THIS CIRCULAR TO SHAREHOLDERS OF LANDMARKS BERHAD ("LANDMARKS" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

LANDMARKS

LANDMARKS BERHAD

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE FOLLOWING:

PART A

PROPOSED ACQUISITION BY TIARA GATEWAY PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF PRIMARY GATEWAY SDN BHD, WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF LANDMARKS BERHAD 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 (EQUIVALENT TO APPROXIMATELY RM29.77 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 (EQUIVALENT TO APPROXIMATELY RM924,919), THROUGH THE PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN PT BUANA WISATAMA ("PROPOSED ACQUISITION")

PART B

INDEPENDENT ADVICE LETTER FROM FHMH CORPORATE ADVISORY SDN BHD IN RELATION TO THE PROPOSED ACQUISITION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A	Independent Adviser for Part B
UOB Kay Hian	Ferrier Hodgson CORPORATE FINANCE
UOB Kay Hian Securities (M) Sdn Bhd	**FHMH Corporate Advisory Sdn Bhd**
(Registration No. 199001003423 (194990-K))	(Registration No. 200701016946 (774955-D))
(A Participating Organisation of Bursa Malaysia Securities Berhad)	(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, 30 April 2021 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 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. 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, 28 April 2021 at 10.00 a.m., or at any adjournment thereof
Date and time of the EGM …………………………	:	Friday, 30 April 2021, at 10.00 a.m., or at any adjournment thereof

This Circular is dated 15 April 2021

DEFINITIONS

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

"Act"	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof
"BMW"	:	PT Buana Megawisatama (Company NIB No. 9120104132799)
"Board"	:	The Board of Directors of Landmarks
"BPN"	:	Badan Pertanahan Negara, the competent regulatory authority of the Government of the Republic of Indonesia responsible for land transactions in the Republic of Indonesia
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"Cash Consideration"	:	Cash amount of SGD303,750 (equivalent to approximately RM924,919), being part of the Purchase Consideration
"Consideration Shares"	:	84,830,494 Landmarks Shares to be issued at an issue price of RM0.34 each, being part of the Purchase Consideration
"Circular"	:	This circular to shareholders of Landmarks dated 15 April 2021 in relation to the Proposed Acquisition
"Completion Date"	:	The completion date of the Proposed Acquisition
"Conditions Precedent"	:	The conditions precedent of the SSA, as set out in **Appendix I** of this Circular
"Constitution"	:	The constitution of Landmarks
"COVID-19"	:	Coronavirus disease 2019
"Cut-Off Date"	:	30 April 2021, or such other extended date as may be mutually agreed between the parties to the SSA
"DCF"	:	Discounted cash flow
"DRC"	:	Depreciated replacement cost
"Director(s)"	:	Has the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007
"EPS"	:	Earnings per share
"FHCA" or "Independent Adviser"	:	FHMH Corporate Advisory Sdn Bhd (Registration No. 200701016946 (774955-D))
"FPE"	:	Financial period ended/ending
"FYE"	:	Financial year ended/ending
"HGB"	:	Hak Guna Bangunan No. 00105/Sebong Lagoi in relation to the Land

"HGB Extension"	:	Extension of the HGB for an additional 20 years to 2044
"IAL"	:	Independent advice letter from the Independent Adviser to the non-interested shareholders of Landmarks in relation to the Proposed Acquisition, which is appended as **Part B** of this Circular
"IMB"	:	Ijin Mendirikan Bangunan, 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 the Property
"Interested Director"	:	The Director of Landmarks who is deemed interested in the Proposed Acquisition pursuant to Chapter 10 of the Listing Requirements, namely Mark Wee
"Interested Major Shareholders"	:	The major shareholders of Landmarks who are deemed interested in the Proposed Acquisition pursuant to Chapter 10 of the Listing Requirements, namely Zimulia Sdn Bhd, North Symphony Sdn Bhd, Winning Elite Holdings Limited and Rilms Singapore Pte Ltd
"Interested Parties"	:	Collectively, the Interested Major Shareholders and Interested Director
"IPH"	:	Ijin Peralihan Hak, in relation to the Land, the approval to transfer the HGB from BMW to PTBW issued by the BPN in Jakarta
"KJPP Wilson" or the "Independent Valuer"	:	KJPP Willson dan Rekan in association with Knight Frank
"Land"	:	Lot AR1 Wisma, located at Treasure Bay Bintan, Bintan Island, Republic of Indonesia, having a total estimated area of 12,578 square meters
"Landmarks" or the "Company"	:	Landmarks Berhad (Registration No.: 198901007900 (185202-H))
"Landmarks Group" or the "Group"	:	Collectively, Landmarks and its group of companies
"Landmarks Share(s)"	:	Ordinary shares in Landmarks
"Land SPA"	:	The agreement for sale and purchase of the Subject Property dated 25 May 2012 between BMW and PTBW
"LCC"	:	Lee Chen Chui
"LCC/VKF SSA"	:	Conditional share sale agreement dated 15 September 2020 entered into between the Vendor and LCC and VKF for the purchase of the entire equity interest in PTBW by the Vendor from LCC and VKF
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	9 April 2021, being the latest practicable date prior to the printing and despatch of this Circular
"LPS"	:	Loss per share
"Market Day(s)"	:	Any day(s) between Monday to Friday (inclusive), excluding public holidays, and any day on which Bursa Securities is open for trading of securities

"Mark Wee" or "Vendor"	:	Mark Wee Liang Yee
"NA"	:	Net assets
"PAT"	:	Profit after tax
"Primary Gateway"	:	Primary Gateway Sdn Bhd (Registration No. 200601027989 (747745-H)), a wholly-owned subsidiary of Landmarks
"Property"	:	Double-storey commercial building built upon an area of 12,578 square meters land plot and 4,782 square meters building area known as *"Main Entrance Building and Facilities"* of Treasure Bay, located at Bintan Resort Area, Jalan Raya Haji, Sebong Lagoi Village, District of Teluk Sebong, Bintan Regency, Riau Islands, Indonesia
"Property Lease Agreement"	:	Lease agreement dated 1 June 2015 entered between PTBW (as the lessor) and PT Treasure Development Services, a subsidiary company of Landmarks Group (as the lessee) in relation to the Property, which was subsequently novated to the Tenant (PT Treasure Bay Attractions) pursuant to a novation agreement dated 1 January 2020
"Proposed Acquisition"	:	Proposed acquisition by Tiara Gateway of the Subject Property from the Vendor through the proposed acquisition of the entire equity interest in PTBW for the Purchase Consideration
"PTBW"	:	PT Buana Wisatama (Company NIB No. 1287000222631), details of which are set out in **Part A, Section 2.7** of this Circular
"Purchase Consideration"	:	The purchase consideration of SGD9,775,792 (equivalent to approximately RM29,767,287) for the Proposed Acquisition to be satisfied through the issuance of the Consideration Shares and Cash Consideration
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"Remaining PTBW Share(s)"	:	500 ordinary shares in PTBW, representing 0.1% equity interest in PTBW
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"Rules of Bursa Depository"	:	The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 of Malaysia
"SC"	:	Securities Commission Malaysia
"Solid Ally"	:	Solid Ally Investments Limited (BVI Company No. 1011856), details of which are set out in **Part A, Section 2.6** of this Circular
"Solid Ally Group"	:	Collectively, Solid Ally and its subsidiary, being PTBW
"Solid Sale Share"	:	1 ordinary share in Solid Ally, representing the entire equity interest in Solid Ally
"SSA"	:	Conditional share sale agreement dated 2 December 2020 entered into between Tiara Gateway and the Vendor for the Proposed Acquisition

"Subject Property"	:	The HGB and the Property
"Tenant"	:	PT Treasure Bay Attractions (Company NPWP No. 03.149.964.3-224.000), a subsidiary company of Landmarks Group
"Tiara Gateway" or "Purchaser"	:	Tiara Gateway Pte Ltd (Registration No. 201130300E), a wholly-owned indirect subsidiary of Landmarks
"UOBKH" or the "Principal Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
"Valuation Report"	:	The valuation report issued by the Independent Valuer dated 31 December 2020 on the Subject Property
"VKF"	:	Vong Kian Fatt
"VWAP"	:	Volume-weighted average market price

Currencies

"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"SGD"	:	Singapore Dollar
"USD"	:	United States Dollar

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. Reference to persons shall include a corporation, unless otherwise specified. All references to "you" in this Circular are to the shareholders of Landmarks.

Any reference in this Circular to any enactment is a reference 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.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that Landmarks' plans and objectives will be achieved.

Unless otherwise stated, the exchange rate of SGD1.00: RM3.045 and USD1.00: RM4.078 as extracted from Bank Negara Malaysia as at 1 December 2020, being the last market day prior to signing of the SSA is used throughout this Circular.

TABLE OF CONTENTS

THE REST OF THE PAGE HAS BEEN INTENTIONALLY LEFT BLANK

This Executive Summary highlights only the salient information of the Proposed Acquisition. You are advised to read this Circular in its entirety for further details of the Proposed Acquisition and not to rely solely on this Executive Summary in forming a decision on the Proposed Acquisition before voting at the EGM.

KEY INFORMATION		SUMMARY
Summary of the Proposed Acquisition	:	The Proposed Acquisition involves the acquisition by Tiara Gateway of the Solid Sale Share and the Remaining PTBW Shares from the Vendor for the Purchase Consideration through the issuance of the Consideration Shares and Cash Consideration. Upon completion of the Proposed Acquisition, Tiara Gateway will ultimately hold the entire equity interest in PTBW and accordingly, PTBW shall become a wholly-owned subsidiary of the Landmarks Group. Please refer to **Part A, Section 2** of this Circular for further details of the Proposed Acquisition.
Mode of settlement	:	The Purchase Consideration will be satisfied through the Consideration Shares and Cash Consideration to the Vendor to be paid in the following manner:-

Payment terms	SGD	RM equivalent	%
Cash Consideration	303,750	924,919	3.11
Balance Purchase consideration via the Consideration Shares	9,472,042	28,842,368	96.89
	9,775,792	**29,767,287**	**100.00**

Please refer to **Part A, Section 2.4** of this Circular for further details of the mode of settlement of the Purchase Consideration.

Rationale of the Proposed Acquisition : Our Board expects the Proposed Acquisition to contribute positively to Landmarks Group as set out below:-

(i) upon completion of the Proposed Acquisition, the Company will have full control over the Property which is the key access point to Treasure Bay Bintan and would allow Landmarks Group to have the flexibility to undertake any future upgrade or expansion of the Property;

(ii) the Proposed Acquisition will result in rental savings of approximately RM3.0 million per annum to Landmarks Group; and

(iii) the Proposed Acquisition is able to mitigate the uncertainty of securing further extension of the Property Lease Agreement as well as possible rental hike upon the expiry of the Existing Rental Terms.

Please refer to **Part A, Section 3** of this Circular for further details of the rationale and justification for the Proposed Acquisition.

Risk factors	:	The potential risk factors are as follows:- (i) impact of the COVID-19 pandemic on Landmarks' financial and business operations as well as on the Proposed Acquisition; (ii) completion risk in relation to the Proposed Acquisition; (iii) business and operational risk; (iv) dependency on key management personnel; (v) general economic, political and regulatory conditions; and (vi) foreign exchange and translation risk. Please refer to **Part A, Section 6** of this Circular for further details of the risk factors.
Approvals required	:	The Proposed Acquisition is subject to the following approvals being obtained:- (i) Bursa Securities, for the listing of and quotation for 84,830,494 Consideration Shares to be issued pursuant to the Proposed Acquisition, which was obtained on 7 April 2021; (ii) the non-interested shareholders of Landmarks for the Proposed Acquisition at the forthcoming EGM; and (iii) any other relevant authorities/parties, if required. Pursuant to the SSA, the Proposed Acquisition is conditional upon PTBW obtaining the approvals from relevant authorities/parties, which includes, but is not limited to, the BPN for the HGB Extension. Please refer to **Part A, Section 9** of this Circular for further details of the approvals required/obtained for the Proposed Acquisition.
Interests of directors, major shareholder and/or persons connected with them	:	Save as disclosed below, none of the directors, major shareholders and/or person connected to them have any interest, whether direct or indirect, in the Proposed Acquisition. Mark Wee, the Executive Deputy Chairman & Chief Executive Officer and substantial shareholder of Landmarks is deemed interested in the Proposed Acquisition by virtue of him being the Vendor of Solid Ally and PTBW. In addition, the Interested Major Shareholders namely, Zimulia Sdn Bhd, North Symphony Sdn Bhd, Winning Elite Holdings Limited and Rilms Singapore Pte Ltd are deemed to be interested in the Proposed Acquisition in view of the Vendor's interests in these companies. The Proposed Acquisition is deemed a related party transaction under Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Parties. Please refer to **Part A, Section 12** of this Circular for further details of the interests of directors, major shareholder and/or persons connected with them.
Directors' recommendation	:	Our Board recommends that you vote **FOR** the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM. Please refer to **Part A, Section 16** of this Circular for further details of the Directors' recommendation.

PART A

LETTER TO THE SHAREHOLDERS OF LANDMARKS IN RELATION TO THE PROPOSED ACQUISITION

LANDMARKS

LANDMARKS BERHAD

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

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

15 April 2021

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: The shareholders of Landmarks Berhad

Dear Sir/ Madam,

PROPOSED ACQUISITION

1. INTRODUCTION

On behalf of the Board, UOBKH had, on 2 December 2020, announced that Tiara Gateway had on even date entered into the SSA with the Vendor to acquire the Subject Property through the acquisition of the entire equity interest in PTBW for the Purchase Consideration to be satisfied through the issuance of the Consideration Shares and Cash Consideration.

On 7 April 2021, UOBKH had, on behalf of the Board, announced that Bursa Securities had vide its letter on even date, resolved to approve the listing of and quotation for the 84,830,494 Consideration Shares to be issued pursuant to the Proposed Acquisition, subject to the conditions as disclosed in **Part A, Section 9** of this Circular.

In view of the interests of the Interested Director and Interested Major Shareholders of Landmarks in the Proposed Acquisition as disclosed in **Part A, Section 12** of this Circular, the Proposed Acquisition is deemed to be a related party transaction under Paragraph 10.08 of the Listing Requirements. Accordingly, FHCA has been appointed as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of Landmarks on the Proposed Acquisition. The IAL in relation to the Proposed Acquisition is set out in **Part B** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF LANDMARKS WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITION AS WELL AS TO SEEK THE APPROVAL FROM THE SHAREHOLDERS OF LANDMARKS FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

SHAREHOLDERS OF LANDMARKS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM.

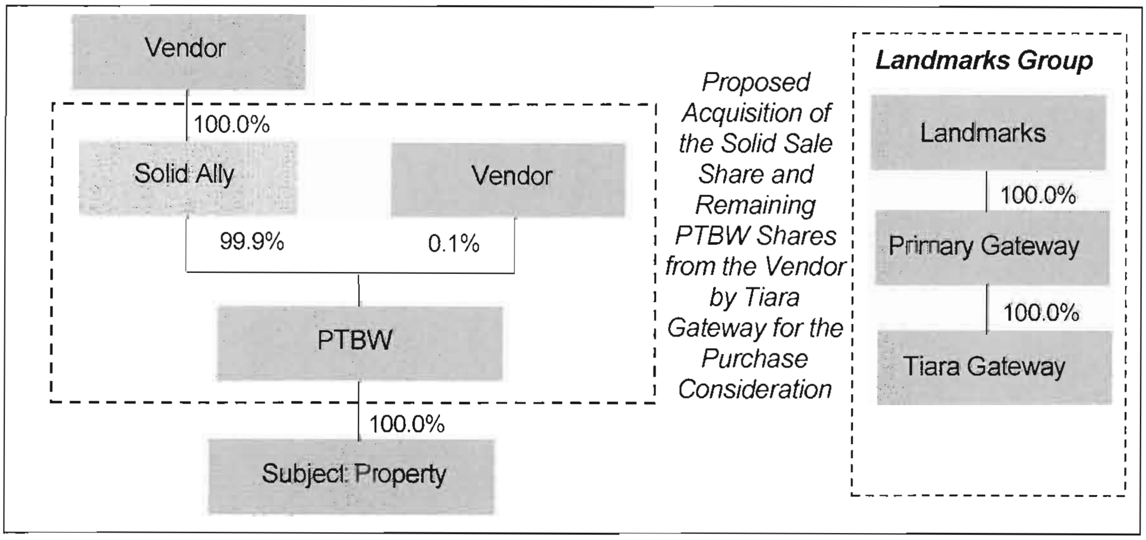
2. DETAILS OF THE PROPOSED ACQUISITION

The Proposed Acquisition shall entail the proposed acquisition by Tiara Gateway of the Solid Sale Share and the Remaining PTBW Shares from the Vendor for the Purchase Consideration, which will be satisfied through the issuance of the Consideration Shares and Cash Consideration.

The Solid Sale Share and the Remaining PTBW Shares will be acquired free from all encumbrances, liens, charges and with all rights accruing to those together with all rights, benefits and entitlements attaching thereto as at the completion of the SSA.

Upon completion of the Proposed Acquisition, Tiara Gateway will ultimately hold the entire equity interest in PTBW and accordingly, PTBW shall become a wholly-owned subsidiary of the Landmarks Group.

A summary of the Proposed Acquisition is set out as follows:-



The Vendor had on 15 September 2020, entered into the LCC/VKF SSA to purchase the entire equity interest in PTBW, which was satisfied entirely via cash. This LCC/VKF SSA was entered into by the Vendor with the purpose of resolving issues related to rental arrears for the Subject Property between Landmarks Group and PTBW, being the lessor of the Subject Property as well as to mitigate any termination risk of the Property Lease Agreement. Recognising the importance of the Subject Property to the Group and the need to secure the Subject Property expeditiously, the Vendor in his personal capacity decided to enter into the LCC/VKF SSA. The Vendor was also cognisance of the lengthy timeframe required to obtain the necessary Board, regulatory and shareholders' approval as well as the need to commence a formal valuation process on the Subject Property during a pandemic when travel arrangements to visit the Subject Property was restricted. It is also pertinent to note that the Vendor will not incur any gain or loss from the sale of his 100% equity interest in PTBW to Landmarks Group.

The Vendor is currently the beneficial owner of 100.0% equity interest in PTBW via his direct and indirect equity interest held in PTBW. However, the Solid Sale Share and Remaining PTBW Shares have not yet been transferred to, and registered in the name of the Vendor. It is deemed to be more economical and time efficient to transfer the Solid Sale Share and Remaining PTBW Shares directly to Tiara Gateway rather than transferring these shares to the Vendor first. It is Conditions Precedent under the SSA that the undated share transfer instruments plus such other documents as are necessary to register the transfer of the Solid Sale Shares and Remaining PTBW Shares in favour of Tiara Gateway be duly executed by LCC and VKF and furnished to Tiara Gateway to safeguard Landmark Group's interest, such that the transfer and registration will take place after completion of the Proposed Acquisition.

PTBW in turn is the owner of the Land and the Property pursuant to the Land SPA entered into between PTBW and BMW dated 25 May 2012. As at the date of the SSA, the IMB, being the license to build and erect buildings and structures on the Land issued in relation to the Property dated 24 February 1993 has been issued by Bupati Kepala Daerah Tingkat II in favour of BMW. The HGB is due to expire in 2024. The issue of the IMB and IPH in favour of PTBW, the transfer and registration of the HGB in PTBW's name and the successful HGB Extension are Conditions Precedent to completion under the SSA. The registration of the transfer of the HGB from BMW to PTBW has been completed on 23 March 2021. For the purpose of the aforesaid transfer, the IPH is exempted/not required, hence, the issue of IPH in favour of PTBW is not applicable. PTBW had submitted the necessary applications for the HGB Extension and the issue of the IMB to BPN on 7 April 2021.

The Subject Property is leased to Landmarks Group pursuant to the Property Lease Agreement dated 1 June 2015 entered between PTBW (as the lessor) and PT Treasure Development Services, subsidiary company of Landmarks Group (as the lessee). The Property Lease Agreement has since been novated to and taken over by the Tenant on 1 January 2020. At present, the monthly rental under the Property Lease Agreement is SGD81,000 (equivalent to approximately RM246,645) per month up to 31 December 2023.

2.1 Information on Treasure Bay Bintan and the Subject Property

Landmarks Group is the main developer of Treasure Bay Bintan, a 338-hectare waterfront resort city and a premier tourism destination located on the Indonesian island of Bintan. Treasure Bay Bintan development is located in the Lagoi area, next to Bintan's Bandar Bintan Telani Ferry Terminal, which is the main gateway to Bintan Resort from Singapore. The activities at Treasure Bay Bintan comprises the following:-

(i) Natra Bintan a Tribute Portfolio Resort, a tented luxury glamping resort operated by Marriott International ("**Natra Bintan**");
(ii) Chill Cove, an activity hub surrounding the Crystal Lagoon ("**Chill Cove**");
(iii) ANMON, a desert inspired glamping concept for nomadic communities ("**ANMON Resort**");
(iv) Organic Farm;
(v) Marine Life Discovery Park ("**Marine Park**"); and
(vi) 26.5 hectares of prime land earmarked for hotel and resort development.

The Subject Property is currently being used as the Main Entrance Building of Treasure Bay Bintan, Landmarks Group's hospitality and wellness destination that is being developed on Bintan Island, Indonesia. The Main Entrance Building is used in part as a commercial facility to support Treasure Bay Bintan activities, and in part as the operating office of Treasure Bay Bintan.

The Subject Property is primely located on the south side of Crystal Lagoon in Treasure Bay Bintan and is accessible from popular tourist transportation facilities such as the Bandar Bintan Telani Ferry Terminal, Tanjung Uban Ferry Terminal and Hang Nadim International Airport in Batam.

The summary of the salient details of the Subject Property are, amongst others, set out as follows:-

Postal address	:	Treasure Bay Bintan, Jalan Raya Haji, Sebong Lagoi Village, District of Teluk Sebong, Bintan Regency, Riau Island Province, Indonesia
Land title particulars	:	Right to Build (Hak Guna Bangunan) Certificate No. 00105/ Sebong Lagoi
Land area	:	12,578 square meters ("**sqm**")
Gross building area of Property	:	4,782 sqm
Net leasable area	:	3,013 sqm
Tenure	:	30 years (expiring in 2024)(1)
Registered owner	:	BMW(1)(2)
Category of land use	:	Tourism
Approximate age of building	:	Approximately 27 years of age
Existing use	:	Main Entrance Building of Treasure Bay Bintan
Encumbrances	:	Nil
Net book value(3)	:	SGD491,308 (equivalent to approximately RM1,496,033)
Market value/ Investment value(4)(5)	:	SGD7,188,937 (equivalent to approximately RM22,022,952)/ SGD9,498,827 (equivalent to approximately RM29,099,186)
Tenancy description	:	Property is leased to the Tenant for a period of 9 years starting 1 January 2015 until 31 December 2023 and divided into 3 terms with 3 years for each term
Occupancy rate (%)	:	100.0%

Notes:-

(1) The registration of the transfer of HGB from BMW to PTBW has been completed on 23 March 2021. Following this, PTBW had submitted the necessary applications to BPN on 7 April 2021 to seek for an extension for the HGB for an additional 20 years to 2044. The approval of the HGB Extension is expected to be obtained by end April 2021. The relevant costs involved in the HGB Extension amounted to approximately SGD6,945.

(2) BMW is the original holder of the HGB who has entered into the Land SPA with PTBW.

(3) Based on the latest unaudited financial statements of PTBW for the FYE 31 December 2019.

(4) As appraised by the Independent Valuer, being the independent registered valuer appointed by the Company, vide its valuation report dated 31 December 2020. The Independent Valuer had adopted the DCF method and DRC method in appraising the market value of the Subject Property and DCF method in appraising the investment value of the Subject Property.

