDITOR

PKF-CAP LLP

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BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT
For the financial year ended 31 December 2020

The directors are pleased to present their statement to the members together with audited consolidated financial statements of Blumont Group Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2020 and the statement of financial position of the Company for the financial year ended 31 December 2020.

OPINION OF THE DIRECTORS

In the opinion of the directors:

(i) the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Siaw Lu Howe	Non-Executive Chairman
John Lee Yow Meng	Executive Director and Chief Financial Officer
Alan Chin Yu	Executive Director (Appointed on 6 November 2020)
Ng Keok Chai	Lead Independent Director
Tan Gim Kang, Arran	Independent Non-Executive Director
Aris Muhammad Rizal	Independent Non-Executive Director

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Except as disclosed under "Share Options" in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT
For the financial year ended 31 December 2020

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company as stated below:

	Holdings registered in the name of director			Holdings in which a director is deemed to have an interest		
	At 1.1.2020/ date of appointment	At 31.12.2020	At 21.1.2021	At 1.1.2020/ date of appointment	At 31.12.2020	At 21.1.2021
The Company						
Number of ordinary shares						
Tan Gim Kang, Arran	15,000,000	15,000,000	15,000,000	-	-	-
Aris Muhammad Rizal	10,000,000	10,000,000	10,000,000	-	-	-
John Lee Yow Meng	15,000,000	15,000,000	15,000,000	-	-	-
Alan Chin Yu	10,000,000	10,000,000	10,000,000	-	-	-
Siaw Lu Howe	-	-	-	22,131,184,204	8,131,184,204	8,131,184,204

Siaw Lu Howe, who by virtue of his interest of not less than 20% of the issued share capital of the Company, is deemed to have an interest in the whole of the issued share capital of the Company's wholly owned subsidiaries.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

SHARE OPTIONS

Blumont Employee Share Option Scheme 2013 (the "Blumont ESOS 2013")

At the Extraordinary General Meeting held on 22 April 2013, the members of the Company approved the Blumont ESOS 2013, for granting of non-transferable options to employees (including executive directors) and non-executive directors of the Company.

The Blumont ESOS 2013 is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Calvin Lim Huan Kim (Chairman, resigned on 24 April 2019), Ng Keok Chai (Chairman, appointed on 25 April 2019), Tan Gim Kang, Arran, and Aris Muhammad Rizal.

The Blumont ESOS 2013 shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT
For the financial year ended 31 December 2020

SHARE OPTIONS (cont'd)

Blumont Employee Share Option Scheme 2013 (the "Blumont ESOS 2013") (cont'd)

Under the Blumont ESOS 2013, options may be exercised after the 1st anniversary of the date of grant and before the 5th anniversary of such date of grant for non-executive directors and the 10th anniversary of such date of grant for group employees.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Compensation Committee as follows:

(i) fixed at the market price equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three (3) consecutive trading days immediately preceding the date of grant of that option; or

(ii) set at a discount to a market price, provided that the maximum discount shall not exceed twenty per cent (20%) of the market price.

No share options under the Blumont ESOS 2013 have been granted during and as at the financial years ended 31 December 2020 and 2019.

Except as disclosed above,

- there were no share options granted by the Company or its subsidiaries during the financial year;
- there were no shares issued by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries during the financial year; and
- there were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Blumont Performance Share Plan (the "Blumont PSP")

At the Extraordinary General Meeting held on 22 April 2013, the members of the Company approved the Blumont PSP, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Company.

The Blumont PSP is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Calvin Lim Huan Kim (Chairman, resigned on 24 April 2019), Ng Keok Chai (Chairman, appointed on 25 April 2019), Tan Gim Kang, Arran, and Aris Muhammad Rizal.

The Blumont PSP shall continue to be in force at the discretion of the Compensation Committee for a period of ten years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

SHARE OPTIONS (cont'd)

Blumont Performance Share Plan (the "Blumont PSP") (cont'd)

A participants' award under the Blumont PSP will be determined at the sole discretion of the Compensation Committee. In considering an award to be granted to a participant, the Compensation Committee may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the Blumont PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the award. No minimum vesting periods are prescribed under the Blumont PSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

No incentive share awards under the Blumont PSP have been granted during and as at the financial year ended 31 December 2020 and 2019.

AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the date of this statement are as follows:

Ng Keok Chai	(Chairman)
Tan Gim Kang, Arran	
Aris Muhammad Rizal	

The AC has performed its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

(i) reviewed the audit plan of the Company's independent auditors and, if any, their report on any recommendations on internal accounting controls arising from the statutory audit;

(ii) reviewed the assistance given by the Company's management to the independent auditors;

(iii) reviewed the quarterly and annual statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2020 before their submission to the Board of Directors, as well as the independent auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group;

(iv) reviewed the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's performance;

(v) reviewed the effectiveness of the Group's material internal control systems, including financial, operational, compliance and information technology controls and risk management;

(vi) met with the independent auditors, other committees, and/or the management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

AUDIT COMMITTEE (cont'd)

(vii) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(viii) reviewed the scope and results of the external audit, cost effectiveness and independence and objectivity of the independent auditors;

(ix) reviewed the nature and extent of non-audit services provided by the independent auditors;

(x) recommended to the Board of Directors the independent auditors to be nominated, approved the compensation and terms of engagement of the auditors;

(xi) reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate; and

(xii) reviewed interested person transactions, if any, in accordance with the requirements of the SGX-ST's Listing Manual.

The AC, having reviewed all non-audit services provided by the independent auditors to the Group is satisfied that the nature and extent of such services would not affect the independence and objectivity of the independent auditors. The AC has also conducted a review of interested person transactions.

The AC convened three meetings during the year. The AC has also met with the independent auditors, without the presence of the Company's management, at least once a year. The attendance of the meetings are disclosed in the Corporate Governance Report in the Company's Annual Report.

It is the opinion of the Board of Directors with the concurrence of the AC that the system of internal controls, which addresses the Group's financial, operational, compliance and information technology risks, maintained by the Group is in place and adequate throughout the financial year and up to the date of this report.

The Company confirms that Rules 712 and 715 of the SGX-ST's Listing Manual have been complied with.

Further details regarding the AC are disclosed in the Corporate Governance Report in the Company's Annual Report.

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT
For the financial year ended 31 December 2020

AUDITOR

The auditor, PKF-CAP LLP, has expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

John Lee Yow Meng
Executive Director and Chief Financial Officer

Ng Keok Chai
Lead Independent Non-Executive Director

Singapore

31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Blumont Group Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matter	**How our audit addressed the key audit matter**
Impairment of development property	
Risk identified We refer to Notes 3(l), 4(a)(iv) and 16 to the financial statements. The Group's development property amounted to S$4,578,950 as at 31 December 2020. The development property is carried at cost less accumulated impairment losses. Management estimates the recoverable amount based on an assessment which is inherently subject to significant judgment and estimates.	Our response Our procedures are designed to challenge the appropriateness of the valuation of the development property. These procedures included, amongst others: • discussed with management the basis of their estimated recoverable amount and reviewing the stage of development of the development property; • reviewed the latest available valuation report on the development property and compared it to the carrying amount; • assessed the competency, capability and objectivity of the independent valuer and compared the valuer's underlying assumptions on estimated selling prices to market comparables; and • considered the adequacy of the Group's disclosure concerning the uncertainty of the carrying value of the development property. Our findings We are satisfied with the qualifications of the professional valuer and the valuation methodology adopted by the valuer was found to be appropriate and comparable to the methods used for similar properties. We have considered that the Group's disclosures for the development property to be appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Cont'd)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements (Cont'd)

Other Matter

The financial statements for the financial year ended 31 December 2019 were audited by another auditor whose report dated 2 April 2020 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Eng Kian.

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore

31 March 2021

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 S$	Group 2019 S$
Revenue	5	3,499,251	4,298,414
Other gains/(losses) - net	6	331,536	(20,267)
Expenses			
- Raw materials and consumables used	15	(54,884)	(75,309)
- Employee benefits	7	(1,943,407)	(1,679,368)
- Impairment losses on financial assets	8	(461)	7,585
- Others	8	(1,523,539)	(1,471,008)
- Finance costs	9	(219,141)	(272,893)
Total expenses		(3,741,432)	(3,490,993)
Profit before tax		89,355	787,154
Income tax expense	10	(467,739)	(585,111)
(Loss)/Profit for the year		(378,384)	202,043
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss on defined benefit plans	22	(54,596)	(56,397)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation (loss)/gain			
- (Loss)/gain on translating foreign operations		(292,785)	216,208
Other comprehensive (loss)/income, net of tax		(347,381)	159,811
Total comprehensive (loss)/income for the year		(725,765)	361,854
(Loss)/Profit for the year attributable to:			
Owners of the Company		(378,384)	202,043
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(725,765)	361,854
(Loss)/Profit per share (S$ cents)			
- Basic	11	(0.0013)	0.0007
- Diluted	11	(0.0013)	0.0007

The accompanying notes form an integral part of these financial statements

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
	Note	2020	2019	2020	2019
		S$	S$	S$	S$
ASSETS					
Current assets					
Cash and bank balances	12	917,355	944,690	215,023	140,716
Other financial assets	13	120,259	120,259	120,259	120,259
Trade and other receivables	14	519,400	628,404	185,303	-
Other assets	15	44,795	45,510	16,437	16,882
Income tax receivable		163,174	-	-	-
		1,764,983	1,738,863	537,022	277,857
Asset held for sale	17	-	1,185,120	-	-
		1,764,983	2,923,983	537,022	277,857
Non-current assets					
Investments in subsidiaries	18	-	-	104,456	104,456
Loans to subsidiaries	18	-	-	10,733,221	11,194,150
Property and equipment	19	4,245,613	4,873,424	97,048	150,863
Other assets	15	200,000	-	200,000	-
Development property	16	4,578,950	4,576,173	-	-
Deferred tax assets	23	277,649	379,708	-	-
		9,302,212	9,829,305	11,134,725	11,449,469
Total Assets		11,067,195	12,753,288	11,671,747	11,727,326
LIABILITIES					
Current liabilities					
Trade and other payables	20	1,555,111	1,682,166	2,646,052	2,101,776
Borrowings	21	499,702	605,276	-	-
Loan from a subsidiary	18	-	-	5,590,000	4,590,000
Lease liabilities	29	48,332	48,868	48,332	48,868
Income tax payable		-	168,743	-	-
		2,103,145	2,505,053	8,284,384	6,740,644
Non-current liabilities					
Lease liabilities	29	56,248	104,580	56,248	104,580
Defined benefit plan	22	971,425	1,252,968	-	-
Borrowings	21	4,953,563	5,182,108	4,832,335	4,832,335
		5,981,236	6,539,656	4,888,583	4,936,915
Total Liabilities		8,084,381	9,044,709	13,172,967	11,677,559
Net Assets/(Liabilities)		2,982,814	3,708,579	(1,501,220)	49,767
EQUITY					
Equity attributable to owners of the Company					
Share capital	24	127,338,850	127,338,850	127,338,850	127,338,850
Reserves	25	(4,094,843)	(3,802,058)	-	-
Accumulated losses		(120,261,193)	(119,828,213)	(128,840,070)	(127,289,083)
Total Equity		2,982,814	3,708,579	(1,501,220)	49,767

The accompanying notes form an integral part of these financial statements

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	← Attributable to owners of the Company →				
Group	Share capital S$	Currency translation reserve S$	Other reserves S$	Accumulated losses S$	Total equity S$
2020					
Balance at 1 January 2020	127,338,850	(5,537,056)	1,734,998	(119,828,213)	3,708,579
Loss for the year	-	-	-	(378,384)	(378,384)
Other comprehensive loss, net of tax:					
Foreign currency translation loss	-	(292,785)	-	-	(292,785)
Actuarial loss on defined benefit plan	-	-	-	(54,596)	(54,596)
Total comprehensive loss for the year	-	(292,785)	-	(432,980)	(725,765)
Balance at 31 December 2020	127,338,850	(5,829,841)	1,734,998	(120,261,193)	2,982,814

The accompanying notes form an integral part of these financial statements

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	← Attributable to owners of the Company →				
Group	Share capital S$	Currency translation reserve S$	Other reserves S$	Accumulated losses S$	Total equity S$
2019					
Balance at 1 January 2019	127,338,850	(5,753,264)	1,734,998	(119,969,525)	3,351,059
Adoption of SFRS(I) 16	-	-	-	(4,334)	(4,334)
Adjusted balance at 1 January 2019	127,338,850	(5,753,264)	1,734,998	(119,973,859)	3,346,725
Profit for the year	-	-		202,043	202,043
Other comprehensive income/(loss), net of tax:					
Foreign currency translation income	-	216,208	-	-	216,208
Actuarial loss on defined benefit plan	-	-	-	(56,397)	(56,397)
Total comprehensive income for the year	-	216,208	-	145,646	361,854
Balance at 31 December 2019	127,338,850	(5,537,056)	1,734,998	(119,828,213)	3,708,579

The accompanying notes form an integral part of these financial statements

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group	
		2020	2019
	Note	S$	S$
Cash Flows from Operating Activities:			
Profit before tax		89,355	787,154
Adjustments for:			
Unrealised foreign exchange (gain)/loss		(185,074)	110,709
Write-off of property and equipment	6	2,876	596
Depreciation of property and equipment	8	647,923	673,807
Interest expense	9	219,141	272,893
Interest income	6	(4,697)	(5,877)
Gain on disposal of property and equipment	6	-	(6,901)
Loss allowance on trade receivables	8	461	316
Write-back of loss allowance on other receivables	8	-	(7,901)
Operating cash flows before working capital changes		769,985	1,824,796
Changes in working capital:			
Receivables		87,201	73,803
Payables		(582,083)	(455,395)
Cash flows generated from operations		275,103	1,443,204
Tax paid		(693,892)	(612,616)
Net cash flows (used in)/generated from operating activities		(418,789)	830,588
Cash Flows from Investing Activities			
Proceeds from disposal of property and equipment		-	10,600
Purchase of property and equipment	19	(162,988)	(504,563)
Proceeds from disposal of asset held-for-sale	17	984,250	-
Interest received		4,697	5,877
Net cash flows generated from/(used in) investing activities		825,959	(488,086)
Cash Flows from Financing Activities			
Repayment of lease liabilities	21(c)	(55,760)	(55,560)
Repayment of borrowings	21(c)	(306,645)	(216,954)
Proceeds from borrowings	21(c)	-	300,000
Interest paid		(66,882)	(119,627)
Net cash flows used in financing activities		(429,287)	(92,141)
Net (decrease)/increase in cash and cash equivalents		(22,117)	250,361
Cash and cash equivalents at beginning of the year		944,690	673,690
Effect of changes in foreign exchange rates on cash and cash equivalents		(5,218)	20,639
Cash and cash equivalents at end of the year	12	917,355	944,690

The accompanying notes form an integral part of these financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

Blumont Group Ltd. (the "Company") is a public limited company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of the Company's registered office and principal place of business is Apex @ Henderson, 201 Henderson Road, #03-26/27, Singapore 159545.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are disclosed in Note 18.

The ultimate holding company was Ultimate Horizon Pte. Ltd., which is incorporated in Singapore. The ultimate controlling party was Siaw Lu Howe. On 16 November 2020, Mark Wee Liang Yee purchased 50.8% of the Company's shares from Ultimate Horizon Pte. Ltd. and on 31 December 2020 completed the purchase of another 0.5% of the shares from other shareholders, thus, holding a total of 51.3% of shares. This made him the ultimate controlling party of the Group.

2. Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")

(a) Application of new and revised SFRS(I)s and SFRS(I) INTs

On 1 January 2020, the Group and the Company adopted all the new or amended SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INTs") that are mandatory for application for the financial year. Changes to the Group's and Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INTs. The adoption of these new or amended SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except as discussed below:

Amendment to SFRS(I) 16 *COVID-19 – Related Rent Concessions*

The amendment provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SFRS(I) 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying SFRS(I) 16 if the change were not a lease modification. The amendment is effective for annual periods beginning on or after 1 June 2020, with early application permitted.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(ii) Any reduction in lease payments affects only payments originally due in on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021; and
(iii) There is no substantive change to other terms and conditions of the lease.

2. Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (cont'd)

(a) Application of new and revised SFRS(I)s and SFRS(I) INTs (cont'd)

Amendment to SFRS(I) 16 *COVID-19 – Related Rent Concessions* (cont'd)

In current financial year, the Group has applied the amendment to SFRS(I) 16 in advance of its effective date.

Impact of accounting for changes in lease payments applying the exemption

The Group has applied the practical expedient retrospectively to all rent concessions that meet the conditions in SFRS(I) 16 paragraph 14b, and has not restated prior period figures.

The Group has benefitted from a 2-month waiver of lease payments on buildings. The waiver of lease payments of S$4,274 has been accounted for in the profit or loss.

(b) SFRS(I)s and SFRS(I) INTs issued but not yet effective

At the date of authorisation of these financial statements, the following standards that have been issued and are relevant to the Group and Company but not yet effective:

		Effective for annual periods beginning on or after
Amendments to SFRS(I) 3	Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Various	Annual Improvements to SFRS(I)s 2018 – 2020	1 January 2022
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

3. Summary of Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") as issued by Accounting Standards Council. These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgment or complexity, are disclosed in Note 4 Critical Accounting Judgments and Key Sources of Estimation Uncertainty.

The financial statements are presented in Singapore dollars ("S$"), which is the functional currency of the Company.

(b) Going Concern Assumption

As at 31 December 2020, the Group and Company are in a net current liability position of S$338,162 and S$7,747,362 (which includes a loan from a 100% owned subsidiary of S$5,590,000) respectively. This condition may cast significant doubt on the ability of the Group and Company to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business. Nevertheless, the directors of the Group and Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2020 remains appropriate after taking into account the following factors:

- The Group expects the sterilisation business segment to continue generating positive operating cash flows in the next 12 months from the date of approval of the financial statements;
- The Group continues its efforts to generate cash from operating activities by implementing measures in improving sales, generating cash from new sales contracts and containing capital and operating expenditures to fund the continuous repayments of the banks and other borrowings of the Group and retain sufficient working capital for general operations; and
- The Group is actively looking for additional sources of financing to enhance its financial position and support the plans to expand its operations.

The Company is able to obtain cash from its subsidiaries by way of borrowings or dividends in order to meet its financial obligations in the next 12 months. The ultimate controlling party has also provided a written undertaking to provide financial support to the Company to enable it to continue with its operations and to meet its financial obligations as and when they fall due for the next 12 months from the date of approval of financial statements of the Company by the Directors.

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Summary of Significant Accounting Policies (cont'd)

(c) Group Accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the fair value of the investee's identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the entity sold.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

3. Summary of Significant Accounting Policies (cont'd)

(c) Group Accounting (cont'd)

Subsidiaries (cont'd)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of interest in subsidiaries to non-controlling interests without loss of control are also recorded in equity.

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference as a gain or loss in profit or loss.

3. Summary of Significant Accounting Policies (cont'd)

(d) Investments in Subsidiary Companies

Investments in subsidiary companies are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

(e) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) Rendering of services

Revenue is recognised when the sterilisation process of customer products is completed. The amount of revenue recognised is based on the pre-negotiated price, which comprises the contractual price, net of any pre-negotiated upfront volume discounts and adjusted for expected returns. The Group recognises the refunds due to expected returns from customers as refund liabilities. The corresponding amounts are adjusted against revenue in the period in which the returns occur. Payment of the transaction price is due within the credit terms given by the Group upon completion of sterilisation of customers' products.

(ii) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line method over the lease term as set out in specific rental agreements.

(iii) Property management fees

Property management fees are recognised when services are rendered under the terms of the contract.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(v) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

3. Summary of Significant Accounting Policies (cont'd)

(f) Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets in "Property and equipment" and lease liabilities in "Lease liabilities" in the statement of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

3. Summary of Significant Accounting Policies (cont'd)

(f) Leases (cont'd)

When the Group is the lessee (cont'd)

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

(g) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

The financial statements are presented in Singapore Dollars ("S$"), which is the functional currency of the Company.

(ii) Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

3. Summary of Significant Accounting Policies (cont'd)

(g) Foreign Currencies (cont'd)

(ii) Transactions and balances (cont'd)

Those currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange difference on monetary items is recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivables from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

(iii) Translation of Group entities' financial statements

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rates at the statement of financial position date;
- Income and expenses are translated at average exchange rate (unless the average is not a reasonable approximation of the cumulative effect of the rate prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transaction); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposal of associate that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. Summary of Significant Accounting Policies (cont'd)

(h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(i) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii) Defined benefit plan

A subsidiary in the Group has an unfunded defined benefit plan covering substantially all of their eligible permanent employees in accordance with a subsidiary in the Group's Collective Labour Agreement and Labour Law No. 13/2003 of Indonesia. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actual gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

3. Summary of Significant Accounting Policies (cont'd)

(i) Employee Benefits (cont'd)

(ii) Defined benefit plan (cont'd)

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings/ (accumulated losses) and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement of the net defined benefit liability/(asset) in other comprehensive income.

The Group presents the first two components of defined benefit costs in profit or loss in "employee benefits". Curtailment gains and losses are accounted for as past service costs.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share-based payment reserve over the vesting period.

The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At the statement of financial position date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based payment reserve over the remaining vesting period.

The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The share-based payment reserve is transferred to retained earnings/(accumulated losses) upon expiry of the share options. When the options are exercised, the share-based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

3. Summary of Significant Accounting Policies (cont'd)

(i) Employee Benefits (cont'd)

(iii) Share-based compensation (cont'd)

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

(j) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. Summary of Significant Accounting Policies (cont'd)

(j) Income Tax (cont'd)

(ii) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amount of its tax assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at the date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

3. Summary of Significant Accounting Policies (cont'd)

(k) Property and Equipment

(i) Measurement

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Construction-in-progress are carried at cost less any impairment losses. Depreciation of construction-in-progress, on the same basis as other assets, commences when the assets are ready for their intended use.

(ii) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and construction-in-progress) less their residual values (if any) over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year and adjusted as appropriate at the statement of financial position date. The effects of any revision are recognised in profit or loss when the changes arise.

The following useful lives are used in the calculation of depreciation:

	Useful lives
Building	20 years
Leasehold property	4 years
Renovations	3 years
Furniture and fittings	5 years
Office, computer and other equipment	3, 5 and 8 years
Cobalt isotope	10 years
Motor vehicles	7 and 8 years

(iii) Subsequent expenditure

Subsequent expenditure related to property and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

3. Summary of Significant Accounting Policies (cont'd)

(k) Property and Equipment (cont'd)

(iv) Disposal

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(l) Development Property

Development property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes and land that is held for long-term capital appreciation or for a current indeterminate use), are measured initially at its cost, including transaction costs.