(5) Computed based on the exchange rate of RM1.00: Indonesian Rupiah 3,527.865 or SGD1.00: Indonesian Rupiah 10,807.44 as extracted from the Central Bank of Indonesia as at 27 October 2020, being the date of valuation of the Valuation Report.

2.2 Basis and justifications of determining the Purchase Consideration

The Purchase Consideration of approximately SGD9.78 million (equivalent to approximately RM29.77 million) was arrived at on a 'willing buyer-willing seller' basis, after taking into account the following:-

(i) 100% of the total value of the Subject Property of SGD11,905,088 (equivalent to approximately RM36,250,993), being the net tangible assets of Solid Ally Group at historical cost of SGD2,896,396 (equivalent to approximately RM8,819,526) plus the property revaluation surplus of SGD9,008,692 (equivalent to approximately RM27,431,467) as at 31 October 2020;

(ii) after deducting the amount owing by the previous shareholder of Solid Ally to Solid Ally amounting to SGD2,129,296 (equivalent to approximately RM6,483,706) as at 31 October 2020;

(iii) the market value and investment value of the Subject Property of SGD7,188,937 (equivalent to approximately RM22,022,952) and SGD9,498,827 (equivalent to approximately RM29,099,186), respectively as appraised by the Independent Valuer based on the Valuation Report;

(iv) the strategic location and the earnings potential of the Subject Property, being the main entrance of Landmarks Group's flagship Treasure Bay Bintan; and

(v) the rationale for the Proposed Acquisition as set out in **Section 3** below.

The basis of the valuation adopted by the Independent Valuer are as follows:-

(i) Market value, which is defined as the estimated amount for which an asset or liability should exchange or to be paid on the valuation cut-off date between a willing buyer and a 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, which is defined as the value of an asset to the owner or a prospective owner for individual investment or operational objectives.

The Independent Valuer has adopted a reconciliation between the DCF method and DRC method in determining the opinion on market value, whilst the investment value of the Subject Property is derived using the DCF method. The Valuation Certificate in respect of the Subject Property prepared by the Independent Valuer is set out in **Appendix II** of this Circular.

The Purchase Consideration of RM29,767,287 represents a premium of approximately 35.16% to the appraised market value of RM22,022,952 and represents a premium of 2.30% to the appraised investment value of RM29,099,186. The Board has adopted the investment value given the strategic nature of the Subject Property as set out in **Part A, Section 3** of this Circular.

2.3 Basis and justifications of determining the issue price of the Consideration Shares

The issue price for the Consideration Shares was fixed at RM0.34 per Consideration Share, derived after taking into consideration, amongst others, the following:-

(i) the 5-day VWAP of Landmarks Shares of RM0.34 up to and including 1 December 2020 (being the last trading day prior to the signing of the SSA); and

(ii) the rationale for the Proposed Acquisition as set out in **Part A, Section 3** of this Circular.

2.4 Mode of settlement of the Purchase Consideration

The Purchase Consideration will be satisfied through the Consideration Shares and Cash Consideration to the Vendor to be paid in the following manner:-

Payment terms	Timing	SGD	RM equivalent	%
Cash Consideration*	Within 14 days from the date of the SSA	303,750	924,919	3.11
Balance Purchase consideration via the Consideration Shares	Upon completion of the SSA	9,472,042	28,842,368	96.89
		9,775,792	**29,767,287**	**100.00**

Note:-

* *The Cash Consideration will be refunded to the Purchaser in the event that the Conditions Precedent cannot be met either by the Purchaser or the Vendor respectively,*

2.5 Source of funding

The Purchase Consideration will be funded through a combination of the Consideration Shares and internally generated funds of Landmarks Group.

2.6 Information on Solid Ally

Solid Ally was incorporated in the British Virgin Islands ("**BVI**") on 21 February 2006 as a BVI Business Company limited by shares and having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, Virgin Islands, British. The principal activity of Solid Ally is investment holding.

As at the LPD, the issued share capital of Solid Ally is USD1 comprising 1 ordinary share in Solid Ally.

Please refer to **Appendix III** and **Appendix IV** of this Circular for further information on Solid Ally.

2.7 Information on PTBW

PTBW was established in Indonesia on 12 February 2005 as a limited liability company and having its correspondence address at Jl. Raja Haji, No. 54, Kawasan Pariwisata Lagoi, Kel. Sebong Lagoi, Kec. Telok Sebong, Kab. Bintan, Prov. Kepulauan Riau. PTBW is principally engaged in the business of real estate activities/property owner.

As at the LPD, the issued share capital of PTBW is USD500,000 comprising 500,000 ordinary shares in PTBW. As at the LPD, PTBW does not have any subsidiary and associate companies.

Please refer to **Appendix V** and **Appendix VI** of this Circular for further information on PTBW.

2.8 Original costs and dates of investment by the Vendor

The original costs of investment by the Vendor in Solid Ally and PTBW is SGD9.78 million (equivalent to approximately RM29.77 million) and date of investment is 15 September 2020. The Vendor has declared that he has not derived any gain or loss arising from the Proposed Acquisition.

2.9 Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issuance to the Vendor, rank equally in all respects with the existing Landmarks Shares, save and except that the Consideration Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the relevant date of allotment and issuance of the Consideration Shares.

2.10 Listing of and quotation for the Consideration Shares

An application has been made to Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities, of which the approval had been obtained on 7 April 2021.

2.11 Liabilities to be assumed by Landmarks

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SSA, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by Landmarks Group pursuant to the Proposed Acquisition.

2.12 Additional financial commitment required

Save for the Purchase Consideration, there are no additional financial commitment required by Landmarks Group to put the assets and/or business of Landmarks on stream after the completion of the Proposed Acquisition.

2.13 Details of fund raising exercises undertaken by Landmarks Group for the past 12 months

The Company had on 25 September 2020 announced a private placement of not more than 10% of the total number of Landmarks Shares in accordance with the general mandate pursuant to Sections 75 and 76 of the Act ("**Private Placement**"). The Company has placed out 52,889,067 Shares ("**Placement Share(s)**") at an issue price of RM0.22 per Placement Share, raising total gross proceeds of approximately RM11.64 million. The Private Placement was completed on 5 November 2020. Please refer to the announcement of Landmarks dated 25 September 2020 for further details of the Private Placement.

The status of the utilisation of the said gross proceeds from the Private Placement as at the LPD is set out below:-

Details of utilisation	Timeframe for utilisation	Proposed utilisation (RM'000)	Amount utilised as at the LPD (RM'000)
Repayment of bank borrowings	Within 3 months from the completion of Private Placement	3,700	3,700
Working capital	Within 3 months from the completion of Private Placement	7,836	7,872
Estimated expenses	Upon completion of the Private Placement	100	(1)64
Total		**11,636**	**11,636**

Note:-

(1) The proposed estimated expenses in relation to the Private Placement was RM0.10 million, of which RM0.06 million was utilised for the intended purpose. Therefore, the remaining unutilised amount of RM0.04 million has been channelled to finance the general working capital of the Company.

Save for the Private Placement, the Company has not undertaken any other fund raising exercise in the past 12 months up to the LPD.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED ACQUISITION

Landmarks Group is principally involved in two business sectors as follows:-

(i) hospitality business in respect of the Group's crown jewels consist of The Andaman Resort, a luxury collection resort in Langkawi and Natra Bintan, a 5-star hotel in Treasure Bay Bintan; and

(ii) destination resort developer business in respect, primarily, of the Group's landbank located in Treasure Bay Bintan comprising 338-hectares, which represents around 90% of the Group's assets, as well as a smaller landbank in Langkawi of 12-hectares.

Treasure Bay Bintan is a 338 hectare integrated resort city in Indonesia's Bintan Island that is located 45 kilometers south-east of Singapore, which integrate tourism, wellness, culture, leisure, residential and commercial real estate. The activities at Treasure Bay Bintan comprises Natra Bintan, Chill Cove, ANMON Resort, Organic Farm, Marine Park and 26.5 hectares of prime land earmarked for hotel and resort development as disclosed under **Part A, Section 2.1** of this Circular.

3.1 Fire incident at The Andaman Resort

The Company had on 13 January 2021, announced that a fire incident occurred at The Andaman Resort, which affected the lobby and main reception area, two F&B outlets as well as the north wing of The Andaman Resort. The resort has since ceased operations. Subsequently, on 29 January 2021, the Company announced that it is considered as an affected listed issuer as it has triggered Paragraph 8.03A(2)(a) of the Listing Requirements in consequence of the fire incident. However, the Company has submitted an application to Bursa Securities on 28 January 2021 to seek for a waiver from complying with Paragraph 8.03(A)(3) of the Listing Requirements on the grounds that the Company can demonstrate to Bursa Securities that its remaining business is viable, sustainable and has growth prospects, supported with appropriate justifications ("**Waiver Application**"). On 23 March 2021, the Company announced that Bursa Securities had on 22 March 2021 issued a decision letter to reject the Waiver Application.

Bursa Securities' decision was made on the following grounds:-

(i) Notwithstanding the Company's view that the cessation of operations of The Andaman Resort due to the fire incident is temporary, the re-commencement of operations of The Andaman Resort in the near future remains uncertain at this juncture. Until the completion of the rebuilding of The Andaman Resort, Landmarks would depend on the Group's 338-hectare prime waterfront resort city located on Treasure Bay Bintan operation which has been loss making in the past 5 FYEs 31 December 2019 and the FPE 30 September 2020;

(ii) The Group had registered operating and net losses for the past 5 FYEs up to 31 December 2019 and for the FPE 30 September 2020; and

(iii) The Group did not register 2 consecutive quarters of net profits prior to the Waiver Application.

Taking into consideration the latest unaudited FPE 31 December 2020 results which were only approved by the Board on 23 March 2021 and therefore could not be made available and known to Bursa Securities when they made decision to reject the Waiver Application, the Company had decided to submit an application to Bursa Securities requesting a reconsideration of their rejection of the Waiver Application ("**Proposed Application**"). The Proposed Application was subsequently submitted to Bursa Securities on 29 March 2021. In the event that the Proposed Application is not approved by Bursa Securities, the Company will be required to undertake a regularisation plan. The Company wishes to confirm that the Proposed Acquisition will not form part of any regularisation plan that may have to be undertaken by the Company.

Following the fire incident at The Andaman Resort, the Board has formed a committee to evaluate and formulate a rebuilding and repositioning plan for The Andaman Resort. The Company has commenced the planning of the reconstruction and rebuilding works for The Andaman Resort and expects it to be completed within a period of 24 months from the date of the approvals being obtained from the relevant authorities in relation to the reconstruction and rebuilding plan.

3.2 Rationale and justification for the Proposed Acquisition

It is essential and strategically important that the Landmarks Group undertakes the Proposed Acquisition irrespective of the fire incident at The Andaman Resort. The Property is the Main Entrance Building of, and key access point into Treasure Bay Bintan. Without full control and ownership over the Property, the Landmarks Group will be vulnerable and open to threats/risks, should other third parties purchase this Property. Given the unfortunate fire incident at The Andaman Resort, Treasure Bay Bintan has now become the sole core operating business contributing to the Landmarks Group's profitability and growth until The Andaman Resort is rebuilt and able to recommence its operations. Hence it is even more crucial that Landmarks Group undertake the Proposed Acquisition. The Proposed Acquisition will also allow Landmarks Group to have flexibility in undertaking any future upgrades or expansion of the Property as well as to attract and enhance the tenancy mix at the Property. However, the Group has no immediate plans to undertake any upgrades or expansion on the Property at this juncture.

The Group remains focused and committed in growing its overall business operations in Treasure Bay Bintan and may if the opportunities arise, undertake prospective ventures in relation to its hotels and resorts, as well as its 26.5 hectares prime land earmarked for hotel and resort development in Treasure Bay Bintan as further disclosed in **Part A, Section 5.5** of this Circular. The Company will make necessary announcements in accordance with the Listing Requirements, as and when it enters into any agreement in relation to any potential ventures. In the event such transactions require shareholders' approval and/or other regulatory approvals, the Company will obtain the necessary approvals to undertake the said transactions.

The Group's destination resort developer business is primarily based on the Group's 338-hectares of prime landbank in Treasure Bay Bintan. The Group has to-date, developed the core infrastructure for the overall development but has so far only developed a small portion of the landbank for the operation of hotels, resorts and other related facilities. In view of the size of the landbank in Treasure Bay Bintan, the Group's master plan for Treasure Bay Bintan is not confined or limited to only building and operating a hospitality business through the existing hotels, i.e. Natra Bintan, Chill Cove, ANMON Resort, Organic Farm and Marine Park, but also includes amongst others, tourism development, residential development, township development, land and asset divestment such as embarking on joint ventures with potential investors to develop parcels of land as well as designing, building, operating and sale of resorts, hotels or commercial properties to investors.

Given the amount of capital investment and resources that are required to achieve the Group's plan, as a matter of prudence, it has avoided encumbering Treasure Bay Bintan assets resulting in zero gearing for the Group. It has always been part of the Group's strategy to look outwards for potential partners and investors to assist in the development of the 338-hectares in Treasure Bay Bintan.

It is pertinent to note that the Proposed Acquisition will be undertaken without putting any constraints on the cash flow of Landmarks Group as a substantial amount of the Purchase Consideration will be satisfied through new issuance of Landmarks Shares. Aside from retaining substantial part of the Property for its own use, the Landmarks Group also intends to continue to sub-lease available retail spaces to suitable third party retailers. The entire Property is currently leased to the Tenant under the Property Lease Agreement. The Tenant has occupied 77% of the lettable area for internal use and rented the balance 23% lettable area to certain third party retailers, consist of amongst others restaurant, food and beverages, music lounge and recreation. These sub-tenants have contributed RM660,000 per annum to Landmarks Group for the FYE 31 December 2019, which was before the COVID-19 pandemic. The Tenant plan to lease out part of its internal use area to third party retailers for better rental income in the future when the opportunity arises.

In addition, the Proposed Acquisition will also result in rental savings of approximately RM3.0 million per annum to Landmarks Group. Since the commencement of the Property Lease Agreement, Landmarks Group has expended more than RM10.0 million in rental payments to PTBW, which were all funded via internally generated funds of the Landmarks Group. The Proposed Acquisition also mitigates the risk of increasing rental rates and the loss of right to use the Property in the event the Property Tenancy Agreement is terminated or is not renewed in the future.

Premised on the above, the Proposed Acquisition is expected to contribute positively to Landmarks Group in the future, thus enhancing Landmarks' shareholders' value in the medium to long term.

4. ADDITIONAL INFORMATION OF LANDMARKS GROUP

4.1 The current financial position of Landmarks Group

The financial performance of Landmarks Group for the past 3 financial years up to the FYE 31 December 2019 and the unaudited 12-month FPE 31 December 2020 are as follows:-

	Audited FYE 31 December			Unaudited	
	2017 (RM'000)	2018 (Restated) (RM'000)	2019 (RM'000)	12-month FPE 31 December 2020 (RM'000)	12-month FPE 31 December 2019 (RM'000)
Revenue	103,812	111,437	116,601	37,965	116,601
Loss before tax	(26,104)	(32,610)	(55,196)	(1,782)	(55,196)
Profit/(Loss) after tax attributable to the owners of the Company ("**PAT**")/("**LAT**")	(29,826)	(36,003)	(100,233)	67,414	(100,233)
Retained earnings	1,000,502	1,156,302	1,056,390	1,124,551	1,056,390
NA	1,739,090	1,887,637	1,789,808	1,866,632	1,789,808
Borrowings	94,850	133,419	121,411	125,776	121,411
Gearing (times)	0.05	0.07	0.07	0.07	0.07
No. of issued shares ('000)	528,891	528,891	528,891	581,779	528,891
Basic earnings/(loss) per share (sen)	(5.84)	(6.81)	(18.95)	12.54	(18.95)
NA per share (RM)	3.29	3.57	3.38	3.21	3.38
Current ratio (times)	4.13	5.50	2.53	2.48	2.53

Commentary on past performance

i) **Audited FYE 31 December 2017**

The Group recorded a revenue of approximately RM103.81 million for the FYE 31 December 2017, which represents an increase of approximately RM20.65 million or 24.83% as compared to the revenue of approximately RM83.16 million recorded in the FYE 31 December 2016. The increase in revenue was mainly attributed to the better performance from The Andaman Resort and Treasure Bay Bintan.

The Group incurred a LAT of approximately RM29.83 million for the FYE 31 December 2017, representing an increase of approximately 6.76% or RM1.89 million as compared to the LAT of approximately RM27.94 million in the FYE 31 December 2016. The increase in LAT was mainly due to the expenses incurred for new projects in Treasure Bay Bintan being ANMON Resort and Marine Park located in Bintan Island, Indonesia.

ii) **Audited FYE 31 December 2018**

The Group recorded a revenue of approximately RM111.44 million for the FYE 31 December 2018, which represents a slight increase of approximately RM7.63 million or 7.35% as compared to the revenue of approximately RM103.81 million recorded in the FYE 31 December 2017. The increase in revenue was mainly attributed to better operational performances from The Andaman Resort and Treasure Bay Bintan.

The Group incurred a LAT of approximately RM36.00 million for the FYE 31 December 2018, representing an increase of approximately 20.68% or RM6.17 million as compared to the LAT of approximately RM29.83 million incurred in the FYE 31 December 2017. Include in the LAT for FYE 31 December 2017 was a RM12.56 million earned from share of profits and gain on disposal of the associated company of Landmarks, MSL properties Sdn Bhd. The LAT in FYE 31 December 2018 includes property development cost written off of RM4.45 million and the recognition of share-based payment of RM3.78 million.

iii) **Audited FYE 31 December 2019**

The Group recorded a revenue of approximately RM116.60 million for the FYE 31 December 2019, which represents a slight increase of approximately RM5.16 million or 4.63% as compared to the revenue of approximately RM111.44 million for the FYE 31 December 2018. The increase in revenue was mainly attributed to revenue generated from the newly opened ANMON Resort in October 2019.

The Group recorded a LAT of approximately RM100.23 million for the FYE 31 December 2019, representing an increase of approximately 178.42% or RM64.23 million as compared to the LAT of approximately RM36.00 million in the FYE 31 December 2018. The increase in LAT was mainly due to the deferred tax expense of RM42.50 million derived from the reclassification of land held for sale to own use in Indonesia, write off of loan financing transaction cost of RM7.44 million, delays and disruption caused by works for the ANMON Resort as well as the upgrading of The Canopi Resort to Natra Bintan and the Marine Park.

iv) **Unaudited 12-month FPE 31 December 2020**

For the 12-month FPE 31 December 2020, the Group recorded a revenue of approximately RM37.97 million, which represents a decrease of approximately 67.44% or RM78.63 million to the revenue of approximately RM116.60 million in the corresponding period in the preceding financial year. The decrease in revenue was mainly due to the decline in revenue of the hospitality segment of Landmarks due to the international travel restrictions.

The Group recorded a PAT of approximately RM67.41 million in the FPE 31 December 2020 as compared to the LAT of approximately RM100.64 million in the FPE 31 December 2019 mainly due the following:-

(i) the one-off gain on disposal of 51.0% 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;

(ii) lower operating costs were incurred by our Singapore office in the FPE 31 December 2020 amounting to RM6.73 million as compared to RM13.77 million incurred in the corresponding period in the preceding financial year due to costs rationalisation exercise;

(iii) lower finance cost of RM6.24 million was incurred as compared with RM16.60 million in the FYE 31 December 2019 which is inclusive of the one-off loan financing transaction cost written off in the corresponding period in the preceding financial year amounting to RM7.44 million;

(iv) The Andaman Resort incurred an operating loss of RM8.58 million compared to operating profit of RM14.94 million in the corresponding period in the preceding financial year mainly due to low occupancy rate caused by the COVID-19 pandemic and consequential travelling restrictions; and

(v) Natra Bintan incurred higher operating loss of RM15.40 million as compared to RM10.03 million in 2019 mainly due COVID-19 pandemic which resulted in temporary closure of hotel business operations from second quarter to third quarter in the current financial year.

4.2 How the Proposed Acquisition will create value to Landmarks and its shareholders

The Proposed Acquisition will allow the Group to have full control over the ownership of the Property (being the Main Entrance Building of, and key access point into Treasure Bay Bintan). Through the Proposed Acquisition, the Group will also have the flexibility to undertake any future upgrades or expansion of the Property, details of which as further disclosed in **Part A, Section 3** of this Circular.

In addition, in view that the Purchase Consideration will be substantially funded through the issuance of the Consideration Shares as compared to bank borrowings, the Proposed Acquisition will not incur any additional interest expenses as compared to bank borrowings. In view thereof, the issuance of Consideration Shares would minimise any potential cash outflow in respect of interest servicing, which may erode the Group's profitability.

For illustration purposes only, should the portion of the Purchase Consideration of which to be satisfied through the issuance of Consideration Shares amounting to of approximately RM28.84 million be raised through bank borrowings instead of issuance of the Consideration Shares and based on the Group's current average interest rate of 4.25% per annum, the Group would incur additional finance costs of approximately RM1.23 million per annum. Therefore, the issuance of Consideration Shares will allow the Group to save on interest and preserve funds for its business operations.

4.3 How the Proposed Acquisition will impact Landmarks and its shareholders

The effects of the Proposed Acquisition on the issued share capital, substantial shareholdings, the NA and gearing, as well as the earning and EPS of Landmarks Group have been disclosed in **Part A, Section 7** of this Circular. The Proposed Acquisition is expected to improve the LPS of the Group as the Company will consolidate the earnings of Solid Ally Group upon completion of the Proposed Acquisition. For illustrative purposes, after consolidating the PAT of Solid Ally Group of SGD0.63 million (equivalent to approximately RM1.92 million) into the Group's earnings, the LPS of the Group is expected to improve from 17.77 sen to 15.30 sen under the Minimum Scenario and 13.94 sen under the Maximum Scenario. The LPS may be diluted accordingly consequent to the issuance of the Consideration Shares pursuant to the Proposed Acquisition in the event the earnings of the Group do not increase in line with the increased number of Landmarks Shares to be issued pursuant to the Proposed Acquisition.

4.4 The adequacy of the Proposed Acquisition in addressing Landmarks' financial concerns

As disclosed in **Part A, Section 6.1** of this Circular, the Group is undertaking various cost control and cash flow management initiatives as a result of travel restrictions and overall challenging environment being experienced in the hotel and tourism sector.

Based on the Property Lease Agreement, the current monthly rental rate is SGD81,000 (equivalent to approximately RM246,645) per month up to 31 December 2023 ("**Existing Rental Terms**"). Since the commencement of the Property Lease Agreement, Landmarks Group has expended more than RM10.0 million in rental payments to PTBW, which were all funded via internally generated funds of the Landmarks Group. The Proposed Acquisition will result in a rental saving of approximately RM3.0 million per annum to Landmarks Group and to mitigate the uncertainty of securing further extension of the Property Lease Agreement as well as possible rental hike upon the expiry of the Existing Rental Terms. In addition, the Landmark Group will be able to continue to earn rental income arising from the sub-lease of approximately 23% of the lettable area of the Property to third party retailers. The Tenant also plans to lease out part of its internal use area to third party retailers for better rental income in the future when the opportunity arises, details of which as disclosed in **Part A, Section 3.2** of this Circular.

Barring any unforeseen circumstances and premised on the above, the Board, having considered all the relevant aspect, including the rationale and justification for the Proposed Acquisition as set out in **Part A, Section 3** of this Circular and the industry outlook as set out in **Part A, Section 5** of this Circular, is of the view that the Proposed Acquisition is expected to contribute positively to the future financial performance of the enlarged Landmarks Group and may potentially enhance the shareholders' value in the future. In addition, the Board will continue to monitor the financial performance of Landmarks Group over the longer term as well as the ongoing COVID-19 pandemic, and will continue to assess and evaluate all other suitable proposals for the Group should the need or opportunity arise.