Subsequently to initial recognition, development property is carried at cost less accumulated impairment losses.

Development property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

The carrying value of development property is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recovered. The residual value, useful life and depreciation method are reviewed, and adjusted prospectively, if appropriate.

Development property is derecognised when either they have been disposed of or when the development property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of a development property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the year of retirement or disposal.

3. Summary of Significant Accounting Policies (cont'd)

(m) Impairment of Non-financial Assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the statement of financial position date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each statement of financial position date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. Summary of Significant Accounting Policies (cont'd)

(n) Inventories

Inventories are stated at the lower of cost and net realisable value, using the weighted average method. Inventories comprise materials and supplies to be consumed in the rendering of sterilisation services.

Net realisable value is the estimated selling price of sterilisation services less all estimated costs of completion and cost necessary to make the sale. Allowance for stock obsolescence is made for obsolete or slow moving inventories.

(o) Asset Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell, except for specified assets in SFRS(I) 5 which continue to be measured in accordance with the Group's accounting policies, including deferred tax assets, assets arising from employee benefits, investment property measured at fair value, financial assets within the scope of SFRS(I) 9 and contractual rights under insurance contracts.

The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

Non-current assets that cease to be classified as held for sale is measured at the lower of:

- its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluation that would have been recognised had the asset not been classified as held for sale; and
- its recoverable amount at the date of the subsequent decision not to sell.

Any required adjustment to the carrying amount of the non-current assets that cease to be classified as held for sale is recognised in profit or loss in the period in which the decision not to sell is made.

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets

(i) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (FVPL), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Initial Recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent Measurement

(a) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities. Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

(i) Classification and measurement (cont'd)

Subsequent Measurement (cont'd)

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. For debt instrument that is measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss. Impairment losses are deducted from the gross carrying amount of these assets and are presented as separate line item in the statement of profit or loss.

Interest income is recognised in profit or loss and is included in the "other (losses)/gains - net" line item.

FVPL

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other (losses)/gains in the period in which it arises. For a debt investment that is measured at FVPL that is not part of a designated hedging relationship, exchange differences are recognised in profit or loss. Interest income from these financial assets is included in "other (losses)/gains - net" using the effective interest rate method.

In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value of equity investments in OCI and there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets (cont'd)

(i) Classification and measurement (cont'd)

Subsequent Measurement (cont'd)

(b) Equity instruments (cont'd)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

Changes in fair value of equity instruments at FVOCI are recognised in other comprehensive income. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

(ii) Impairment

The Group assesses on a forward looking basis the expected credit losses ("ECLs") associated with the following financial instruments:

- financial assets measured at amortised costs;
- financial assets measured at FVPL; and

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

3. Summary of significant accounting policies (cont'd)

(p) Financial Assets (cont'd)

(ii) Impairment (cont'd)

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach - Trade receivables

The Group applies the simplified approach to provide ECLs for all trade receivables as permitted by SFRS(I) 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

General approach - Other financial instruments

The Group applies the general approach to provide for ECLs on all other financial instruments which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information that is reasonable and supportable, including the Group's historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

3. Summary of significant accounting policies (cont'd)

(p) Financial Assets (cont'd)

(ii) Impairment (cont'd)

General approach - Other financial instruments (cont'd)

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event (e.g. being more than 90 days past due);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not other consider (e.g. the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise);
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. Summary of significant accounting policies (cont'd)

(p) Financial Assets (cont'd)

(ii) Impairment (cont'd)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iii) Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument, the difference between the carrying amount and sales proceeds is recognised in profit or loss if there was no election made to recognises fair value changes in other comprehensive income. If the Group has elected on initial recognition to measure the equity instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

3. Summary of significant accounting policies (cont'd)

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(r) Financial Liabilities

The Group shall recognise a financial liability on its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are recognised initially at fair value.

Financial liabilities are classified as "other financial liabilities".

Other financial liabilities

Other financial liabilities (including borrowings, trade and other payables and loan from a subsidiary), are initially measured at fair value, plus any direct attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integrated part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Summary of significant accounting policies (cont'd)

(s) Related Parties

A related party is defined as follows:
A related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

a. A person or a close member of that person's family is related to the Group and Company if that person:

   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to the Group and the company if any of the following conditions applies:

   i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   iii. both entities are joint ventures of the same third party;
   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
   vi. the entity is controlled or jointly controlled by a person identified in (a);
   vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive personnel responsible for allocating resources and assessing performance of the operating segments.

(u) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, and deposits with financial institutions which are subject to an insignificant risk of change in value.

(v) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity, net of any tax effects.

3. Summary of significant accounting policies (cont'd)

(w) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. When the grant relates to an asset, fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as credit in profit or loss, either separately or under a general heading such as "Other gains". Alternatively, they are deducted in reporting the related expenses.

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3 above, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgments in applying accounting policies

In addition to Note 3(b), the application of judgments in the process of applying the Group's accounting policies that are expected to have a significant effect on the amounts recognised in the financial statements are as follows:

(i) Impairment of investments in subsidiaries

Investments in subsidiaries (including loans to subsidiaries which are in substance part of the net investments in subsidiaries) are tested for impairment whenever there is any objective evidence or indication that these investments may be impaired. In determining whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance, financial position and the overall economic environment in which the subsidiaries operate.

The carrying amounts of the Company's net investments in subsidiaries as at 31 December 2020 and the movements in the relevant allowances for impairment loss during the financial year are disclosed in Note 18.

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (cont'd)

(a) Critical judgments in applying accounting policies (cont'd)

(ii) Loss allowance for trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables according to historical loss patterns (e.g. customer rating or by geographical location) and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 14.

(iii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and taxability of certain income in each relevant tax jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Group's income tax receivable as at 31 December 2020 is S$163,174 (Income tax payable in 2019: S$168,743). The Group's deferred taxes are disclosed in Note 23. For the financial year ended 31 December 2020, the Group has recognised income tax expense of S$467,739 (2019: S$585,111) (Note 10).

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (cont'd)

(a) Critical judgments in applying accounting policies (cont'd)

(iv) Impairment of development property

The Group carries its development property at cost less any accumulated impairment losses. The Group obtains external, independent valuations for its property annually.

As at 31 December 2020, the fair value of the development property at the end of the reporting period are disclosed in Note 16 of the financial statements. The valuations applied in the determination of fair value of development properties are disclosed and further explained in Note 16.

The carrying amount of development property as at 31 December 2020 was S$4,578,950 (2019: S$4,576,173), and no allowance for impairment loss is required for the development property as disclosed in Note 16.

(v) Valuation of investment property held for sale

The Group will classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when:

- the sale is highly probable and the asset is available for immediate sale in its present condition; and
- the management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

The Group measures an investment property classified as held for sale at fair value.

As at 31 December 2020, the Group's investment property held for sale amounted to S$NIL (2019: S$1,185,120), carried at fair value as disclosed in Note 17.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty as at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Defined Benefit Plan

The present value of employee compensation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate, rate of future salary increase and rate of resignation. Any changes in these assumptions will impact the carrying amount of employee compensation.

4. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(i) Defined Benefit Plan (cont'd)

In determining the appropriate discount rate, management considers the interest rates of high quality corporate bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligations. These corporate bonds generally have an AA rating with low risk of default. The interest rate is used to determine the present value of estimated future cash outflows expected to be required to settle employee compensation. Management does not expect any variable changes in the assumptions used to determine the present value of employee compensation on an actuarial basis will result in the amount determined to be materially different. A 1% increase or decrease in the discount rate used in calculating the employee compensation would have no significant impact on the amount recognised by the Group during the financial year.

The carrying amount of the Group's employee compensation as at 31 December 2020 is disclosed in Note 22.

5. Revenue

	Group	
	2020 S$	2019 S$
Revenue from sterilisation services	3,495,382	4,211,505
Rental income (Note 17(b))	3,869	86,909
	3,499,251	4,298,414

The Group derives revenue from the transfer of services at a point in time, when the Group satisfies a performance obligation and the customers obtain control of the services.

6. Other Gains/(Losses) - Net

	Group	
	2020 S$	2019 S$
Currency exchange gain/(loss) – net	256,926	(50,569)
Interest income	4,697	5,877
Gain on disposal of property and equipment	-	6,901
Write-off of property and equipment	(2,876)	(596)
Miscellaneous income	72,789	18,120
	331,536	(20,267)

7. Employee Benefits

	Group	
	2020	2019
	S$	S$
Short-term employee benefits	1,637,863	1,486,785
Post-employment benefits	27,521	31,482
Other long-term employee benefits (Note 22)	278,023	161,101
	1,943,407	1,679,368

8. Other Expenses

	Group	
	2020	2019
	S$	S$
Audit fees:		
- auditor of the Company	55,000	87,000
- other auditors	17,593	17,728
Non-audit fees:		
- auditors	-	12,000
Legal, professional and consultancy fees	105,891	91,325
Loss allowance on trade receivables (Note 14)	461	316
Write-back of loss allowance on other receivables (Note 14)	-	(7,901)
Depreciation of property and equipment (Note 19)	647,923	673,807
Upkeep expenses	109,413	117,316
Directors' fees	100,000	92,000
Travelling expenses	15,453	56,580
Postage and telecommunication expenses	18,149	15,818
Printing and stationery expenses	50,870	36,264
Staff training and welfare expenses	60,506	57,709
Marketing and advertising	3,659	15,442
Provision for withholding tax expense	94,788	74,604
Sundry expenses	52,343	868
SGX expenses	39,225	37,450
Others	152,726	85,097
	1,524,000	1,463,423

9. Finance Costs

	Group	
	2020	2019
	S$	S$
Interest expense		
- loans from bank	66,878	117,402
- loan from a shareholder	145,367	143,885
- lease liabilities	6,892	11,521
- others	4	85
	219,141	272,893

10. Income tax expense

	Group	
	2020 S$	2019 S$
Income tax expense comprised:		
Current income tax	373,430	626,072
Deferred tax (Note 23)	57,977	(47,059)
	431,407	579,013
Under provision in prior years:		
Current income tax	(7,634)	2,477
Deferred tax (Note 23)	43,966	3,621
	36,332	6,098
	467,739	585,111

The reconciliation of the income tax expense and the product of accounting loss multiplied by the Singapore statutory income tax rate is as follows:

	Group	
	2020 S$	2019 S$
Profit before tax	89,355	787,154
Tax at the statutory tax rate of 17% (2019: 17%)	15,190	133,816
Effect of different tax rates in other countries	62,380	154,751
Tax effect of non-taxable income	(40,999)	(66,072)
Tax effect of non-deductible expenses*	363,153	311,879
Deferred tax assets not recognised	31,683	44,639
Under provision of income tax in prior years	36,332	6,098
	467,739	585,111

* attributable mainly to non-deductible expenses of Indonesia, Malaysia and Singapore operations (2019: non-deductible expenses of Indonesia, Malaysia and Singapore operations) recognised by the Group.

The income tax rate used for the reconciliation above is the corporate income tax rate of 17% payable by the Company and other Singapore companies of the Group on taxable profits under tax laws in that jurisdiction. Taxation for the Group's operations in other jurisdictions are either not material or have no taxable profits. The applicable corporate tax rates in Indonesia and Malaysia are 22% (2019: 25%) and 24% (2019: 24%) respectively.

11. (Loss)/Profit per Share

(a) Basic (loss)/profit per share

Basic loss per share is calculated on the net loss attributable to owners of the Company of S$378,384 (2019: net profit attributable to owners of the Company of S$202,043) divided by the weighted average number of ordinary shares of 27,570,762,183 (2019: 27,570,762,183) in issue during the financial year.

(b) Diluted (loss)/profit per share

Diluted loss per share is calculated on the net loss attributable to owners of the Company of S$378,384 (2019: net profit attributable to owners of the Company of S$202,043) divided by the weighted average number of ordinary shares of 27,570,762,183 (2019: 27,570,762,183) in issue during the financial year after adjustment for the effects of all dilutive potential ordinary shares.

Diluted profit/(loss) per share is the same as the basic profit/(loss) per share as there were no dilutive potential ordinary shares outstanding as at 31 December 2020 and 2019.

12. Cash and Bank Balances

	Group		Company	
	2020 S$	2019 S$	2020 S$	2019 S$
Cash at bank and on hand	917,355	944,690	215,023	140,716

13. Other Financial Assets

	Group		Company	
	2020 S$	2019 S$	2020 S$	2019 S$
Equity investments measured at fair value through profit or loss				
Listed equity securities (a)	120,259	120,259	120,259	120,259

(a) These equity investments measured at fair value through profit or loss ("FVPL") were designated at FVPL at inception by management.

14. Trade and Other Receivables

	Group		Company	
	2020	2019	2020	2019
	S$	S$	S$	S$
Trade receivables				
- third parties (a)	225,272	259,016	-	-
Less: Loss allowance	(463)	(317)	-	-
Trade receivables - net	224,809	258,699	-	-
Other receivables				
- third parties (b)	230,989	491,406	121,701	121,701
- related party (c)	185,303	-	185,303	-
Less: Loss allowance (b)	(121,701)	(121,701)	(121,701)	(121,701)
Other receivables - net	294,591	369,705	185,303	-
Total trade and other receivables	519,400	628,404	185,303	-

(a) Trade receivables from third parties are non-interest bearing and repayable within the normal trade credit terms of 30 to 60 days (2019: 30 to 60 days).

(b) As at 31 December 2020, the Group and the Company's other receivables - third parties include a receivable from a third party with a carrying amount of S$121,701 and S$121,701 respectively (2019: S$121,701 and S$121,701 respectively). The Group and the Company has impaired S$121,701 and S$121,701 respectively (2019: S$121,701 and S$121,701 respectively) based on management's assessment of the recoverable amount of the said receivable as at the financial year end.

(c) Other receivables from related party relates to reimbursement of expenses from shareholder.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 are set out in the provision matrix as presented below:

		Trade receivables past due (days)		
	Current	< 60 days	> 60 days	Total
	S$	S$	S$	S$
Group				
2020				
Expected credit loss rate	0.05%	0.10%	0.30%	
Trade receivables – gross carrying amount at default	119,364	80,055	25,853	225,272
Loss allowance – lifetime ECL	-*	-*	-*	-*
Loss allowance – credit-impaired	-	-	(463)	(463)
Total loss allowance	-	-	(463)	(463)
				224,809

* Loss allowance for trade receivables measured at an amount equal to lifetime ECL is immaterial.

14. Trade and Other Receivables (cont'd)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 are set out in the provision matrix as presented below: (cont'd)

		Trade receivables past due (days)		
	Current	< 60 days	> 60 days	Total
	S$	S$	S$	S$
Group				
2019				
Expected credit loss rate	0.05%	0.10%	0.30%	
Trade receivables – gross carrying amount at default	157,962	100,733	321	259,016
Loss allowance – lifetime ECL	-*	-*	-*	-*
Loss allowance – credit-impaired	-	-	(317)	(317)
Total loss allowance	-	-	(317)	(317)
				258,699

* Loss allowance for trade receivables measured at an amount equal to lifetime ECL is immaterial.

Loss allowance on trade receivables has been measured at an amount equal to expected credit losses as disclosed in the accounting policy Note 3(p)(ii). Loss allowance for other receivables has been measured at an amount equal to 12-month expected credit losses as disclosed in the accounting policy Note 3(p)(ii). The Group has regarded all receivables over 90 days past due as defaulted and credit-impaired because historical experience has indicated that these receivables are generally not recoverable. Exact percentage will depend on the impairment test. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The movements in credit loss allowance for impairment of trade and other receivables during the year are as follows:

	Group	
	2020	2019
	S$	S$
Trade receivables		
Balance as at the beginning of the year	317	-
Loss allowance recognised in profit or loss during the year (Note 8)	461	316
Write-off	(317)	-
Currency translation differences	2	1
Balance as at end of the year	463	317
Other receivables		
Balance as at the beginning of the year	121,701	129,616
Write-back of loss allowance recognised in profit or loss during the year (Note 8)	-	(7,901)
Currency translation differences	-	(14)
Balance as at end of the year	121,701	121,701

	Company	
	2020	2019
	S$	S$
Other receivables		
At 1 January and 31 December	121,701	121,701

15. Other Assets

	Group		Company	
	2020	2019	2020	2019
	S$	S$	S$	S$
Inventories	1,054	1,100	-	-
Deposits	210,936	11,460	208,650	8,610
Prepayments	32,805	32,950	7,787	8,272
Total other assets	244,795	45,510	216,437	16,882
Classified as:				
Current	44,795	45,510	16,437	16,882
Non-current	200,000	-	200,000	-
Total other assets	244,795	45,510	216,437	16,882

The cost of inventories recognised as an expense and included in "Raw materials and consumables used" amounted to S$54,884 (2019: S$75,309) during the financial year.

16. Development Property

	Group	
	2020	2019
	S$	S$
Balance at the beginning of the year	4,576,173	4,584,510
Currency exchange difference	2,777	(8,337)
Balance at the end of the year - property for development representing leasehold land, at cost	4,578,950	4,576,173

Details of the Group's development property are as follows:

Description and Location	Usage	Tenure, (unexpired terms) and Land Area (square metre)	Stage of Completion and (Expected Year of Completion)	Effective Interest in Property	Net Book Value	
					2020	2019
				%	S$	S$
Leasehold land Malaysia Title No. PN 12245, Lot No. 1719, Section 13, Town of Shah Alam, District of Petaling, Selangor.	Commercial	Leasehold, (81 years) 7,863 sq. metre	-	100	4,578,950	4,576,173

Management has not determined the plan for the leasehold land since the joint development activity lapsed. Management has obtained an independent valuation of the development property which has a valuation of RM28.0 million (S$9.3 million) as at 31 December 2020. The valuation was based on the Direct Market Comparison Method and was classified under Level 2 (2019: Level 2) of the fair value hierarchy, as defined in Note 26(d).

17. Asset Held for Sale

	Group	
	2020 S$	2019 S$
Investment property		
Balance at the beginning of the year	1,185,120	1,187,280
Disposal	(1,185,840)	-
Currency translation differences	720	(2,160)
Balance at end of the year	-	1,185,120

(a) On 15 September 2015, the Group entered into a sale and purchase agreement for the disposal of the unit number B-37-01 (the "Property") at Suasana Sentral Condominium for a total cash consideration of RM3.6 million (approximately S$1.2 million). A deposit of RM0.6 million (approximately S$0.2 million) was received in the financial year ended 31 December 2015. Accordingly, this investment property was reclassified to asset held for sale as at 31 December 2015.

In the financial year ended 31 December 2016, a legal suit was filed against the Group in respect of the sale of the property. The legal proceedings have concluded in 2019. The details are disclosed in Note 32.

Based on the Consent Judgment, the sale of the property being upheld at the agreed original selling price of RM3.6 million (approximately S$1.2 million). The Group had received the full settlement of the remaining RM3.0 million (approximately S$1.0 million) during the year.

(b) Investment property classified under asset held for sale are leased to non-related parties.

	Group	
	2020 S$	2019 S$
The following are recognised in profit or loss:		
Rental income from investment property (Note 5)	3,869	86,909
Direct operating expenses (including repairs and maintenance) arising from rental generating property	1,949	11,946

(c) The fair value of the Group's investment property as at the statement of financial position date approximates the carrying amount, as assessed by the management. In estimating the fair value of the property, the highest and best use of the property is their current use.

In financial year ended 31 December 2019, management has determined the fair values of the investment property held to be S$1,185,120 and no fair value gain or loss was recognised in profit or loss. The fair value of investment property was classified under Level 2 of the fair value hierarchy, as defined in Note 26(d).

17. Asset Held for Sale (cont'd)

(c) During the financial year ended 31 December 2019, the Group transferred the investment property from Level 3 to Level 2 of the fair value hierarchy. The reason for the transfer from Level 3 to Level 2 is that the litigation matter in relation to the sale of the investment property had concluded during the financial year ended 31 December 2019, with the sale being upheld (Note 32). Prior to the transfer, the fair value of the investment property was determined using the market comparable approach with reference to the price per square foot. The price per square foot was dependent on the difference in the nature, location or condition of the specific property. The valuation process was performed by the Accountant, and reviewed by Finance Manager and Chief Financial Officer.

For the purposes of measuring deferred taxes for investment property that are measured using a fair value model, the carrying amounts of such property is presumed to be recovered entirely through sale, unless the presumption is rebutted. Management has reviewed the Group's investment property portfolio and concluded that none of the Group's investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, management has determined that the 'sale' presumption is not rebutted. As a result, the Group did not recognise any deferred taxes on changes in fair value of the investment property, as the Group is not subject to any income taxes on the fair value changes of the investment property on disposal.

18. Investments in Subsidiaries/Loans to Subsidiaries/Loan from Subsidiary

	Company	
	2020	2019
	S$	S$
Investments in subsidiaries (a)	104,456	104,456
Less: Allowance for impairment loss	-	-
	104,456	104,456
Loans to subsidiaries (b)	13,588,811	14,034,665
Less: Allowance for impairment loss	(2,855,590)	(2,840,515)
	10,733,221	11,194,150
Loan from subsidiary	5,590,000	4,590,000

18. Investments in Subsidiaries/Loans to Subsidiaries/Loan from Subsidiary (cont'd)

(a) Investments in subsidiaries

Movements in investments in subsidiaries and allowance for impairment loss during the financial year are as follows:

	Company	
	2020	2019
	S$	S$
Unquoted equity shares, at cost		
Balance at the beginning of the year	104,456	104,456
Allowance for impairment loss		
Balance at the beginning of the year	-	2
Write-back of impairment during the year	-	(2)
Balance at the end of the year	-	-
Carrying amount of investments in subsidiaries	104,456	104,456

(b) Loans to subsidiaries

As at 31 December 2020, the loans to subsidiaries consist of interest-free loan receivables of S$13,588,811 (2019: S$14,034,665).

The loans receivables are interest-free, unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Company's net investments in the equity of the subsidiaries, they are stated at cost less impairment losses.

Movements in the allowance for impairment loss of loans to subsidiaries during the financial year are as follows:

	Company	
	2020	2019
	S$	S$
Balance at the beginning of the year	2,840,515	2,882,977
Allowance for/(Write-back of) impairment during the year (i)	15,075	(42,462)
Balance at the end of the year	2,855,590	2,840,515

(i) As at 31 December 2020, the Company had additional allowance for impairment loss of S$15,075 (2019: written back an allowance for impairment loss of S$42,462) of its loans to subsidiaries to profit or loss based on management's judgment of the recoverable amount of the loans to the relevant subsidiaries as at the financial year end.

(c) Loan from a subsidiary

The loan from a subsidiary bears interest at between 9% and 10% (2019: 9% and 10%) per annum and is repayable on demand or when the cashflow permits (repayment term) and the interest will continue to accrue until repayment of the respective principal is made.

18. Investments in Subsidiaries/Loans to Subsidiaries/Loan from a Subsidiary (cont'd)

(d) Details of the Group's subsidiaries are as follows:

Name of companies Country of business/incorporation	Principal activities	Effective equity held by the Group 2020 %	2019 %
Held by the Company			
Adroit Innovations Investment Pte. Ltd. [(a)] Singapore	Investment holding	100	100
Tria Holdings Pte. Ltd. [(a)] Singapore	Investment holding	100	100
Asphere Holdings Pte. Ltd. [(a)] Singapore	Investment holding	100	100
Raintree Rock Sdn. Bhd. [(b)] Malaysia	Investment holding	100	100
Held by Adroit Innovations Investment Pte. Ltd.			
PT Rel-ion Sterilization Services [(c)] Indonesia	Sterilisation and polymerisation services	77.71	77.71
Held by Tria Holdings Pte. Ltd.			
Trackplus Sdn. Bhd. [(b)] Malaysia	Property development	65	65
Solid Base Limited [(d)] Seychelles	Investment holding	100	100
Held by Solid Base Limited			
Trackplus Sdn. Bhd. [(b)] Malaysia	Property development	35	35
Held by Asphere Holdings Pte. Ltd.			
Gemisuria Corporation Sdn. Bhd. [(b)] Malaysia	Property development	100	100
PT Rel-ion Sterilization Services [(c)] Indonesia	Sterilisation and polymerisation services	22.29	22.29

[(a)] Audited by PKF, Singapore.

[(b)] Audited by PKF, Malaysia.

[(c)] Audited by PKF, Indonesia (Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan, Indonesia.)

[(d)] No audit requirement in the country of incorporation.

19. Property and Equipment

	Freehold land S$	Building S$	Leasehold property S$	Renovations S$	Furniture and fittings S$	Office, computer and other equipment S$	Cobalt isotope S$	Motor vehicles S$	Construction in-progress S$	Total S$
Group										
2020										
Cost										
At 1 January	828,010	1,770,984	225,527	67,563	3,700	1,733,019	3,805,020	639,263	-	9,073,086
Additions	-	-	-	-	-	63,803	-	-	99,185	162,988
Write-off	-	-	-	-	-	(12,672)	-	-	-	(12,672)
Currency translation differences	(24,838)	(53,125)	-	-	-	(50,224)	(114,139)	(19,175)	(380)	(261,881)
At 31 December	803,172	1,717,859	225,527	67,563	3,700	1,733,926	3,690,881	620,088	98,805	8,961,521
Accumulated depreciation										
At 1 January	-	509,711	85,035	63,445	3,700	1,147,119	2,025,558	365,094	-	4,199,662
Depreciation during the year (Note 8)	-	86,223	44,366	4,118	-	134,658	312,802	65,756	-	647,923
Write-off	-	-	-	-	-	(9,796)	-	-	-	(9,796)
Currency translation differences	-	(15,622)	-	-	-	(33,096)	(61,960)	(11,203)	-	(121,881)
At 31 December	-	580,312	129,401	67,563	3,700	1,238,885	2,276,400	419,647	-	4,715,908
Net carrying amount										
At 31 December	803,172	1,137,547	96,126	-	-	495,041	1,414,481	200,441	98,805	4,245,613

As at 31 December 2020, the Group's loans from bank are secured by the Group's freehold land and building, which have a carrying amount of S$1,940,719 (2019: S$2,089,283) (Note 21).

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
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19. Property and Equipment (cont'd)

	Freehold land S$	Building S$	Leasehold property S$	Renovations S$	Furniture and fittings S$	Office, computer and other equipment S$	Cobalt isotope S$	Motor vehicles S$	Construction in-progress S$	Total S$
Group										
2019										
Cost										
At 1 January	805,135	1,413,206	-	67,563	3,700	1,535,056	3,699,903	561,227	36,955	8,122,745
Adoption of SFRS(I) 16	-	-	225,527	-	-	18,433	-	-	-	243,960
	805,135	1,413,206	225,527	67,563	3,700	1,553,489	3,699,903	561,227	36,955	8,366,705
Additions	-	-	-	-	-	137,660	-	88,699	278,204	504,563
Transfer	-	307,159	-	-	-	-	-	-	(307,159)	-
Disposals	-	-	-	-	-	-	-	(26,924)	-	(26,924)
Write-off	-	-	-	-	-	(1,085)	-	-	-	(1,085)
Currency translation differences	22,875	50,619	-	-	-	42,955	105,117	16,261	(8,000)	229,827
At 31 December	828,010	1,770,984	225,527	67,563	3,700	1,733,019	3,805,020	639,263	-	9,073,086
Accumulated depreciation										
At 1 January	-	423,285	-	32,845	3,700	967,161	1,657,234	317,251	-	3,401,476
Adoption of SFRS(I) 16	-	-	40,669	-	-	10,138	-	-	-	50,807
	-	423,285	40,669	32,845	3,700	977,299	1,657,234	317,251	-	3,452,283
Depreciation during the year (Note 8)	-	74,022	44,366	30,600	-	143,351	319,610	61,858	-	673,807
Disposals	-	-	-	-	-	-	-	(23,225)	-	(23,225)
Write-off	-	-	-	-	-	(489)	-	-	-	(489)
Currency translation differences	-	12,404	-	-	-	26,958	48,714	9,210	-	97,286
At 31 December	-	509,711	85,035	63,445	3,700	1,147,119	2,025,558	365,094	-	4,199,662
Net carrying amount										
At 31 December	828,010	1,261,273	140,492	4,118	-	585,900	1,779,462	274,169	-	4,873,424

19. Property and Equipment (cont'd)

	Renovations S$	Leasehold property S$	Furniture and fittings S$	Office, computer and other equipment S$	Total S$
Company					
2020					
Cost					
At 1 January & 31 December	67,563	225,527	3,700	65,219	362,009
Accumulated depreciation					
At 1 January	63,445	85,035	3,700	58,966	211,146
Depreciation during the year	4,118	44,366	-	5,331	53,815
At 31 December	67,563	129,401	3,700	64,297	264,961
Net carrying amount					
At 31 December	-	96,126	-	922	97,048
2019					
Cost					
At 1 January	67,563	-	3,700	47,871	119,134
Adoption of SFRS(I) 16	-	225,527	-	18,433	243,960
	67,563	225,527	3,700	66,304	363,094
Disposal/Write-off	-	-	-	(1,085)	(1,085)
At 31 December	67,563	225,527	3,700	65,219	362,009
Accumulated depreciation					
At 1 January	32,845	-	3,700	42,885	79,430
Adoption of SFRS(I) 16	-	40,669	-	10,138	50,807
	32,845	40,669	3,700	53,023	130,237
Depreciation during the year	30,600	44,366	-	6,432	81,398
Disposal/Write-off	-	-	-	(489)	(489)
At 31 December	63,445	85,035	3,700	58,966	211,146
Net carrying amount					
At 31 December	4,118	140,492	-	6,253	150,863

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 29.

20. Trade and Other Payables

	Group		Company	
	2020 S$	2019 S$	2020 S$	2019 S$
Current				
Other payables (a)	624,424	765,559	624,424	765,559
Amounts due to directors (b)	50,000	5,225	50,000	5,225
Deposit payable (d)	164,700	362,120	-	-
Interest payable (c)	464,974	319,606	1,750,635	1,131,329
Accrued operating expenses	251,013	229,656	220,993	199,663
Total trade and other payables	1,555,111	1,682,166	2,646,052	2,101,776

(a) The Group's other payables include professional fees and general legal advice of S$620,509 (2019: S$757,926).

(b) The amounts due to directors are unsecured, interest-free and repayable on demand in cash.

(c) Interest payable relates to loan from a shareholder and loan from subsidiary.

(d) The deposit received from a third party was in relation to a lapsed joint venture agreement, entered for joint development activity in prior year.

21. Borrowings

	Group		Company	
	2020 S$	2019 S$	2020 S$	2019 S$
Current				
Loans from bank (a)	499,702	605,276	-	-
Non-current				
Loans from bank (a)	121,228	349,773	-	-
Loan from shareholder (b)	4,832,335	4,832,335	4,832,335	4,832,335
	4,953,563	5,182,108	4,832,335	4,832,335
Total borrowings	5,453,265	5,787,384	4,832,335	4,832,335

(a) Loans from bank are secured over the Group's freehold land and building (Note 19). The loans from bank bear an interest between 10% and 11% (2019: between 10% and 11%) per annum. The loans will mature in June 2022.

(b) Loan from shareholder is unsecured and bears interest of 3% (2019: 3%) per annum. The loan will mature on 31 December 2022.

21. Borrowings (cont'd)

(c) The reconciliation of movements of the Group's liabilities to the Group's cash flows arising from financing activities is presented below:

			Cash flows			
	At 1 January S$	**Adoption of SFRS(I) 16 S$**	**Proceeds S$**	**Repayments S$**	**Non-cash changes S$**	**At 31 December S$**
2020						
Loans from bank	955,049	-	-	(306,645)	(27,474)	620,930
Loan from shareholder	4,832,335	-	-	-	-	4,832,335
Lease liabilities (Note 29)	153,448	-	-	(55,760)	6,892	104,580
	5,940,832	-	-	(362,405)	(20,582)	5,557,845
2019						
Loans from bank	1,140,702	-	-	(216,954)	31,301	955,049
Loan from shareholder	4,532,335	-	300,000	-	-	4,832,335
Lease liabilities (Note 29)	-	197,487	-	(55,560)	11,521	153,448
	5,673,037	197,487	300,000	(272,514)	42,822	5,940,832

22. Defined Benefit Plan

	Group	
	2020 S$	2019 S$
Present value of unfunded obligations	971,425	1,252,968

Movements in the present value of the defined benefit obligations during the financial year are as follows:

	Group	
	2020 S$	2019 S$
Defined benefit obligations at the beginning of the year	1,252,968	1,011,913
Benefits paid by the plan	(586,186)	(25,196)
Current service costs	92,841	73,439
Excess of benefit paid	110,742	7,541
Interest on obligations	72,569	79,781
Actuarial loss recognised in other comprehensive income	54,596	56,397
Currency translation differences	(26,105)	49,093
Defined benefit obligations at the end of the year	971,425	1,252,968

22. Defined Benefit Plan (cont'd)

The amounts recognised in profit or loss during the financial year are as follows:

	Group	
	2020 S$	2019 S$
Current service costs	92,841	73,439
Interest on obligations	72,569	79,781
Amortisation of past services cost - non vested	1,871	340
Excess of benefit paid	110,742	7,541
Total, included in "Employee Benefits" (Note 7)	278,023	161,101

Principal actuarial assumptions at the end of the financial year are as follows:

	Group 2020 and 2019
Valuation method	Projected Unit Credit based on Actuarial Cost Method
Mortality rate	TMI 2019 (2019: TMI 2011)
Discount rate	6.65% (2019: 7.35%)
Future salary increases	10%
Disability rate	1% from TMI 2019 (2019: 1% from TMI 2011)
Resignation rate	3% per annum up to age 25 years old, decrease linearly to 1% per annum at age 45 years old and thereafter
Normal retirement age	55 years old
Retirement rate	100% at normal retirement age

The Group has no significant exposure from changes in the principal actuarial assumptions disclosed above. Thus, no sensitivity analysis is presented.

23. Deferred Taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position as follows:

	Group	
	2020 S$	2019 S$
To be settled after one year		
- Deferred tax assets	(277,649)	(379,708)
Net balance at the end of the year	(277,649)	(379,708)

The movements in the deferred tax assets and liabilities (on an aggregated basis) during the financial year are as follows:

	Group	
	2020 S$	2019 S$
Balance at the beginning of the year	(379,708)	(308,392)
Tax credited to:		
- profit or loss (Note 10)	101,943	(43,438)
- other comprehensive income	(10,926)	(18,799)
	91,017	(62,237)
Currency translation differences	11,042	(9,079)
Balance at the end of the year	(277,649)	(379,708)

Deferred tax assets are recognised for employee benefit provision and capital allowances carried forward to the extent that realisation of related tax benefits through future taxable profits is probable.

The Group and the Company had the following unrecognised tax losses and capital allowances which can be carried forward and used to offset against future taxable income subject to meeting certain statutory tax requirements by those group entities in their respective countries of incorporation:

	Group		Company	
	2020 S$	2019 S$	2020 S$	2019 S$
Capital allowances	74,573	74,527	-	-
Tax losses	32,822,644	32,821,876	31,557,393	31,557,393
	32,897,217	32,896,403	31,557,393	31,557,393

The tax losses have no expiry date. The Group's and the Company's deferred tax benefits of approximately S$5,605,925 and S$5,364,757 respectively (2019: S$5,605,779 and S$5,364,757 respectively) arising from these unutilised tax losses and unabsorbed capital allowances have not been recognised in the financial statements as the Group and the Company have assessed that it is not probable that taxable profits will be available against which the unutilised tax losses and unabsorbed capital allowances can be utilised.

24. Share Capital

	Group and Company			
	2020		2019	
	Number of ordinary shares	S$	Number of ordinary shares	S$
Ordinary shares issued and fully paid				
Balance at the beginning and end of the year	27,570,762,183	127,338,850	27,570,762,183	127,338,850

(a) Share options

Blumont Employee Share Option Scheme 2013 (the "Blumont ESOS 2013")

At an Extraordinary General Meeting held on 22 April 2013, the members of the Company approved the Blumont ESOS 2013, for granting of non-transferable options to employees (including executive directors) and non-executive directors of the Company.

The Blumont ESOS 2013 is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Calvin Lim Huan Kim (Chairman, resigned on 24 April 2019), Ng Keok Chai (Chairman, appointed on 25 April 2019), Tan Gim Kang, Arran, and Aris Muhammad Rizal.

The Blumont ESOS 2013 shall continue to be in force at the discretion of the Compensation Committee for a period of 10 years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

Under the Blumont ESOS 2013, options may be exercised after the 1st anniversary of the date of grant and before the 5th anniversary of such date of grant for non-executive directors and the 10th anniversary of such date of grant for group employees.

The subscription price for each ordinary share in respect of which an option is exercisable shall be determined by the Compensation Committee as follows:

(i) fixed at the market price equal to the average of the last dealt prices for the share on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the three (3) consecutive trading days immediately preceding the date of grant of that option; or

(ii) set at a discount to a market price, provided that the maximum discount shall not exceed twenty per cent (20%) of the market price.

No share options under the Blumont ESOS 2013 have been granted during and as at the financial year ended 31 December 2020 and 2019.

Blumont Performance Share Plan (the "Blumont PSP")

At the Extraordinary General Meeting held on 22 April 2013, the members of the Company approved the Blumont PSP, for granting of incentive share awards to employees (including executive directors) and non-executive directors of the Company.

24. Share Capital (cont'd)

(a) Share options (cont'd)

Blumont Performance Share Plan (the "Blumont PSP") (cont'd)

The Blumont PSP is administered by the Compensation Committee which is overseen by the Remuneration Committee whose members are Calvin Lim Huan Kim (Chairman, resigned on 24 April 2019), Ng Keok Chai (Chairman, appointed on 25 April 2019), Tan Gim Kang, Arran, and Aris Muhammad Rizal.

The Blumont PSP shall continue to be in force at the discretion of the Compensation Committee for a period of 10 years from 22 April 2013. However, the period may be extended or terminated with the approval of shareholders at a general meeting of the Company and any relevant approvals which may then be required.

A participants' award under the Blumont PSP will be determined at the sole discretion of the Compensation Committee. In considering an award to be granted to a participant, the Compensation Committee may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the Blumont PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the award. No minimum vesting periods are prescribed under the Blumont PSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis.

No incentive share awards under the Blumont PSP have been granted during and as at the financial year ended 31 December 2020 and 2019.

(b) Capital management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital, reserves, accumulated losses and net debts, which includes borrowings net of cash and bank balances.

24. Share Capital (cont'd)

(b) Capital management (cont'd)

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

Consistently, the Group monitors capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt over adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less income tax and deferred tax liabilities and cash and bank balances. Adjusted capital comprises all components of equity attributable to owners of the Company (i.e. share capital, reserves and accumulated losses).

There were no changes in the Group's approach to capital management during the current and previous financial years.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group's net debt-to-adjusted capital ratio as at the statement of financial position date is as follows:

	Group		Company	
	2020 S$	2019 S$	2020 S$	2019 S$
Net debt	7,167,026	7,931,276	12,957,944	11,536,843
Total equity	2,982,814	3,708,579	(1,501,220)	49,767
Adjusted capital	10,149,840	11,639,855	11,456,724	11,586,610
Net debt-to-adjusted capital ratio	70.6%	68.1%	113.1%	99.6%

25. Reserves

		Group		Company	
		2020 S$	2019 S$	2020 S$	2019 S$
(a)	Composition:				
	Currency translation reserve (i)	(5,829,841)	(5,537,056)	-	-
	Other reserves (ii)	1,734,998	1,734,998	-	-
		(4,094,843)	(3,802,058)	-	-

(i) Currency translation reserve

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

	Group		Company	
	2020 S$	2019 S$	2020 S$	2019 S$
Currency translation reserve:				
Balance at the beginning of the year	(5,537,056)	(5,753,264)	-	-
Foreign exchange translation (loss)/gain	(292,785)	216,208	-	-
Balance at the end of the year	(5,829,841)	(5,537,056)	-	-

(ii) Other reserves

The other reserves represent the effects of changes in ownership interests in subsidiaries.

		Group		Company	
		2020 S$	2019 S$	2020 S$	2019 S$
(ii)	Other reserves:				
	Balance at the beginning and end of the year	1,734,998	1,734,998	-	-

26. Financial Risk Management

The Group's and the Company's activities is exposed to market risk (including currency risk and price risk), credit risk and liquidity risk arising in the normal course of the Group's and the Company's business. The Group's and the Company's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Company's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and the Company. Risk management is carried out by the Group's executive management.

(a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rate and equity prices will affect the Group's and the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Group and the Company operates internationally and is subject to various currency exposures, primarily with respect to the Indonesian Rupiah ("IDR"), Malaysian Ringgit ("RM"), United States Dollar ("USD") and Australian Dollar ("AUD"). Currency risk arises from recognised assets and liabilities and net investments in foreign operations.

The Group and the Company has certain investments in foreign operations, whose net assets are exposed to currency translation risk. Currency exposures to the net assets of the Group's and the Company's foreign operations in Malaysia and Indonesia are kept at a minimal level. The Group and the Company does not presently hedge this foreign exchange exposure.

Generally, recognised assets and liabilities are denominated in currencies that match the cash flows generated by the underlying operations of the Group and the Company, primarily in Singapore Dollar, IDR, RM, USD and AUD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The Group and the Company monitors exposure of foreign currency risk on an ongoing basis by reviewing the liquid assets and liabilities held in currencies other than the Singapore Dollar to ensure that the net exposure are within acceptable parameters.

26. Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(i) *Currency risk (cont'd)*

The Group's and the Company's currency exposure based on the information provided to key management as at the statement of financial position date is as follows:

	Singapore Dollar	Indonesian Rupiah	Malaysian Ringgit	Australian Dollar	United States Dollar
	S$	S$	S$	S$	S$
2020					
Group					
Trade and other receivables	185,303	333,841	256	-	-
Cash and cash equivalents	222,817	169,327	523,319	-	1,892
Other financial assets	120,060	-	-	199	-
Intra-group receivables	10,694,137	-	493,906	-	-
Trade and other payables	(1,347,640)	(16,089)	(173,231)	(4,930)	(13,221)
Borrowings	(4,832,335)	(620,930)	-	-	-
Lease liabilities	(104,580)	-	-	-	-
Intra-group payables	(6,875,661)	-	(743,592)	-	-
Net financial (liabilitles)/assets	(1,937,899)	(133,851)	100,658	(4,731)	(11,329)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currency	(3,644,311)	133,851	(100,658)	-	-
Currency exposure	(5,582,210)	-	-	(4,731)	(11,329)
Company					
Trade and other receivables	185,303	-	-	-	-
Cash and cash equivalents	215,023	-	-	-	-
Loans to subsidiaries	10,733,221	-	-	-	-
Other financial assets	120,060	-	-	199	-
Loan from a subsidiary	(5,590,000)	-	-	-	-
Borrowings	(4,832,335)	-	-	-	-
Trade and other payables	(2,627,901)	-	-	(4,930)	(13,221)
Lease liabilities	(104,580)	-	-	-	-
Net financial liabilities	(1,901,209)	-	-	(4,731)	(13,221)
Less: Net financial liabilities denominated in the Company's functional currency	1,901,209	-	-	-	-
Currency exposure	-	-	-	(4,731)	(13,221)

26. Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(i) Currency risk (cont'd)

	Singapore Dollar	Indonesian Rupiah	Malaysian Ringgit	Australian Dollar	United States Dollar
	S$	S$	S$	S$	S$
2019					
Group					
Trade and other receivables	-	627,941	463	-	-
Cash and cash equivalents	148,634	740,671	53,376	-	2,009
Other financial assets	120,060	-	-	199	-
Intra-group receivables	11,154,338	-	478,933	-	-
Trade and other payables	(1,280,412)	(13,037)	(370,675)	(4,570)	(13,472)
Borrowings	(4,832,335)	(955,049)	-	-	-
Lease liabilities	(153,448)	-	-	-	-
Intra-group payables	(5,401,722)	-	(738,075)	-	-
Net financial (liabilities)/assets	(244,885)	400,526	(575,978)	(4,371)	(11,463)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currency	(4,337,202)	(400,526)	575,978	-	-
Currency exposure	(4,582,087)	-	-	(4,371)	(11,463)
Company					
Cash and cash equivalents	140,716	-	-	-	-
Loans to subsidiaries	11,194,150	-	-	-	-
Other financial assets	120,060	-	-	199	-
Loan from a subsidiary	(4,590,000)	-	-	-	-
Borrowings	(4,832,335)	-	-	-	-
Trade and other payables	(2,083,734)	-	-	(4,570)	(13,472)
Lease liabilities	(153,448)	-	-	-	-
Net financial liabilities	(204,591)	-	-	(4,371)	(13,472)
Less: Net financial liabilities denominated in the Company's functional currency	204,591	-	-	-	-
Currency exposure	-	-	-	(4,371)	(13,472)

26. Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(i) Currency risk (cont'd)

A 1% strengthening of the Singapore Dollar against the following foreign currencies at the statement of financial position date would (decrease)/increase loss before tax and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest and tax rates, remain constant. The analysis was performed on the same basis for financial year ended 31 December 2020, as indicated below:

	Group		Company	
	Profit before tax	Equity	Loss before tax	Equity
	S$	S$	S$	S$
2020				
United States Dollar	113	113	(132)	(132)
Australian Dollar	47	47	(47)	(47)
2019				
United States Dollar	115	115	(135)	(135)
Australian Dollar	44	44	(44)	(44)

A 1% weakening of the Singapore Dollar against the above foreign currencies would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables, in particular interest and tax rates, remain constant.