5. INDUSTRY OVERVIEW AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

In line with the reopening of the economy from earlier COVID-19 containment measures and improving external demand conditions, the Malaysian economy recorded a smaller contraction of 2.7% in the third quarter. This recovery is seen across most economic sectors, particularly the manufacturing sector, which turned positive on account of strong electrical and electronics (E&E) production activity. On the expenditure side, domestic demand contracted at a slower pace, while net exports rebounded. On a quarter-on-quarter seasonally adjusted basis, the economy turned around to register an expansion of 18.2% (2Q 2020: -16.5%).

Domestic demand recorded a smaller decline of 3.3% in the third quarter of 2020 (2Q 2020: -18.7%), driven by improvements in both consumption and investment activity. Household spending was mainly supported by gradual recovery in income conditions, while investment activity benefitted from the ease of containment measures. Net exports rebounded to record a positive growth of 21.9% (2Q 2020: -38.6%), driven by a larger improvement in exports vis-à-vis imports. Private consumption recovered significantly from the trough in the second quarter to record a smaller contraction of 2.1% (2Q 2020: -18.5%).

Household spending improved with further loosening of movement restrictions, while broad income conditions gradually recovered amid resumption of economic activities. The improvement in spending was reflected in the uptrend across most retail and financing data during the quarter. Private consumption activity was also supported by stimulus measures such as the EPF i-Lestari withdrawals, wage subsidies and sales tax reduction for cars.

In the third quarter, the Malaysian economy improved markedly following the gradual lifting of nationwide containment measures, as well as support from better external demand conditions. The recent resurgence of COVID-19 cases and targeted containment measures in most states could affect the momentum of the recovery in the final quarter of the year. However, as most economic sectors have been allowed to continue to operate, subject to sectoral standard operating procedures (SOPs), the impact is unlikely to be as severe as the containment measures during previous periods.

Going into 2021, growth is expected to improve further, benefitting from the recovery in global demand and spillovers onto the domestic sectors, continued policy support including the recent KITA PRIHATIN and 2021 Budget measures, as well as higher production from existing and new facilities. However, the pace of recovery will be uneven across sectors with some industries expected to remain below pre-pandemic levels, and a slower improvement in the labour market. The balance of risks is tilted to the downside, emanating mainly from ongoing uncertainties surrounding COVID-19 globally and domestically. However, the economy could benefit from a larger-than-expected positive impact from various policy measures, and better-than-expected recovery in global economy.

(Source: Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2020, Bank Negara Malaysia)

Malaysia's economy is projected to grow by 6.7 percent in 2021. This rebound can be attributed to a low base in 2020, continued improvements in exports and a gradual build-up of momentum in private consumption and investment.

The strength and timing of Malaysia's economic recovery will depend largely on the timely availability of an effective mass vaccination program. Malaysia is expected to receive its vaccine supply in stages, with the first batch of COVID-19 vaccines expected to arrive in Q1 2021, which would allow the vaccination of at least 20 percent of the Malaysian population by the end of 2021. The vaccine rollout is likely to boost consumer and business confidence, contributing to a gradual strengthening of private sector activity.

(Source: Malaysia Economic Monitor, World Bank Group, December 2020)

5.2 Overview and outlook of the Indonesian economy

Indonesia's real GDP growth eased modestly to 5.0 percent year-on-year in Q3 2019, in line with consensus forecasts, from 5.1 percent in Q2. The contribution of domestic demand to GDP declined with slower consumption, especially by the Government. Fixed investment growth also softened in Q3. The weakness in domestic demand was mirrored by a large contraction of import volumes, which together with flat exports meant that net exports made a larger contribution to growth. On the production side, the mining, manufacturing and financial sectors reported faster growth, while agriculture and other service sectors grew considerably slower.

In gross value-added terms, growth also edged down from 5.0 percent in Q2 to 4.9 percent in Q3. Most service sectors saw stronger growth compared to Q2. After contracting for the first time in 9 quarters in Q2, the mining sector saw a recovery and booked positive growth, partly driven by the front loading of nickel mining activities ahead of the nickel export ban that comes into effect in January 2020. The manufacturing sector, driven partly by higher demand for Indonesian furniture products from abroad, also recorded an uptick in activity. In contrast, growth in the agriculture sector eased sharply to 3.1 percent, partly due to the adverse effects of the El Nino drought season. Similarly, in line with the deceleration in investment activity, particularly in building and structures, the construction sector growth slowed modestly

(Source: Indonesia Economic Quarterly, December 2019, The World Bank)

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

Activity in the services sector recovered substantially, with growth recording a smaller contraction of 4.0% (2Q 2020: -16.2%). The wholesale and retail trade subsector showed a marked improvement, with accelerated sales in the motor vehicles segment following the Sales and Services Tax (SST) exemptions, as well as better performance of the retail trade segment, supported by higher demand for necessities. The recovery, however, was weighed down by subdued spending on non-essential retail goods, such as durable goods and recreational activities. In addition, tourism activity remained weak due to continued closure of international borders, affecting key sub-sectors such as food and beverage and accommodation, as well as transport and storage. Nevertheless, relaxation on movement restrictions enabled resumption of domestic travel activity, and facilitated an incipient restoration of activity in these sub-sectors.

Meanwhile, the finance and insurance sub-sector registered positive growth, supported by higher capital market activity, particularly from domestic retail participants, as well as higher net interest and fee income. In addition, growth in the information and communication sub-sector continued to improve amid higher demand for data communication services, particularly driven by the rise of remote working arrangements.

While still remaining negative, private sector wage growth recorded a smaller decline (-2.6%; 2Q 2020: -5.6%). Wages for the private services sector registered a smaller contraction of 2.5% (2Q 2020: -6.4%). This improvement was driven by tourism-related services subsectors, such as wholesale and retail trade; food and beverage and accommodation; transport and storage; as well as health; education; and arts and entertainment. In the manufacturing sector, wages recorded a lower contraction of 2.7% (2Q 2020: -4.0%), attributable to the E&E, primary-related, and construction-related clusters.

(Source: Economic and Financial Developments in the Malaysian Economy in the Third Quarter of 2020, Bank Negara Malaysia)

As the ease of movement restrictions from the Malaysian government, there is a spike in tourism activity locally. During the period of the Aidiladha and the school holiday, many took the opportunity to travel within the country. Subsequently, there were more demand in accommodation, food & beverages and entertainment & arts, recreational services which encourage businesses to retain or even to increase job opportunities. In other words, the resumption of economic activities had resulted in revival of the labour force situation.

As the permission to operate extended to more sectors including tourism, education, entertainment & recreational activities, the total labour force grew by 55.0 thousand persons to 15.82 million persons compared to June 2020. Year-on-year, labour force registered an increase of 113.9 thousand persons (0.7%) from 15.70 million persons (July 2019). The Labour Force Participation Rate in July 2020 remained at 68.1 per cent. However, it was lower by 0.4 percentage points as against the same month of the previous year.

(Source: Key Statistics of Labour Force in Malaysia July 2020, Department Of Statistics Malaysia)

The tourism industry, with a share of 15.9% of GDP, is one of the main contributors to the services sector in 2019. Domestic tourists contributed RM92.6 billion while international tourists spent RM89.4 billion in 2019. 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. According to Malaysia Association of Hotels, hotel booking cancellations from January 2020 to 20 March 2020 breached over 193,000 rooms, which translates into RM76 million losses in revenue for the industry. At the same time, the hotel occupancy rate dropped from 61.6% in January 2020 to 25% in March 2020. With the gradual recovery of the economy, the accommodation industry started to pick-up with the occupancy reaching 42.1% from 30 August to 5 September 2020. In addition, the Malaysian aviation industry is projected to lose RM13 billion in 2020 as air travel plummeted following international travel restrictions. As it is still uncertain when a vaccine for COVID-19 will be available and made accessible to all, the tourism industry is facing a bleak near-term future.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

5.4 Overview and outlook of the Indonesian tourism, leisure and hospitality industry

The broad spread of COVID-19 lowered global economic growth to levels below 2019 through several channels. The impact of the COVID-19 pandemic severely restricted global economic activity, primarily through the tourism, trade and investment channels. Economic activity was also impeded by the COVID-19 containment strategies employed in various countries, resulting in partial or total lockdowns. The spread of COVID-19 outside China further impacted projections of economic growth. By way of examples, restrictions on business and leisure travel undermined global tourism; low economic activity in trading partner countries hurt exports with feedback into demand for domestic products; and restrictions on business travel reduced investment, including in industries that require foreign workers. In the midst of these rapidly changing dynamics, Bank Indonesia again downgraded its global economic growth projection for 2020, this time to 2.5%, with signs of large downside risks.

(Source: 2019 Economic Report on Indonesia, Bank Indonesia)

The contribution of tourism to national GDP in Indonesia stood at 5.5% in 2019, absorbing 13 million workers. In terms of foreign exchange receipts, tourism contributed Rp280 trillion, second only to the palm oil industry. Most foreign exchange receipts nationally originate from the Balinusra region.

The COVID-19 pandemic has triggered extraordinary pressures on the global and national tourism sector. According to data from the United Nations World Tourism Organisation (UNWTO), visits by international travellers declined by 70% (yoy) in 2020 as a corollary of the pandemic. Similarly, international arrivals to Indonesia as of September 2020 experienced an 88.95% (yoy) contraction.

(Source: Regional Economic and Financial Review, Nusantara Report, November 2020, Bank Indonesia)

According to the Minister of Tourism and Creative Economy (Menparekraf) of the Republic of Indonesia, Sandiaga Salahuddin Uno, the tourism sector in the Riau Islands would be open in April 2021. Sandiaga Salahuddin Uno has added Batam and Bintan to a travel corridor arrangement with Singapore that would allow foreign visitors back in the resort islands for the first time during the COVID-19 pandemic.

Meanwhile, according to the Governor of Riau Islands Province Ansar Ahmad, tourism areas in Batam and Bintan will be opened to foreign tourists starting in 21 April 2021. Lagoi in Bintan and Nongsa Point Marina Batam will be the entry points for foreign tourists.

(Source: Bintan Regency Culture and Tourism Office)

5.5 Prospects of Landmarks Group

The travel, tourism and hotel industry's outlook remains uncertain and challenging as the COVID-19 pandemic has yet to see any signs of easing and travelling restrictions are still being imposed by many countries. These challenges, particularly the health risks caused by the pandemic will continue to have a huge negative impact on the Landmarks Group's operations and overall business.

In addition, on 13 January 2021, the Board announced that a fire incident has occurred at The Andaman Resort in Langkawi, which has damaged the lobby and main reception area, two F&B outlets as well as the north wing of The Andaman Resort. Subsequently, on 29 January 2021, the Company announced that it has triggered Paragraph 8.03A(2)(a) of the Listing Requirements in consequence of the unfortunate fire incident. Accordingly, the Company is considered as an affected listed issuer. However, the Company has on 28 January 2021 submitted an application to Bursa Securities to seek for a waiver from complying with Paragraph 8.03(A)(3) of the Listing Requirements on the grounds that the Company can demonstrate to Bursa Securities that its remaining business is viable, sustainable and has growth prospects, supported with appropriate justifications. On 23 March 2021, the Company announced that Bursa Securities had on 22 March 2021 issued a decision letter to reject the Waiver Application as earlier disclosed in **Part A, Section 3** of this Circular.

The Company has since commenced the planning of the rebuilding works of The Andaman Resort and the management targets it to be completed by mid of 2023. The cost of rebuilding works is expected to be fully funded from the fire insurance claim to be received from the insurer. The exact cost of rebuilding works and the amount of the insurance claim to be received have not yet been ascertained at this juncture. In addition, the Group has also received RM42.24 million as the cash consideration arising from the disposal of a 51% equity interest in Mendol Investments Pte Ltd on 23 December 2020, the proceeds of which have yet to be utilised.

Following the unfortunate fire incident, the revenue from The Andaman Resort, which is the Group's main revenue contributor over the past 13 years, will be affected. However, in view that The Andaman Resort buildings were insured for a total of RM151.1 million and that the consequential business insurance is for RM56.2 million over a period of 18 months and for employees' salary costs for RM15.8 million over a period of 12 months, the Group is expected to record other income arising from insurance recovery for the fire damages to the resort. The Company and the adjusters are currently assessing the value of the damages sustained by the fire.

Notwithstanding the COVID-19 pandemic and fire incident above, the Company believes that the acquisition of the Property is essential to Landmarks Group as the Property is strategically located at the Main Entrance of the Landmarks Group's Treasure Bay Bintan, a 338-hectare waterfront resort city located on the Indonesian island of Bintan. The Property is located in Lagoi area, a resort area which is a growing tourist destination in Bintan, Riau Island. Further, in view that Treasure Bay Bintan is located within the Special Economic Zone, it will benefit from any development within the cooperation framework of governments of Indonesia and Singapore.

Treasure Bay Bintan was temporarily closed during the period from April 2020 to July 2020 due to the COVID-19 pandemic. The Indonesian Minister of Tourism and Creative Economy had on, 20 March 2021 announced that the preparations have begun for a "safe travel corridor" between Singapore, Batam Nongsa and Bintan Lagoi and proposed that the travel corridor is expected to begin on 21 April 2021. In view of this, the Company is gearing up for the resumption for the hotel operations in Treasure Bay Bintan and the Board expects that there will be a fairly quick recovery for tourism in Bintan once the borders between Indonesia and Singapore open.

Landmarks Group will monitor closely the performance of Treasure Bay Bintan and take every opportunity to re-establish and enhance its market share as travel restrictions ease. The Landmarks Group is hopeful that the Malaysian economy and global economy as a whole, especially the tourism industry, will recover in the next year as visitor sentiment improves with the gradual containment in the COVID-19 pandemic.

Triggered by the downturn in the tourism industry resulting from the COVID-19 pandemic, the Group took the proactive step of reviewing its business strategies in 2020 and, in addition to a cost-cutting exercise, took the opportunity to realign and reposition the Group's business model. Hence, the business model for Treasure Bay Bintan was fine-tuned, so that the following positions and strategies were further developed:-

(i) master planner of 338-hectare of a prime waterfront land bank asset;

(ii) building the infrastructure to support the 338-hecatres of land;

(iii) disposal of parcels of land for 3rd parties to develop the land;

(iv) embark on joint ventures with potential investors to develop parcels of land;

(v) design, build and operate resorts, hotels or commercial properties; and

(vi) design, build, operate and sell resorts, hotels or commercial properties to investors.

Furthermore, a presidential regulation was signed by the Indonesian Government on 2 February 2021 which put labour-intensive industries on the priority list to spur both domestic and foreign investment of Indonesia and prop up job creation and to help pandemic-hit workers who have lost their jobs. The construction sector, which is both labour intensive and capital intensive, is a priority sector that will potentially benefit from the fiscal and non-fiscal incentives of the presidential regulation. As such, Landmarks Group will reap the benefits of the incentives as the Group plans to develop and construct the new theme hotels in Treasure Bay Bintan in the near future. In addition, several investment incentives and facilities have also been offered by the Indonesian Government to the foreign investors, including but not limited to tax allowances, a super deduction tax and public private partnerships as an effort to revive the tourism sector of Indonesia which augur very well for Landmarks Group's efforts in seeking prospective partners and potential investors for Treasure Bay Bintan.

Landmarks Group also anticipates that the operating expenses of the Group will continue to decrease in 2021 due to the following several cost-cutting efforts which has been undertaken by the Group during 2020:-

(i) the Proposed Acquisition (which is the subject matter of this Circular) expected to result in a rental saving of approximately RM3.00 million per annum to Landmarks Group;

(ii) the consequential business insurance over a period of 12 months which covers any on-going overhead expenses incurred by The Andaman Resort such as employees' salary costs; and

(iii) Landmarks Group is seeking a loan moratorium from OCBC Bank (Malaysia) Berhad in respect of the term loan facilities. Upon approval of the loan moratorium from OCBC Bank (Malaysia) Berhad, the Group anticipates that the finance cost of the Group will be potentially reduced.

The Board believes that prospects of the Property is positive after taking into consideration, inter-alia, the strategic location and accessibility of the Property as well as the future outlook and prospects of Treasure Bay Bintan. Notwithstanding the temporary suspension of the Group's operations at The Andaman Resort due to the fire incident in January 2021, the Board believes that the Group remains financially viable and sustainable as it focus on growing its business and operations in Treasure Bay Bintan. Given the encouraging recent quarterly results, the new foreign investment environment in Indonesia and the Group's comprehensive business model, which saw the roll-out of certain key strategies in 2020, the Group is on a growth trajectory and will remain financially viable and sustainable. The Board further believes that the Landmarks Group will be able to overcome the current hurdle once the COVID-19 pandemic subsides with the availability of the COVID-19 vaccines, and to also emerge stronger once The Andaman Resort resume operations.

(Source: Management)

6. RISK FACTORS

The Board does not anticipate that the Proposed Acquisition will result in a material change to the risk profile of the Landmarks Group except the inherent risk factors associated with the tourism industry, of which the Landmarks Group is already involved in, and will be addressed as part of the Landmarks Group's ordinary course of business.

6.1 Impact of the COVID-19 pandemic on Landmarks' financial and business operations as well as on the Proposed Acquisition

Over the past few months, the COVID-19 pandemic has spread across the world resulting in lockdowns, closure of international borders, travel restrictions or similar measures as imposed by governments worldwide to curb the spread of the virus. This has led to a significant disruption in travel volumes and hotel occupancies around the world, including Malaysia and Indonesia. As the COVID-19 pandemic continues to cause travel and movement restrictions, the Landmarks Group's financial and hotel operations have been materially adversely affected. As a result of COVID-19 and travel restrictions, the Group's hotels business operations have been temporarily disrupted since March 2020 during the earlier Movement Control Oder ("**MCO**") phase.

While the COVID-19 pandemic appears to be under control in some countries with the progressive relaxation of measures by the respective governments, there can be no assurance that the countries in which Landmarks Group operates will not suffer another wave of COVID-19 infection in the future. Should the respective governments reintroduce travel and movement restrictions, Landmarks Group's businesses may deteriorate. The Group's hospitality business in both Langkawi and Bintan were adversely affected by the COVID-19 pandemic resulting in the operating profit for The Andaman Resort in the FYE 2020 to be around RM600,000.

The Company took steps to minimise the impact of this on its overall business by taking cost cutting measure during the FYE 2020. The Group has also taken the necessary steps to ensure all requirements in terms of dissemination of information, temperature monitoring, hygiene, sanitising and disinfection are in place to safeguard its guests and staff from the COVID-19 disease. Crisis management plans and safety standard operating procedures are constantly being reviewed to mitigate the risk. For better understanding of the financial impact of COVID-19 on the Group during the FYE 31 December 2020, please refer to **Part A, Section 4.1** of this Circular on the reviews of the latest financial performance.

Despite the COVID-19 outbreak, the Board anticipates that the Proposed Acquisition is expected to contribute positively to Landmarks Group in the long term as stated in **Part A, Section 3** of this Circular. As at this juncture, the Group has not experienced any material impact to the Proposed Acquisition as a result of the COVID-19 pandemic. However, there is no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that Landmarks Group will be able to generate sufficient revenue and earnings therefrom to maintain its level of revenue or profit generated in the foreseeable future.

The impact of the COVID-19 pandemic on the market value of the Property was also noted in the Valuation Report. It was stated that the outbreak of the COVID-19 pandemic has impacted the global financial market, including the market activity of all sectors in the Indonesian market. The current response to the COVID-19 pandemic shows that the global financial market is faced with an unprecedented set of circumstances on which to base a judgement. The Valuation Report is therefore reported on the basis of "material valuation uncertainty" per VPGA 100 of the RICS Valuation – Global Standard. A higher degree of caution should be attached to the valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, the Independent Valuer recommended that the valuation of the Property to be under frequent review.

The Landmarks Group will continue to review its business development strategies and undertake appropriate measures such as cost control measures to mitigate the impact from the COVID-19 outbreak. However, there could be no assurance that any prolonged COVID-19 pandemic which are beyond the Group's control, will not materially affect the Group's financial and business operations as well as the Proposed Acquisition and the market value of the Property.

6.2 Completion risk in relation to the Proposed Acquisition

The Proposed Acquisition is still subject to, amongst others, the approval of the shareholders of Landmarks at the forthcoming EGM as well as the fulfillment of the other Conditions Precedent of the SSA as disclosed in **Appendix I** of this Circular. In the event the Conditions Precedent are not fulfilled, the Proposed Acquisition may not be completed, which may result in the failure of the Landmarks Group to achieve the objective and benefits of the Proposed Acquisition.

In addition to the risk of non-completion, the Proposed Acquisition may be aborted in the event that the SSA are terminated as a result of any breach or default attributable to any of the parties. However, Landmarks Group will take reasonable steps that are within its control to ensure that the Conditions Precedent relating to the SSA are fulfilled within the prescribed timeframe, and complete the Proposed Acquisition.

6.3 Business and operational risk

Landmarks is subject to inherent risk in the tourism industry such as changes in economic, political and social condition (including the recent COVID-19 pandemic as disclosed under **Part A, Sections 6.1** and **6.5** of this Circular), customer preferences, the cyclical nature of the hotel market, changes in government priorities and legislation, changes in legal and environmental framework and increase in cost of labour.

Any adverse changes in these conditions may have an adverse material effect on the tourism industry as well as the Company. The Landmarks Group will adopt prudent management and efficient operating procedures to adapt to any negative changes in the tourism industry. However, no assurance can be given that any changes in these factors will not have any material adverse effect on the Landmarks Group's business and financial performance.

6.4 Dependency on key management personnel

The growth and success of the resort hotel development and management activities of the Landmarks Group, to a large extent, is dependent on the expertise, capabilities and continued efforts of the key management personnel. Failure to retain the key management personnel or finding suitable replacement for any outgoing key management personnel in a timely manner may affect the operations and financial performance of the Landmarks Group.

Hence, Landmarks continuously strive to adopt appropriate measures to retain the key management personnel, including offering incentives and competitive remuneration packages. In order to avoid over dependence on any key management personnel, Landmarks will also continue to attract suitably qualified personnel to expand the key management team by offering competitive remuneration packages and benefits, which in turn will help ensure the continuity and competency of the resort hotel development and management business of Landmarks Group.

6.5 General economic, political and regulatory conditions

Like all other business entities, adverse developments in political, economic, regulatory and social conditions in Malaysia or overseas, directly or indirectly, could materially and adversely affect the financial prospects of the Landmarks Group. Amongst the political, economic and regulatory uncertainties are changes in the risks of economic downturn, natural disasters and outbreak of infectious diseases such as the COVID-19, unfavourable monetary and fiscal policy changes, exchange control regulations or introduction of new rules and regulations, changes in interest rates, inflation and taxation and political leadership.

The spread of the COVID-19 has resulted in uncertainties not only in Malaysia but in the global economy as well. On 16 March 2020, the Govemment announced the imposition of the MCO to curb the spread of COVID-19 outbreak in Malaysia which took effect from 18 March 2020 to 3 May 2020, which required all government and private premises except those involved in providing essential services to be closed during the period of enforcement of MCO. The impact of the COVID-19 and the counter measures in the form of the MCO by the Government have negatively impacted the Landmarks Group's operations and profitability as further disclosed in **Part A, Section 6.1** of this Circular.