(ii) Price risk

The Group and the Company is exposed to equity securities price risk from its investments held, which are classified on the statement of financial position as financial assets, at fair value through profit or loss. However, the exposure is not significant to the Group and the Company.

26. Financial Risk Management (cont'd)

(b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company, and arises principally from the Group's and the Company's receivables from customers and investment securities.

The carrying amount of financial assets in the statement of financial position represents the Group's and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. For trade and other receivables, the Group and the Company has a credit policy in place and monitors credit evaluation and exposure to credit risk on an ongoing basis. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level.

(i) *Trade and other receivables*

As disclosed in Note 3(p)(ii), the Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due.

The Group and the Company does not require any collateral in respect of trade and other receivables.

The maximum exposure to credit risk for trade and other receivables as at the statement of financial position date by geographic region is as follows:

	Group		Company	
	2020 S$	2019 S$	2020 S$	2019 S$
Singapore	185,303	-	185,303	-
Malaysia	256	463	-	-
Indonesia	333,841	627,941	-	-
	519,400	628,404	185,303	-

The trade and other receivables of the Group comprised 7 individual debtors (2019: 6 individual debtors) that aggregate represent 54% (2019: 24%) of trade and other receivables. The trade and other receivables of the Company comprised 1 individual debtor (2019: NIL) that represent 100% (2019: NIL) of trade and other receivables.

(ii) *Other financial assets*

The Group and the Company limits its exposure to credit risk on other financial assets by investing only in liquid marketable securities and with counterparties that have good credit ratings. Management does not expect any counterparty to fail to meet its obligations.

26. Financial Risk Management (cont'd)

(b) Credit Risk (cont'd)

(iii) Cash and bank balances

The Group and the Company held cash and bank balances of S$917,355 and S$215,023 respectively as at 31 December 2020 (2019: S$944,690 and S$140,716 respectively), which represents their maximum credit exposure on these assets. The cash at bank are held with banks with good credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt investments. The amount of the allowance on cash and cash equivalents was immaterial.

(c) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Company's reputation.

The Group and the Company monitors its liquidity risk by maintaining sufficient cash and marketable securities and the ability to close out market positions at a short notice. Where necessary, fund raising exercise will be considered through right issues and private placements. Further discussion on the Group's liquidity risk is disclosed in Note 3(b).

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the statement of financial position date based on contractual undiscounted payments.

	Carrying amounts S$	Contractual amounts S$	< 1 year S$	1 - 5 years S$	> 5 years S$
Group					
2020					
Trade and other payables	1,304,098	1,304,098	1,304,098	-	-
Borrowings	5,453,265	5,789,463	686,904	5,102,559	-
Lease liabilities	104,580	110,700	52,650	58,050	-
	6,861,943	7,204,261	2,043,652	5,160,609	-
2019					
Trade and other payables	1,452,510	1,452,510	1,452,510	-	-
Borrowings	5,787,384	6,204,217	845,255	5,358,962	-
Lease liabilities	153,448	166,460	55,760	110,700	-
	7,393,342	7,823,187	2,353,525	5,469,662	-

26. Financial Risk Management (cont'd)

(c) Liquidity Risk (cont'd)

	Carrying amounts S$	Contractual amounts S$	< 1 year S$	1 - 5 years S$	> 5 years S$
Company					
2020					
Trade and other payables	2,425,059	2,425,059	2,425,059	-	-
Borrowings	4,832,335	5,122,275	144,970	4,977,305	-
Loan from a subsidiary	5,590,000	5,590,000	5,590,000	-	-
Lease liabilities	104,580	110,700	52,650	58,050	-
	12,951,974	13,248,034	8,212,679	5,035,355	-
2019					
Trade and other payables	1,902,113	1,902,113	1,902,113	-	-
Borrowings	4,832,335	5,122,275	144,970	4,977,305	-
Loan from a subsidiary	4,590,000	4,590,000	4,590,000	-	-
Lease liabilities	153,448	166,460	55,760	110,700	-
	11,477,896	11,780,848	6,692,843	5,088,005	-

(d) Fair Value of the Group's and the Company's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The Group and the Company categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

26. Financial Risk Management (cont'd)

(d) Fair Value of the Group's and the Company's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

The following table presents the Group's and the Company's assets and liabilities measured at fair value as at the statement of financial position date by level of the fair value measurement hierarchy:

	Level 1 S$	Level 2 S$	Level 3 S$	Total S$
Group				
2020				
Financial assets at fair value through profit or loss				
- Listed equity securities	120,259	-	-	120,259
2019				
Financial assets at fair value through profit or loss				
- Listed equity securities	120,259	-	-	120,259
Non-financial assets				
- Asset held for sale	-	1,185,120	-	1,185,120
Company				
2020				
Financial assets at fair value through profit or loss				
- Listed equity securities	120,259	-	-	120,259
2019				
Financial assets at fair value through profit or loss				
- Listed equity securities	120,259	-	-	120,259

The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices as at the statement of financial position date. The quoted market price used for financial assets held by the Group and the Company is the current bid price. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the valuation team assess and review the evidence obtained from the third parties to support the conclusion that such valuation meet the requirements of SFRS(I), including the level in fair value hierarchy the resulting fair value estimate should be classified. These financial instruments are included in Level 1.

As at the date of these financial statements, based on the prevailing quoted market prices, the Group's listed security classified under financial assets, at fair value through profit or loss had no fair value gain or loss (2019: Nil).

26. Financial Risk Management (cont'd)

(e) Fair Value of the Group's and the Company's Financial Assets and Liabilities that are not Measured at Fair Value on a Recurring Basis (but Fair Value Disclosure is Required)

(i) Non-derivative financial liabilities

The carrying amounts of borrowings approximate its fair value as they bear interest at rates which approximate the current incremental borrowing rate for similar type of lending and borrowing arrangements.

Fair Value of Non-current Borrowings

	Group		Company	
	2020 S$	2019 S$	2020 S$	2019 S$
Loans from bank	100,188	275,616	-	-

The above fair values of loans from bank were determined from cash flow analyses, discounted at market borrowing rates of an equivalent instrument as at the date of the statement of financial position which management expects to be available to the Group and the Company as follows:

	Group		Company	
	2020	2019	2020	2019
Loans from banks	10.00%	10.00%	-	-

The fair value of the loan from a shareholder and lease liabilities of S$4,832,335 (2019: S$4,832,335) and S$56,248 (2019: S$104,580) respectively are not considered to be materially different from its carrying amount.

(ii) Other financial assets and liabilities

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year (including trade and other receivables, cash and bank balances, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

(f) Valuation Policies and Procedures

The Group and the Company has established a control framework with respect to the measurement of fair values. This framework includes the finance team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significantly unobservable inputs and valuation adjustments. If third party confirmation, such as broker quotes or pricing services, is used to measure fair value, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

27. Financial Instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost, fair value through profit or loss and financial liabilities at amortised cost were as follows:

	Group		Company	
	2020	2019	2020	2019
	S$	S$	S$	S$
Financial assets				
At amortised cost				
Cash and bank balances	917,355	944,690	215,023	140,716
Trade and other receivables	519,400	628,404	185,303	-
	1,436,755	1,573,094	400,326	140,716
Fair value through Profit or Loss				
Other financial assets	120,259	120,259	120,259	120,259
Financial liabilities				
At amortised cost				
Trade and other payables	1,304,098	1,452,510	2,425,059	1,902,113
Borrowings	5,453,265	5,787,384	4,832,335	4,832,335
Loan from a subsidiary	-	-	5,590,000	4,590,000
Lease liabilities	104,580	153,448	104,580	153,448
	6,861,943	7,393,342	12,951,974	11,477,896

28. Related Party Transactions

There are no other related party transactions other than as disclosed in Notes 9, 14, 20 and 21 to these financial statements and below during the current and previous financial years.

Key management compensation

The remuneration of directors of the Company and directors of the Group's subsidiaries, who are the key management personnel of the Group, is as follows:

	Group	
	2020	2019
	S$	S$
Directors' fees	100,000	104,876
Short-term employee benefits	562,139	579,245
Post-employment benefits	5,940	13,020
	668,079	697,141
Comprised:		
Directors of the Company	426,125	450,974
Directors of the Group's subsidiaries	241,954	246,167
	668,079	697,141

No share options were granted to the directors of the Company during the financial years ended 31 December 2020 and 2019.

29. Lease Liabilities

	Group and Company	
	2020	2019
	S$	S$
Current		
Buildings	47,291	44,838
Office equipment	1,041	4,030
	48,332	48,868
Non-current		
Buildings	56,248	103,539
Office equipment	-	1,041
	56,248	104,580
Total lease liabilities	104,580	153,448

The reconciliation movements of the Group's lease liabilities to the Group's cash flows arising from financing activities during the year is disclosed in Note 21 and the maturity analysis of lease liabilities is closed in Note 26(c).

29. Lease Liabilities (cont'd)

The Group as lessee

(a) Nature of the Group's leasing activities

The Group has entered into leases of its office premise and office equipment. The Group is prohibited from selling, pledging or sub-leasing the underlying leased assets, and is required to maintain the assets in good condition.

(b) Carrying amount of right-of-use assets classified within Property and Equipment

	Group and Company	
	2020 S$	2019 S$
Buildings	96,126	140,492
Office equipment	922	4,608
	97,048	145,100

There were no additions to right-of-use assets during the financial year.

(c) Amounts recognised in profit or loss

	2020 S$	2019 S$
Depreciation charged for the year:		
- Buildings	44,366	44,366
- Office equipment	3,686	3,686
Interest on lease liabilities	6,892	11,521

(d) Other disclosures

	2020 S$	2019 S$
Total cash outflow for leases	55,760	55,560

(e) Future cash outflow which are not capitalised in lease liabilities

The lease of office premise contains extension period, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise this extension option. The Group negotiates extension option to optimise operational flexibility in terms of managing the asset used in the Group's operations. The extension option is exercisable by the Group and not by the lessor.

30. Commitments

The Company has given an undertaking to provide continuing financial support to certain subsidiaries of the Group for the next twelve months from the date of authorisation of their financial statements.

BLUMONT GROUP LTD. AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31. Operating Segments

Management has determined three reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The Group's reportable segments are as follows:

- Investment holding - investment in transferable securities including but not limited to marketable shares, warrants and debentures etc.
- Sterilisation - providing contract sterilisation and polymerisation services to food packaging, medical devices, cosmetic raw materials and consumers products.
- Property - development of property for sale, long-term holding of property for rental and related income.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment (loss)/profit before income tax.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments.

Information about reportable segments

	Investment holding S$	Sterilisation S$	Property S$	Total S$
Group				
2020				
External revenues	-	3,495,382	3,869	3,499,251
Segment results	(976,723)	1,962,749	(34,304)	951,722
Interest income	2	4,695	-	4,697
Finance costs	(152,259)	(66,878)	(4)	(219,141)
Depreciation	(53,815)	(594,108)	-	(647,923)
Reportable segment (loss)/profit before income tax	(1,182,795)	1,306,458	(34,308)	89,355
Other material items				
Capital expenditure				
- property and equipment	-	162,988	-	162,988
Segment assets	834,074	4,852,947	5,102,525	10,789,546
Unallocated assets - deferred tax assets				277,649
Consolidated total assets				11,067,195
Segment liabilities	6,302,705	1,608,445	173,231	8,084,381
Unallocated liabilities – income tax payable				-
Consolidated total liabilities				8,084,381

31. Operating Segments (cont'd)

Information about reportable segments

	Investment holding S$	Sterilisation S$	Property S$	Total S$
Group				
2019				
External revenues	-	4,211,505	86,909	4,298,414
Segment results	(890,629)	2,606,281	12,325	1,727,977
Interest income	1	5,876	-	5,877
Finance costs	(153,265)	(119,543)	(85)	(272,893)
Depreciation	(81,398)	(592,409)	-	(673,807)
Reportable segment (loss)/profit before income tax	(1,125,291)	1,900,205	12,240	787,154
Other material items				
Capital expenditure				
- property and equipment	-	504,563	-	504,563
Segment assets	428,727	6,129,231	5,815,622	12,373,580
Unallocated assets - deferred tax assets				379,708
Consolidated total assets				12,753,288
Segment liabilities	6,284,237	2,221,054	370,675	8,875,966
Unallocated liabilities – income tax payable				168,743
Consolidated total liabilities				9,044,709

Geographical segments

The Group's three business segments operate in three main geographical areas - Singapore (country of domicile), Malaysia and Indonesia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets or the underlying investments held.

31. Operating Segments (cont'd)

Geographical information

	External revenues S$	Non-current assets * S$
Group		
2020		
Singapore	-	297,048
Malaysia	3,869	4,578,950
Indonesia	3,495,382	4,148,565
	3,499,251	9,024,563
2019		
Singapore	-	150,863
Malaysia	86,909	4,576,173
Indonesia	4,211,505	4,722,561
	4,298,414	9,449,597

* Non-current assets exclude deferred tax assets.

Information about major customers

Included in revenue arising from sterilisation services of approximately S$3.50 million (2019: S$4.21 million) are revenues of approximately S$1.04 million (2019: S$2.02 million) which arose from sales to the Group's four (2019: eight) largest customers.

32. Litigation

Suasana Sentral Condominium

On 26 April 2016, the Group was notified that it had on 22 April 2016, been served with a writ of summons (the "Writ of Summons") and a statement of claim filed in the High Court of Malaya in Kuala Lumpur (the "Legal Proceedings"). The Writ of Summons was filed on behalf of Suresh Kumar ("SK"-First Plaintiff), Vigneswari Ganesan ("VG"-Second Plaintiff) and Libertare Sdn Bhd (Third Plaintiff), collectively known as the "Plaintiffs" against the Group, Onesentral Park Sdn Bhd and Pendaftar Hakmilik Tanah Wilayah Persekutuan Kuala Lumpur (the Land Title Registrar of the Federal Territory of Kuala Lumpur) as the defendants. The Legal Proceedings was triggered due to the strata title registered in the name of and held by one of the Group's subsidiaries, Raintree Rock Sdn. Bhd. ("Raintree Rock"), for the property at Unit B-37-01 Suasana Sentral Condominium (the "Property") was a wrong strata title. On the grounds that the Group could not and was not in a position to register and perfect the transfer of the Property in favour of the purchasers (first and second Plaintiffs), the Group terminated the Sale and Purchase Agreement ("SPA") previously entered into to sell the Property and offered to refund all deposits paid thus far. The first and second Plaintiffs refused to accept the termination and instead filed the Legal Proceedings against the Group.

In the legal proceeding, the Plaintiffs are seeking, *inter alia*, a declaration that the Group and the other defendants take steps to effect rectification of the strata title of the property, an order for specific performance by the Group of the SPA, subject to the Court varying certain terms of the SPA, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation.

32. Litigation (cont'd)

Suasana Sentral Condominium (cont'd)

The first and second Plaintiffs, through their Company who is the third Plaintiff, are the tenant of the Property and continue to remain in occupation of the Property despite the termination of the SPA and has been holding over the Property without any payment of rental since January 2016. Hence, the Group has filed a counterclaim against the Plaintiffs for the delivery of vacant possession of the Property and for all unpaid rentals and double rental. The Group has also filed a claim in the counterclaim against the Developer of the Property, i.e. Onesentral Park Sdn Bhd pleading, *inter alia*, negligence by the Developer in the issuance and allocation of the wrong strata title to the wrong unit resulting in damages to the Group. As such, the Group seeks against the Developer for, *inter alia*, an order for rectification of the strata title, an indemnity for all loss and damages as may be suffered by the Group. The Developer is defending the Group's claims.

The Group successfully rectified the strata title during the financial year ended 31 December 2018. In 2019, the Legal Proceedings in respect of Raintree Rock have concluded as a Consent Judgement from the High Court in Malaysia has been received.

Based on the Consent Judgement, Raintree Rock will complete the sale of the property to the Plaintiffs at the agreed original selling price of RM3.6 million and the Plaintiffs will pay all outstanding rental to Raintree Rock as well as future rental until the payment for the sale of property is completed.

During the current financial year, the Group has received the repayment of RM3.0 million and associated interest, together with the settlement of the unpaid rentals. Thus, the SPA has been completed and the said property is derecognised in the financial statement.

33. Other Matters

On 2 April 2014, the Company announced that G1 Investments Pte. Ltd., which was previously a wholly owned subsidiary of the Company, has received a notice dated 2 April 2014 from the Commercial Affairs Department of the Singapore Police Force (the "CAD") requiring the subsidiary's assistance with the CAD's investigations into an offence under the Securities and Futures Act, Chapter 289 (the "SFA").

Further to the announcements on 2 April 2014, the Company announced that the Company and G1 Investments Pte. Ltd. have each received notice dated 29 April 2014 from CAD requiring their respective assistances with the CAD's investigations into an offence under the SFA.

There have been no further development or requests from CAD since then up to the date of these financial statements. G1 Investments Pte. Ltd. was struck off the Register of Companies on 4 September 2018.

34. Comparative figures

Reclassification of comparative figures

Reclassification has been made to the prior year's financial statements of the Company to enhance comparability with current year's financial statements.

The reclassifications and restatements are as follows:

	As previously reported S$	Reclassification S$	As restated S$
Statement of financial position			
Development property (current)	4,576,173	(4,576,173)	-
Development property (non-current)	-	4,576,173	4,576,173
Consolidated Statement of Comprehensive Income			
Expenses – others	(1,463,423)	(7,585)	(1,471,008)
Expenses – Impairment losses on financial assets	-	7,585	7,585

35. Events after reporting period

Shares sales and purchase of Labrador Hill Pte. Ltd.

In November 2020, the Company signed a shares sales and purchase agreement with Eco-Luxe Pte. Ltd. ("Eco-Luxe") to purchase 51,000 shares, representing 51% of the entire issued and fully-paid equity capital of Labrador Hill Pte. Ltd. for a purchase consideration of S$1,377,000. The purchase is to be completed in two tranches, with the 1st tranche purchase shares of 23,000 shares expected to be completed by 30 March 2021 upon completion of conditions precedent and 2nd tranche purchase shares of 28,000 shares on 2nd tranche completion date, which is a date no later than 6 consecutive months after the completion of 1st tranche purchase. The Company has paid Eco-Luxe S$200,000 of refundable deposit in financial year ended 2020. The Company is expected to pay S$300,000 of refundable deposit as part of the conditions precedent, balance consideration of S$121,000 by completion of 1st tranche purchase and S$756,000 of 2nd tranche balance consideration on the 2nd tranche purchase completion date.

The Company is actively looking for additional sources of financing to support the plan.

The Company is able to obtain cash from its subsidiaries by way of borrowings or dividends in order to meet its financial obligations in the next 12 months. The ultimate controlling party has also provided a written undertaking to provide financial support to the Company to enable it to meet its financial obligations as and when they fall due for the next 12 months from the date of approval of financial statements of the Company by the Directors.

On 31 March 2021, the 1st tranche purchase is not completed and the Management are in discussions with the parties involved to amend the said agreement.

35. Events after reporting period (cont'd)

Impact of COVID-19

In March 2020, the World Health Organisation declared the Coronavirus Disease (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economy and this has impacted the Group's operations and its financial performance.

As the situation evolves, the directors and management do not consider it practicable to provide a quantitative estimate of the potential impact of the outbreak on the Group's subsequent financial statements. Notwithstanding this, the directors and management have assessed that the Group and Company will still be able to maintain sufficient liquidity at least for the next 12 months from the date of authorisation of these financial statements.

36. Authorisation of Financial Statements for Issue

The financial statements of the Group for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 31 March 2021.

KJPP RHR

To : The Board of Directors
Landmarks Berhad
20th Floor, Menara Haw Par
Jalan Sultan Ismail, 50250
Kuala Lumpur, Malaysia

The Board of Directors
Blumont Group Ltd
Apex@Henderson
201 Henderson Road, #03-26/27,
Singapore 159545

Our Ref. : RHR04C1P0621030.1
Date : 30 September 2021
No. Report : 00038/2.0012-04/PI/09/0351/0/IX/2021

CERTIFICATE OF VALUATION OF NATRA BINTAN AS A HOTEL, H5 LAND OF NATRA AND CHILL COVE LAND LOTS A4, H4, and H6

Treasure Bay Bintan (TBB), Lagoi Bintan, Sebong Lagoi Sub-district,
Teluk Sebong District, Bintan Regency
Riau Islands Province, Indonesia

Dear Sir/Madam,

Following instruction of Landmarks Berhad ("the Company") and Blumont Group Ltd (collectively, "the Client") under contract No. RHR04C1P0621030.0 dated 4 June 2021 and addendum contract No. RHR04C1P0621030.1 dated 20 September 2021 to form an opinion of Market Value and Investment Value of Natra Bintan as a Hotel, H5 Land of Natra and Chill Cove Land Lots A4, H4 and H6 located in Tresure Bay Bintan (TBB), Lagoi Bintan, Sebong Lagoi Sub-district, Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia and in this regard, we hereby declare that we have completed our inspection and analysis, and submit the certificate for the purpose of submission to Bursa Malaysia Securities Berhad, for the assessment of the proposed acquisition by Blumont Group Ltd and for inclusion in the circular to shareholders of the Company and Blumont Group Ltd.

We have prepared and provided this Certificate of Valuation which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions.

The Valuation Report has been prepared in accordance with the Asset Valuation Guidelines issued by Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. In order for us to comply with the above, we have worked with our associate office C H Williams Talhar & Wong Sdn Bhd (CBRE | WTW).

We have inspected the property on 10 June 2021 and 24 September 2021 and the date of valuation is taken as at the date of site inspection, 24 September 2021.

This Certificate of Valuation should be read in conjunction with the full Valuation Report.