In mitigating such risk, Landmarks Group will adopt a proactive approach in keeping abreast of economic, financial and political developments locally and globally, and monitoring the COVID-19 situation closely in order for Landmarks to take immediate appropriate measures in a timely manner. However, there is no assurance that any changes to the general economic, political and regulatory conditions will not have a material adverse effect on the results of operations and financial condition of the Landmarks Group.

6.6 Foreign exchange and translation risk

Landmarks Group is exposed to foreign exchange risk on hotel revenue and purchases that are denominated in a currency other than the respective functional currencies of the Landmarks Group's entities. The currencies giving rise to this risk are primarily USD, SGD and Indonesian Rupiah. However, this risk may be mitigated by hedging instruments which the Landmarks Group may enter into from time to time.

Further, Landmarks Group also subject to translation risk as the consolidated financial statements are denominated in RM while the financial statements of all the companies within Landmarks Group are prepared in their respective functional currencies, namely USD, SGD and/or Indonesian Rupiah. In the preparation of the consolidated financial statements of Landmarks Group, the financial statements of these companies are translated from their respective functional currencies based on the prevailing exchange rates and subsequently, at exchange rates prevailing on the balance sheet date. Any significant appreciation of the RM against the respective foreign currencies would adversely affect Landmarks Group's operating results.

7. EFFECTS OF THE PROPOSED ACQUISITION

The proforma effects of the Proposed Acquisition have been illustrated based on the following scenarios:-

Minimum Scenario : Assuming that none of the outstanding 64,858,900 ESOS options are exercised prior to the completion of the Proposed Acquisition

Maximum Scenario : Assuming that all of the outstanding 64,858,900 ESOS options are exercised prior to the completion of the Proposed Acquisition

7.1 Issued share capital

The pro forma effects of the Proposed Acquisition on the issued share capital of Landmarks are set out below:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	(RM)	No. of Shares	(RM)
Share capital of Landmarks as at the LPD	583,320,837	746,861,383	583,320,837	746,861,383
Assuming full exercise of outstanding ESOS options	-	-	64,858,900	(1)32,750,897
	583,320,837	**746,861,383**	**648,179,737**	**779,612,280**
Consideration Shares to be issued	84,830,494	(2)28,842,368	84,830,494	(2)28,842,368
Enlarged issued share capital	**668,151,331**	**775,703,751**	**733,010,231**	**808,454,648**

Notes:-

(1) Assuming all the 64,858,900 outstanding ESOS options are exercised at the following respective exercise price and after taking into consideration the reversal of the share option reserve amounting to RM7.81 million:-

No. of ESOS Options	Exercise Price (RM)
28,980,000	0.55
495,000	0.56
2,240,000	0.49
33,143,900	0.23

(2) Based on the issue price of RM0.34 per Consideration Share.

7.2 NA per Share and gearing

For illustration purposes only, the pro forma effects of the Proposed Acquisition on the NA per share and the gearing of Landmarks Group based on its latest audited consolidated financial statements as at 31 December 2019 are set out below:-

Minimum Scenario	Audited as at 31 December 2019 (RM'000)	[1]Subsequent adjustments up to the LPD (RM'000)	Pro forma I After the Proposed Acquisition (RM'000)
Share capital	734,811	746,861	[2]775,704
Translation reserve	(7,008)	(7,008)	(7,008)
Share option reserve	5,615	7,814	7,814
Retained earnings	1,056,390	1,054,068	[2]1,053,568
Shareholders' equity/NA	**1,789,808**	**1,801,735**	**1,830,078**
Non-controlling interests	713	713	713
Total equity	**1,790,521**	**1,802,448**	**1,830,791**
No. of Shares in issued ('000)	528,891	583,321	668,151
NA per share (RM)	**3.38**	**3.09**	**2.74**
Total borrowings (RM'000)	121,411	121,411	121,411
Gearing (times)	**0.07**	**0.07**	**0.07**

Notes:-

(1) After adjusting for the following:-

(i) issuance of 52,889,067 Landmarks Shares at an issue price of RM0.22 per Landmarks Share pursuant to the Private Placement which was completed on 5 November 2020 and deducting the expenses pertaining to the Private Placement amounting to RM0.06 million;

(ii) 38,120,000 ESOS options granted on 25 September 2020;

(iii) 10,075,000 ESOS options forfeited from 1 January 2020 up to the LPD;

(iv) 1,541,100 ESOS options exercised from 1 January 2020 up to the LPD, at the exercise price of RM0.23 per ESOS option; and

(v) share-based payment for the ESOS options from 1 January 2020 up to the LPD amounting to approximately RM3.40 million.

(2) Based on the issue price of RM0.34 per Consideration Share and deducting the estimated expenses pertaining to the Proposed Acquisition amounting to approximately RM0.50 million.

Maximum Scenario	Audited as at 31 December 2019 (RM'000)	[1]Subsequent adjustments up to the LPD (RM'000)	Pro forma I Assuming full exercise of outstanding ESOS options (RM'000)	Pro forma II After Pro forma I and the Proposed Acquisition (RM'000)
Share capital	734,811	746,861	[2]779,612	[3]808,455
Translation reserve	(7,008)	(7,008)	(7,008)	(7,008)
Share option reserve	5,615	7,814	-	-
Retained earnings	1,056,390	1,054,068	1,054,068	[3] 1,053,568
Shareholders' equity/NA	**1,789,808**	**1,801,735**	**1,826,672**	**1,855,015**
Non-controlling interests	713	713	713	713
Total equity	**1,790,521**	**1,802,448**	**1,827,385**	**1,855,728**
No. of Shares in issued ('000)	528,891	583,321	648,178	733,010
NA per share (RM)	**3.38**	**3.09**	**2.82**	**2.53**
Total borrowings (RM'000)	121,411	121,411	121,411	121,411
Gearing (times)	**0.07**	**0.07**	**0.07**	**0.07**

Notes:-

(1) After adjusting for the following:-

(i) issuance of 52,889,067 Landmarks Shares at an issue price of RM0.22 per Landmarks Share pursuant to the Private Placement which was completed on 5 November 2020 and deducting the expenses pertaining to the Private Placement amounting to RM0.06 million;

(ii) 38,120,000 ESOS options granted on 25 September 2020;

(iii) 10,075,000 ESOS options forfeited from 1 January 2020 up to the LPD; and

(iv) 1,541,100 ESOS options exercised from 1 January 2020 up to the LPD, at the exercise price of RM0.23 per ESOS option; and

(v) share-based payment for the ESOS options from 1 January 2020 up to the LPD amounting to approximately RM3.40 million.

(2) Assuming the 64,858,900 outstanding ESOS options are exercised prior to the completion of the Proposed Acquisition at the following respective exercise price, after taking into consideration the reversal of the share option reserve amounting to RM7.81 million:-

No. of outstanding ESOS options	Exercise Price (RM)
28,980,000	0.55
495,000	0.56
2,240,000	0.49
33,143,900	0.23

(3) Based on the issue price of RM0.34 per Consideration Share and deducting the estimated expenses pertaining to the Proposed Acquisition amounting to approximately RM0.50 million.

7.3 Convertible securities

As at the LPD, save for the outstanding ESOS options, the Company does not have any outstanding convertible securities.

7.4 Earnings and EPS

Upon completion of the Proposed Acquisition, the Company will consolidate the earnings of Solid Ally Group. For illustrative purposes, the pro forma effects of the Proposed Acquisition on the earnings of Landmarks Group based on its latest audited consolidated financial statements as at 31 December 2019 assuming the Proposed Acquisition had been completed on 1 January 2019, are set out below:-

	Audited as at 31 December 2019 (RM'000)	Subsequent adjustments up to the LPD (RM'000)	After the Proposed Acquisition	
			Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
(Loss)/ Profit attributable to owners of the Company	(100,233)	(1)(103,633)	(3)(102,213)	(3)(102,213)
No. of ordinary shares ('000)	528,890	(2)583,320	668,151	733,010
(LPS)/EPS (sen)	(18.95)	(17.77)	(15.30)	(13.94)

Notes:-

(1) After adjusting for the share-based payment for the ESOS options from 1 January 2020 up to the LPD amounting to approximately RM3.40 million.

(2) After adjusting for the following:-

(i) issuance of 52,889,067 Landmarks Shares pursuant to the Private Placement which was completed on 5 November 2020; and

(ii) 1,541,100 ESOS options exercised from 1 January 2020 up to the LPD, at the exercise price of RM0.23 per ESOS option.

(3) After (i) consolidating the PAT of the Solid Ally Group of SGD0.63 million (equivalent to approximately RM1.92 million) based on their financial statements for the FYE 31 December 2019; and (ii) deducting the estimated expenses relating to the Proposed Acquisition amounting to approximately RM0.50 million.

7.5 Shareholdings of substantial shareholders

For illustrative purposes only, the pro forma effects of the Proposed Acquisition on the substantial shareholders' shareholdings in the Company as at the LPD are set out below:-

Minimum Scenario

					Pro forma I			
	As at the LPD				After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(2)(%)	No. of Shares ('000)	(2)(%)
Phoenix Spectrum Sdn Bhd	145,691	24.98	-	-	145,691	21.81	-	-
Genting Berhad	-	-	(3)145,691	24.98	-	-	(3)145,691	21.81
Zimulia Sdn Bhd	69,200	11.86	-	-	69,200	10.36	-	-
North Symphony Sdn Bhd	-	-	(4)69,200	11.86	-	-	(4)69,200	10.36
Winning Elite Holdings Limited	-	-	(4)69,200	11.86	-	-	(4)69,200	10.36
Rilms Singapore Pte Ltd	-	-	(4)69,200	11.86	-	-	(4)69,200	10.36
Mark Wee	1,400	0.24	(5)69,500	11.91	(6)86,230	12.91	(5)69,500	10.40

Notes:-

(1) Based on the existing share capital comprising 583,320,837 Landmarks Shares as at the LPD.

(2) Based on the enlarged share capital comprising 668,151,331 Landmarks Shares after the completion of the Proposed Acquisition.

(3) Deemed interest by virtue of its shareholdings in Phoenix Spectrum Sdn Bhd pursuant to Section 8 of the Act.

(4) Deemed interest by virtue of their shareholdings in Zimulia Sdn Bhd pursuant to Section 8 of the Act.

(5) Deemed interest by virtue of his shareholdings in Zimulia Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholdings in Landmarks pursuant to Section 59(11)(c) of the Act.

(6) Being the 84,830,494 Consideration Shares to be allotted and issued to Mark Wee pursuant to the Proposed Acquisition.

Maximum Scenario

	As at the LPD				Pro forma I				Pro forma II			
					Assuming full exercise of outstanding ESOS options				After Pro forma I and the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(1)(%)	No. of Shares ('000)	(2)%	No. of Shares ('000)	(2)(%)	No. of Shares ('000)	(3)%	No. of Shares ('000)	(3)(%)
Phoenix Spectrum Sdn Bhd	145,691	24.98	-	-	145,691	22.48	-	-	145,691	19.88	-	-
Genting Berhad	-	-	(4)145,691	24.98	-	-	(4)145,691	22.48	-	-	(4)145,691	19.88
Zimulia Sdn Bhd	69,200	11.86	-	-	69,200	10.68	-	-	69,200	9.44	-	-
North Symphony Sdn Bhd	-	-	(5)69,200	11.86	-	-	(5)69,200	10.68	-	-	(5)69,200	9.44
Winning Elite Holdings Limited	-	-	(5)69,200	11.86	-	-	(5)69,200	10.68	-	-	(5)69,200	9.44
Rilms Singapore Pte Ltd	-	-	(5)69,200	11.86	-	-	(5)69,200	10.68	-	-	(5)69,200	9.44
Mark Wee	1,400	0.24	(6)69,500	11.91	(7)7,400	1.14	(6)69,500	10.72	(8)92,230	12.58	(6)69,500	9.48

Notes:-

(1) Based on the existing share capital comprising 583,320,837 Landmarks Shares as at the LPD.

(2) Based on the enlarged share capital comprising 648,179,737 Landmarks Shares assuming all the 64,858,900 outstanding ESOS options are exercised prior to the completion of the Proposed Acquisition.

(3) Based on the enlarged share capital comprising 733,010,231 Landmarks Shares after the completion of the Proposed Acquisition.

(4) Deemed interest by virtue of its shareholdings in Phoenix Spectrum Sdn Bhd pursuant to Section 8 of the Act.

(5) Deemed interest by virtue of their shareholdings in Zimulia Sdn Bhd pursuant to Section 8 of the Act.

(6) Deemed interest by virtue of his shareholdings in Zimulia Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholdings in Landmarks pursuant to Section 59(11) of the Act.

(7) Assuming full exercise of his outstanding ESOS options as at the LPD.

(8) Being the 84,830,494 Consideration Shares to be allotted and issued to Mark Wee pursuant to the Proposed Acquisition.

8. HISTORICAL SHARE PRICES

The monthly high and low transacted market prices of Landmarks Shares traded on the Main Market of Bursa Securities for the past 12 months from April 2020 to March 2021 are as follows:-

	High RM	Low RM
2020		
April	0.350	0.215
May	0.275	0.240
June	0.275	0.245
July	0.265	0.240
August	0.255	0.225
September	0.250	0.220
October	0.245	0.210
November	0.430	0.215
December	0.375	0.320
2021		
January	0.400	0.320
February	0.405	0.330
March	0.655	0.360
Last transacted market price on 1 December 2020 (being the Market Day prior to the announcement of the Proposed Acquisition)		0.355
Last transacted market price on 9 April 2021 (being the LPD prior to the printing of this Circular)		0.490

(Source: Bloomberg)

9. APPROVALS REQUIRED/OBTAINED

The Proposed Acquisition are subject to the following approvals being obtained:-

(a) Bursa Securities, for the listing of and quotation for 84,830,494 Consideration Shares to be issued pursuant to the Proposed Acquisition.

The approval of Bursa Securities was obtained vide its letter dated 7 April 2021 and subject to the following conditions:-

	Conditions	Status of compliance
(i)	Landmarks and UOBKH must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Acquisition;	To be complied
(ii)	Landmarks is required to furnish Bursa Securities with a certified true copy of the resolution passed by its shareholders at a general meeting for the Proposed Acquisition;	To be complied
(iii)	Landmarks and UOBKH are required to inform Bursa Securities upon completion of the Proposed Acquisition; and	To be complied
(iv)	Landmarks is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisition is completed.	To be complied

(b) the non-interested shareholders of Landmarks for the Proposed Acquisition at the forthcoming EGM; and

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

Further, pursuant to the SSA, the Proposed Acquisition is conditional upon PTBW obtaining the approvals from relevant authorities/parties, which includes, but is not limited to, the BPN for the HGB Extension.

10. PERCENTAGE RATIOS UNDER THE LISTING REQUIREMENTS

The highest percentage ratio applicable for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Listing Requirements is 15.05%, calculated based on the audited financial statements of Landmarks for the FYE 31 December 2019.

11. INTER-CONDITIONALITY AND OUTSTANDING CORPORATE PROPOSALS

Save for the Proposed Acquisition, there are no other outstanding corporate proposals that have been announced by Landmarks which are not yet completed as at the date of this Circular.

The Proposed Acquisition is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors, major shareholder and/or any person connected to them have any interest, whether direct or indirect, in the Proposed Acquisition.

Mark Wee, the Executive Deputy Chairman & Chief Executive Officer and substantial shareholder of Landmarks is deemed interested in the Proposed Acquisition by virtue of him being the Vendor of Solid Ally and PTBW. In addition, the Interested Major Shareholders namely, Zimulia Sdn Bhd, North Symphony Sdn Bhd, Winning Elite Holdings Limited and Rilms Singapore Pte Ltd are deemed to be interested in the Proposed Acquisition in view of the Vendor's interests in these companies.

The direct and indirect shareholdings of the Interested Parties in Landmarks as at the LPD are as follows:-

	Direct		Indirect	
Interested Parties	**No. of Shares ('000)**	**(1)(%)**	**No. of Shares ('000)**	**(1)(%)**
Interested Major Shareholders				
Zimulia Sdn Bhd	69,200	11.86	-	-
North Symphony Sdn Bhd	-	-	(2)69,200	11.86
Winning Elite Holdings Limited	-	-	(2)69,200	11.86
Rilms Singapore Pte Ltd	-	-	(2)69,200	11.86
Interested Director				
Mark Wee	1,400	0.24	(3)69,500	11.91

Notes:-

(1) Based on the existing share capital comprising 583,320,837 Landmarks Shares as at the LPD.

(2) Deemed interest by virtue of their shareholdings in Zimulia Sdn Bhd pursuant to Section 8 of the Act.

(3) Deemed interest by virtue of his shareholdings in Zimulia Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholdings in Landmarks pursuant to Section 59(11)(c) of the Act.

The Proposed Acquisition is deemed a related party transaction under Paragraph 10.08 of the Listing Requirements in view of the interests of the Interested Parties.

Accordingly, the Interested Director has abstained and will continue to abstain from deliberating and voting at all relevant Board meeting(s) in respect of the Proposed Acquisition. The Interested Parties shall also abstain from voting in respect of their respective direct and/or indirect shareholdings in Landmarks on the resolution pertaining to the Proposed Acquisition at the forthcoming EGM.

In addition, the Interested Parties will also undertake to ensure that all persons connected to them will abstain from voting in respect of their direct and/or indirect interest, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the Company's forthcoming EGM.

13. TRANSACTIONS WITH THE RELATED PARTIES FOR THE PAST 12 MONTHS

Save for the Proposed Acquisition and recurrent related party transactions which are not subject to disclosure and/or shareholders' approval under the Listing Requirements, there were no other transactions entered into between the Company with the Interested Parties as well as persons connected to them during the past 12 months preceding the date of this Circular.

14. PRINCIPAL ADVISER AND INDEPENDENT ADVISER

UOBKH has been appointed by the Company to act as the Principal Adviser for the Proposed Acquisition.

In view that the Proposed Acquisition is deemed a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements, FHCA has been appointed as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company in relation to the Proposed Acquisition.

15. STATEMENT BY AUDIT COMMITTEE

The Audit Committee, in arriving at their views, have sought the independent advice from the Independent Adviser for the Proposed Acquisition.

After taking into consideration all aspects of the Proposed Acquisition including but not limited to the basis of deriving the Purchase Consideration, the market value and investment value of the Subject Property, the rationale of the Proposed Acquisition and prospects of Landmarks Group, the financial effects of the Proposed Acquisition and the evaluation of the Independent Adviser on the Proposed Acquisition, the Audit Committee is of the opinion that the Proposed Acquisition is:-

(a) in the best interest of Landmarks;

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

(c) not detrimental to the interest of the non-interested shareholders of Landmarks.

16. DIRECTORS' STATEMENT

The Board (save for the Interested Director) after taking into consideration all aspects of the Proposed Acquisition, including but not limited to the basis of deriving the Purchase Consideration, the market value and investment value of the Subject Property, the rationale, benefits, salient terms of the SSA, prospects, risk factors and the financial effects of the Proposed Acquisition, the evaluation of the Independent Adviser and the view of UOBKH, being appointed as the Principal Adviser, is of the opinion that the Proposed Acquisition is:-

(i) in the best interest of Landmarks;

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

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

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

17. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposed Acquisition is expected to be completed by the first half of 2021. The tentative timetable for the implementation of the Proposed Acquisition is set out below:-

Event	Tentative timing
EGM	30 April 2021
Fulfilment of the Conditions Precedent in respect of the SSA	End April 2021
Listing and quotation for the Consideration Shares on the Main Market of Bursa Securities	Early May 2021
Completion of the Proposed Acquisition	Early May 2021

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, 30 April 2021 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 Acquisition.

If the shareholders of Landmarks 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 the 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 the shareholders of Landmarks from participating and voting remotely at the EGM should the shareholders of Landmarks subsequently wish to do so.

19. FURTHER INFORMATION

Shareholders are advised to refer to the 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 ACQUISITION

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 ACQUISITION. 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 INDEPENDENT ADVISER IN RELATION TO THE PROPOSED ACQUISITION. 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 ACQUISITION AT THE FORTHCOMING EGM OF THE COMPANY.

1. INTRODUCTION

On 2 December 2020, on behalf of Landmarks, UOBKH announced that Tiara Gateway, an indirect wholly-owned subsidiary of the Company, had entered into the SSA with the Vendor to acquire the Property through the acquisition of the entire equity interest in PTBW of which the Purchase Consideration will be satisfied through the issuance of Consideration Shares and Cash Consideration.

In compliance with Paragraph 10.08 of the Listing Requirements, the Board had appointed FHCA as the Independent Adviser ("**IA**") to advise the non-interested shareholders of the Company as to whether the Proposed Acquisition is fair and reasonable and whether the Proposed Acquisition is detrimental to the interests of the non-interested shareholders of the Company.

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 Acquisition 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 Acquisition.

2. RATIONALE OF THE PROPOSED ACQUISITION

The rationale for the Proposed Acquisition is as set out in Section 3, Part A of the Circular.

The Group is principally involved in hospitality and wellness, and resort and destination development. The Group's crown jewels consist of The Andaman, a luxury collection resort in Langkawi and Natra Bintan, a 5-star hotel at Treasure Bay Bintan. Treasure Bay Bintan is a 338-hectare integrated resort city in Indonesia's Bintan Island that is located 45 kilometers from south-east of Singapore, which integrate tourism, wellness, culture, leisure, residential and commercial real estates.

The Company had on 13 January 2021, announced that a fire incident had occurred at The Andaman Resort, which affected the lobby and main reception area, two F&B outlets as well as the north wing of The Andaman Resort.

The Andaman Resort has since ceased its operation. Subsequently, on 29 January 2021, the Company announced that it is considered as an affected listed issuer as it has triggered Paragraph 8.03A(2)(a) of the Listing Requirements consequence of the fire incident. However, the Company has submitted an application to Bursa Securities on 28 January 2021 to seek for a Waiver Application but was rejected by Bursa Securities via its letter dated 22 March 2021 based on several grounds as set out in Section 3.1, Part A of the Circular.

As a result, the Company had submitted the Proposed Application and in the event that the Proposed Application is not approved by Bursa Securities, the Company will be required to undertake a regularisation plan. For avoidance of doubt, the Proposed Acquisition will not form part of any regularisation plan that may have to be undertaken by the Company.

Following the fire incident at The Andaman Resort, the Company has commenced the planning of the reconstruction and rebuilding works for The Andaman Resort and expects to complete the said works within a period of 24 months from the date of approvals obtained from the relevant authorities.

It is essential and strategically important that the Landmarks Group undertakes the Proposed Acquisition irrespective of the fire incident at The Andaman Resort. The Property is currently being used as the Main Entrance Building of Treasure Bay Bintan and is used in part as a commercial facility to support Treasure Bay Bintan activities, as well as the operating office of Treasure Bay Bintan.

Further, the Property is primely located on the south side of Crystal Lagoon in Treasure Bay Bintan and is accessible from popular tourist transportation facilities such as the Bandar Bintan Telani Ferry Terminal, Tanjung Uban Ferry Terminal and Hang Nadim International Airport in Batam. As it is the key access point to Treasure Bintan Bay, the Proposed Acquisition will allow the Company to have full control over the ownership of the Property, i.e. to undertake any future redevelopment, upgrades or extension of the Property.

However, if the Company has no control over the Property, the Company is vulnerable to i,e, profile of tenants which are not in line with culture of Treasure Bay Bintan, increase in rental rates or loss of rights to use the Property as well as possible development by third party of the Property that could potentially jeopardise the entire master plan development of Treasure Bay Bintan. Given the unfortunate fire incident at The Andaman Resort, Treasure Bay Bintan has now become the sole core operating business contributing to the Landmarks Group's profitability and growth. Hence it is even more crucial for the Landmarks Group to undertake the Proposed Acquisition.

Further to the above, based on the Property Lease Agreement, the current monthly rental rate is SGD81,000 per month or SDG972,000 per year, up to 31 December 2023 ("**Existing Rental Terms**") and it is currently leased to the Tenant under the Property Lease Agreement. The Tenant has occupied 77% of the lettable area for internal use and rented the balance 23% lettable area to certain third parties retailers, consist of amongst others restaurant, food and beverages, music lounge and recreation. There is a possibility of increase or renegotiation of rental upon the expiry of the Existing Rental Terms. The Proposed Acquisition will allow the Group to save for payment of rentals and could potentially generate additional income to the Landmarks Group as well as to mitigate the uncertainty of possible rental hike.

As the result of the above, Mark Wee had on 15 September 2020, entered into the LCC/VKF SSA for the acquisition of the entire equity interest in PTBW at a purchase price that is similar to the Purchase Consideration. The Proposed Acquisition is to facilitate the transfer of ownership of the Property.

We are of the opinion that the rationale for the Proposed Acquisition is reasonable and not detrimental to the interests of the non-interested shareholders of the Company. Further information on the rationale for the Proposed Acquisition is as set out in Section 5 of this IAL.

3. EVALUATION OF THE PROPOSED ACQUISITION

3.1 JUSTIFICATION FOR THE PURCHASE CONSIDERATION

The Purchase Consideration was arrived at on a willing buyer and willing seller basis after taking into consideration the following, amongst others:

i) The market value and investment value of the Property of SGD7,188,937 (equivalent to approximately RM22,022,952) and SDG9,498,827 (equivalent to approximately RM29,099,186) respectively as appraised by the Independent Valuer;

ii) The adjusted net asset ("**NA**") of Solid Ally based on the management accounts as at 31 October 2020 of SGD9,008,692 (equivalent to approximately RM27,431,467 after taking into consideration the investment value of the Property; and

iii) Deduction of the amount owing by the previous shareholder of Solid Ally to Solid Ally amounting to SGD2,129,296 (equivalent to approximately RM6,483,706) as at 31 October 2020.

In establishing our opinion on the fairness and reasonableness of the Purchase Consideration, FHCA had considered various methodologies, which are commonly used for valuation of companies, taking into consideration Solid Ally and PTBW's 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 Solid Ally, 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 Solid Ally based on its underlying assets which is the Property that has yet to be revalued.

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

	SGD'million
NA of Solid Ally as at 31 October 2020 [1]	2.90
Add: fair value adjustment for the Property [2]	9.00
Less: Deferred tax [3]	(2.37)
Less: Amount owing by the previous shareholder of Solid Ally to Solid Ally [1]	(2.13)
RNAV of Solid Ally	7.40

Notes:

[1] Based on the management accounts of Solid Ally as at 31 October 2020.

[2] Computed based on the investment value of the Property as set out in the Valuation Report of SGD9.50 million and its book value of SDG0.49 million as at 31 October 2020.

[3] Based on the deferred tax liabilities provided at 25%, which is the Indonesia corporate income tax rate and computed based on the fair value adjustment of the investment value and the net book value of the Property. For information, the Indonesian government has introduced the tax relief measures in response to the COVID-19 pandemic, whereby the corporate income tax rate will be reduced from 25% to 22% for financial years 2020 and 2021, and 20% for financial year 2022 onwards.

Despite the RNAV of Solid Ally is lower than the Purchase Consideration, which is primarily due to deferred tax liability, we wish to highlight that the deferred tax liability is merely an accounting implication as required under the International Financial Reporting Standard and the tax obligation only arises when the Property is being disposed. Considering the rational of the Proposed Acquisition and the prospect of the Company as discussed in Section 5 and Section 7 of this IAL respectively, the Property is more likely to be for own use instead of being disposed.

Further, the Purchase Consideration is similar to the purchase price as per the LCC/VKF SSA. In conclusion, after considering the above, opinion of the board, the prospect and outlook of the Company, we are of the opinion that the Purchase Consideration is fair, reasonable and not detrimental to the non-interested shareholders of the Company.

Further information on the evaluation of the Purchase Consideration 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 RM0.34 ("**Issue Price**") to be issued pursuant to the Proposed Acquisition, 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 Acquisition, represent a discount of 4.23% over the closing market price on LTD and 3.13% over the VWAP for the one (1)-month but at a premium of 0.12%, 1.01%, 6.42%, and 6.75% over the VWAP for the five (5) day, three (3)-month, six (6)-month and twelve (12)-month up to LTD.

The Issue Price to be issued pursuant to the Proposed Acquisition, represent a premium of 8.23% to the average closing price over the Review Period, discount of 32.00% over the maximum closing price during the Review Period and a premium of 61.90% over the minimum closing pricing during the Review Period.

Based on the above, we are of the opinion that the Issue Price is fair and not detrimental to the non-interested shareholders of the Company.

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 SSA

We have reviewed the salient terms of the SSA and based on our review, we are of the view that the overall terms and conditions of the SSA 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 SSA are set out in Section 6.3 of this IAL.

4. INDUSTRY OVERVIEW AND PROSPECTS

We are of the view that the prospects of the Landmarks Group following the completion of the Proposed Acquisition appears to be favourable (*on the assumption that the COVID-19 outbreak can be fully contained/under control within a reasonable timeframe with business operations of Treasure Bay Bintan gradually recovers*) and barring unforeseen circumstances, is poised to improve its financial performance in the future (*mid to long terms*).

Further information on the evaluation of the industry outlook and prospects are set out in Section 7 of this IAL.

5. RISK FACTORS

We take note of the risk factors as disclosed in Section 6 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 Solid Ally and PTBW are also operating in. As such, the Group is not expected to be exposed to new business risk as a result of the Proposed Acquisition.

We wish to highlight that although efforts and measures will be taken by the Group to mitigate the risks associated with the Proposed Acquisition, no assurance can be given that one or a combination of the risk factors as stated in Section 6, 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 8 of this IAL.

6. EFFECTS OF THE PROPOSED ACQUISITION

a. The Proposed Acquisition will result in an increase in the Company's share capital (based on the maximum scenario, assuming that all of the outstanding 64,858,900 ESOS options are exercised prior to the completion of the Proposed Acquisition) from 648,179,737 Landmarks Shares to 733,010,231 Landmarks Shares following the issuance of Consideration Shares upon the completion of the Proposed Acquisition.

b. Barring unforeseen circumstances, the Proposed Acquisition will have no effect on Landmarks Group's gearing upon the allotment of the Consideration Shares. Nonetheless, the non-interested shareholders of Landmarks should note that the issuance of the Consideration Shares pursuant to the Proposed Acquisition is expected to result in dilution to the shareholdings in Landmarks as well as to the NA per Share after the completion of the Proposed Acquisition. Though, going forward, such dilution impact may be somewhat mitigated through potential contribution of Solid Ally and PTBW to the future earnings and NA of the Group.

   We noted that the Issue Price represents a discount of 89.94% and 86.51% over the NA per Landmarks Share of RM3.38 and RM2.53 as shown in the above table. It should also note that the realisation of the NA per Share is highly subjective and assumes, among other things, the existence of ready and committed buyers for each of its properties and full recovery of all the other assets, which includes the receivables, investment in securities, derivative, tax recoverable as well as full repayment made to all its stakeholders. Further, it also assumes that the aforementioned processes can be conducted efficiently without any time constraint and without regard to other relevant market factors that may affect the said processes.

c. Landmarks Group's EPS will be diluted as a result of the issuance of the Consideration Shares pursuant to the completion of the Proposed Acquisition. However, going forward, the dilution impact to the EPS may somewhat be mitigated through the rental savings arising from the Proposed Acquisition.

Further information on the evaluation of the effects of the Proposed Acquisition are set out in Section 9 of this IAL.

7. CONCLUSION AND RECOMMENDATION

Premised on our overall assessment of the Proposed Acquisition, we are of the opinion that the Proposed Acquisition is **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 Acquisition 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 Acquisition 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 ACQUISITION TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

Ferrier Hodgson
CORPORATE FINANCE

FHMH Corporate Advisory Sdn Bhd
Company No. 200701016946 (774955-D)
(CMSL / A0212 / 2007)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur, Malaysia

T +603 2297 1150
F +603 2282 9982
E ferrier@fhmh.com.my
www.ferrierhodgson.com

15 April 2021

To: The Non-Interested Shareholders of Landmarks Berhad

Dear Sir/Madam,

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

1 INTRODUCTION

This Independent Advice Letter ("**IAL**") is prepared for inclusion in the circular to shareholders of the Company dated 15 April 2021 in relation to the Proposed Acquisition ("**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 2 December 2020, on behalf of Landmarks, UOBKH announced that Tiara Gateway, an indirect wholly-owned subsidiary of the Company, had entered into the SSA with the Vendor to acquire the Property through the acquisition of the entire equity interest in PTBW of which the Purchase Consideration will be satisfied through the issuance of Consideration Shares and Cash Consideration.

The Proposed Acquisition is deemed as a related party transaction 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 Acquisition as described in Sections 12, Part A of the Circular. Accordingly, the Board had on 20 November 2020 appointed FHCA as the Independent Adviser ("**IA**") to advise the non-interested directors and non-interested shareholders of the Company in relation to the fairness and reasonableness of the Proposed Acquisition.

The purpose of this IAL is to provide the non-interested shareholders of the Company with an independent evaluation of the Proposed Acquisition, to form an opinion as to whether the Proposed Acquisition is fair and reasonable in so far as the non-interested shareholders of the Company are concerned and whether the Proposed Acquisition is 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 Acquisition 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 ACQUISITION 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 ACQUISITION

FHCA was not involved in the formulation of the Proposed Acquisition or any deliberation and negotiation on the Proposed Acquisition. Our role as the IA does not extend to expressing an opinion on the commercial merits of the Proposed Acquisition. The assessment of the commercial merits of the Proposed Acquisition is 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 Acquisition. FHCA's terms of reference as the IA is limited to expressing our independent evaluation of the Proposed Acquisition which is based on the sources of information as highlighted below.

We have evaluated the Proposed Acquisition 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 Acquisition 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 Acquisition and other implications of the Proposed Acquisition only. Comments or points of consideration which may be commercially oriented such as the rationale and potential benefits of the Proposed Acquisition 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 Acquisition 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) the SSA;
(ii) the LCC/VKF SSA;
(iii) Property Lease Agreement;
(iv) Audited financial statements of Solid Ally and PTBW for the financial year ended ("**FYE**") 31 December 2019;
(v) Solid Ally and PTBW's management accounts for the 10-month financial period ended ("**FPE**") 31 October 2020;
(vi) Independent Valuation Report appraised by Messrs KJPP Willson dan Rakan in association with Knight Frank ("**Independent Valuer**");
(vii) information contained in Part A of the Circular and the appendices attached thereto;
(viii) other relevant information furnished to us by the management of the Company, Solid Ally and PTBW; and
(ix) 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 Acquisition 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 Acquisition (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. We have not undertaken an independent investigation into the business of the Tiara Gateway, Solia Ally or PTBW.

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, Solid Ally and PTBW 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 Acquisition will be implemented based on the terms of the SSA 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 Acquisition. 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 acquisition by DKSH Holdings (M) Berhad of the entire equity interest in Auric Pacific (M) Sdn Bhd for a purchase consideration of SGD151.67 million via our letter to shareholders dated 7 February 2019; and

(ii) The acquisition by SYF Development Sdn Bhd, an indirect wholly-owned subsidiary of SYF Resources Bhd, of the entire issued share capital in Giat Armada Sdn Bhd from Kiara Susila Sdn Bhd for a cash purchase price of RM6.50 million and the settlement by SYF Resources Bhd of the advances owing by Giat Armada Sdn Bhd amounting to RM64.54 million, for a total purchase consideration of RM71.04 million via our letter to shareholders dated 22 April 2019;

(iii) The acquisition by Handal Energy Berhad of 51% equity interest in Borneo Seaoffshore Engineering Sdn Bhd for a purchase consideration of RM25.50 million via our letter to shareholders dated 12 July 2019;

(iv) 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;

(v) The acquisition of additional interested 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 of the share exchange option via our letter to shareholders dated 13 November 2020;

(vi) The acquisition by Pansar Berhad for 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;

(vii) 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; and

(viii) The proposed investment in Duramitt Sdn Bhd, comprising the proposed acquisition by Diversified Gateway Solutions Berhad 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.

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 Acquisition.

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

The interests of directors, major shareholders, chief executive and/or persons connected with them are set out in Section 12, Part A of the Circular.

The Interested Director and Interested Major Shareholders have abstained and will continue to abstain from all deliberations and voting for the Proposed Acquisition at the relevant Board meetings, and shall also abstain from voting in respect of their shareholdings in the Company, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the EGM to be convened.

The Interested Director and Interested Major Shareholders will abstain and have undertaken to ensure that persons connected to them 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 Acquisition to be tabled at the forthcoming EGM of the Company.

4 EVALUATION OF THE PROPOSED ACQUISITION

The full details of the Proposed Acquisition 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 Acquisition, we have considered the following:

(i) Rationale for the Proposed Acquisition;
(ii) Evaluation of the Proposed Acquisition;
  (a) Justification for the Purchase Consideration;
  (b) Justification for the Issue Price;
  (c) Salient terms of the SSA;
(iii) Industry overview and prospects;
(iv) Risk factors; and
(v) Effects of the Proposed Acquisition.

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 Acquisition which may be released after the LPD.

5 RATIONALE OF THE PROPOSED ACQUISITION

The rationale for the Proposed Acquisition is as set out in Section 3, Part A of the Circular.

The Group is principally involved in hospitality and wellness, and resort and destination development. The Group's crown jewels consist of The Andaman, a luxury collection resort in Langkawi and Natra Bintan, a 5-star hotel at Treasure Bay Bintan.

Treasure Bay Bintan is a 338-hectare integrated resort city in Indonesia's Bintan Island that is located 45 kilometers from south-east of Singapore, which integrate tourism, wellness, culture, leisure, residential and commercial real estates.

The Company had on 13 January 2021, announced that a fire incident had occurred at The Andaman Resort, which affected the lobby and main reception area, two F&B outlets as well as the north wing of The Andaman Resort.

The Andaman Resort has since ceased its operation. Subsequently, on 29 January 2021, the Company announced that it is considered as an affected listed issuer as it has triggered Paragraph 8.03A(2)(a) of the Listing Requirements consequence of the fire incident. However, the Company has submitted an application to Bursa Securities on 28 January 2021 to seek for a Waiver Application but was rejected by Bursa Securities via its letter dated 22 March 2021 based on several grounds as set out in Section 3.1, Part A of the Circular. As a result, the Company had submitted the Proposed Application to Bursa Securities and in the event that the Proposed Application is not approved by Bursa Securities, the Company will be required to undertake a regularisation plan. For avoidance of doubt, the Proposed Acquisition will not form part of any regularisation plan that may have to be undertaken by the Company.

Following the fire incident at The Andaman Resort, the Company has commenced the planning of the reconstruction and rebuilding works for The Andaman Resort and expects to complete the said works within a period of 24 months from the date of approvals obtained from the relevant authorities.

It is essential and strategically important that the Landmarks Group undertakes the Proposed Acquisition irrespective of the fire incident at The Andaman Resort. The Property is currently being used as the Main Entrance Building of Treasure Bay Bintan and is used in part as a commercial facility to support Treasure Bay Bintan activities, as well as the operating office of Treasure Bay Bintan.

Further, the Property is primely located on the south side of Crystal Lagoon in Treasure Bay Bintan and is accessible from popular tourist transportation facilities such as the Bandar Bintan Telani Ferry Terminal, Tanjung Uban Ferry Terminal and Hang Nadim International Airport in Batam. As it is the key access point to Treasure Bintan Bay, the Proposed Acquisition will allow the Company to have full control over the ownership of the Property, i.e. to undertake any future redevelopment, upgrades or extension of the Property.

However, if the Company has no control over the Property, the Company is vulnerable to i,e, profile of tenants which are not in line with culture of Treasure Bay Bintan, increase in rental rates or loss of rights to use the Property as well as possible development by third party of the Property that could potentially jeopardise the entire master plan development of Treasure Bay Bintan. Given the unfortunate fire incident at The Andaman Resort, Treasure Bay Bintan has now become the sole core operating business contributing to the Landmarks Group's profitability and growth. Hence it is even more crucial for the Landmarks Group to undertake the Proposed Acquisition.

Further to the above, based on the Property Lease Agreement, the current monthly rental rate is SGD81,000 per month or SDG972,000 per year, up to 31 December 2023 ("**Existing Rental Terms**") and it is currently leased to the Tenant under the Property Lease Agreement. The Tenant has occupied 77% of the lettable area for internal use and rented the balance 23% lettable area to certain third parties retailers, consist of amongst others restaurant, food and beverages, music lounge and recreation. There is a possibility of increase or renegotiation of rental upon the expiry of the Existing Rental Terms. The Proposed Acquisition will allow the Group to save for payment of rentals and could potentially generate additional income to the Landmarks Group as well as to mitigate the uncertainty of possible rental hike.

As the result of the above, Mark Wee had on 15 September 2020, entered into the LCC/VKF SSA for the acquisition of the entire equity interest in PTBW at a purchase price that is similar to the Purchase Consideration. The Proposed Acquisition is to facilitate the transfer of ownership of the Property.

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

1. **It will allow the Company the flexibility to implement a redevelopment/ revitalise/ upgrade/ extension exercise to the Property;**
2. **It will give the Company greater supervision over the Property and making it easier to manage in view of the current market sentiment; and**
3. **Upon completion of the Proposed Acquisition, the Company will have full control over the Property and is expected to contribute positively (savings from rental) to the earnings of the Group.**

Nevertheless, the non-interested shareholders of the Company should note that the potential benefits arising from the Proposed Acquisition are subject to certain risk factors as disclosed in Section 6, Part A of the Circular.

6 EVALUATION OF THE PROPOSED ACQUISITION

6.1 Justification for the Purchase Consideration

The basis and justification on arriving at the Purchase Consideration are set out in Section 2.2, Part A of the Circular.

The Purchase Consideration was arrived at on a willing buyer and willing seller basis after taking into consideration the following, amongst others:

i) The market value and investment value of the Property of SGD7,188,937 (equivalent to approximately RM22,022,952) and SDG9,498,827 (equivalent to approximately RM29,099,186) respectively as appraised by the Independent Valuer;

ii) The adjusted net asset ("**NA**") of Solid Ally based on the management accounts as at 31 October 2020 of SGD9,008,692 (equivalent to approximately RM27,431,467 after taking into consideration the investment value of the Property; and

iii) Deduction of the amount owing by the previous shareholder of Solid Ally to Solid Ally amounting to SGD2,129,296 (equivalent to approximately RM6,483,706) as at 31 October 2020.

In establishing our opinion on the fairness and reasonableness of the Purchase Consideration, FHCA had considered various methodologies, which are commonly used for valuation of companies, taking into consideration Solid Ally and PTBW's 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 Solid Ally, 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 Solid Ally based on its underlying assets which is the Property that has yet to be revalued.

We had also considered the Discounted Free Cash Flow to Equity ("**FCFE**") valuation methodology and have found that it is not suitable in the determination of our opinion on the fairness and reasonableness of Purchase Consideration as the discounted FCFE methodology is an investment appraisal technique which considers both the time value of money and the projected net cash flow generated discounted at a specified discount rate to derive at the valuation of the subject matter. In this instance, PT Treasure Bay Attractions is PTBW's sole tenant. As such, any analysis to be derived thereto may not accurately reflect the equity value of Solid Ally.

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 Solid Ally 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.

Solid Ally is an investment holding company and its subsidiary, namely PTBW's only asset is the Property, of which the sole revenue is the rental income received from PT Treasure Bay Attractions. Hence, the RVA will not be an appropriate method to determine the fair market value of Solid Ally.

<u>RNAV</u>

RNAV is commonly adopted valuation methodology in approaching valuations of asset-based companies as all or certain substantial property-related assets may be 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 Property prepared by Independent Valuer to reflect the fair market value of the Property. Computation of the RNAV is as follows:

	SGD'million
NA of Solid Ally as at 31 October 2020 [1]	2.90
Add: fair value adjustment for the Property [2]	9.00
Less: Deferred tax [3]	(2.37)
Less: Amount owing by the previous shareholder of Solid Ally to Solid Ally [1]	(2.13)
RNAV of Solid Ally	**7.40**

Notes:
[1] *Based on the management accounts of Solid Ally as at 31 October 2020.*
[2] *Computed based on the investment value of the Property as set out in the Valuation Report of SGD9.50 million and its book value of SDG0.49 million as at 31 October 2020. Our comments on the market value and investment value of the Property are further discussed in the paragraphs below.*
[3] *Based on the deferred tax liabilities provided at 25%, which is the Indonesia corporate income tax rate and computed based on the fair value adjustment of the investment value and the net book value of the Property. For information, the Indonesian government has introduced the tax relief measures in response to the COVID-19 pandemic, whereby the corporate income tax rate will be reduced from 25% to 22% for financial years 2020 and 2021, and 20% for financial year 2022 onwards.*

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 adopting the RNAV methodology, we have taken into consideration the surplus of the Property and took note of the deferred tax liabilities (calculated based on the tax rate of Indonesia which the assets are located) of the Property.

In forming our opinion on the fairness and reasonableness of the Purchase Consideration, we had reviewed and taken note of the Valuation Report. The valuation certification in respect of the Property is appended in Appendix II of the Circular.

We note that the Valuation Report was 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 Independent Valuer, scope of engagement, methodologies and assumption 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 report provided to us, we are satisfied that the methodologies and assumptions provide a reasonable basis for the Independent Valuer in arriving at their valuations.

The brief description of the market value of the Property as extracted from the Valuation Report are tabulated below: -

Location: Treasure Bay Bintan, Jalan Raya Haji, Sebong Lagoi Village, District of Teluk Sebong, Bintan Regency, Riau Island Province, Indonesia

Description: A double-storey commercial building built upon an area of 12,578 square meters land plot and 4,782 square meters ("**sqm**") building area known as "Main Entrance Building and Facilities" of Treasure Bay.

Valuation methodologies:

Description	Market Value	Investment Value
Valuation methodologies	Reconciliation between discounted cash flow ("**DCF**") methodology and cost approach with Depreciated Replacement methodology	DCF methodology
Value	Rp77,694,000,000 or SDG7,188,937 or RM22,022,952	Rp102,658,000,000 or SDG9,498,827 or RM29,099,186

Valuation Date: 27 October 2020

Income approach -Market Value

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

Ferrier Hodgson

CORPORATE FINANCE

Details	Value	Justification
Projected period	10 years	Ten (10) years investment horizon has been selected to more adequately reflect the earnings profile of this asset. The Independent Valuer believed that this is a realistic period as further extension of the timeframe moves into an area of unpredictability.
Occupancy rate	Year 1 = 100.00% Year 2 = 100.00% Year 3 = 100.00% Year 4 = 75.00% Year 5 = 80.00% Year 6 = 85.00% Year 7 = 90.00% Year 8 = 90.00% Year 9 = 90.00% Year 10 = 90.00%	The Independent Valuer has projected the occupancy rate to stabilise at 90.0% from Year 7 onwards. Upon the expiry of the committed master lease arrangement on Year 4 (Year 1 to Year 3 as 100.0% occupancy), The Independent Valuer has projected a lower occupancy rate of 75.0% (potential drop-off of tenants) in Year 4 and projected a gradual take-up or increment of 5% per annum subsequently over the holding period up to 90.0% occupancy (being the optimum occupancy rate for the Property) on Year 7 onwards. The Independent Valuer has benchmarked against the current occupancy of other selected similar malls/ commercial building in the surrounding localities (ranging from 72.0% to 96.0%).
Average rental rate (Rp per sqm per month)	Year 1 = 285,810 Year 2 = 294,553 Year 3 = 294,553 Year 4 = 261,856 Year 5 = 224,807 Year 6 = 237,162 Year 7 = 246,007 Year 8 = 255,956 Year 9 = 266,307 Year 10 = 277,077	The average rental rate of the Property from Year 1 to Year 3 is based on the current concluded rent of the remaining unexpired term stipulated in the Property Lease Agreement. In arriving at the gross rental revenue in Year 4 (translating to Rp261,956 per sqm), the Independent Valuer has adopted the summation of the concluded rent of Rp294,533 per sqm per month for the remaining unexpired term as stipulated in the lease agreement with the projected fair market rental of Rp225,259 per sqm per month in Year 4 upon expiry of the lease agreement. The projected market rent for the Property in Year 4 at Rp225,259 per sqm per month is derived based on the assessment of the current market rent of Rp200,000 per sqm per month in Year 1 with the projected increase of 4.04% annually from the preceding term rent for Year 2 up to Year 4 accordingly.