Having considered all relevant information and the prevailing market condition, we are of the opinion that the Market Value and Investment Value of Natra Bintan as a Hotel, H5 Land of Natra and Chill Cove Land (Lot A4, H4 and H6) located in Treasure Bay Bintan (TBB), Lagoi Bintan, Sebong Lagoi Sub-district, Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia on 24 September 2021, is :

Subject Property	Market Value (Rp)	Investment Value (Rp)
Natra Bintan as a Hotel	274,986,000,000/- (TWO HUNDRED SEVENTY FOUR BILLION NINE HUNDRED EIGHTY SIX MILLION RUPIAH)	320,543,000,000/- (THREE HUNDRED TWENTY BILLION FIVE HUNDRED FORTY THREE MILLION RUPIAH)
H5 Land of Natra	133,490,000,000/- (ONE HUNDRED THIRTY THREE BILLION FOUR HUNDRED NINETY MILLION RUPIAH)	144,997,000,000/- (ONE HUNDRED FORTY FOUR BILLION NINE HUNDRED NINETY SEVEN MILLION RUPIAH)
Chill Cove Land Lot A4	120,693,000,000/- (ONE HUNDRED TWENTY BILLION SIX HUNDRED NINETY THREE MILLION RUPIAH)	220,728,000,000/- (TWO HUNDRED TWENTY BILLION SEVEN HUNDRED TWENTY EIGHT MILLION RUPIAH)
Chill Cove Land Lot H4	126,073,000,000/- (ONE HUNDRED TWENTY SIX BILLION SEVENTY THREE MILLION RUPIAH)	229,387,000,000/- (TWO HUNDRED TWENTY NINE BILLION THREE HUNDRED EIGHTY SEVEN MILLION RUPIAH)
Chill Cove Land Lot H6	73,573,000,000/- (SEVENTY THREE BILLION FIVE HUNDRED SEVENTY THREE MILLION RUPIAH)	124,693,000,000/- (ONE HUNDRED TWENTY FOUR BILLION SIX HUNDRED NINETY THREE MILLION RUPIAH)

KJPP RHR

By using exchange rate as of valuation SGD1= Rp10,572.-, the Market Value and Investment Value are:

Subject Property	Market Value (SGD)	Investment Value (SGD)
Natra Bintan as a Hotel	26,010,000/- (TWENTY SIX MILLION TEN THOUSAND SINGAPORE DOLLARS)	30,320,000/- (THIRTY MILLION THREE HUNDRED TWENTY THOUSAND SINGAPORE DOLLARS)
H5 Land of Natra	12,627,000/- (TWELVE MILLION SIX HUNDRED TWENTY SEVEN THOUSAND SINGAPORE DOLLARS)	13,715,000/- (THIRTEEN MILLION SEVEN HUNDRED FIFTEEN THOUSAND SINGAPORE DOLLARS)
Chill Cove Land Lot A4	11,416,000/- (ELEVEN MILLION FOUR HUNDRED SIXTEEN THOUSAND SINGAPORE DOLLARS)	20,878,000/- (TWENTY MILLION EIGHT HUNDRED SEVENTY EIGHT THOUSAND SINGAPORE DOLLARS)
Chill Cove Land Lot H4	11,925,000/- (ELEVEN MILLION NINE HUNDRED TWENTY FIVE THOUSAND SINGAPORE DOLLARS)	21,697,000/- (TWENTY ONE MILLION SIX HUNDRED NINETY SEVEN THOUSAND SINGAPORE DOLLARS)
Chill Cove Land Lot H6	6,959,000/- (SIX MILLION NINE HUNDRED FIFTY NINE THOUSAND SINGAPORE DOLLARS)	11,795,000/- (ELEVEN MILLION SEVEN HUNDRED NINETY FIVE THOUSAND SINGAPORE DOLLARS)

By using exchange rate as of valuation MYR 1 = Rp3,409.-, the Market Value and Investment Value are:

Subject Property	Market Value (MYR)	Investment Value (MYR)
Natra Bintan as a Hotel	80,665,000/- (EIGHTY MILLION SIX HUNDRED SIXTY FIVE THOUSAND MALAYSIAN RINGGIT)	94,028,000/- (NINETY FOUR MILLION TWENTY EIGHT THOUSAND MALAYSIAN RINGGIT)
H5 Land of Natra	39,158,000/- (THIRTY NINE MILLION ONE HUNDRED FIFTY EIGHT THOUSAND MALAYSIAN RINGGIT)	42,534,000/- (FORTY TWO MILLION FIVE HUNDRED THIRTY FOUR THOUSAND MALAYSIAN RINGGIT)
Chill Cove Land Lot A4	35,404,000/- (THIRTY FIVE MILLION FOUR HUNDRED FOUR THOUSAND MALAYSIAN RINGGIT)	64,749,000/- (SIXTY FOUR MILLION SEVEN HUNDRED FORTY NINE THOUSAND MALAYSIAN RINGGIT)
Chill Cove Land Lot H4	36,982,000/- (THIRTY SIX MILLION NINE HUNDRED EIGHTY TWO THOUSAND MALAYSIAN RINGGIT)	67,289,000/- (SIXTY SEVEN MILLION TWO HUNDRED EIGHTY NINE THOUSAND MALAYSIAN RINGGIT)
Chill Cove Land Lot H6	21,582,000/- (TWENTY ONE MILLION FIVE HUNDRED EIGHTY TWO THOUSAND MALAYSIAN RINGGIT)	36,578,000/- (THIRTY SIX MILLION FIVE HUNDRED SEVENTY EIGHT THOUSAND MALAYSIAN RINGGIT)

We are of the view that Investment Value reflects the value of the assets in this transaction due to the benefits which the owner can continue to reap from the hotel operation and to develop the remaining parcels of vacant land which form part of the integrated resort complex.

Therefore, for the purpose of this valuation, Investment Value will represent the fair and reasonable value of the Subject Property considering that the valuation was based on the potential cashflow income generated from the Subject Property.

Bali, 30 September 2021
Yours faithfully,
KJPP Rengganis, Hamid & Rekan

KJPP Rengganis, Hamid & Rekan

Astrid Flora Pahliana, MAPPI (Cert.)
Partner- Property Valuer
Licensed Valuer No. P-1.12.00351
MAPPI No. 07-S-02133

KJPP RHR

VALUATION CERTIFICATE

1. **PROPERTY BRIEF DESCRIPTION AND LOCATION**

The Subject Property comprises a 5-star hotel identified as Natra Bintan, a Tribute Portfolio Resort together with 3 parcels of vacant land (H4,H6, and A4) within Chill Cove, all located in Treasure Bay Bintan (TBB), Lagoi Bintan, Sebong Lagoi Sub-district, Teluk Sebong District, Bintan Regency, Riau Islands Province, Indonesia with total area of obout 13.5 hectares.

Lat A4 has been developed as Marine Life Discovery Park. In this valuation, Marine Park Land has been valued on a vacant land basis in view that the current development does not reflect its highest and best use as the current development, both physically not feasible and financially, does not benefit the Company.

Treasure Bay Bintan (TBB) is located in Bintan Island and lies in a sheltered bay called Teluk Sebong. It is also located within radius of:

- about 2.1 kilometers to the east of Bandar Bintan Telani Ferry Terminal;
- about 34.1 kilometers to the north-east of Tanjung Uban Ferry Terminal;
- about 61.1 kilometers to the north-west of Raja Haji Fisabilillah International Airport in Tanjung Pinang.

Bintan is situated on international shipping lane, very close and directly adjacent to Singapore and Malaysia. Together with Batam and Karimun, Bintan has now been designated as a Special Economic Zone (SEZ). Special Economic Zones (SEZ/SEZ) which are areas within a country that have an economic legal umbrella with the aim of increasing foreign investment.

The Subject Property is located in Lagoi area. Lagoi is an integrated and exclusive tourist area in Bintan with many international resorts. As Singapore is the main market for the resorts in Bintan, it is not suprising that past transactions in Lagoi area used SGD currency.

The Subject Property comprises real properties within a waterfront resort development known as Treasure Bay Bintan, with details as follows:

Natra Bintan as a Hotel

Coordinate	:	1.160279, 104.333630
Gross Building Area	:	±5,622 sqm / ±60,492sqft
Hotel Type	:	Glamping
Year of Built	:	2016
Number of Rooms	:	100 Tents
Number of storey	:	1-storey
Occupancy Rate	:	11.2% (in January until September 2021)
Facilities	:	Restaurant and Bar, Bar-B-Q and/or picnic area, Crystal Lagoon, Boating, Jogging/fitness trail, Water-skiing, Jet-skiing, Kayaking, Nature preserve, Bumper Boat, Jetovator, Wake Boarding, Meeting Room.
Lease period	:	The lease agreement is valid for 20 years, effective from 01 July 2017 and will expire on 30 June 2037. The lease will be automatically extended for another 10 years (2 x 5 years) upon mutual agreement of the Parties

Operator

The hotel was operated as a glamping resort and managed by Marriott Group (under the Tribute Portfolio).

Based on Operating Service Agreement (OSA), The Subject Property have to paid fee with detail as follow:

Hotel Owner	PT Bintan Hotel Utama
Service Provider	PT Indo-Pacific Sheraton as an affiliate of Marriott Intyernational, Inc.
Date of Agreement	8 June 2018
Fee or Royalty	The hotel owner should pay the operating services fee for the period commencing with detail as follow: a) 6% of the Gross Operating Profit (GOP), when the GOP margin is less than 30%; b) 7% of the Gross Operating Profit (GOP), when the GOP margin is equal to or greater than 30% and less than 40%; c) 8% of the Gross Operating Profit (GOP), when the GOP margin is equal to or greater than 40%;

H5 Land of Natra

Coordinate	:	1.160279, 104.333630
Land Area (sqm)	:	52,031sqm
Land Area (sqft)	:	560,049 sqft

Chill Cove Land Lot A4 (Marine Life Discovery Park)

Coordinate	:	1.161456, 104.330422
Land Area (sqm)	:	32,070 sqm
Land Area (sqft)	:	345,215 sqft
Gross Building Area	:	±1,605 sqm / ±17,282sqft
Year of Built	:	2019

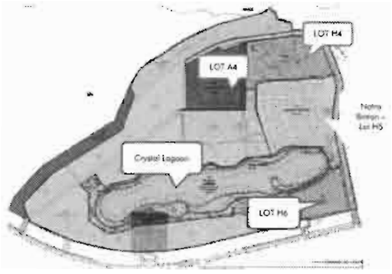
Chill Cove Land Lot H4

Coordinate	:	1.161766, 104.332965
Land Area (sqm)	:	33,101 sqm
Land Area (sqft)	:	356,291 sqft

Chill Cove Land Lot H6

Coordinate	:	1.159138, 104.333642
Land Area (sqm)	:	17,807 sqm
Land Area (sqft)	:	191,670 sqft

2. SITE DETAILS



The Subject Property is irregular in shape with land area of about 135,009 square meters. Based on master plan as provided by the client, we understand the Subject Property comprises af 4 (four) contiguous land plots. Details of the land area are as follows:

No.	Description	Land Area (sqm)	Land Area (sqft)
1	H5 Land af Natra	52,031	560,049
2	Chill Cove Land Lot A4	32,070	345,215
3	Chill Cove Land Lot H4	33,101	356,291
4	Chill Cove Land Lot H6	17,807	191,670
	Total	135,009	1,453,226

The site boundaries detail are as follows:

	H5 Land af Natra	Chill Cove Land Lot A4	Chill Cove Land Lot H4	Chill Cove Land Lot H6
East	Local road	Vacant Land (Lot H4)	Local road	Local road
South	Crystal Lagoon by Treasure Bay Bintan	Anmon by Treasure Bay Bintan	Natra Bintan	Jalan Indra Segara
North	Vacant land (Lot H4)	Mangrove	Mangrove	Crystal Lagoon by Treasure Bay Bintan
West	Anmon by Treasure Bay Bintan and vacant land (Lot H18)	Vacant Land (Lot H3)	Vacant Land (Lot A4)	Vacant Land (Lot H6A)
Frontage (m)	230	165	280	125
Depth of Site (m)	259	270	130	166

The Subject Property can be accessed through service roads build by the company from Jalan Indra Segara, as part of an integrated resort development infrastructure.

We advise that we have not made any measurement as to the area of the property. But based on observation on boundary poles indicated in the copy of the title document, we have assumed that the area adopted in this valuation is the same as the area stated in the copy of the title document.

3. TITLE PARTICULARS

The Subject Property is covered by 19 (nineteen) Right to Build (Hak Guna Bangunan) certificates registered under PT Pelangi Bintan Indah, PT Bintan Leisure Resort Ventures and PT Bintan Hotel Utama. (the table of SHGB attached as appendix)

The ownership of Natra Bintan is partial interest held under 1 (one) Land Lease Agreement between PT Pelangi Bintan Indah and PT Bintan Leisure (lessors) with PT Bintan Hotel Utama (lessee) commenced on 01 July 2017 and will expire on 30 June 2037 and 1 portion of land directly owned by PT Bintan Hotel Utama. The first lease term period is 20 (twenty) years and will be automatically renewed for 2 (two) successive periods of 5 (five) years each.

We understand that the certificates are registered under the name of PT. Pelangi Bintan Indah, PT Bintan Leisure Resort Ventures and PT Bintan Hotel Utama. Based on our verbal confirmation with the client, we understand that these companies are subsidiaries of Landmarks Berhad.

We understand that there is a new Lease Agreement entered between PT Hinako Estate (Lessor) and PT Mendol Estate (Lessee) dated 6 September 2021. PT Hinako Estate is the beneficial owner of land H5 based on Sales and Purchase Deed dated 6 September 2021. The Lease Agreement commencing from 6 September 2021 and ending on 30 June 2037 and will be automatically renewed for 2 (two) periods of 5 (five) years (each, an extension term).

Based on the applicable regulations of UU No. 5 years 1960 (UUPA), in Article 21 regulated that only Indonesian citizens can have rights to own certificate (SHM). Business entity in the form of a legal entity is not allowed to own land with rights to own certificate (SHM). However, the Agrarian Law stipulates that legal entities established according to Indonesian law and domiciled in Indonesia can have land ownership under the right to build certificates (SHGB-Sertifikat Hak Guna Bangunan) as the highest form of land ownership for a company. The SHGB can be granted for a maximum of 30 years and extended for 20 years, which could be renewed for another 20 years and usually the primary SHGB (SHGB in a state land) could be assumed as similar with freehold.

We have not made any legal/title search of the land title certificate and we advise that an independent legal advisor should be referred to for this matter. The legal investigation must be carried out by a competent legal expert or authorized legal advisor. In Indonesia, the title search could only be done by a Public Notary - Land Deed Official (PPAT-Pejabat Pembuat Akta Tanah) in the National Land Office to conduct the ownership verification/legal check of the land certificates. For the purpose of this valuation, we have assumed that the Subject Property is covered by good marketable title, free and clear from all liens, encumbrances, easements and restrictions.

Nevertheless, we undertstand that the Company has appointed the Public Notary Ninik Naviana, S.H., M.Kn to carried out legal investigation to verify the ownership of the land with Legal Opinion Letter dated 30 September 2021.

The Subject Property is in the midst of transferring the rights from the previous registered owner as stated in the Right to Build Certificate by entering into one (1) new lease agreement for hotel operation and four (4) individual Sales and Purchase Deed as follows:

No	Subject Property	New Owner	Date of Transfer
1	Natra Bintan as a Hotel	PT Mendol Estate	Lease Agreement between PT Hinako Estate and PT Mendol Estate dated 6 September 2021
2	H5 Land of Natra	PT Hinako Estate	Vide Sales and Purchase Deed dated 6 September 2021
3	Chill Cove Land Lot A4	PT Marine Life Discovery Park	Vide Sales and Purchase Deed dated 30 September 2021
4	Chill Cove Land Lot H4	PT Enggano Estate	Vide Sales and Purchase Deed dated 3 September 2021
5	Chill Cove Land Lot H6	PT Mesawak Estate	Vide Sales and Purchase Deed dated 4 September 2021

We have not made any detailed identification on the parcels of land stated in the above list. However, based on the detailed land plot map provided by the Company, we understand that Subject Property consists of contiguous parcels of land.

4. TOWN PLANNING

Based on Regional Town Planning relating to the Subject Property and based on the Local Regulation of Bintan Regency No. 1 Year 2020 of Detail Spatial Planning and Zonation Regulation of Bintan Regency for the Year 2020- 2040, the Subject Property is designated for Tourism Accomodation.

Treasure Bay Bintan development is located in Lagoi area. Lagoi is known as Bintan's exclusive tourism zone for resort development which is known as Bintan Beach International Resort (BBIR) complex. Most resorts in Lagoi were built in the 1990s and developed by an entity known as PT Bintan Resort Cakrawala (BRC), a subsidiary of Galant Venture Ltd. Based on the "BBIR Design and Development Guidelines" from PT Bintan Resort Cakrawala (BRC) as the main developer which has been approved by the Local Regulation of Bintan Regency, we understand that the Subject Property is located in an area that is currently categorized for housing and tourism supporting accommodation in line with Local Regulation of Bintan Regency No. 1 Year 2020.

Briefly, all property matters, except for those pertaining to the mining and forestry sectoral fall under the jurisdiction of the National Land Agency (Badan Pertanahan Nasional, or BPN in short). Which was formed to administer all matters relating to the basic "Agrarian Law of 1960", such as the registration of the use of land. The Indonesian land legislation is based on basic Agraria Law, which recognize several types of rights over Real Estate. However, to any foreign investor, the following three rights are relevant;

- Hak Guna Usaha / HGU
- Hak Guna Bangunan / HGB
- Hak Pakai

All these titles or rights are granted by government and allow the holder to use the land concerned. However, they differ in their duration, the nature of use allowed and the ability of the title to be used as security.

In Indonesia, real estate comprises Land, Building, and Fixtures attached to land and the regulating law allows the horizontal separation principle, where the owner of a plot of land can be different to the owner of the building and or fixtures constructed on it. In practice, ownership of a building is commonly acknowledged through the building construction permit (Izin Mendirikan Bangunan or commonly known as IMB). This building permit is typically required prior to commencement of any construction and in some regions, a Sertifikat Laik Fungsi (SLF) is required after the completion of construction.

The regional government may also impose periodical reporting requirements and conduct periodical inspection to monitor the facility/ building being constructed.

Based on all the information made available, we note that the Subject Property complies with all local regulatory requirements.

5. VALUATION BASIS

Market Value

"Market Value is the estimated amount that can be obtained or paid to exchange an asset on liability on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" (SPI 101.3.1)

Market Value does not take into account any tax liability or costs associated with sales and transfer to another party.

Investment Value

Investment Value is value of an asset to the owner or a prospetive owner for individual investment or operational objectives". (SPI 102.3.3).

This is an entity-specific Basis of Value. Although the value of an asset to the owner may be the same as the amount that could be realized from its sale to another party, this Basis of Value reflects the benefits received by an entity from holding the asset and, therefore, does not necessarily involve a hypothetical exchange.

Investment value reflects the circumstances and financial objectives of the entity being valued. It is often used for measuring investment perfomance". (SPI 102.3.3).

6. VALUATION METHODOLOGY

By considering the property type and the property condition, we have considered to adopt the following approaches:

i. Market Value

Subject Property	Valuation Approach	Weightage	Description
Natra Binton as a Hotel	Income Approach (DCF Method)	100%	Applied since the Subject Property is an income producing property
	Cost Approach	0%	Applied since the market still considers the replacement cost to acquire this type of property (check method)
H5 Land of Natra and Chill Cove Land (Lots A4, H4, and H6)	Market Approach	50%	Applied since there are available comparable data in the surrounding area
	Income Approach (Land development method)	50%	Applied since the Subject Property has a potential to be developed as an income producing property

ii. Investment Value

Subject Property	Valuation Approach	Weightage	Description
Natra Binton as a Hotel	Income Approach (DCF Method)	100%	Applied since the Subject Property is an income producing property
H5 Land of Natra and Chill Cove Land (Lots A4, H4, and H6)	Income Approach (Land development method)	100%	Applied since the Subject Property has a potential to be developed as an income producing property

Market Approach

The Market Approach generates indication value by comparing valued assets with identical or similar assets and the availability of transaction price or offering price information (SPI KPUP 15.1). If data is available, the Market Approach is the most direct and systematic approach to estimate the value. (SPI 300 5.20.b)

Market Comparison Technique for land valuation involves a direct comparison of valued property with similar plots of land where actual data for the last market transaction is available. Although transaction data is very important, analysis of supply and offered price for similar parcel of lands as competitor property could provide a better understanding of the market. (SPI 300 5.35.a)

Land value is obtained through transaction analysis, supply and demand for similar property located around the location by observing the ratio factor including location, type of land title, financing condition, market condition, physical characteristic, economic characteristic, use and other factors that affect the valuation.

Income Approach

This approach considers the income and expenses associated with property valued and to estimate the value through the capitalization process. Capitalization relating income (usually a net income) to a definition of value through conversion of income into value estimation. This process may be using the direct capitalization (known as the capitalization rate), yield or discount rate (describing return on investment), or both. In general, the substitution principle implies that the revenue streams that generate the highest return rate is comparable with the level of risk taken and will generate the most value possible. (KPUP 16.1 & 16.2)

DCF (Discounted Cash Flow) Method

We have utilized the DCF analysis in this income approach valuation by making consideration of probable income and expenses over the designation projection period (holding period). In this DCF analysis, we have set forth forecasts of income, expenses and changes in occupancy rate and capital expenditure over the projection period, and the terminal value is also be estimated. Therefore, we have made several assumptions, occupancy rate, related operating expenses, replacement allowance, and CAPEX established on analysis of historical data and prospective market conditions.

Land Development Method can be applied in valuation of land. This process includes the projection of land development into a number of lots, making an income analysis and related costs and discounting net income revenues into an indication of value. This technique may be acceptable in some situations, but it depends on a number of assumptions that may be very difficult to associate with the definition of Market Value. Valuers are advised to be careful in making assumptions and are suggested to make the disclosure intact. (SPI 300 5.35.b)

Cost Approach

The value of the property is derived by adding the value of the land to the depreciated replacement cost of all improvements. The land value is obtained through comparison analysis on market activity of similar properties. The replacement cost new of the improvements is estimated based on current prices for component parts of the improvements that provide equivalent utility to the improvements being appraised. The depreciation estimate is actually the difference between the open market value of the improvement and its replacements cost new which are caused by physical deterioration, functional obsolescence and external obsolescence.

This approach considers the possibility that as the substitution of purchasing a property, a person can make another property such as replica of the original property or substitutes that provide comparable functionality. In practice, this approach also includes the depreciation estimation for older property and/or functional obsolescence which is the replacement cost new unreasonably exceeds the probable price which will be paid for the Subject Property. (SPI KPUP 17).

Land

Land value is obtained through transaction analysis, supply and demand for similar property located around the location by observing the ratio factor including: location, type of land title, financing condition, market condition, physical characteristic, economic characteristic, use and other factors that affect the valuation.