<table>
<tr><th>Details</th><th>Value</th><th>Justification</th></tr>
<tr><td></td><td></td><td>In deriving at the current fair market rent of Rp200,000 per sqm per month in Year 1, the Independent Valuer has considered (i) the current committed rental rate of the Property and (ii) asking rentals of other selected comparative mall/ commercial building ranging from Rp50,000 per square meter to Rp170,000 per sqm after having considered and make adjustments for differences including but not limited to location/ accessibility/ building age/ quality/ development concept and tenancy mix.

Over the course of holding period (from Year 4 onwards), the projected market rent was based on a 13-year average growth trend of 4.04% per annum based on the average annual rent index growth trend of commercial property from year 2008 to year 2020.

The Independent Valuer deemed that it is the sustainable growth of the Property in a 10-year projection as the valuation is based on a medium to long term period as the property market cyclical in nature and that there will be a gradual market recovery along with market rental growth in the long term.</td></tr>
<tr><td>Service charge</td><td>3.0% increment per year</td><td>Based on the average of 10 years inflation extracted from the Indonesia Central Bank Report.</td></tr>
<tr><td>Operating expenses, insurance, repair and maintenance</td><td>3.0% increment per year</td><td>Based on the average of 10 years inflation extracted from the Indonesia Central Bank Report.</td></tr>
<tr><td>Discount rate</td><td>11.77%</td><td>This is an acceptable margin to provide an adequate return for an investment with the risk profiles applicable to the Property. For information, the discount rate was derived based on the following parameters:-

<table>
<tr><th>Description</th><th>Rate</th><th>Source</th></tr>
<tr><td>Risk free rate</td><td>7.54%</td><td>Indonesia Bond Pricing Agency</td></tr>
<tr><td>Default spread</td><td>2.23%</td><td>Based on the default spread of Indonesia as extracted from http://pages.stern.nyu.edu/~adamodar/</td></tr>
<tr><td>Market risk premium</td><td>8.03%</td><td>Based on Indonesia Market Risk Premium extracted from http://pages.stern.nyu.edu/~adamodar/</td></tr>
</table></td></tr>
</table>

Ferrier
Hodgson

CORPORATE FINANCE

<table>
<tr><th>Details</th><th>Value</th><th>Justification</th></tr>
<tr><td></td><td></td><td><table><tr><td>Beta</td><td>1.432</td><td>Average industry beta extracted from PT Pemeringkat Efek Indonesia or Pefindo, a credit rating agency in Indonesia.</td></tr><tr><td>Cost of debt</td><td>9.06%</td><td>Central Bank of Indonesia</td></tr></table></td></tr>
<tr><td>Terminal yield</td><td>7.55%</td><td>Calculated based on the discount rate less average growth of Earnings before interest, taxation, depreciation and amortisation ("EBITDA") of the last three (3) projected years, where growth is stable.</td></tr>
</table>

Based on the above, the market value of the Property derived from the DCF methodology is Rp79,866,000,000.

Depreciated replacement cost approach

The Independent Valuer had adopted the depreciated replacement cost approach in order to arrive at the market value of the Property. This approach entails estimating the land value for its existing use, and adding the depreciated replacement costs of the site improvements and related expenditure.

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 Independent Valuer to arrive at the market value.

Land area

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

Description	Comparable 1	Comparable 2	Comparable 3
Property type	Vacant land	Vacant land	Vacant land
Location	Lagoi Bay, Bintan	Ria Bintan Block B1	Ria Bintan Block C1
Land area (sqm)	239,000	271,000	230,000
Certificate	Right to Build (SHGB)	Right to Build (SHGB)	Right to Build (SHGB)
Offering price per sqm	SDG200	SGD135	SGD120
Conversion to Rp	2,161,488	1,909,755	1,697,560
Offering date	2020	2019	2019
Sources	Information from marketing on site	Information memorandum from Colliers International	Information memorandu from Colliers Internation
General Adjustment	General adjustments considered for prevailing market condition, location, access, lanc area, topography, certificates, land shape, position, beach/ lake front and land conditio		
Total adjustment	60.0%	70.0%	70.0%
Adjusted value per sqm	Rp3,371,921	Rp3,287,071	Rp2,921,841
Weighted value	30.0%	35.0%	35.0%
Land price after weighted per sqm		Rp3,185,859	

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
Location and access	5.0%	5.0%	5.0%
Land area	25.0%	25.0%	25.0%
Topography	25.0%	25.0%	25.0%
Certificates	0.0%	0.0%	0.0%
Land shape	10.0%	10.0%	10.0%
Position	5.0%	5.0%	5.0%
Beach Front	-10.0%	0.0%	0.0%
Total adjustment	60.0%	70.0%	70.0%
Adjusted land value (per sqm)	Rp3,371,921	Rp3,287,071	Rp2,921,841

In view of limited identical land sales offering in the immediate and surrounding localities, the Independent Valuer has resorted to adopt the selected comparables and made appropriate adjustments to reflect the difference of the comparables and the property being valued. With total effective adjustments made for all the comparables, the Independent Valuer has assigned land price weightage to derive at the most probable expected land value as there are no best direct land comparable that could solely rely upon.

Based on the above, the market value of the subject land derived from the market approach was Rp40,072,000,000.

Building

The indicative value of the main and ancillary buildings has been determined by estimating the new replacement cost less the physically depreciation. The Independent Valuer has made reference to Quantity Surveyor to determine on the reliability of the cost adopted.

Description	Building area (sqm)	Construction cost/ sqm	Building economic life (year)
Main building	4,505	Rp7,690,000	40
Genset Room	25	Rp2,370,000	30
Changing Room	252	Rp3,730,000	30

Details	Value	Justification
Improvement	Rp35,322,433,607 [1]	The Independent Valuer has made reference to Quantity Surveyor to determine on the reliability of the cost adopted.
Indirect cost includes, professional fees, legal fees and contractors' profit	1.5% for professional fees, 3.0% for legal fees and 10.0% for contractors' profit	Based on the Independent Valuer's estimation.
Value Added Tax	10.0%	Value added tax is adopted on the main construction cost

Note

[1]

Category	Floor area (sqm)	Price per sqm, Rp	New replacement cost, Rp	Year built	Economic age
Building					
- Main Building	4,505	7,690,000	34,643,450,000	2000	40
- Genset Room	25	2,370,000	58,972,710	2000	30
- Changing Room	252	3,730,000	939,960,000	2015	30
Total indirect cost			5,168,145,493		
Tax			4,081,052,820		
Sub-total			50,059,726,516		
Building utility			400,000,000	2017	20
Tax			40,000,000		
Subtotal			440,000,000		
Total					

Category	Remaining age	Additional economic age according to maintenance	Condition (%)	Depreciated replacement cost (Rp)
Building				
- Main Building	20	50	78	26,944,905,556
- Genset Room	10	0	33	19,657,570
- Changing Room	25	0	83	783,300,000
Total indirect cost				4,023,440,153
Tax				3,177,130,153
Sub-total				34,948,433,607
Building utility	17	0	85	340,000,000
Tax				34,000,000
Subtotal				374,000,000
Total				**35,322,433,607**

Based on the above, the market value of the Property derived based on the depreciated cost approach is Rp75,394,162,071 of which the Independent Valuer has rounded down to Rp75,394,000,000. Subsequently, the Independent Valuer has applied the weighted ratio of 48.56% to the market value derived based on the DCF methodology of Rp79,866,000,000 and 51.44% to the market value derived based on the depreciated cost approach of Rp75,394,000,000. The resultant of the above shall translate to the market value of Rp77,694,000,000 (rounded down from Rp77,694,404,174).

Income approach -Investment Value

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

Details	Value	Justification
Projected period	10 years	Ten (10) years investment horizon has been selected to more adequately reflect the earnings profile of this asset.

Details	Value	Justification
		The Independent Valuer believed that this is a realistic period as further extension of the timeframe moves into an area of unpredictability.
Occupancy rate	Year 1 = 100.00% Year 2 = 100.00% Year 3 = 100.00% Year 4 = 75.00% Year 5 = 80.00% Year 6 = 85.00% Year 7 = 90.00% Year 8 = 90.00% Year 9 = 90.00% Year 10 = 90.00%	The Independent Valuer has projected the occupancy rate to stabilise at 90.0% from Year 7 onwards. Upon the expiry of the committed master lease arrangement on Year 4 (Year 1 to Year 3 as 100.0% occupancy), The Independent Valuer has projected a lower occupancy rate of 75.0% (potential drop-off of tenants) in Year 4 and projected a gradual take-up or increment of 5% per annum subsequently over the holding period up to 90.0% occupancy (being the optimum occupancy rate for the Property) on Year 7 onwards. The Independent Valuer has benchmarked against the current occupancy of other selected similar malls/ commercial building in the surrounding localities (ranging from 72.0% to 96.0%).
Average rental rate (Rp per square meter per month)	Year 1 = 285,810 Year 2 = 294,553 Year 3 = 294,553 Year 4 = 306,069 Year 5 = 301,361 Year 6 = 326,213 Year 7 = 336,739 Year 8 = 357,094 Year 9 = 364,526 Year 10 = 379,268	The average rental rate of the Property from Year 1 to Year 3 is based on the current concluded rent of the remaining unexpired term stipulated in the Property Lease Agreement. Upon expiry, the Independent Valuer has adopted the rental of the Property (base rent) (Year 4) at Rp306,069 per sqm per month after having considered the current committed rental rate of the Property. The projected rental rate is computed based on the current projection of current ongoing lease agreement. Over the course of holding period (from Year 4 onwards), the projected market rent was based on a 13-year average growth trend of 4.04% per annum based on the average annual rent index growth trend of commercial property from year 2008 to year 2020. The Independent Valuer deemed that it is the sustainable growth of the Property in a 10-year projection as the valuation is based on a medium to long term period as the property market cyclical in nature and that there will be a gradual market recovery along with market rental growth in the long term.

<table>
<tr><th>Details</th><th>Value</th><th>Justification</th></tr>
<tr><td>Service charge</td><td>3.0% increment per year</td><td>Based on the average of 10 years inflation extracted from the Indonesia Central Bank Report.</td></tr>
<tr><td>Operating expenses, insurance, repair and maintenance</td><td>3.0% increment per year</td><td>Based on the average of 10 years inflation extracted from the Indonesia Central Bank Report.</td></tr>
<tr><td>Discount rate</td><td>11.77%</td><td>This is an acceptable margin to provide an adequate return for an investment with the risk profiles applicable to the Property. For information, the discount rate was derived based on the following parameters:-
<table>
<tr><td>Description</td><td>Rate</td><td>Source</td></tr>
<tr><td>Risk free rate</td><td>7.54%</td><td>Indonesia Bond Pricing Agency</td></tr>
<tr><td>Default spread</td><td>2.23%</td><td>Based on the default spread of Indonesia as extracted from http://pages.stern.nyu.edu/~adamodar/</td></tr>
<tr><td>Market risk premium</td><td>8.03%</td><td>Based on Indonesia Market Risk Premium extracted from http://pages.stern.nyu.edu/~adamodar/</td></tr>
<tr><td>Beta</td><td>1.432</td><td>Average industry beta extracted from PT Pemeringkat Efek Indonesia or Pefindo, a credit rating agency in Indonesia.</td></tr>
<tr><td>Cost of debt</td><td>9.06%</td><td>Central Bank of Indonesia</td></tr>
</table></td></tr>
<tr><td>Terminal yield</td><td>7.60%</td><td>Calculated based on the discount rate less average growth of EBITDA of the last three (3) projected years, where growth is stable.</td></tr>
</table>

Based on the above, the market value of the Property derived from the DCF methodology is Rp102,658,000,000.

Based on the above, the valuation bases adopted by the Independent 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. As such, we are of the view that the Investment Value was adopted in arriving at the RNAV of Solid Ally is reasonable as it measures the value of benefits of ownership to the current owner, i.e. Mark Wee and subsequently the Landmarks Group upon the completion of the Proposed Acquisition.

Despite the RNAV of Solid Ally is lower than the Purchase Consideration, which is primarily due to deferred tax liability, we wish to highlight that the deferred tax liability is merely an accounting implication as required under the International Financial Reporting Standard and the tax obligation only arises when the Property is being disposed. Considering the rational of the Proposed Acquisition and the prospect of the Company as discussed in Section 5 and Section 7 of this IAL respectively, the Property is more likely to be for own use instead of being disposed. Further, the Purchase Consideration is similar to the purchase price as per the LCC/VKF SSA. **In conclusion, after considering the above, opinion of the board, the prospect and outlook of the Company, we are of the opinion that the Purchase Consideration is fair, reasonable and not detrimental to the non-interested shareholders of the Company.**

For information, it is noted that the Valuation Report has been prepared with due regard to the Valuation Practice Guidance Application 10 of the Royal Institute of Chartered Surveyors' Valuation - Global Standard. A higher degree of caution should be attached to the valuation than would normally be the case. 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 Property 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 Independent Valuer). Further, it should be noted that the RNAV approach implicitly includes the assumption that the Property may be disposed of by Solid Ally at the price determined by the Independent Valuer, on a willing buyer willing seller basis in an arm-length transaction with a third party. The Independent 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 Property.

6.2 Justification for the Issue Price

Section 2.3, 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 RM0.34 ("**Issue Price**") to be issued pursuant to the Proposed Acquisition, we have compared said Issue Price against:

(i) the last transacted price of Landmarks Shares as at 1 December 2020, being the last trading day prior to the date of the SSA ("**LTD**"); and
(ii) The respective VWAPs of Landmarks Shares as set out in the table below: -

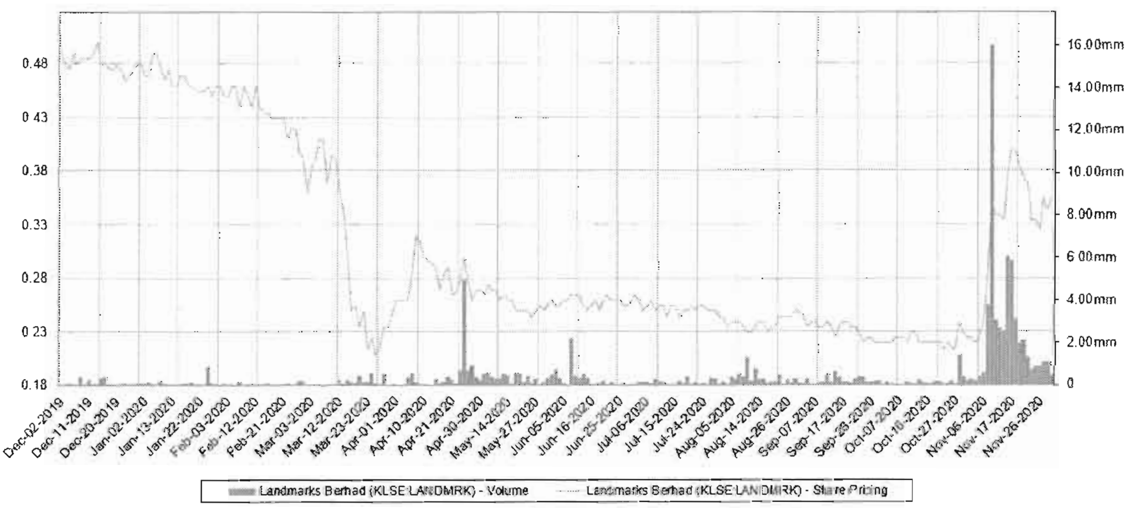
Basis of comparison base on	VWAP/ Closing Price	Premium/ (Discount) over VWAP/closing price	
	RM	RM	%
Last transacted price as at LTD	0.3550	(0.0150)	(4.23)
VWAP for the five (5)-day up to and including LTD	0.3396	0.0004	0.12
VWAP for the one (1)-month up to and including LTD	0.3510	(0.0110)	(3.13)
VWAP for the three (3)-month up to and including LTD	0.3366	0.0034	1.01

Basis of comparison base on	VWAP/ Closing Price	Premium/ (Discount) over VWAP/closing price	
VWAP for the six (6)-month up to and including LTD	0.3195	0.0205	6.42
VWAP for the twelve (12)-month up to and including LTD	0.3185	0.0215	6.75

(Source: Bloomberg)

Based on the table above, we noted that the issue price of RM0.34 per Consideration Share to be issued pursuant to the Proposed Acquisition, represent a discount of 4.23% over the closing market price on LTD and 3.13% over the VWAP for the one (1)-month but at a premium of 0.12%, 1.01%, 6.42%, and 6.75% over the VWAP for the five (5) day, three (3)-month, six (6)-month and twelve (12)-month up to LTD.

Set out in the chart below are the daily closing market prices of Landmarks Shares on Bursa Securities for from 1 December 2019 to 1 December 2020 ("**Review Period**"). We consider that the Review Period which covers a full year prior to the signing of the SSA represents a reasonable period to provide a general overview of the historical trend of Landmarks Shares price when assessing the Issue Price.



As shown in the chart above, the closing price of Landmarks Shares ranged from RM0.210 per share to RM0.500 per share, with a simple average closing price of approximately RM0.314 per share during the Review Period, and the Issue Price:-

(i) Represents a premium of approximately 8.23% to the simple average closing price;
(ii) Represents a discount of approximately 32.00% to the maximum closing price; and
(iii) Represents a premium of approximately 61.90% to the minimum closing price during the Review Period.

Notwithstanding the foregoing, non-interested shareholders of Landmarks should note that the issuance of the Consideration Shares pursuant to the Proposed Acquisition are expected to result in dilution to the existing shareholdings of the non-interested shareholders in Landmarks as well as to the EPS and NA per Share of the Group to the extent of the additional new Landmarks Shares to be issued.

Though, going forward, such dilution impact may be somewhat mitigated through potential rental saving arising from the Proposed Acquisition to the future earnings and NA of the Group.

Premised on the above, taken as a whole we are of the view that the basis of arriving at the Issue Price is fair and reasonable and not detrimental to the non-interested shareholders of the Company.

6.3 Salient terms of the SSA

The salient terms of the SSA are disclosed in Appendix I of the Circular. The following sets out only a summary of the material terms of the SSA that was considered by us and non-interested shareholders of the Company are advised to read Appendix I of the Circular in the entirety. Our comments on the salient terms of the SSA are as follows:

Salient Terms	FHCA's Comments
Conditions Precedent	
Completion is conditional upon and will not proceed unless the following conditions have been fulfilled:-	The Conditions Precedent as set out in the SSA are typical of such transactions and in compliance with the Listing Requirements.
(a) **Due diligence**: The Buyer completes a financial and legal due diligence exercise in relation to the business and affairs of Solid Group, the Land and the Property ("**Due Diligence**") and issues a notice confirming that the Buyer is satisfied with the results of the Due Diligence.	This term will protect the Buyer from any adverse findings during the due diligence review to ensure that the Proposed Acquisition do not pose unnecessary risks or losses to the Buyer and the Company subsequent to the completion hereof.
(b) **Shareholders' approval**: Shareholders' approval of the Buyer's holding company, i.e., Landmarks, for the transaction under the SSA and the issue of the Consideration Shares pursuant to the SSA. (c) **Listing application**: The approval of Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities and, if required, the extension of such approval to the completion date.	Terms (b) and (c) are reasonable and in compliance with the Listing Requirements.
(d) **Lenders' consent**: The lenders and financiers of the Buyer and Landmarks approving or confirming (if required) that they have no objection in to the transaction under the SSA and the issue of the Consideration Shares.	This term ensures that the Buyer and the Company have obtained all consent and approvals from all relevant third parties for the Proposed Acquisition.

Salient Terms	FHCA's Comments
(e) **Solid Sale Share**:	
(1) A written confirmation from LCC that the Vendor has fully satisfied the consideration for the purchase of the entire share capital of Solid Ally (i.e., the Solid Sale Share) under the LCC/VKF SSA and has no claim or interest in the Solid Sale Share whatsoever. (2) The receipt by the Buyer or the Buyer's Solicitors of an undated share instrument and all such other documents as are necessary to register the transfer of the Solid Sale Share in favour of the Buyer duly executed by LCC.	These terms are reasonable and will ensure that the Buyer and the Company have legal and beneficial ownership of Solid Sale Share.
(f) **Material adverse change**: There being no material adverse change affecting the Solid Group since 2014. (g) **Audited accounts**: The Vendor procures the financial statements of the Solid Group for the years ending 31 December 2017, 31 December 2018 and 31 December 2019 to be duly audited by an auditor acceptable to the Buyer.	Terms (f) and (g) are fair and serves to protect the interest of the Company.
(h) **Remaining PTBW Shares**:	
(1) A written confirmation from VKF that the Vendor has fully satisfied the consideration for the purchase of the Remaining PTBW Shares under the LCC/VKF SSA and has no claim or interest in the Remaining PTBW Shares whatsoever. (2) The receipt by the Buyer or the Buyer's Solicitors of an undated Akta Jual Beli or such other share transfer instrument and all such other documents as are necessary to register the transfer of the Remaining PTBW Shares in favour of the Buyer duly executed by VKF. (3) A reputable Indonesian legal firm, acceptable to the Buyer, has issued a legal opinion confirming that the pre-requisites for the transfer of the Remaining PTBW Shares in favour of the Buyer have been properly put in place, if such a legal opinion is required by the Buyer.	These terms are reasonable and will ensure that the Buyer and the Company have legal and beneficial ownership of the Remaining PTBW Shares.

Salient Terms	FHCA's Comments
(i) **Property Lease Agreement**: A written confirmation from PTBW to the Tenant that, notwithstanding the rental arrears and rejection of the rental waiver request, PTBW has not and will not terminate the Property Lease Agreement, forfeit or otherwise determine the Property Lease or otherwise take any legal or other action against the Tenant in respect of the non-payment and arrears of the Property Rental or any other default of the Property Lease Agreement or for the encroachment issue at any time prior to Completion and accepts the rental waiver request.	This term serves to protect the interest of the Company in relation to the validity of the Property Lease Agreement despite the Rental Arrears as well as the rejection of the Rental Waiver Request.
(j) **HGB & Property:**	
(1) The Land SPA has been duly completed, and the IPH and IMB have been duly issued in favour of PTBW. (2) The HGB is registered in the name of PTBW and the ownership of the HGB and the Property by PTBW is indefeasible and incontestable under the law and practice of Indonesia. (3) PTBW is the legal and the beneficial owner of the HGB and the Property and the HGB and Property are free of all security interests and other third-party interests or rights (other than the Property Lease Agreement). (4) A reputable Indonesian legal firm, acceptable to the Buyer, has issued a legal opinion confirming the Conditions under Clauses 2.1(j)(1), 2.1(j)(2) and 2.1(j)(3), if such a legal opinion is required by the Buyer.	These terms are reasonable and will ensure that the Buyer and the Company have legal and beneficial ownership of the Property.
(j) **HGB Extension**: The submission of the application to BPN for the HGB Extension by PTBW following the issue of the IPH and IMB in favour of PTBW, and either – (1) BPN or such other competent regulatory authority of the Government of the Republic of Indonesia responsible for land transactions in the Republic of Indonesia has issued a letter confirming its agreement and consent to the HGB Extension; or (2) a reputable Indonesian legal firm, acceptable to the Buyer, has issued a legal opinion confirming that the HGB to the Land has been extended for an additional 20 years to 2044 if such a legal opinion is requested by the Buyer	These terms are fair as PTBW is obliged to apply for the HGB Extension and this will give the Buyer and the Company the rights to use the Land up to 2044.

Salient Terms	FHCA's Comments
Consideration and Payment **Purchase Consideration** (a) The price payable for the Solid Share and VKF Shares is SGD9,775,792 (equivalent to approximately RM29,767,287). (b) The Purchase Consideration was agreed on the basis of the value of – (1) 100% of the agreed total value of the Property of SGD11,905,088 (equivalent to approximately RM36,250,993) (i.e., the NTA of the Solid Group at historical cost of SGD2,896,396 (equivalent to approximately RM8,819,526) plus the property revaluation surplus of SGD9,008,692 (equivalent to approximately RM27,431,467)) as shown in the accounts; less (2) the amount of SGD2,129,296 (equivalent to approximately RM6,483,706) shown as owing by the shareholders of the Company to the Company in the accounts, and a SGD/RM exchange rate of SGD1.00:RM3.045	These terms were mutually agreed upon by the Company and Mark Wee. The evaluation of the Purchase Consideration and the Issue Price for the Consideration Shares have been set out in Section 6.1 and 6.2 of this IAL. We are of the view that the Purchase Consideration is fair and not detrimental to the non-interested shareholders of the Company.
Payment The Consideration must be satisfied as follows:- (a) Within 14 days of the date of the SSA, by the payment of SGD303,750 (equivalent to approximately RM924,919) in immediately available funds by the Buyer to the Vendor by way of a deposit and part payment under the SSA pending completion ("**Deposit**"). (b) On the Completion Date, by the Buyer procuring Landmarks to issue 84,830,494 Consideration Shares in the name of the Vendor or his nominee in satisfaction of the balance on the following terms:- (1) The Consideration Shares will, upon allotment and issuance, rank equally in all respects with the then existing ordinary shares of Landmarks, except that the 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 Consideration Shares. (2) Bursa Securities approve the listing of and quotation of the Consideration Shares on the Main Market of Bursa Securities.	The Deposit which represents approximately 3.1% of the Purchase Consideration appears to be in line with market practices. Term (b) is reasonable and in compliance with the Listing Requirements.

Salient Terms	FHCA's Comments
(c) In respect of the amount referred to in Clause 2.1(b)(2), the Buyer must following completion procure Solid Ally to release and discharge the amount of SGD2,129,296 (equivalent to approximately RM6,483,706) shown as owing by the shareholders of Solid Ally to Solid Ally in the accounts.	This term is fair and serves to protect the interest of the Company.
Completion **Date of Completion** Completion must take place at the office of the Buyer's Solicitors on the Completion Date.	These terms are fair and are common commercial terms of transactions of this nature which stipulates the action to be taken on Completion.
Conditions of Completion (a) Completion is conditional on both the Buyer and the Vendor complying with all their obligations under Clause 6 of the SSA. (b) If either the Vendor or the Buyer fails to fully comply with its obligations under Clause 6 of the SSA and the Parties do not complete the SSA then:- (1) the Vendor must refund the Deposit, free of interest to the Buyer; (2) each Party must return to the other all documents delivered to it under Clause 6 of the SSA; and (3) each Party must do everything reasonably required by the other Party to reverse any action taken under Clause 6 of the SSA. within 14 days of the Completion Date and without prejudice to any other rights any Party may have in respect of that failure.	We are of the opinion that these terms are fair and reasonable whereby the Vendor and Buyer must fulfil their respective obligations under Clause 6 of the SSA in ensuring the timely completion of the Proposed Acquisition.
Termination **Right of Vendor to terminate** The Vendor may, give a notice of termination to the Buyer in the event that the Buyer defaults in the satisfaction of the Purchase Consideration in accordance with the provisions of the SSA and fails to rectify such breach within 30 days of the Vendor giving notice to the Buyer to do so.	These terms are common and reasonable as they give the rights to the non-defaulting parties to terminate the SSA 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.

Salient Terms	FHCA's Comments
Right of Buyer to terminate If at any time up to completion:- (a) the Vendor breaches a term of the SSA and fails to rectify such breach within 30 days of the Buyer giving notice to the Vendor to do so; (b) the Vendor fails, neglects or refuses to complete the disposal of the Solid Sale Share and the Remaining PTBW Shares or any of them in accordance with the provisions in the SSA; (c) any warranty is or becomes false, misleading or incorrect when made or regarded as made under the SSA; (d) bankruptcy proceeding is instituted against the Vendor or the Vendor 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 (e) the Vendor 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 Vendor's assets or undertaking; then the Buyer may by giving a notice of termination to the Vendor before or at completion date, elect to terminate the SSA. **Consequences of termination** Upon termination of the SSA:- (a) the Deposit must be refunded to the Buyer, free of interest; (b) each Party must return to the other, all documents (if any), delivered to it under Clause 6 of the SSA; and (c) each Party must do everything reasonable required by the other Party to reverse any action taken under Clause 6 of the SSA, within 14 days from the termination thereof, without prejudice to any other rights any Party may have in respect of that failure.	

Premised on the above, we are of the view that the abovementioned salient terms of the SSA 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 INDUSTRY OVERVIEW AND PROSPECTS

We take note of the industry overview and prospects of the Property as disclosed in Section 5, Part A of the Circular.

Overview of the Malaysian Economy

The economy registered a negative growth of 3.4% in the fourth quarter ("**Q**") (3Q 2020: -2.6%), largely attributable to the imposition of the Conditional Movement Control Order ("**CMCO**") on a number of states since mid-October. For 2020 as a whole, the economy contracted by 5.6%. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity during the fourth quarter. Nevertheless, the continued improvement in external demand provided support to growth.

Consequently, except for manufacturing, all economic sectors continued to record negative growth. On the expenditure side, moderating private consumption and public investment activities weighed on domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 0.3% (3Q 2020: 18.2%).

For the quarter, headline inflation declined to -1.5% in part reflecting the larger decline in retail fuel prices as compared to the corresponding period last year. Core inflation moderated to 0.8% due mainly to lower inflation for communication services and rental. Meanwhile, public consumption continued to expand, albeit at a more moderate pace of 2.7% in the fourth quarter of 2020 (3Q 2020: 6.9%), supported by spending in emoluments.

For Malaysia, the momentum in economic recovery was affected by the resurgence in COVID-19 cases and the introduction of targeted containment measures in several states in the fourth quarter. While there were minimal restrictions on production capacity, the movement restrictions implemented in selected states partly affected domestic demand during the quarter.

For 2021, while near-term growth will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter onwards. The improvement will be driven by the recovery in global demand, turnaround in public and private sector expenditure amid continued support from policy measures including PENJANA, KITA PRIHATIN, 2021 Budget and PERMAI, and higher production from existing and new facilities in the manufacturing and mining sectors. The vaccine rollout from February onwards is also expected to lift sentiments. The balance of risks remains tilted to the downside, stemming mainly from ongoing uncertainties surrounding the dynamics of the pandemic and potential challenges that might affect the rollout of vaccines both globally and domestically.

For 2021, headline inflation is projected to average higher, primarily due to higher global oil prices. Underlying inflation, as measured by core inflation, is expected to remain subdued amid continued spare capacity in the economy. The outlook, however, is subject to global oil and commodity price developments.

(Source: Bank Negara Malaysia, Economic and Financial Developments in the Malaysian Economy in the fourth quarter of 2020)

Overview and outlook of the Indonesia economy and tourism industry

2nd quarter 2020 ("**Q**"), Gross Domestic Product ("**GDP**") growth shrank -5.3% year-on-year before recovering to -3.5% in 3Q, steep contraction by historical standards but smaller than other regional peers. For 2021, we count on consumption, corporate restocking and net exports to benefit from unwinding of restrictions alongside favourable base effects, while slower fiscal support and direction of the pandemic curve are risks to the outlook. The recast window for corporates and deferred non performing loan classification to provide some succour to the banking system in the near-term. DBS Bank maintain their GDP growth forecast at -2% year-on-year for this year and 4% in 2021.

Into 2021, besides the pandemic, focus will also be on expanding manufacturing and investment footprint via the recently passed Omnibus Bill and finalisation of the Regional Comprehensive Economic Partnership multilateral agreement.

(Source: DBS Bank: Indonesia Outlook 2021: Beyond the pandemic)

According to President Joko "Jokowi" Widodo, the economic growth is projected to reach 4.5% to 5.5% and the rate is expected to be supported by increased domestic consumption and investment as the main driving forces.

The Health Budget is planned at Rp169.7 trillion or equivalent to 6.2% of the State Budget, and geared towards an increase in and equal distribution of supply, as well as facilitation for the procurement of vaccine; nutrition improvement for pregnant and lactating mothers and toddlers, management of infectious diseases, and accelerating stunting reduction; ensuring more effective and sustainable national health insurance program, and; strengthening disease prevention, detection, and response, as well as the integrated health system.

(Source: Cabinet Secretariat of The Republic of Indonesia: Gov't Projects Economic Growth 2021 to Reach 4.5 – 5.5%)

After an economic contraction of -1.5% in 2020, the country's first since the Asian Financial Crisis, we are cautiously optimistic for growth of 4.3% in 2021. This recovery will be based on businesses and individuals adapting better to the COVID-19, plus expectations of a vaccine next year. Greater mobility also has the potential to boost non-essential consumption, such as restaurant dining, clothing and apparel and entertainment, amid pent-up demand largely supported by Indonesia's young and increasingly middle-income population.

With continued expansionary fiscal policy in 2021, based on a government target of 5.7% of GDP, the key focus will be towards spending on infrastructure and social safety aid. As of 2019, around 90 out of 245 National Strategic Projects had been completed, with the remainder expected in 2021; after being deferred in 2020 due to the COVID-19.

The prospect for the pace of economic activity to increase should also lead to higher employment and a general positive outlook for the economy going forward.

(Source: UOB Bank (Singapore): Indonesia)

During the January-June 2020 period, the total number of foreign tourists visiting Indonesia had reached 3.09 million, dropping 59.96% from 7.72 million registered during the corresponding period last year.

Indonesia recorded 160,280 foreign tourist arrivals in June 2020, dropping 2.06% from May 2020, or a drop of 88.82% as compared to the corresponding period last year, the Central Statistics Agency (BPS) stated.

(Source: Central Statistics Agency (BPS): Number of foreign tourist visits per month to Indonesia according to the entrance, 2017 - now (Visit), 2020)

The COVID-19 pandemic has wiped out around Rp 85 trillion of Indonesia's tourism revenue as of July 2020, with estimated Rp 70 trillion losses posted by the hotel and restaurant industry, according to data from the Indonesian Hotel and Restaurant Association (PHRI).

In a bid to tackle the impact of the COVID-19 outbreak on Indonesia's economy, the Indonesian Government has prepared an incentive worth Rp298.5 billion to attract more foreign tourists.

According to Coordinating Minister for Economic Affairs Airlangga Hartato, Rp98.5 billion of the total budget will be allocated for airlines and travel agents, Rp103 billion for tourism promotion, Rp25 billion for tourism events, as well as Rp72 billion for media relations and influencers in which the Indonesian Government will provide a 30% subsidy for ten domestic tourist destinations including Lake Toba, Special Region of Yogyakarta, the city of Malang, the city of Manado, the resort island of Bali, Mandalika, Labuan Bajo, Bangka Belitung province, the industrial island of Batam, and the island of Bintan, 25% of the total airline seats will also be subsidised.

The Indonesian Government will also dispense a budget of Rp3.3 trillion to affected local governments due to the drop in hotel and restaurant tax revenue in those regions.

(Source: Cabinet Secretariat of The Republic of Indonesia: Government to provide incentives to lore for tourists amidst COVID-19 outbreak)

Considering the enormous effort exerted by the Indonesian Government to combat the impact of the COVID-19 on Indonesia's tourism sector, President Joko Widodo expressed that the Indonesian tourism is expected to flourish in 2021.

(Source: Cabinet Secretariat of The Republic of Indonesia: Introductory Remarks of President of the Republic of Indonesia at the Limited Cabinet Meeting (Through Video Conference) on Mitigation of the Impact of COVID-19 on Tourism and Creative Economy Sectors, Thursday, 16 April 2020, at the Bogor Presidential Palace, West Java Province)

Future prospects of the Property and the enlarged Landmarks Group

As set out in Section 5.5, Part A of the Circular, it was noted that the Proposed Acquisition is not expected to have any material impact on the enlarged Landmarks Group until the stabilisation of the business environment and gradual global recovery post COVID-19 which remains largely uncertain at this juncture. Nonetheless, the Board is still cautiously optimistic about the future growth potential of Treasure Bay Bintan once the business operations normalise and is expected to contribute positively to the enlarged Landmarks Group in the future.

Premised on the above, we are of the view that the prospects of the Group following the completion of the Proposed Acquisition appears to be favourable (*on the assumption that the COVID-19 outbreak can be fully contained/under control within a reasonable timeframe with business operations of Treasure Bay Bintan gradually recovers*) and barring unforeseen circumstances, is poised to improve its financial performance in the future (*mid to long terms*). As such, we are of the opinion that the Proposed Acquisition is in the best interest of the Company.

Nonetheless, we wish to highlight that all businesses are subject to uncertainties which are not within the Board's control such as, amongst others, change in Government policies, change in interest rates and changes in the global economic conditions and changes in the global tourism industry.

8 RISK FACTORS

We take note of the risk factors as disclosed in Section 6, 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 Solid Ally and PTBW are also operating in. As such, the Group is not expected to be exposed to new business risk as a result of the Proposed Acquisition.

We wish to highlight that although efforts and measures will be taken by the Group to mitigate the risks associated with the Proposed Acquisition, no assurance can be given that one or a combination of the risk factors as stated in Section 6, 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 Acquisition, 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 Acquisition 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.

9 EFFECTS OF THE PROPOSED ACQUISITION

The effects of the Proposed Acquisition as disclosed in Section 7, Part A of the Circular are as follows:-

(i) Issued share capital and substantial shareholders' shareholdings

The Proposed Acquisition will result in an increase in the Company's share capital (based on the maximum scenario, assuming that all of the outstanding 64,858,900 ESOS options are exercised prior to the completion of the Proposed Acquisition) from 648,179,737 Landmarks Shares to 733,010,231 Landmarks Shares following the issuance of Consideration Shares upon the completion of the Proposed Acquisition.

(ii) NA and gearing

Under the maximum scenario, the proforma effects of the Proposed Acquisition 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 2019 is set out below:

	Audited as at 31 December 2019 (RM'000)	Subsequent adjustment up to the LPD [1] (RM'000)	Proforma I Assuming full exercise of outstanding ESOS options [2] (RM'000)	Proforma II After completion of the Proposed Acquisition [3] (RM'000)
Total equity	1,790,521	1,802,448	1,827,385	1,855,728
Borrowings (RM'000)	121,411	121,411	121,411	121,411
Gearing (times)	0.07	0.07	0.07	0.07
NA per Share (RM)	3.38	3.09	2.82	2.53

Notes:

(1) *After adjusting for the following:-*

(i) Issuance of 52,889,067 Landmarks Shares at an issue price of RM0.22 per Landmarks Share pursuant to the Private Placement which was completed on 5 November 2020 and deducting the expenses pertaining to the Private Placement amounting to RM0.06 million;

(ii) 38,120,000 ESOS Option granted on 25 September 2020;

(iii) 10,075,000 ESOS Option forfeited from 1 January 2020 up to the LPD;

(iv) 1,541,100 ESOS options exercised from 1 January 2020 up to the LPD, at the exercise price of RM0.23 per ESOS option; and

(v) Share-based payment for the ESOS options from 1 January 2020 up to the LPD amounting to approximately RM3.40 million.

(2) Assuming the 64,858,900 outstanding ESOS options are exercised prior to the completion of the Proposed Acquisition at the following respective exercise price, after taking into consideration the reversal of the share option reserve amounting to RM7.81 million:-

No of outstanding ESOS options	Exercise Price (RM)
28,980,000	0.55
495,000	0.56
2,240,000	0.49
33,143,900	0.23

(3) Based on the issue price of RM0.34 per Consideration Share and deducting the estimated expenses pertaining to the Proposed Acquisition amounting to approximately RM0.50 million

Barring unforeseen circumstances, the Proposed Acquisition will have no effect on Landmarks Group's gearing upon the allotment of the Consideration Shares. Nonetheless, the non-interested shareholders of Landmarks should note that the issuance of the Consideration Shares pursuant to the Proposed Acquisition is expected to result in dilution to the shareholdings in Landmarks as well as to the NA per Share after the completion of the Proposed Acquisition. Though, going forward, such dilution impact may be somewhat mitigated through potential contribution of Solid Ally and PTBW to the future earnings and NA of the Group.

We noted that the Issue Price represents a discount of 89.94% and 86.51% over the NA per Landmarks Share of RM3.38 and RM2.53 as shown in the above table. It should also note that the realisation of the NA per Share is highly subjective and assumes, among other things, the existence of ready and committed buyers for each of its properties and full recovery of all the other assets, which includes the receivables, investment in securities, derivative, tax recoverable as well as full repayment made to all its stakeholders. Further, it also assumes that the aforementioned processes can be conducted efficiently without any time constraint and without regard to other relevant market factors that may affect the said processes. **Hence, after considering the realistic practicality, sensible and logical aspect of things, we are of the opinion that the Issue Price is fair, reasonable and not detrimental to the non-interested shareholders of the Company.**

(iii) **Earnings and EPS**

Landmarks Group's EPS will be diluted as a result of the issuance of the Consideration Shares pursuant to the completion of the Proposed Acquisition. However, going forward, the dilution impact to the EPS may somewhat be mitigated through the rental savings arising from the Proposed Acquisition.

Based on the above, we are of the opinion that the effects of the Proposed Acquisition are fair and reasonable and not to the detriment of the non-interested shareholders of the Company.

10 CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Acquisition and have set out our evaluation in Paragraph 4 to 9 of this IAL.

We summarise the potential advantages and disadvantages of the Proposed Acquisition as follows:

Potential Advantages	Potential Disadvantages
The enlarged Landmarks Group will have greater control and management flexibility in the implementation of any strategic initiative and/or operational changes of the Property. Besides, the Proposed Acquisition will allow Landmarks to realise the potential synergies from fully integrating and streamlining the combined operation, especially in the areas of resort and destination development, management and administration.	Upon the completion of the Proposed Acquisition, the shareholdings of the existing non-interested shareholders will be diluted.
	The risks associated with the hospitality and wellness, resort and destination development as well as other business risks and the prospect of the Group in view of the current pandemic as detailed in Section 6, Part A of the Circular have to be considered.

We have taken cognisance of the rationale, financial evaluation, effects and risk factors of the Proposed Acquisition. Based on our evaluation and comments on the Proposed Acquisition, we are of the opinion that the Proposed Acquisition is **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 Acquisition to be tabled at the forthcoming EGM of the Company.

Before arriving at the decision to vote on the resolution pertaining to the Proposed Acquisition, 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 16, Part A of the Circular.

Yours faithfully
FHMH CORPORATE ADVISORY SDN BHD

NG WOON LIT	**DING SU-LYNN**
Director	**Director**
Investment Representative	**Investment Representative**
eCMSRL/B5412/2015	**eCMSRL/B8965/2019**

SALIENT TERMS OF THE SSA

---

1. CONDITIONS PRECEDENT

Completion is conditional upon and will not proceed unless the following conditions have been fulfilled:-

(a) **Due diligence**: The Buyer completes a financial and legal due diligence exercise in relation to the business and affairs of Solid Group, the Land and the Property ("**Due Diligence**") and issues a notice confirming that the Buyer is satisfied with the results of the Due Diligence.

(b) **Shareholders' approval**: Shareholders' approval of the Buyer's holding company, i.e., Landmarks, for the transaction under the SSA and the issue of the Consideration Shares pursuant to the SSA.

(c) **Listing application**: The approval of Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities and, if required, the extension of such approval to the completion date.

(d) **Lenders' consent**: The lenders and financiers of the Buyer and Landmarks approving or confirming (if required) that they have no objection to the transaction under the SSA and the issue of the Consideration Shares.

(e) **Solid Share**:

(1) A written confirmation from LCC that the Vendor has fully satisfied the consideration for the purchase of the entire share capital of Solid Ally (i.e., the Solid Sale Share) under the LCC/VKF SSA and has no claim or interest in the Solid Sale Share whatsoever.

(2) The receipt by the Buyer or the Buyer's Solicitors of an undated share instrument and all such other documents as are necessary to register the transfer of the Solid Sale Share in favour of the Buyer duly executed by LCC.

(f) **Material adverse change**: There being no material adverse change affecting the Solid Group since 2014.

(g) **Audited accounts**: The Vendor procures the financial statements of the Solid Group for the years ending 31 December 2017, 31 December 2018 and 31 December 2019 to be duly audited by an auditor acceptable to the Buyer.

(h) **Remaining PTBW Shares**:

(1) A written confirmation from VKF that the Vendor has fully satisfied the consideration for the purchase of the Remaining PTBW Shares under the LCC/VKF SSA and has no claim or interest in the Remaining PTBW Shares whatsoever.

(2) The receipt by the Buyer or the Buyer's Solicitors of an undated Akta Jual Beli or such other share transfer instrument and all such other documents as are necessary to register the transfer of the Remaining PTBW Shares in favour of the Buyer duly executed by VKF.

(3) A reputable Indonesian legal firm, acceptable to the Buyer, has issued a legal opinion confirming that the pre-requisites for the transfer of the Remaining PTBW Shares in favour of the Buyer have been properly put in place, if such a legal opinion is required by the Buyer.

(i) **Property Lease Agreement**: A written confirmation from PTBW to the Tenant that, notwithstanding the rental arrears and rejection of the rental waiver request, PTBW has not and will not terminate the Property Lease Agreement, forfeit or otherwise determine the Property Lease or otherwise take any legal or other action against the Tenant in respect of the non-payment and arrears of the property rental or any other default of the Property Lease Agreement or for the encroachment issue at any time prior to completion and accepts the rental waiver request.

(j) **HGB & Property**:

(1) The Land SPA has been duly completed, and the IPH and IMB have been duly issued in favour of PTBW.

(2) The HGB is registered in the name of PTBW and the ownership of the HGB and the Property by PTBW is indefeasible and incontestable under the law and practice of Indonesia.

(3) PTBW is the legal and the beneficial owner of the HGB and the Property and the HGB and Property are free of all security interests and other third-party interests or rights (other than the Property Lease Agreement).

(4) A reputable Indonesian legal firm, acceptable to the Buyer, has issued a legal opinion confirming the conditions under Paragraphs (1), (2) and (3) above, if such a legal opinion is required by the Buyer.

(k) **HGB Extension**: The submission of the application to BPN for the HGB Extension by PTBW following the issue of the IPH and IMB in favour of PTBW, and either –

(1) BPN or such other competent regulatory authority of the Government of the Republic of Indonesia responsible for land transactions in the Republic of Indonesia has issued a letter confirming its agreement and consent to the HGB Extension; or

(2) a reputable Indonesian legal firm, acceptable to the Buyer, has issued a legal opinion confirming that the HGB to the Land has been extended for an additional 20 years to 2044 if such a legal opinion is requested by the Buyer.