Building and Site Improvement

Building and site improvement value is obtained by calculating the replacement cost new of building and site improvement based on the current components price with a similar usefulness level, and then deducting the estimated depreciation due to physical obsolescence, deterioration and external function.

Machinery & Equipments

Machinery and equipments value is obtained by calculating the replacement cost new of machinery and equipments based on the current components price with a similar usefulness level, and then deducting with the estimated depreciation due to physical obsolescence, functional and external deterioration.

Valuation Procedure

General Assumptions

- The inflation is assumed as follows:

	2021	2022	2023	2024– end
Inflation	3.1%	3.1%	3.0%	3.0%

Source: IMF, October 2020

- For ARR and OR projection, we assumed that in 2021 the hotel will still be affected by the pandemic. The year of 2022 will be a transition year where the ratio used is the average of the pre-pandemic ratio (2017-2019) and during the pandemic (2020-2021).
- The ARR projection, due to the pandemic conditions we assumed that the market segment in period 2021-2023 focusing on the domestic segment with lower ARR. In 2024, assuming that the border gate from Singapore is opened, the ARR will close to pre-pandemic figures.
- The AOR projection consider that Natra is the first hotel with the glamping concept to enter the Marriot portfolio and teher is no direct comparable with similar concept as glamping resort. In addition, the Marriot BonVoy membership program also support the AOR projection. As of June 2021, Bintan is declared as a green zone. In June 2021, the Lagoi Region requires visitors to show Antigen or Genose test results to enter the Lagoi area. We assumed that in 2023 the hotel operations have returned to normal with the assumption that in mid-2022 the Singapore border gate has reopened.
- The discount rate is determined by the Band of Investment method or usually known as WACC (Weighted Average Cost of Capital), using the following formula:

Discount Rate = (ke x We) + (kd x Wd)

whereas:

ke = Cost of Equity

kd = Cost of Debt

We = Percentage of Equity Financing

Wd = Percentage of Debt Financing

Cost of equity is calculated using the Capital Asset Pricing Model (CAPM), with the following formula:

Ke = Rf + (β x RPm)

whereas:

k_e = Expected rate of return

Rf = Risk free rate

β = Beta

RPm = Equity risk premium

The assumption used in calculatings the discount rate in IDR is as follows:

Description	Year 1	Year 2-end	Explanation	Source
Cost of Equity				
R_f	6.82%	6.82%	Rate of return of Long Term Government Bond	Bloomberg
β	1.45	1.45		Bloomberg
RP_m	6.56%	6.56%	Market Risk Premium	Damodaran
RBDS	1.68%	1.68%	Rating Based Default Spread	Damodaran
Spesific Risk	2.00%			
k_e	16.67%	14.67%		
Cost of Debt				
k_d	8.73%	8.73%	Investment Loan Interest	Bank Indonesia
k_d	**8.73%**	**8.73%**		
W_e	35%	35%	Average ratio of equity to capital markets	Market
W_d	65%	65%		
Discount Rate	**11.51%**	**10.81%**		

*) Ke = Rf + (β x RPm)

RBDS or Rating Based Default Spread is the difference between Indonesia's Rating and AAA Countries Rating, which reflects Indonesia risk. The risk free and risk premium have included the country risk. To avoid double counting in country risk, we have deducted the RBDS from cost of equity

Beta derived from average beta of comparable company's as follow:

Name of Company	Beta
Hotel Mandarine Regency TBK	1.07
Lippo Karawaci TBK PT	1.47
PP Persero TBK PT	2.07
Pakuwon Jati TBK PT	1.62
Surya Semesta Internusa PT	1.03
Average	**1.45**

Source : Bloomberg

The debt to equity portion is based on several banking institutions that provide loans. In Indonesia, both for residential and commercial project have the same debt to equity ratio.

We have adopted the same discount rate for Market Value and Investment Value as this is a property valuation and not a business valuation. We have already adopted the company's business plan for this valuation to accommodate the Investment Value.

Market Value

Natra Bintan Hotel

Income Approach

We have used Income Approach with Discounted Cash Flow Method using IDR denomination by using the following procedures:

- The cash flow is projected in 24 years starting 2021 until 2044 (until the first period the HGB certificate expired);
- The number of rooms used in this valuation is 100 and assumed to be the same during the 24-year projection;

- The annual operational day for this projection is 98 days in 1st year (September – December 2021), 365 days for the years 2020-2042 (January- December), and 182 days for the year 2043 (January-June);
- The average occupancy rate (AOR) and average room rate (ARR) projections are arrived by making analysis of market condition and its competitors with the possibility of new future developments especially by development of the hotel as described in the competitors analysis section.

Comparable	ARR (Rp'000)		AOR	
	Pandemic	Pre-Pandemic	Pandemic	Pre-Pandemic
Angsana Bintan	Rp1,500 – Rp1,800	Rp1,900 – Rp2,200	5% - 10%	40% - 50%
Nirwana Resort Hotel	Rp1,000 – Rp1,400	Rp1,500 – Rp1,700	2% - 5%	40% - 55%
Cassia Bintan	Rp1,500 – Rp1,700	Rp1,600 – Rp1,900	5% - 7%	40% - 60%
ANMON	Rp1,000 – Rp1,200	Rp1,200 – Rp1,500	10% - 15%	70% - 77%

- The AOR in 2021 is assumed stagnant as compared to historical 2020 but steeply decline as compared to 2019 due to the Covid-19 pandemic and will improve in 2022 and is expected to reach normal condition in 2023;
- In year 1, the ARR is assumed to be about Rp1,421,524.- based on quality rating analysis as compared to it competitor as mentioned above and the AOR is assumed to be about 22.1%;
- The projection can be seen in the following table:

Year	Increment of ARR	AOR
1	0.0%	22.1%
2	11.5%	55.5%
3	19.6%	67.8%
4	8.7%	78.6%
5	6.6%	78.1%
6	5.9%	77.6%
7	5.2%	77.1%
8	4.6%	76.6%
9	4.5%	76.6%
10 to 15	4.5%	76.1%
16 to 19	4.5%	75.4%
20 to 24	4.5%	75.1%

Source: KJPP RHR

- The revenue projection from the room department is derived by multiplying the number of occupied rooms with the ARR for the year. The revenue from food and beverage departments and other departments is analyzed based on the percentage of revenue from those departments to total revenues from historical data and the average of similar hotels:

Revenue

	Year 1	Year 2	Year 3	
Room	ARR x AOR x days in a year			
Food & Beverage	58.12%	55.46%	52.79%	from room revenue
Other Operating Department	3.59%	7.95%	12.31%	from room revenue

- The income of each operating department is deducted with its related department cost to arrive at the departmental profit. The projection of department cost is calculated based on historical data from the client and comparable hotels by analyzing the ratio of department cost to department revenue. This cost calculation is classified into fixed costs and variable costs. Fixed costs are costs that tend to remain and unaffected by occupancy rates, while variable costs will vary following occupancy rates.

- Operational expenses are projected based on the assumptions as follows:

	Year 1	Year 2	Year 3	
Department Cost & Expenses				
Room	48.83%	35.29%	21.75%	from room revenue
Food & Beverage	82.65%	71.80%	60.95%	from food & beverage revenue
Other Operating Department	85.04%	54.31%	23.58%	from other operating departement revenue
Undistributed Expenses				
Administration & General	39.20%	27.49%	15.79%	from total revenue
IT	14.01%	8.31%	2.61%	from total revenue
Sales & Marketing	14.52%	8.97%	3.42%	from total revenue
Repair & Maintenance (POMEC)	26.46%	13.21%	3.96%	from total revenue
Utilities	20.14%	13.56%	6.98%	from total revenue
Fees				
Operating Fee*	7.00%	8.00%	8.00%	from GOP
Base Fee**	2.00%	2.50%	2.50%	from total revenue
Owner's Cost				
Replacement FF & E and M&E	2.18%	2.18%	2.18%	from total revenue
Insurance - Building	1.07%	1.07%	1.07%	from total revenue
Property Tax	0.39%	0.39%	0.39%	from total revenue
Land Lease Rental	Inflation increment			
HGB Extention	1% x (NJOP*** x Land Area) x 50%			

* Operating Fee is 6% if GOP is < 30% of Revenue, 7% if GOP is 30% to less than 40%and 8% if GOP is more than 40%.

** Based fee (first 36 months) -on Gross Operating Revenue is 2% and after 36 months is 2.5%.

*** Nilai Jual Objek Pajak (NJOP)/ Government Assessed Land Value.

- Gross Operating Profit (GOP) is derived by deducting revenue with department cost & expenses and undistributed expenses;
- Net Operating Income (NOI) is derived by deducting GOP with fees and owner's cost;
- The series of net operating income of Subject Property is discounted into present value by using a discount rate of 11.51% for year 1 (during COVID-19) and 10.81% for year 2 onwards.

We are of the opinion that the above key parameter and assumptions adopted in our valuation are in-line with present market condition.

In accordance with the analysis using the Discounted Cash Flow (DCF) method shows the Market Value of the Subject Property as Rp274,986,000,000.-.

Cost Approach (as Check Method)

We are unable to find similar comparable data for ground rent within Lagoi area. Therefore, we have relied on the decapitalization approach to arrive at the land value of the Subject Property.

Described below are the comparable data gathered from the agents:

Description	Data 1	Data 2	Data 3
			
Location	Jalan Gurindam Dua Belas (Blok B3)	Ria Bintan (lot B-2)	Ria Bintan (lot C-1)
Source	PT Buana Mega Wisatama (Yossi)	Info Memo from Colliers International	Info Memo from Colliers International
Land Area in sqm	100,000	100,000	93,000
Land Area in Sqft	1,076,000	1,076,000	1,000,680
Status	Actual Transaction	Asking Prices	Asking Prices
Topography	Flat	Flat	Flat
View	Beach front	Golf View	Non view
Land Shape	Irrectangular	Irrectangular	Irrectangular
Tenure	Freehold	Freehold	Freehold
Land Document	SHGB (Right to Build)	SHGB (Right to Build)	SHGB (Right to Build)
Timing Offering/ Transaction	2014	2021	2021
Selling Price/Asking Price Indication per square meter in SGD	135	182	162
Selling Price/Asking Price Indication per square meter in IDR	1,427,239	1,924,560	1,710,720
Valuation Rationale	We made an adjustment analysis to several parameters that affect the value of Subject Property such as market condition which is refer to year of sales of each comparable, such as price increment, supply and demand (the impact of the COVID-19 pandemic already reflect on the offering price and the price growth), distance from Bandar Bintan Telani Ferry terminal, infrastructure, land area, and land condition.		
Adjusterd Price per square meter in IDR	3,842,698	3,894,694	3,885,970

From the above comparable analysis, we have arrived at Rp201,590,000,000.- for freehold land value which equivalent to Rp3,874,421.- per sqm.

In our valuation, we have arrived at the land lease value for the remaining 24 years by analyzing the rate of return of similar commercial land within larger locality from other provinces in Indonesia.

District	Yield
Medan	2.5%
Aceh	1.7%
Bali	4.0%
Average	2.7%

From the above analysis, we observed that the rate of return for commercial land is ranging between 1.7% to 4.0%. We have adopted 2.7% as a benchmark to reflect the land value for the remaining lease period considering that these three (3) areas having similar charateristics to Bintan province for long-term land scheme.

Value for remaining leased period is arrived at 2.7% of Rp3,874,421.- equivalent to Rp105,500.- per sqm per year.

Development Plan	Land Area (Sqm)	Market Value (IDR)	Market Value (IDR)
H5 Land of Natra (Land Lease until 2044)	52,031	131,743,096,180	131,743,000,000

Summary of Building, Site Improvement, FF&E and Vehicle are as follows:

No	Description	Market Value (IDR)
1	Building and Site Improvement	31,575,000,000
2	Machinery and equipments	1,031,144,000
3	Fixture, Furniture & Equipment	21,893,707,000
4	Vehicle	749,926,000
	Total	55,249,777,000

Reconciliation

The final step of this valuation process is to reconcile the two valuation approaches to derive the Market Value.

Methodology	Market Value (IDR)	Weighted	Market Value (IDR)
Market Value			
Income Approach			
- DCF	274,986,000,000	100%	274,986,000,000
Cost Approach	186,992,777,000	0%	-
Total		100%	274,986,000,000

We have adopted the market value derived from Income Approach as a fair representation of the market value for the Subject Property in view of the fact that the Subject Property is an income generating property.

Natra Land (H5) and Chill Cove Lot A4, H4, H6
Land Development Method

There is a dearth transaction of similar comparable data in Bintan, therefore we have used Income Approach (Land Development Method) to arrive at the Market Value for the Subject Property.

- Development parameter are tabulated as follows:

	Development Parameters
H5 Land of Natra	52,031 sqm (approximately 560,049 sqft)
Chill Cove Lot A4, H4 & H6	82,980 sqm (approximately 893,177 sq. ft)
Site Coverage	30-60%
Plot Ratio	n.o
Height Limitation	2 – 10-storey

Development Plan	Total Rooms	Land Area (sqm)	Land Area (sqft)	Gross Floor Area (sqm)	Gross Floor Area (sqft)
Natra Bintan	100	52,031	560,049	5,622	60,493
MLDP Resort (A4)	448	32,070	345,215	21,366	229,897
Boutique Resort (H4)	448	33,101	356,291	21,280	228,973
5 Star (H6)	200	17,807	191,670	18,075	194,487
TOTAL	1.096	82,978	893,177	60,721	653,357

- Development and operating years:

Development Plan	Development Phases/ Operating Years											
Year	1	2	3	4	5	6	7	8	9	10	11	12 – 16
Natra Binton	■	□	□	□	□	□	□	□	□	□	□	□
MLDP Resort (A4)	▒	▒	■	■	□	□	□	□	□	□	□	□
Boutique Resort (H4)	▒	▒	▒	■	■	□	□	□	□	□	□	□
5 Star (H6)	▒	▒	■	■	□	□	□	□	□	□	□	□

▒ Planning
■ Development Phases
□ Operating Years

- The average occupancy rate (AOR) and average room rate (ARR) projections are arrived by making analysis of market condition and its competitors with the possibility of new future developments especially by development of the hotel as described in the competitor analysis section.

- In year 1 of projection, the ARR based on quality rating analysis as compared to its competitars as mentioned above is:

	Year Start	Assumption ARR (IDR/night)
Natra Land (H5)	2021	1,449,207
MLDP Resort (A4)	2025	1,602,930
Boutique Resort (H4)	2026	1,686,386
5 Star (H6)	2025	1,587,019

The different ARR assumptions are due to the different hotel development concept for each lot as stated on the table above.

- The projection of ARR increment can be seen in the following table:

Year	Natra Land (H5)	MLDP Resort (A4)	Boutique Resort (H4)	5 Star (H6)
1	0.0%	0.0%	0.0%	0.0%
2	11.0%	4.5%	4.5%	4.5%
3	19.1%	4.5%	4.5%	4.5%
4	8.2%	4.5%	4.5%	4.5%
5	6.2%	5.0%	4.5%	5.0%
6	5.3%	4.5%	5.0%	4.5%
7	4.5%	4.5%	4.5%	4.5%
8	4.5%	4.5%	4.5%	4.5%
9	4.5%	4.5%	4.5%	4.5%
10	4.5%	4.5%	4.5%	4.5%
11	4.5%	4.5%	4.5%	4.5%
12	4.5%	4.5%	4.5%	4.5%
13	4.5%	4.5%	4.5%	4.5%
14	4.5%	4.5%	4.5%	4.5%
15	4.5%	4.5%	4.5%	4.5%

Source: KJPP RHR

The increment of ARR based on hotel industry average in Bintan with stable candition showing a growth within a range of 4%-5% per year.

- The AOR projection can be seen in the following toble:

Year	Natra Land (H5)	MLDP Resort (A4)	Boutique Resort (H4)	5 Star (H6)
1	0.0%	0.0%	0.0%	0.0%
2	22.1%	0.0%	0.0%	0.0%
3	55.5%	0.0%	0.0%	0.0%
4	67.8%	0.0%	0.0%	0.0%
5	78.6%	45.0%	0.0%	45.0%
6	78.1%	51.9%	45.0%	56.4%
7	76.6%	61.4%	50.9%	66.4%
8	76.6%	61.4%	60.9%	74.4%
9	75.3%	59.9%	59.5%	76.2%
10	75.3%	58.4%	57.9%	75.4%
11	75.3%	56.9%	57.9%	74.8%
12	75.3%	55.1%	56.3%	74.8%
13	75.3%	55.1%	54.8%	74.7%
14	75.3%	53.6%	54.8%	74.7%
15	75.3%	53.6%	53.3%	74.7%

The AOR assumptions are based on hotel industry average in Bintan with stable condition for boutique and 5-star hotel and also depending on the number of rooms. The hotel with numbers of raoms more than 100, the AOR reached 50%-54%. Meanwhile the hotel with numbers of raoms of 100 and less, the AOR could reach 70%-78%.

- We have not taken into consideration the Covid-19 impact in our AOR projection due to the development period is estimated to commence in Year 3 and Operating Years will only effective in Year 5 onwards.
- For Natra land, the increment of ARR based on the historical of Natra performance and hotel industry average in Bintan. For year 2 and 3, there is significant increment of ARR assuming that inline with the tourist arrival to Bintan the hotel industry will be back on track and will reached the 2019 figure in year 3 (2023). As well as AOR, due to the impact of the pandemic which still affects the hotel sectors in 2021, the AOR is assumed to be in low level but higher than 2020 as domestic market starts coming to Bintan as influenced by the low ARR of hotel.

- The revenue projection from the room department is derived by multiplying the number of occupied rooms with the ARR for the year. The revenue from food and beverage departments and other departments is analyzed based on the percentage of revenue from those departments to total revenues from historical data and the average of similar hotels:

Revenue

	Natra Land (H5)	MLDP Resort (A4)	Boutique Resort (H4)	5 Star (H6)
Room	ARR x AOR x days in a year			
Food & Beverage	52.79%	74.85%	74.85%	47.51%
Other Operating Department	12.31%	7.91%	7.91%	6.16%

- The income of each operating department is deducted with its related department cost to arrive at the departmental profit. The projection of costs per department is calculated based on historical data from the client and comparable hotels by analysing the ratio of department cost to department revenue. This cost calculation also classify to fixed costs and variable costs. Fixed costs are costs that tend to remain and to remain unaffected by occupancy rate, while variable costs tend to vary following occupancy rates.

- Operational expenses are projected based on the assumptions as follows:

Department Cost & Expenses

	Natra Land (H5)	MLDP Resort (A4)	Boutique Resort (H4)	5 Star (H6)
Room[1]	21.75%	20.87%	20.87%	21.70%
Food & Beverage[2]	60.95%	62.19%	62.19%	65.64%
Other Operating Department[3]	23.58%	42.40%	42.40%	49.21%
Undistributed Expenses[4]				
Administration & General	15.79%	8.56%	8.56%	9.10%
Sales & Marketing	3.42%	6.49%	6.49%	4.96%
Repair & Maintenance (POMEC)	3.96%	6.68%	6.68%	6.17%
Utilities	6.98%	6.04%	6.04%	6.36%
Fees				
Operating Fee	8.00%	-	-	-
Incentive Fee	2.50%	-	-	-
Basic Management Fee[4]	-	5.52%	5.52%	5.52%
Owner's Cost[4]				
Replacement FF & E	2.18%	1.09%	1.09%	1.09%
Provision for real estate M&E		1.09%	1.09%	1.09%
Insurance - Property	1.07%	0.53%	0.53%	0.53%
Property Tax	0.39%	0.39%	0.39%	0.39%
HGB extension	-	1% x (NJOP[5] x Land Area) x 50%		

Note 1: From room revenue
Note 2: From food & beverage revenue
Note 3: From other operating department revenue
Note 4: From total revenue
Note 5: Nilai Jual Objek Pajak (NJOP)/ Government Assessed Land Value.

- Gross Operating Profit (GOP) is derived by deducting revenue with department cost & expenses and undistributed expenses;
- Net Operating Income (NOI) is derived by deducting GOP with fees and owner's cost and the following cost;
- Construction cost;

Description	Construction Cost (IDR/sqft)	Infrastructure (IDR/sqft)
Natra Bintan (H5)	687,720	43,836
MLDP Resort (A4)	2,476,898	43,836
Boutique Resort (H4)	2,599,833	43,836
5 Star (H6)	1,814,548	43,836

Source: Building Material Jurnal No. 40/2021

- Insurance is about 1% from total development cost;
- Contigency is about 5% from total development cost;
- Developer's Profit is about 20% to 30% from Net Operating Income;
- The estimated cost is based on industry average cost. We have made reference to the similar hospitatlity development data compiled from our previous valuations exercises;
- The terminal value in year 10 is calculated by capitalizing the net operating income on year 11 with a capitalization rate of 9.52%. The 9.52% figures derived from average yield hotel transaction in Bali area since lack of hotel transaction data in Bintan and Batam;
- In arriving at the present value of the yearly net operating income, we have adopted discount rate of 11.51% for year 1 and 10.81% for year 2 onwards;

We understand that the ownership of Natra Bintan has partial interest held under 1 (one) Land Lease Agreement between PT Pelangi Bintan Indah and PT Bintan Leisure Resort Ventures (lessor) with PT Bintan Hotel Utama (lessee) commenced on 01 July 2017 which will expire on 30 June 2037 and 1 portion of land directly owned by PT Bintan Hotel Utama. The first lease term period is 20 (twenty) years and will be automatically renewed for 2 (two) successive periods of 5 (five) years each.

Therefore, in arriving at the land value of the Natra Bintan Hotel, we have considered the land rental income over the remaining lease period and added with the present value of the land derived upon expiry of the existing lease at year 2045. Land value is obtained by using the Land Development Method with value is assumed to grow at 5.70% per annum until 2045. The 5.70% figures is derived from Compounded Annual Growth Rate (CAGR) land of Bintan for the past 5 years.

The projections is always depending on several aspects i.e ; economic performance and market risk. In view to this uncertainty, our projection model is just a simulation to forecast the potential return of the Subject Property with reference made against the current market data.

We are of the opinion that the above key parameter and assumptions adopted in our valuation are in-line with present market condition.

Based on analysis above, the Market Value derived from the Land Development Method are as follows:

Development Plan	Land Area (sqm)	Land Area (sqft)	Land Value /sqft (IDR)	Market Value (IDR)
H5 Land of Natra	52,031	560,049	241,473	135,237,045,088
Chill Cove Lot A4	32,070	345,215	364,496	125,829,512,706
Chill Cove Lot H4	33,101	356,291	373,342	133,018,488,381
Chill Cove Lot H6	17,807	191,670	391,608	75,059,263,773

Market Approach

Described below are the comparable data gathered from the agents:

Description	Data 1	Data 2	Data 3
			
Location	Jalan Gurindam Dua Belas (Blok B3)	Ria Bintan (lot B-2)	Ria Bintan (lot C-1)
Source	PT Buana Mega Wisatama (Yossi)	Info Memo from Colliers International	Info Memo from Colliers International
Land Area in sqm	100,000	100,000	93,000
Land Area in Sqft	1,076,000	1,076,000	1,000,680
Status	Actual Transaction	Asking Prices	Asking Prices
Topography	Flat	Flat	Flat
View	Beach front	Golf View	Non view
Land Shape	Irrectangular	Irrectangular	Irrectangular
Tenure	Freehold	Freehold	Freehold
Land Document	SHGB (Right to Build)	SHGB (Right to Build)	SHGB (Right to Build)
Timing Offering/ Transaction	2014	2021	2021
Selling Price/Asking Price Indication per square meter in SGD	135	182	162
Selling Price/Asking Price Indication per square meter in IDR	1,427,239	1,924,560	1,710,720
Valuation Rationale	We made an adjustment analysis to several parameters that affect the value of Subject Property such as market condition which is refer to year of sales of each comparable, such as price increment, supply and demand (the impact of the COVID-19 pandemic already reflect on the offering price and the price growth), distance from Bandar Bintan Telani Ferry terminal, infrastructure, land area, and land condition.		
Adjusterd Price per square meter in IDR	3,842,698	3,894,694	3,885,970

Based on our analysis, location, infrastructure, land condition, land area and view are the dominant parameter affecting the value. We understand the Subject Property is located in the development area known as Treasure Bay Bintan. The development area has been completed with infrastructure and most importantly it has the state of the art recreational lagoon known as Crystal Lagoon, which we understand has been the most notable development in Lagoi area. Market Value of Chill Cove site is described as follows;

Development Plan	Land Area (Sqm)	Market Value (IDR)
H5 Land of Natra (Land Lease until 2044)	52,031	131,743,096,180
Chill Cove Land Lot A4	32,070	115,557,147,886
Chill Cove Land Lot H4	33,101	119,126,659,285
Chill Cave Land Lot H6	17,807	72,087,196,589

Reconciliation

The final step of this valuation process is to reconcile the two valuation approaches to derive the Market Value. We have considered a 50% : 50% weightage from Market Approach and Income Approach to arrive at the Market Value for all parcels of vacant land as follows:

Methodology	Market Approach (IDR)	Income Approach (IDR)	Market Value (IDR)
H5 Land of Natra	131,743,096,180	135,237,045,088	133,490,000,000
Chill Cove Land Lot A4	115,557,147,886	125,829,512,706	120,693,000,000
Chill Cove Land Lot H4	119,126,659,285	133,018,488,381	126,073,000,000
Chill Cove Land Lot H6	72,087,196,589	75,059,263,773	73,573,000,000

The Market Approach in general should be the primary approach to arrive at the Market Value for the vacant land. However, in view of the limited transaction data and offering for similar comparable in the vicinity, it is a common practice to value a vacant land via Income Approach by using Land Development Method as it is more reflective considering that the Subject Property has immediate potential for development.

Investment Value

Natra Bintan

We have used Income Approach with Discounted Cash Flow Method by using IDR denamination with the following procedures:

- The cash flow is projected in 27 years starting 2021 until 2047 (until the land lease expired). We have taken into account the HGB extention;
- The number of rooms used in this valuation is 100 and assumed to be the same during the 27-year projection;
- The annual operational day for this projection is 98 days in 1st year (September – December 2021), 365 days for the years 2022-2046 (January- December), and 181 days for the year 2047 (January-June);
- The average occupancy rate (AOR) and average room rate (ARR) projections are arrived by adopting the business plan from the Company, and also benchmarking to historical and market condition and its competitors with the possibility of new future developments especially by development of the hotel. We made adjustment of AOR for hotel development with 400 rooms, as the business plan was too aggressive.
- The AOR in 2021 is assumed stagnant as compared to historical 2020 but steeply decline as compared to 2019 due to the Covid-19 pandemic and will improve in 2022 and is expected to reach normal condition in 2023;
- In year 1, the ARR is assumed to be about Rp1,421,524.- and the AOR is assumed to be about 22.1%;
- The projection can be seen in the following table:

Year	Increment of ARR	AOR
1	0.0%	22.1%
2	11.5%	55.5%
3	19.6%	67.8%
4	8.7%	78.6%
5	6.6%	78.1%
6	5.9%	77.6%
7	5.2%	77.1%
8	4.5%	76.6%
9	4.5%	76.6%
10 to 15	4.5%	76.1%
16 to 19	4.5%	75.6%
20 to 21	4.5%	75.3%
22-27	4.4%	75.3%

Source: KJPP RHR

The revenue projection from the room department is derived by multiplying the number of occupied rooms with the ARR for the year. The revenue from food and beverage departments and other departments is analyzed based on the percentage of revenue from those departments to total revenues from historical data and the average of similar hotels.

Revenue

	Year 1	Year 2	Year 3	
Room	ARR x AOR x days in a year			
Food & Beverage	58.12%	55.46%	52.79%	from room revenue
Other Operating Department	3.59%	7.95%	12.31%	from room revenue

- The income of each operating department is deducted with its related department cost to arrive at the departmental profit. The projection of department cost is calculated based on historical data from the Company and comparable hotels by analyzing the ratio of department cost to department revenue. This cost calculation is classified into fixed costs and variable costs. Fixed costs are costs that tend to remain and unaffected by occupancy rates, while variable costs will vary following occupancy rates.
- Operational expenses are projected based on the assumptions as follows:

Department Cost & Expenses

	Year 1	Year 2	Year 3	
Room	48.83%	35.29%	21.75%	from room revenue
Food & Beverage	82.65%	71.80%	60.95%	from food & beverage revenue
Other Operating Department	85.04%	54.31%	23.58%	from other operating departement revenue
Undistributed Expenses				
Administration & General	39.20%	27.49%	15.79%	from total revenue
IT	14.01%	8.31%	2.61%	from total revenue
Sales & Marketing	14.52%	8.97%	3.42%	from total revenue
Repair & Maintenance (POMEC)	28.46%	17.62%	6.78%	from total revenue
Utilities	20.14%	13.56%	6.98%	from total revenue
Fees				
Operating Fee*	7.00%	8.00%	8.00%	from GOP
Base Fee**	2.00%	2.50%	2.50%	from total revenue
Owner's Cost				
Replacement FF & E and M&E	2.18%	2.18%	2.18%	from total revenue
Insurance - Building	1.07%	1.07%	1.07%	from total revenue
Property Tax	0.39%	0.39%	0.39%	from total revenue
Land Lease Rental	2.00%	2.00%	2.00%	from total revenue
HGB Extention	1% x (NJOP*** x Land Area) x 50%			

* Operating Fee is 6% if GOP is < 30% of Revenue, 7% if GOP is 30% to less than 40%and 8% if GOP is more than 40%.

** Based fee (first 36 months) -on Gross Operating Revenue is 2% and after 36 months is 2.5%.

*** Nilai Jual Objek Pajak (NJOP)/ Government Assessed Land Value.

- Gross Operating Profit (GOP) is derived by deducting revenue with department cost & expenses and undistributed expenses;
- Net Operating Income (NOI) is derived by deducting GOP with fees and owner's cost;
- The series of net operating income of Subject Property is discounted into present value by using a discount rate of 11.51% for year 1 (during COVID-19) and 10.81% for year 2 onwards.

In accordance with the analysis using the Discounted Cash Flow (DCF) method shows the Investment Value of the Subject Property as Rp320,543,000,000.-.

Natra Land (H5) and Chill Cove Lot A4, H4, H6
Land Development Method

For the Investment Value we have addopted the Company's bussiness plan which is relatively similiar with the market condition. However, adjustment was made for the occupancy rate of Lot A4 and H4 due to size of the hotel development which have relatively more number of room.

We have used Income Approach with Land Development Method for the land by using the following procedures:

- Development parameter are tabulated as follows:

	Development Parameters				
H5 Land of Natra	52,031 sqm (approximately 560,049 sqft)				
Chill Cove Lot A4, H4 & H6	82,980 sqm (approximately 893,177 sq. ft)				
Site Coverage	30-60%				
Plot Ratio	n.a				
Height Limitation	2 – 10-storey				
Development Plan	Total Rooms	Land Area (sqm)	Land Area (sqft)	Gross Floor Area (sqm)	Gross Floor Area (sqft)
Natra Binton	100	52,031	560,049	5,622	60,493
MLDP Resort (A4)	448	32,070	345,215	21,366	229,897
Boutique Resort (H4)	448	33,101	356,291	21,280	228,973
5 Star (H6)	200	17,807	191,670	18,075	194,487
TOTAL	1,096	82,978	893,177	60,721	653,357

- Development and operating years:

Development Plan	Development Phases/ Operating Years										
Year	1	2	3	4	5	6	7	8	9	10	11	12 - 16
Natra Binton	■	□	□	□	□	□	□	□	□	□	□	□
MLDP Resort (A4)	▨	▨	■	■	□	□	□	□	□	□	□	□
Boutique Resort (H4)	▨	▨	▨	■	■	□	□	□	□	□	□	□
5 Star (H6)	▨	▨	■	■	□	□	□	□	□	□	□	□

▨ Planning
■ Development Phases
□ Operating Years

- The operational day for this projection is 365 days (from 1 January until 31 December);
- The average occupancy rate (AOR) and average room rate (ARR) projections are arrived by adopting the Business Plan from the Company, and also benchmarking to historical and market condition and its competitors with the possibility of new future developments especially by development of hotel. We made adjustment of AOR for hotel development with 400 rooms, as the business plan was too aggressive.
- In year 1 of projection, the ARR based on quality rating analysis as compared to its competitors as mentioned above is:

	Year Start	Assumption ARR (IDR/night)
Natra Land (H5)	2021	1,421,524
MLDP Resort (A4)	2025	1,602,930
Boutique Resort (H4)	2026	1,686,386
5 Star (H6)	2025	1,587,019

The different ARR assumptions are due to the different hotel development concept for each lot as stated on the table above.

- The projection of ARR increment can be seen in the following table:

Year	Natra Land (H5)	MLDP Resort (A4)	Boutique Resort (H4)	5 Star (H6)
1	0.0%	0.0%	0.0%	0.0%
2	11.5%	4.5%	4.5%	4.5%
3	19.6%	4.5%	4.5%	4.5%
4	9.7%	4.5%	4.5%	4.5%
5	7.1%	5.0%	4.5%	5.0%
6	7.5%	5.0%	5.0%	5.0%
7	7.0%	4.5%	5.0%	4.5%
8	6.5%	4.5%	4.5%	4.5%
9	6.0%	4.5%	4.5%	4.5%
10	5.5%	4.5%	4.5%	4.5%
11	5.5%	4.5%	4.5%	4.5%
12	5.5%	4.5%	4.5%	4.5%
13	5.5%	4.5%	4.5%	4.5%
14	5.5%	4.5%	4.5%	4.5%
15	5.5%	4.5%	4.5%	4.5%

Source: KJPP RHR

- The AOR projection can be seen in the following table:

Year	Natra Land (H5)	MLDP Resort (A4)	Boutique Resort (H4)	5 Star (H6)
1	0.0%	0.0%	0.0%	0.0%
2	22.1%	0.0%	0.0%	0.0%
3	53.5%	0.0%	0.0%	0.0%
4	72.8%	0.0%	0.0%	0.0%
5	80.1%	45.0%	0.0%	45.0%
6	81.1%	53.9%	45.0%	55.9%
7	80.6%	63.9%	53.9%	67.4%
8	80.1%	65.2%	63.9%	75.4%
9	79.3%	63.7%	64.9%	79.4%
10	79.3%	62.4%	63.7%	79.4%
11	79.3%	62.4%	61.9%	78.9%
12	79.3%	61.4%	61.4%	78.1%
13	79.3%	61.4%	61.4%	78.1%
14	79.3%	61.4%	60.4%	78.1%
15	79.3%	61.4%	60.4%	78.1%

- The revenue projection from the room department is derived by multiplying the number of occupied rooms with the ARR for the year. The revenue from food and beverage departments and other departments is analyzed based on the percentage of revenue from those departments to total revenues from historical data and the average of similar hotels:

Revenue

	Natra Land (H5)	MLDP Resort (A4)	Boutique Resort (H4)	5 Star (H6)
Room	ARR x AOR x days in a year			
Food & Beverage	74.85%	74.85%	74.85%	47.51%
Other Operating Department	7.91%	7.91%	7.91%	6.16%

- The income of each operating department is deducted with its related department cost to arrive at the departmental profit. The projection of costs per department is calculated based on historical data from the Client and comparable hotels by analysing the ratio of department cost to department revenue. This cost calculation also classify to fixed costs and variable costs Fixed costs are costs that tend to remain and to remain unaffected by occupancy rate, while variable costs tend to vary following occupancy rates.

- Operational expenses are projected based on the assumptions as follows:

Department Cost & Expenses

	Natra Land (H5)	MLDP Resort (A4)	Boutique Resort (H4)	5 Star (H6)
Room[1]	20.87%	20.87%	20.87%	21.70%
Food & Beverage[2]	60.95%	62.19%	62.19%	65.64%
Other Operating Department[3]	23.58%	42.40%	42.40%	49.21%
Undistributed Expenses[4]				
Administration & General	8.56%	8.56%	8.56%	9.10%
Sales & Marketing	3.42%	6.49%	6.49%	4.96%
Repair & Maintenance (POMEC)	4.99%	6.68%	6.68%	6.17%
Utilities	6.04%	6.04%	6.04%	6.36%
Fees				
Operating Fee	7.00%	-	-	-
Incentive Fee	-	-	-	-
Basic Management Fee[4]	-	7.00%	7.00%	7.00%
Owner's Cost[4]				
Replacement FF & E	2.18%	1.09%	1.09%	1.09%
Provision for real estate M&E		1.09%	1.09%	1.09%
Insurance - Property	1.07%	0.53%	0.53%	0.53%
Property Tax	0.39%	0.39%	0.39%	0.39%
HGB extension	-	1% x (NJOP[5] x Land Area) x 50%		

Note 1: From room revenue
Note 2: From food & beverage revenue
Note 3: From other operating department revenue
Note 4: From total revenue
Note 5: Nilai Jual Objek Pajak (NJOP)/ Government Assessed Land Value.

- Gross Operating Profit (GOP) is derived by deducting revenue with department cost & expenses and undistributed expenses;
- Net Operating Income (NOI) is derived by deducting GOP with fees and owner's cost and the following cost;
- Construction cost;

Description	Construction Cost – (IDR/sqft)	Infrastructure (IDR/sqft)
Natra Bintan (H5)	687,720	43,836
MLDP Resort (A4)	2,803,093	43,836
Boutique Resort (H4)	2,883,098	43,836
5 Star (H6)	1,875,339	43,836

Source: Building Material Jurnal No. 40/2021

- Insurance is about 1% from total development cost;
- Contigency is about 5% from total development cost;
- Developer's Profit is about 10% to 20% from Net Operating Income;
- The estimated cost is based on industry average cost. We have made reference to the similar hospitality development data compiled from our previous valuations exercises
- The terminal value in year 10 is calculated by capitalizing the net operating income on year 11 with a capitalization rate of 9.52%. The 9.52% figures derived from average yield hotel transaction in Bali area since lack of hotel transaction data in Bintan and Batam;
- In arriving at the present value of the yearly net operating income, we have adopted discount rate of 11.51% for year 1 (during COVID-19) and 10.81% for year 2 onwards;

We understand that the ownership of Natra Bintan has partial interest held under 1 (one) Land Lease Agreement between PT Pelangi Bintan Indah and PT Bintan Leisure (lessor) with PT Bintan Hotel Utama (lessee) commenced on 01 July 2017 which will expire on 30 June 2037 and 1 portion of land directly owned by PT Bintan Hotel Utama. The first lease term period is 20 (twenty) years and will be automatically renewed for 2 (two) successive periods of 5 (five) years each. In arriving at the land value of the Natra Bintan Hotel, we have considered the land rental income of 2% of Gross Operating Revenue over the remaining lease period and added with the present value of the land derived upon expiry of the existing lease at year 2048. Land value is obtained by using the Land Development Method with value is assumed to growth at 5.70% per annum until 2048. The 5.70% figures derived from Compound Annual Growth Rate (CAGR) land of Bintan in for past 5 years.

The projections is always depending on several aspects i.e ; economic performance and market risk. In view to this uncertainty, our projection model is just a simulation to forecast the potential return of the Subject Property with reference made against the current market data.

We are of the opinion that the above key parameter and assumptions adopted in our valuation are in-line with present market condition.

Based on analysis above, the Market Value derived from the Land Development Method are as follows:

Description	Land Area (Sqm)	Investment Value (IDR)
Natra Bintan as a Hotel	n/a	320,543,000,000
H5 Land of Natra	52,031	144,997,000,000
Chill Cove Land Lot A4	32,070	220,728,000,000
Chill Cove Land Lot H4	33,101	229,387,000,000
Chill Cove Land Lot H6	17,807	124,693,000,000

7. CONCLUSION OF VALUE

Subject Property	Market Value (Rp)	Investment Value (Rp)
Natra Bintan as a Hotel	274,986,000,000/- (TWO HUNDRED SEVENTY FOUR BILLION NINE HUNDRED EIGHTY SIX MILLION RUPIAH)	320,543,000,000/- (THREE HUNDRED TWENTY BILLION FIVE HUNDRED FORTY THREE MILLION RUPIAH)
H5 Land of Natra	133,490,000,000/- (ONE HUNDRED THIRTY THREE BILLION FOUR HUNDRED NINETY MILLION RUPIAH)	144,997,000,000/- (ONE HUNDRED FORTY FOUR BILLION NINE HUNDRED NINETY SEVEN MILLION RUPIAH)
Chill Cove Land Lot A4	120,693,000,000/- (ONE HUNDRED TWENTY BILLION SIX HUNDRED NINETY THREE MILLION RUPIAH)	220,728,000,000/- (TWO HUNDRED TWENTY BILLION SEVEN HUNDRED TWENTY EIGHT MILLION RUPIAH)
Chill Cove Land Lot H4	126,073,000,000/- (ONE HUNDRED TWENTY SIX BILLION SEVENTY THREE MILLION RUPIAH)	229,387,000,000/- (TWO HUNDRED TWENTY NINE BILLION THREE HUNDRED EIGHTY SEVEN MILLION RUPIAH)
Chill Cove Land Lot H6	73,573,000,000/- (SEVENTY THREE BILLION FIVE HUNDRED SEVENTY THREE MILLION RUPIAH)	124,693,000,000/- (ONE HUNDRED TWENTY FOUR BILLION SIX HUNDRED NINETY THREE MILLION RUPIAH)

By using exchange rate as of valuation SGD1= Rp10,572.-, the Market Value and Investment Value are:

Subject Property	Market Value (SGD)	Investment Value (SGD)
Natra Bintan as a Hotel	26,010,000/- (TWENTY SIX MILLION TEN THOUSAND SINGAPORE DOLLARS)	30,320,000/- (THIRTY MILLION THREE HUNDRED TWENTY THOUSAND SINGAPORE DOLLARS)
H5 Land of Natra	12,627,000/- (TWELVE MILLION SIX HUNDRED TWENTY SEVEN THOUSAND SINGAPORE DOLLARS)	13,715,000/- (THIRTEEN MILLION SEVEN HUNDRED FIFTEEN THOUSAND SINGAPORE DOLLARS)
Chill Cove Land Lot A4	11,416,000/- (ELEVEN MILLION FOUR HUNDRED SIXTEEN THOUSAND SINGAPORE DOLLARS)	20,878,000/- (TWENTY MILLION EIGHT HUNDRED SEVENTY EIGHT THOUSAND SINGAPORE DOLLARS)
Chill Cove Land Lot H4	11,925,000/- (ELEVEN MILLION NINE HUNDRED TWENTY FIVE THOUSAND SINGAPORE DOLLARS)	21,697,000/- (TWENTY ONE MILLION SIX HUNDRED NINETY SEVEN THOUSAND SINGAPORE DOLLARS)
Chill Cove Land Lot H6	6,959,000/- (SIX MILLION NINE HUNDRED FIFTY NINE THOUSAND SINGAPORE DOLLARS)	11,795,000/- (ELEVEN MILLION SEVEN HUNDRED NINETY FIVE THOUSAND SINGAPORE DOLLARS)

By using exchange rate as of valuation MYR 1= Rp3,409.-, the Market Value and Investment Value are:

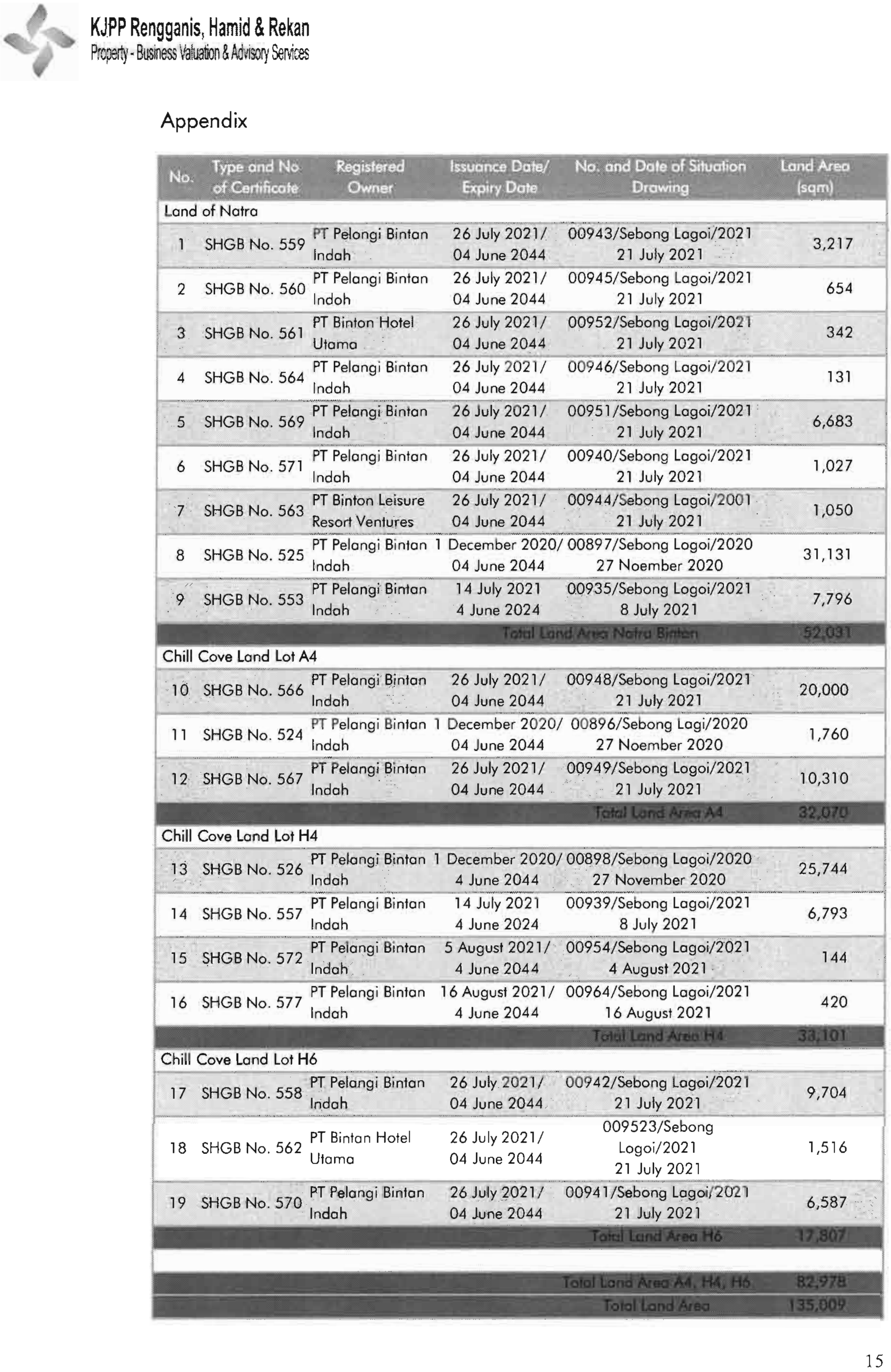
Subject Property	Market Value (MYR)	Investment Value (MYR)
Natra Bintan as a Hotel	80,665,000/- (EIGHTY MILLION SIX HUNDRED SIXTY FIVE THOUSAND MALAYSIAN RINGGIT)	94,028,000/- (NINETY FOUR MILLION TWENTY EIGHT THOUSAND MALAYSIAN RINGGIT)
H5 Land of Natra	39,158,000/- (THIRTY NINE MILLION ONE HUNDRED FIFTY EIGHT THOUSAND MALAYSIAN RINGGIT)	42,534,000/- (FORTY TWO MILLION FIVE HUNDRED THIRTY FOUR THOUSAND MALAYSIAN RINGGIT)
Chill Cove Land Lot A4	35,404,000/- (THIRTY FIVE MILLION FOUR HUNDRED FOUR THOUSAND MALAYSIAN RINGGIT)	64,749,000/- (SIXTY FOUR MILLION SEVEN HUNDRED FORTY NINE THOUSAND MALAYSIAN RINGGIT)
Chill Cove Land Lot H4	36,982,000/- (THIRTY SIX MILLION NINE HUNDRED EIGHTY TWO THOUSAND MALAYSIAN RINGGIT)	67,289,000/- (SIXTY SEVEN MILLION TWO HUNDRED EIGHTY NINE THOUSAND MALAYSIAN RINGGIT)
Chill Cove Land Lot H6	21,582,000/- (TWENTY ONE MILLION FIVE HUNDRED EIGHTY TWO THOUSAND MALAYSIAN RINGGIT)	36,578,000/- (THIRTY SIX MILLION FIVE HUNDRED SEVENTY EIGHT THOUSAND MALAYSIAN RINGGIT)

We understand that Investment Value better reflects the value of the asset in this transaction, due to the benefit that the asset owner or investor will have from developing the asset into hotel properties as part of an integrated resort with Crystal Lagoon as the focal point, and enjoy cash flow from the operation, which may not always involve a hypothetical exchange of a land parcel without similar development concept and facilities. Investment Value will reflect the financial objectives and condition of the owning/investing entity, which will be based on the income projection generated from the asset development and operation by the entity.

We are of the view that Investment Value reflects the value of the assets in this transaction due to the benefits which the owner can continue to reap from the hotel operation and to develop the remaining parcels of vacant land which form part of the integrated resort complex.

Therefore, for the purpose of this valuation, Investment Value will represent the fair and reasonable value of the Subject Property considering that the valuation was based on the potential cashflow income generated from the Subject Property.

Date of Valuation: 24 September 2021
SGD 1= Rp10,572.-, (middle rate)
MYR 1= Rp3,409.-, (middle rate)



Appendix

No.	Type and No of Certificate	Registered Owner	Issuance Date/ Expiry Date	No. and Date of Situation Drawing	Land Area (sqm)
Land of Natra					
1	SHGB No. 559	PT Pelangi Bintan Indah	26 July 2021/ 04 June 2044	00943/Sebong Lagoi/2021 21 July 2021	3,217
2	SHGB No. 560	PT Pelangi Bintan Indah	26 July 2021/ 04 June 2044	00945/Sebong Lagoi/2021 21 July 2021	654
3	SHGB No. 561	PT Bintan Hotel Utama	26 July 2021/ 04 June 2044	00952/Sebong Lagoi/2021 21 July 2021	342
4	SHGB No. 564	PT Pelangi Bintan Indah	26 July 2021/ 04 June 2044	00946/Sebong Lagoi/2021 21 July 2021	131
5	SHGB No. 569	PT Pelangi Bintan Indah	26 July 2021/ 04 June 2044	00951/Sebong Lagoi/2021 21 July 2021	6,683
6	SHGB No. 571	PT Pelangi Bintan Indah	26 July 2021/ 04 June 2044	00940/Sebong Lagoi/2021 21 July 2021	1,027
7	SHGB No. 563	PT Bintan Leisure Resort Ventures	26 July 2021/ 04 June 2044	00944/Sebong Lagoi/2001 21 July 2021	1,050
8	SHGB No. 525	PT Pelangi Bintan Indah	1 December 2020/ 04 June 2044	00897/Sebong Logoi/2020 27 Noember 2020	31,131
9	SHGB No. 553	PT Pelangi Bintan Indah	14 July 2021 4 June 2024	00935/Sebong Logoi/2021 8 July 2021	7,796
				Total Land Area Natra Bintan	52,031
Chill Cove Land Lot A4					
10	SHGB No. 566	PT Pelangi Bintan Indah	26 July 2021/ 04 June 2044	00948/Sebong Lagoi/2021 21 July 2021	20,000
11	SHGB No. 524	PT Pelangi Bintan Indah	1 December 2020/ 04 June 2044	00896/Sebong Lagi/2020 27 Noember 2020	1,760
12	SHGB No. 567	PT Pelangi Bintan Indah	26 July 2021/ 04 June 2044	00949/Sebong Logoi/2021 21 July 2021	10,310
				Total Land Area A4	32,070
Chill Cove Land Lot H4					
13	SHGB No. 526	PT Pelangi Bintan Indah	1 December 2020/ 4 June 2044	00898/Sebong Logoi/2020 27 November 2020	25,744
14	SHGB No. 557	PT Pelangi Bintan Indah	14 July 2021 4 June 2024	00939/Sebong Lagoi/2021 8 July 2021	6,793
15	SHGB No. 572	PT Pelangi Bintan Indah	5 August 2021/ 4 June 2044	00954/Sebong Lagoi/2021 4 August 2021	144
16	SHGB No. 577	PT Pelangi Bintan Indah	16 August 2021/ 4 June 2044	00964/Sebong Lagoi/2021 16 August 2021	420
				Total Land Area H4	33,101
Chill Cove Land Lot H6					
17	SHGB No. 558	PT Pelangi Bintan Indah	26 July 2021/ 04 June 2044	00942/Sebong Lagoi/2021 21 July 2021	9,704
18	SHGB No. 562	PT Bintan Hotel Utama	26 July 2021/ 04 June 2044	009523/Sebong Logoi/2021 21 July 2021	1,516
19	SHGB No. 570	PT Pelangi Bintan Indah	26 July 2021/ 04 June 2044	00941/Sebong Lagoi/2021 21 July 2021	6,587
				Total Land Area H6	17,807
				Total Land Area A4, H4, H6	82,978
				Total Land Area	135,009

FURTHER INFORMATION

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1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has seen and approved this Circular and our Board collectively and individually accepts full responsibility for the accuracy of the information given in this Circular and confirms that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

All information relating to Blumont has been obtained from publicly available documents (where available) and other information/documents provided by Blumont. Therefore, the sole responsibility of our Board is limited to ensure that such information is accurately reproduced in this Circular.

2. CONSENT AND CONFLICT OF INTEREST

2.1 Principal Adviser

HLIB, being our Principal Adviser for the Proposed Disposals, has given and has not withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

HLIB has confirmed that no conflict of interests exists or is likely to exist in its capacity as Principal Adviser for the Proposed Disposals.

2.2 Independent Adviser

FHCA, being our Independent Adviser for the Proposed Disposals, has given and has not withdrawn its written consent to the inclusion in this Circular of its name, the IAL and all references thereto in the form and context in which they appear in this Circular.

FHCA has confirmed that no conflict of interests exists or is likely to exist in its capacity as Independent Adviser for the Proposed Disposals.

2.3 Valuers

KJPP Rengganis, Hamid & Rekan, being our independent registered Valuer for the Proposed Disposals, and C H Williams Talhar & Wong Sdn Bhd ("**CBRE | WTW**"), being the reviewer of the Valuation Certificate and the valuation report in relation to the Proposed Disposals dated 30 September 2021 with regards to the compliance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia, have given and have not withdrawn their written consent to the inclusion in this Circular of their names, Valuation Certificate and all references thereto in the form and context in which they appear in this Circular.

KJPP Rengganis, Hamid & Rekan and CBRE | WTW have confirmed that no conflict of interests exists or is likely to exist in its capacity as the independent registered Valuer and compliance reviewer, respectively, for the Proposed Disposals.

3. MATERIAL COMMITMENTS

As at the LPD, our Board confirms that there are no other material commitments incurred or known to be incurred by our Group which may have a material impact on the financial position of our Group.

4. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, our Board confirms that there are no contingent liabilities which, upon being enforceable, may have a material impact on our Group's profits or NA.

Secured	**RM'000**
Corporate guarantees granted for banking facilities of a subsidiary of Landmarks	126,750

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 20th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of our EGM:

(i) our Constitution;

(ii) the SSAs;

(iii) the audited financial statements of Landmarks Group for the FYE 31 December 2019 and 2020 and the latest unaudited financial statements of our Group for the 9-month FPE 30 September 2021;

(iv) the audited financial statements of Mendol Group for the FYE 31 December 2019 and FYE 31 December 2020;

(v) the audited financial statements of Hinako Group for the FYE 31 December 2019 and FYE 31 December 2020;

(vi) the audited financial statements of Prime Group for the FYE 31 December 2019 and FYE 31 December 2020;

(vii) the audited financial statements of Enggano Group for the FYE 31 December 2019 and FYE 31 December 2020;

(viii) the audited financial statements of Mesawak Group for the FYE 31 December 2019 and FYE 31 December 2020;

(ix) the audited financial statements of Blumont Group for the FYE 31 December 2019 and FYE 31 December 2020 and the latest unaudited result of Blumont Group for the FPE 30 June 2021;

(x) the Valuation Certificate as set out in **Appendix XIII** of this Circular and the valuation report dated 30 September 2021 from the Valuer;

(xi) the letters of consent and conflict of interest referred to in **Section 2** of this Appendix; and

(xii) the material contracts referred to in **Section 5** of **Appendices I to V** of this Circular.

LANDMARKS

LANDMARKS BERHAD

Registration No.: 198901007900 (185202-H)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("**EGM**") of Landmarks Berhad ("**Landmarks**" or "**Company**") will be conducted virtually through live streaming and online voting using the Remote Participation and Voting ("**RPV**") facility from the broadcast venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur ("**Broadcast Venue**") on Friday, 8 April 2022 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following resolution:

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF THE REMAINING 49% EQUITY INTEREST IN MENDOL INVESTMENTS PTE LTD, 100% EQUITY INTEREST IN HINAKO INVESTMENTS PTE LTD, 60% EQUITY INTEREST IN PRIME HOLDINGS PTE LTD, 60% EQUITY INTEREST IN ENGGANO INVESTMENTS PTE LTD AND 60% EQUITY INTEREST IN MESAWAK INVESTMENTS PTE LTD BY TIARA GATEWAY PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF PRIMARY GATEWAY SDN BHD, WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF LANDMARKS, TO SOUTHERN ARCHIPELAGO LTD (FORMERLY KNOWN AS BLUMONT GROUP LTD ("BLUMONT")) FOR A TOTAL AGGREGATE CONSIDERATION OF SGD63.40 MILLION (EQUIVALENT TO APPROXIMATELY RM195.10 MILLION) TO BE SATISFIED VIA THE ISSUANCE OF NEW ORDINARY SHARES IN BLUMONT ("PROPOSED DISPOSALS")

"**THAT**, subject to the applicable approvals of all relevant authorities or parties being obtained (where required), approvals be and are hereby given to Tiara Gateway Pte Ltd ("**TGPL**"), a wholly-owned subsidiary of the Company to undertake the following:

(A) Proposed disposal of 2,385,514 ordinary shares in Mendol Investments Pte Ltd ("**Mendol**"), representing the remaining 49% equity interest held by TGPL in Mendol to Blumont for a consideration of SGD14.38 million (equivalent to approximately RM44.24 million) subject to the terms and conditions contained in the conditional share sale agreement dated 1 October 2021 ("**Mendol SSA**") between TGPL (together with other shareholders for their 51% equity interest on the one part) and Blumont on the other part and such other terms and conditions as the parties thereto may mutually agree upon in writing or which are imposed by the relevant authorities; and

(B) Proposed disposals of the equity interest of the following wholly-owned subsidiaries to Blumont subject to the terms and conditions contained in the conditional share sale agreement dated 1 October 2021 ("**Seychelles SSA**") between TGPL and Blumont and such other terms and conditions as the parties thereto may mutually agree upon in writing or which are imposed by the relevant authorities:

   (i) 100% equity interest in Hinako Investments Pte Ltd for a consideration of SGD13.73 million (equivalent to approximately RM42.26 million);

   (ii) 60% equity interest in Prime Holdings Pte Ltd for a consideration of SGD15.57 million (equivalent to approximately RM47.92 million);

   (iii) 60% equity interest in Enggano Investments Pte Ltd for a consideration of SGD12.82 million (equivalent to approximately RM39.46 million); and

   (iv) 60% equity interest in Mesawak Investments Pte Ltd for a consideration of SGD6.90 million (equivalent to approximately RM21.23 million).

THAT the Proposed Disposals amounting to a total aggregate of SGD63.40 million (equivalent to approximately RM195.10 million) ("**Disposal Considerations**") are to be satisfied via the issuance of 12,680,116,600 new ordinary shares in Blumont ranking pari passu ("**Blumont Shares**") at an issue price of SGD0.005 (equivalent to approximately RM0.015) per Blumont Share, subject to the terms and conditions as set out in Mendol SSA and Seychelles SSA for the Proposed Disposals.

AND THAT the Board (save for the Interested Director, as set out in the circular to shareholders dated 24 March 2022 ("**Circular**"), where required) be and is hereby empowered and authorised to give effect to the Proposed Disposals with full power (i) to assent to any condition, modification, variation and/or amendment in any manner as may be required by the relevant authorities; (ii) to deal with all matters relating to the Mendol SSA and Seychelles SSA thereto; and (iii) to do all such acts and things as they may consider necessary or expedient to implement, finalise and give full effect for the completion of the Proposed Disposals."

BY ORDER OF THE BOARD

TAN AI NING (MAICSA7015852) (SSM PC No.: 202008000067)
NELSON FOO CHEAN EE (MAICSA7070316) (SSM PC No.: 202008003986)
COMPANY SECRETARIES

SELANGOR DARUL EHSAN
Date: 24 March 2022

Notes: -

1. *As a precautionary measure in view of the COVID-19 outbreak, the EGM will be conducted on a virtual basis through live streaming and online remote voting via RPV facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("**Tricor**") TIIH Online website at https://tiih.online. Please follow the procedures provided in the Administrative Details of Landmarks' EGM in order to register, participate and vote remotely via the RPV facilities.*

   The Broadcast Venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. Members/proxies/corporate representatives are not allowed to physically present at the Broadcast Venue on the day of the EGM.

   Shareholders may submit questions to the Board of Directors prior to the EGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to login, pose questions and submit electronically no later than 6 April 2022 at 10.00 a.m., or may use the query box to transmit questions to the Board of Directors via RPV facilities during the live streaming of the EGM.

2. *In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 31 March 2022 shall be entitled to attend, participate, speak and vote at the EGM.*

3. *Each shareholder may vote remotely or by proxy or by attorney or, being a corporation, by a duly authorised representative.*

4. *If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.*

5. *A shareholder shall not be entitled to appoint more than two (2) proxies to attend and vote at the EGM. A proxy needs not be a shareholder of the Company.*

   Where a shareholder of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

   *Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

6. *Where a shareholder or an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the shareholder, authorised nominee or exempt authorised nominee specifies the proportions of the shareholder's, authorised nominee's or exempt authorised nominee's holdings, as the case may be, to be represented by each proxy in the instrument appointing the proxies.*

7. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either be executed under the seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.*

8. *If a Member of the Company entitled to attend and vote at a meeting of the Company is not able to participate in the EGM via RPV facility on Friday, 8 April 2022, in line with the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, released by Securities Commission Malaysia on 18 April 2020 and revised on 16 July 2021 ("SC Guidance Note"), we strongly encourage all Members to appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the instrument appointing a proxy (Proxy Form).*

9. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time stipulated for holding the EGM as indicated below, otherwise the instrument of proxy should not be treated as valid. Alternatively, you may also submit the form of proxy electronically via TIIH Online at website: https://tiih.online. For further information on the electronic lodgement of form of proxy, please refer to the Administrative Guide for the EGM of the Company.*

10. *Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016: -*

    (a) *the constitution of the quorum at such meeting;*

    (b) *the validity of anything he did as chairman of such meeting;*

    (c) *the validity of a poll demanded by him at such meeting; or*

    (d) *the validity of the vote exercised by him at such meeting.*

11. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution sets out in the notice of EGM will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed by the Company to conduct the poll process and verify the results of the poll respectively.*

LANDMARKS

LANDMARKS BERHAD
Registration No.: 198901007900 (185202-H)
(Incorporated in Malaysia)

FORM OF PROXY

I/We ____

NRIC No./Company No. ______________________ CDS Account No.______________________ of

____
[Full Address]

being a shareholder/shareholders of **LANDMARKS BERHAD**, hereby appoint

______________________________ NRIC No/Passport No: ______________________ of

____ and
[Full Address]

______________________________ NRIC No./Passport No:______________________ of

____
[Full Address]

or failing him/her, *the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Extraordinary General Meeting ("**EGM**") of the Company to be conducted virtually through live streaming and online voting using the Remote Participation and Voting ("**RPV**") facility from the broadcast venue at Tricor Leadership Room, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur ("**Broadcast Venue**") on Friday, 8 April 2022 at 10.00 a.m. or at any adjournment thereof.

**Please delete the words 'Chairman of the Meeting' if you wish to appoint some other person to be your proxy.*

My/Our proxies shall vote as follows:

RESOLUTION NO.	RESOLUTION	FOR	AGAINST
Ordinary Resolution	Proposed Disposals		

Please indicate with an "X" where appropriate against each resolution how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Where a shareholder appoints two (2) proxies (refer to Note 5), please specify the proportion of the shareholder's holdings to be represented by each proxy: -

Number of Shares Held

Name of Proxy	Number of Shares Represented	Percentage
		%
		%
Total		100 %

____
Signature(s)/Common Seal of Shareholder(s)

Dated this _______ day of ________________ 2022

Notes:

1. *As a precautionary measure in view of the COVID-19 outbreak, the EGM will be conducted on a virtual basis through live streaming and online remote voting via RPV facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online. Please follow the procedures provided in the Administrative Details of Landmarks' EGM in order to register, participate and vote remotely via the RPV facilities.*

   The Broadcast Venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. Members/proxies/corporate representatives are not allowed to physically present at the Broadcast Venue on the day of the EGM.

   Shareholders may submit questions to the Board of Directors prior to the EGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to login, pose questions and submit electronically no later than 6 April 2022 at 10.00 a.m., or may use the query box to transmit questions to the Board of Directors via RPV facilities during the live streaming of the EGM.

2. *In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 31 March 2022 shall be entitled to attend, participate, speak and vote at the EGM.*

3. *Each shareholder may vote remotely or by proxy or by attorney or, being a corporation, by a duly authorised representative.*

4. *If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.*

5. *A shareholder shall not be entitled to appoint more than two (2) proxies to attend and vote at the EGM. A proxy needs not be a shareholder of the Company.*

   Where a shareholder of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

*Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

6. *Where a shareholder or an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the shareholder, authorised nominee or exempt authorised nominee specifies the proportions of the shareholder's, authorised nominee's or exempt authorised nominee's holdings, as the case may be, to be represented by each proxy in the instrument appointing the proxies.*

7. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either be executed under the seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.*

8. *If a Member of the Company entitled to attend and vote at a meeting of the Company is not able to participate in the EGM via RPV facility on Friday, 8 April 2022, in line with the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, released by Securities Commission Malaysia on 18 April 2020 and revised on 16 July 2021 ("**SC Guidance Note**"), we strongly encourage all Members to appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the instrument appointing a proxy (Proxy Form).*

9. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time stipulated for holding the EGM as indicated below, otherwise the instrument of proxy should not be treated as valid. Alternatively, you may also submit the form of proxy electronically via TIIH Online at website: https://tiih.online. For further information on the electronic lodgement of form of proxy, please refer to the Administrative Guide for the EGM of the Company*

10. *Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016. -*
    (a) *the constitution of the quorum at such meeting;*
    (b) *the validity of anything he did as chairman of such meeting;*
    (c) *the validity of a poll demanded by him at such meeting; or*
    (d) *the validity of the vote exercised by him at such meeting.*

11. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution sets out in the notice of EGM will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed by the Company to conduct the poll process and verify the results of the poll respectively.*

Personal Data Privacy

By submitting the proxy form, the shareholder accepts and agrees to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of preparation and compilation of documents relating to the EGM (including any adjournment thereof).

Fold this flap for sealing

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AFFIX
STAMP

The Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
(Registration No: 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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