As at the LPD, save for items (a), (c), d), (g) and (i), all the above conditions precedent have not been fulfilled.

2. CONSIDERATION AND PAYMENT

2.1 Purchase Consideration

(a) The price payable for the Solid Sale Share and the Remaining PTBW Shares is SGD9,775,792 (equivalent to approximately RM29,767,287).

(b) The Purchase Consideration was agreed on the basis of the value of –

(1) 100% of the agreed total value of the Subject Property of SGD11,905,088 (equivalent to approximately RM36,250,993) (i.e., the NTA of the Solid Group at historical cost of SGD2,896,396 (equivalent to approximately RM8,819,526) plus the property revaluation surplus of SGD9,008,692 (equivalent to approximately RM27,431,467)) as shown in the accounts; less

(2) the amount of SGD2,129,296 (equivalent to approximately RM6,483,706) shown as owing by the shareholders of Solid Ally to Solid Ally in the accounts of Solid Ally,

and a SGD/RM exchange rate of SGD1.00:RM3.045.

2.2 Payment

The Purchase Consideration must be satisfied as follows:-

(a) Within 14 days of the date of the SSA, by the payment of SGD303,750 (equivalent to approximately RM924,919) in immediately available funds by the Buyer to the Vendor by way of a deposit and part payment under the SSA pending completion ("**Deposit**").

(b) On the completion date, by the Buyer procuring Landmarks to issue 84,830,494 Consideration Shares in the name of the Vendor or his nominee in satisfaction of the balance on the following terms:-

(1) The Consideration Shares will, upon allotment and issuance, rank equally in all respects with the then existing ordinary shares of Landmarks, except that the 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 Consideration Shares.

(2) Bursa Securities approve the listing of and quotation of the Consideration Shares on the Main Market of Bursa Securities.

(c) In respect of the amount referred to in Paragraph 2.1(b)(2), the Buyer must following completion procure Solid Ally to release and discharge the amount of SGD2,129,296 (equivalent to approximately RM6,483,706) shown as owing by the shareholders of Solid Ally to Solid Ally in the accounts of Solid Ally.

3. COMPLETION

3.1 Date of Completion

Completion must take place at the office of the Buyer's Solicitors on the completion date.

3.2 Conditions of Completion

(a) Completion is conditional on both the Buyer and the Vendor complying with all their obligations under Clause 6 of the SSA.

(b) If either the Vendor or the Buyer fails to fully comply with its obligations under Clause 6 of the SSA and the parties do not complete the SSA then:-

(1) the Vendor must refund the Deposit, free of interest, to the Buyer;

(2) each party must return to the other all documents delivered to it under Clause 6 of the SSA; and

(3) each party must do everything reasonably required by the other party to reverse any action taken under Clause 6 of the SSA.

within 14 days of the completion date and without prejudice to any other rights any party may have in respect of that failure.

4. TERMINATION

4.1 Right of Vendor to terminate

The Vendor may, give a notice of termination to the Buyer in the event that the Buyer defaults in the satisfaction of the Purchase Consideration in accordance with the provisions of the SSA and fails to rectify such breach within 30 days of the Vendor giving notice to the Buyer to do so.

4.2 Right of Buyer to terminate

If at any time up to completion:-

(a) the Vendor breaches a term of the SSA and fails to rectify such breach within 30 days of the Buyer giving notice to the Vendor to do so;

(b) the Vendor fails, neglects or refuses to complete the disposal of the Solid Sale Share and the Remaining PTBW Shares or any of them in accordance with the provisions in the SSA;

(c) any warranty is or becomes false, misleading or incorrect when made or regarded as made under the SSA;

(d) bankruptcy proceeding is instituted against the Vendor or the Vendor 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

(e) the Vendor 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 Vendor's assets or undertaking;

then the Buyer may by giving a notice of termination to the Vendor before or at completion date, elect to terminate the SSA.

4.3 Consequences of termination

Upon termination of the SSA:-

(a) the Deposit must be refunded to the Buyer, free of interest;

(b) each party must return to the other, all documents (if any), delivered to it under Clause 6 of the SSA; and

(c) each party must do everything reasonable required by the other party to reverse any action taken under Clause 6 of the SSA,

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

VALUATION CERTIFICATE IN RESPECT OF THE SUBJECT PROPERTY

KANTOR JASA PENILAI PUBLIK
WILLSON DAN REKAN
Izin No.2.09.0049
Jasa Penilaian Properti
Wilayah Kerja Negara Republik Indonesia

WILLSON & REKAN | Knight Frank

PRIVATE & CONFIDENTIAL

The Board of Directors
Landmarks Berhad
20th Floor, Menara Haw Par
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Date: 24th February 2021

Reference No.: 00076/2.0049-00/PI/03/0321/0/II/2021

Dear Sir / Madam,

VALUATION CERTIFICATE FOR MAIN ENTRANCE BUILDING AND FACILITIES OF TREASURE BAY LOCATED AT BINTAN RESORT AREA, JALAN RAYA HAJI, SEBONG LAGOI VILLAGE, DISTRICT OF TELUK SEBONG, BINTAN REGENCY, RIAU ISLANDS - INDONESIA (HEREINAFTER REFERRED TO AS THE "SUBJECT PROPERTY")

We were instructed by Landmarks Berhad (hereinafter referred as the "**Client**") to ascertain the Market Value of the legal interest in the Subject Property which is a double-storey commercial building built on an area of 12,578 square meters land plot and 4,782 square meters building area known as "*Main Entrance Building and Facilities*" of Treasure Bay, located at Bintan Resort Area, Jalan Raya Haji, Sebong Lagoi Village, District of Teluk Sebong, Bintan Regency, Riau Islands - Indonesia. The Net Leaseable area of the Subject Property is 3,013 square meters and PT Treasure Bay Attractions, a subsidiary company of the Client, is currently the master lessee of the entire property, of which certain parts are rented to third parties (sub-tenants). The occupancy of the sub-tenants is around 98.34% and such tenants consists of Restaurant, F&B, Music Louge, Recreation, Office, Spa, etc.

This Valuation Certificate is prepared for inclusion in the Circular to the shareholders of landmarks Berhad pursuant to the submission to Bursa Malaysia Securities Berhad in relation the proposed acquisition by Tiara Gateway Pte Ltd ("Tiara Gateway" or the "Buyer"), a wholly-owned subsidiary of Primary Gateway Sdn Bhd ("**Primary Gateway**"), which in turn is a wholly-owned subsidiary of Landmarks ("**Tiara Gateway**" or the "**Buyer**") of the rights and interest under Hak Guna Bangunan No. 00105/Sebong Lagoi ("**HGB**") 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 (equivalent to approximately RM29.77 million) through the proposed acquisition of the entire equity interest in PT Buana Wisatama ("**PTBW**") ("**Proposed Acquisition**").

This valuation is prepared in accordance to the Indonesian Valuation Standards (Standar Penilaian Indonesia ("**SPI**")) VII Edition - 2018, and the Indonesian Valuers Code of Ethics (Kode Etik Penilai Indonesia ("**KEPI**")) with references made to the Asset Valuation Guidelines (AVG) issued by the Securities Commission of Malaysia (where applicable).

The currency used in this report for the analysis of the Subject Property is Indonesian Rupiahs (Rp). This is the currency normally used for property transactions in Indonesia. We have also quoted the same in Malaysian Ringgit (RM) using the exchange rate on the material date of valuation.

This Valuation Certificate is prepared in accordance with the general principles adopted and limiting conditions as enclosed at the end of our formal Valuation Report. For all intents and purposes, this Valuation Certificate should be read in conjunction with our formal Valuation Report.

VALUATION CERTIFICATE IN RESPECT OF THE SUBJECT PROPERTY (Cont'd)

WILLSON & REKAN | Knight Frank

The basis of valuation adopted is:

(i) **Market Value** "The estimated amount for which an asset or liability should exchange or to be paid on the Valuation Cut-Off Date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion" (SPI-101,VII Edition – 2018) and;

(ii) **Investment Value**, "Investment Value is the value of an asset to the owner or a prospective owner for individual investment or operational objectives," (SPI-102,VII Edition – 2018).

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. In the Indonesian market, market activity is being impacted in most sectors including hospitality. Except where clearly identified within this report as at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation(s) is / are therefore reported on the basis of 'valuation uncertainty' per VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

For the avoidance of doubt, the inclusion of the 'valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The uncertainty clause is to serve as a precaution and does not invalidate the valuation.

Accordingly, our inspection was undertaken on **26th & 27th October 2020** and adopted **27th October 2020** as our material date of Valuation.

Brief description of the Subject Property is as attached overleaf.

VALUATION CERTIFICATE IN RESPECT OF THE SUBJECT PROPERTY (Cont'd)

WILLSON & REKAN | Knight Frank

IDENTIFICATION OF THE SUBJECT PROPERTY

Interest Valued / Type of Property
Legal interest in a Main Entrance Building and Facilities of Treasure Bay located at Bintan Resort Area, Jalan Raya Haji, Sebong Lagoi Village, District of Teluk Sebong, Bintan Regency, Riau Islands - Indonesia

Name and address
Main Entrance Building and Facilities of Treasure Bay located at Bintan Resort Area, Jalan Raya Haji, Sebong Lagoi Village, District of Teluk Sebong, Bintan Regency, Riau Islands – Indonesia.

Locality
Located at Jalan Raya Haji, Sebong Lagoi Village, District of Teluk Sebong, Bintan Regency, Riau Islands - Indonesia.

Land Title / Legal Interest
The legal title of the land is Right to Build (Hak Guna Bangunan) Certificate No. 00105 / Sebong Lagoi and the pertinent details are summarized as follows:

PERTINENT DETAILS OF LAND TITLE / CERTIFICATE

Proprietor Name	:	PT Buana Megawisatama
Issuance Date	:	3rd July 2006
Expiry Date	:	4th June 2024
Nomor Induk Bidang (NIB)	:	00241
Measurement Letter No.	:	0221/ab.lagoi/2006
Measurement Letter date	:	30th June 2006
Land Area	:	12,578 square meters.
Land Lease Term	:	Expiring on 4th June 2024 with option to renew for further term of 20 years and thereafter to perpetuity (30 years each term) as long as the usage of the land is in compliance with the land use provision set forth therein.

- Based on agreement for Sale and Purchase (Perjanjian Pengikatan Jual Beli) dated 25th May 2012, we understand that PT Buana Megawisatama is the previous land owner of the Subject Property and the land plot has been sold to PTBW thereafter.
- We assumed that there is no issue related to the possible right of way, easement, and way leaves etc, which may potentially have a detrimental impact upon the valuations in this report.
- As stated in the Assumptions and Limiting Condition, we do not undertake land searches or inspections of any kind (including web-based searches. for title information, or searches in any publicly available land registers). As a result, we have relied upon a Legal Representation and / or a Confirmation Letter prepared by a Notary confirming the essential land matters (term of the lease, good, marketable, registrable and transferable without any land restrictions and caveats endorsed upon) relating to the title of the Land in preparation of our valuation.
- In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn. We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct. It is also particularly important that your legal advisers should be asked to check whether there have been any transactions relating to the property which reveal price paid information which we should be made aware of.
- If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.

WILLSON & REKAN | Knight Frank

PROPERTY DESCRIPTION

Property Description

The Subject Property is a double-storey commercial building located at Jalan Raya Haji, Sebong Lagoi Village, District of Teluk Sebong, Bintan Regency, Riau Islands – Indonesia. The building known as "*Main Entrance Building and Facilities*" of Treasure Bay.

The business/activities within the Subject Property are commercial activities to support tourism, which includes shops and offices, restaurant, convenient store, travel agency and leisure / recreational activities such as band room and music lounge.

The subject site is rectangular in shape with a surveyed land area of 12,578 square metres. The subject site faces south and enjoys a direct frontage onto Jalan Raja Haji with Treasure Bay Bintan located on its north boundary whilst the remaining site boundaries abuts onto neighbouring vacant lands. The subject site is generally flat in terrain and lies lower than the frontage road.

BUILDING SPECIFICATIONS

Structure	:	Reinforced concrete frame
Roof	:	Flat Concrete Slab.
Exterior wall	:	Plastered and painted brick walls;
Ceiling	:	Painted gypsum boards.
Floor	:	Cement finished; Ceramics (Office).

Gross Floor Area

4,782 square metres.

Net Leasable Area

3,013 square meters

Occupancy Status

Fully occupied (100%) based on lease agreement made between PTBW (the Landlord) and PT Treasure Development Services ("**TDS**") (the Tenant) as at 27th October 2020. Pursuant to the Novation Agreement dated 1st January 2020, the lease has been novated to its affiliate namely PT Treasure Bay Attractions ("**TBA**"). Hence the current tenant is TBA. The current master lessee (TBA) has rented certain areas of the Subject Property to third parties (sub-tenants). The occupancy of these sub-tenants areas is around 98.34% as of 27th October 2020 and the sub-tenants consist of Restaurant, F&B, Music Lounge, Recreation, Office SPA, etc.

Age of Building

Approximately 27 years of age from its original date of Building Permit dated 24th February 1993; with upgrading works completed in Year 2015.

State of Repair

The buildings appear to be in good condition that commensurate with its age and use.

Planning

We have been provided by City Planning office the information about 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. According to the spatial planning, the Subject Property is designated for Tourism Accommodation.

Briefly, all property matters, except for those pertaining to the mining and forestry sectors 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 Agrarian law; which recognizes several types of rights over Real Estate. However, to any foreign investor, the following three main rights are relevant: -

- Hak Guna Usaha also known as HGU
- Hak Guna Bangunan commonly known as HGB
- Hak Pakai

All these titles or rights are granted by the 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, Buildings 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 inspections 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; save and except that the existing and previous building owners were unable to locate and confirm the issuance status of Sertifikat Laik Fungsi (SLF) for the building. As such, the valuation was undertaken on the basis that the Building Owner or the Vendor will deliver all outstanding building permits and licences including the abovementioned SLF as part of the completion process of the Proposed Acquisition.

A copy of building permit No.60/640/II/1993 dated 24th February 1993 for the commercial building has been obtained. There were some building changes / renovation made in Year 2000 and reinstatement / refurbishment works conducted in Year 2015. We have been made to understand that the renovation done in Year 2000 and reinstatement / refurbishment works of the Subject Property in Year 2015 did not involve structural changes and thus no revised plan or permit is required for such work. The reinstatement and refurbishment works of the Subject Property in Year 2015 includes amongst others, unfinished internal and external architectural works, installation of new air-conditioner and mechanical ventilation as well as electrical and plumbing systems.

Lease Agreement

The Subject Property is currently leased to TBA pursuant to the Novation Agreement. Key salient terms and conditions of the Lease Agreement are scheduled below and overleaf: -

Date of Agreement	:	1st June 2015.
Commencement Date	:	1st January 2015.
Landlord	:	PTBW
Tenant	:	PT Treasure Development Services. Note: Pursuant to the Novation Agreement dated 1st January 2020, the lease has

WILLSON & REKAN | Knight Frank

been novated to its affiliate namely PT Treasure Bay Attractions. Hence the current tenant is PT Treasure Bay Attractions

Rent :

- Term 1, the sum of SGD5,000 per month for the first 3 months, and the sum of SGD50,000 per month for the remainder of Term 1;
- In the event Tenant exercises Tenant's option to renew the Lease for a further term of three (3) years, the applicable rent during Term 2 shall be the sum of SGD67,500 per month; and
- In the event Tenant exercises Tenant's option to renew the Lease for a second term of three (3) years, the applicable rent during Term 3 shall be prevailing market rate as mutually agreed between Landlord and Tenant at the time the Lease is so renewed, subject to a maximum increase of no more than 20% (or SGD13,500 per month) of the applicable Rent during Term 2.

Term :

- Initially, the period of three (3) years commencing from commencement date ("**Term I**"); and
- In the event tenant exercises Tenant's option to renew the lease for a further term of three (3) years in accordance with the provisions of clause 2.2 of the Lease Agreement, the period of three (3) years commencing from the date following the end of term I ("**Term II**"); and
- In the event tenant exercises tenant's option to renew the lease for further term of three (3) years in accordance with the provisions of clause 2.3 of the Lease Agreement, the period of three (3) years commencing from the date following the end of term II ("**Term III**").

Landlord's Covenants :

- To pay all present / future taxes, assessments, impositions and outgoings imposed upon or in respect to the Subject Property
- To insure and keep insured the Subject Property against damage by fire or no less than replacement value

Tenant's Covenants :

- To pay utilities, telecommunication facilities and other services supplied to the Subject Property required by Tenant / Subtenants

MARKET VALUE

Valuation Approach

Income Approach

This approach provides the indicative value by exchanging cash flow in the future to the current value. This approach assesses income which will be produced by the asset during its functional period and calculating the value through capitalization process. Capitalization is the conversion of income to certain amount of capital by adopting appropriate discount rate. Cash flow can be obtained from the income of a certain contract or multiple contracts or not from contract; for example, income which anticipated to be received from the usage or ownership of asset.

Cost Approach

Cost approach is the approach which based on substitution principle that buyer will not pay for a property higher than compared to the cost of constructing the same property. This approach assumes a rational buyer will not pay for property more than the cost to construct a similar property. The value of a property can be estimated by adding the value of the land with the depreciated value of the building. The value of the building and development often refer to the cost of reproduction/new replacement deducted by depreciation. Rebuilding refers to the reproduction of the same replica or possessing the same functions but using new design, material and work method.

VALUATION CERTIFICATE IN RESPECT OF THE SUBJECT PROPERTY (Cont'd)

WILLSON & REKAN | Knight Frank

Valuation Approach (Cont'd)

The COVID-19 pandemic has caused market uncertainty at the material date of valuation with no guiding evidence to reflect the current market circumstances. Key drivers to commercial property values typically reflect a medium to long term outlook and in our opinion, the impact of the pandemic to the real estate market itself to be transitory. It will take time for the empirical data to be available to more accurately measure the overall impact at this point in time.

With no evidence to the contrary, our valuation approach is to retain the core Market Value drivers indicated by the pre-March 2020 market evidences and make capital value adjustments (not in perpetuity) to reflect anticipated circumstances, amongst others, such as longer letting up periods, temporary income hiatus or abatement and higher incentives, applied as appropriate, on a case by case basis by referencing updated market data and knowledge, information and evidences made available to us as at the material date of valuation.

As a result, any valuation reported during this period will need to be reassessed closely from time to time.

Valuation Methodology

In arriving at our opinion of the Opinion of Value(s) of the Subject Property, we have adopted the **Income Approach by Discounted Cash Flow (DCF) Method** supported by the **Cost Approach by Depreciated Replacement Cost (DRC) Method.**

Income Approach by Discounted Cash Flow (DCF) Method

DCF analysis has been used considering that the Subject Property is an income producing property. This form of analysis reflects typical investors' decision-making process and values the Subject Property in such a manner as to attain the desired level of investment return commensurate with the risk of that asset class. This method is based on going-concem basis; subject to the existing leases, the relevant operating agreements, the tenure expiry and the terms and conditions of the relevant lease agreements and their addendums.

DCF Method needs a lot of data input to form a projection, but commonly rarely absolute or permanent in nature, by making many assumptions. Minute changes on the input can cause cumulatively immense changes on value. Input can be assessed objectively, rationally and demands for high level of professional valuation. The selection of discount rate also needs to be carefully observed which accommodate investment risks.

Depreciated Replacement Cost (DRC) Method

DRC method is used for certain types of properties which are rarely, if ever, sold in the open market, except by way of a sale of the business of which they are a part, due to their uniqueness arising from the specialised nature and design of the buildings, their configuration, size, location or otherwise.

Market Value – Income Approach by DCF Method

In arriving the Market Value of the Subject Property, we applied Income Approach by Discounted Cash Flow Method (DCF) Method. The cash flow projection is using a DCF analysis over 10 year's projection, started from 27th October 2020. Projections are made until the Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) property growth is stable which is 10 years.

The table appended overleaf outline the salient valuation assumptions adopted in undertaking our valuation assessment.

VALUATION CERTIFICATE IN RESPECT OF THE SUBJECT PROPERTY (Cont'd)

WILLSON & REKAN | Knight Frank

MARKET VALUE (CONT'D)

Summary of Parameters

Net Leasable Area (NLA)

3,013 square meters.

Projected Occupancy

Year 1 to Year 3: 100%;

Year 4: 75% to Year 10: 90%.

During the holding period, we have projected the occupancy rate to stabilize at 90% from Year 7 onwards. Upon expiry of the committed master lease arrangement on Year 4 (Year 1 to Year 3 at 100% occupancy), we have projected a lower occupancy rate of 75% (potential drop-off of tenants) in Year 4 and projected a gradual take-up or increment of 5% per annum subsequently over the holding period up to 90% occupancy (being the optimum occupancy rate for the Subject Property) on Year 7 onwards.

This was derived after taking into consideration the prevailing market condition along with the current occupancy rate of other selected malls / commercial buildings (ranging from 72% to 96%) in the surrounding localities (Plaza Lagoi: +/-95%; Tanjung Pinang City Centre: +/-72%; Ramayana Mall Tj Pinang: +/-96%).

Projected Gross Rental Revenue

Year 1: Rp285,810 per square metre to Year 3: Rp294,553 per square metre, over total NLA;

Year 4: Rp261,956 per square metre to Year 10: Rp277,077 per square metre, over prevailing occupied NLA.

In arriving at the gross rental revenue of the property for the period from Year 1 – Year 3 (Rp285,810 per square metre to Rp294,553 per square metre), we have generally adopted the current concluded rent of the remaining unexpired term as stipulated in the lease / tenancy agreement.

In arriving at the gross rental revenue of Rp7,104,038,091 in Year 4 (translating to Rp261,956 per square metre / month), we have adopted the summation of the concluded rent of Rp294,553 per square metre / month for the remaining unexpired term as stipulated in the lease agreement with the projected fair market rental of Rp225,259 per square metre / month in Year 4 upon expiry of the lease agreement as illustrated below:-

Computation of Gross Rental Revenue in Year 4	
Concluded rent remaining unexpired term	Rp1,896,705,720
Fair market rental upon expiry of the lease agreement	Rp5,207,332,371
	*Rp7,104,038,091
* translating to Rp261,956 per square metre / month over NLA of 2,260 square metres	

The projected market rent for the Subject Property in Year 4 at Rp225,259 per square metre / month is derived based on the assessment of the current fair market rent of Rp200,000 per square metre / month in Year 1 with projected increase of 4.04% annually from the preceding term rent for Year 2 up to Year 4 accordingly.

In deriving at the current fair market rent of Rp200,000 per square metre / month in Year 1, we have considered (i) the current committed rental rate of the Subject Property and (ii) asking rentals of other selected comparative mall / commercial buildings ranging from Rp50,000 per square metre to Rp170,000 per square metre after having considered and make adjustments for differences including but not limited to location / accessibility, building age / quality, development concept and tenancy mix (scoring criteria).

The market rental rate adopted is computed based on the market positioning analysis by applying scoring on the aforementioned scoring criteria according to the asking rentals of the selected comparative mall / commercial buildings.

Over the course of holding period (from Year 4 onwards), the projected market rent was based on a 13-year average growth trend of 4.04% per annum based on the average annual rent index growth trend of commercial property from Year 2008 to Year 2020. We deem that it is the sustainable growth of the Subject Property in a 10-year projection as our valuation is based on a medium to long term period as the property market is cyclical in nature and that there will be a gradual market recovery along with market rental growth in the long term.

Annual Growth of the Total Commercial Property Price Index in the Greater Jakarta, Banten, Bandung, Makassar and Medan Areas (%, yoy)							
Year	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
%	6.28%	5.24%	1.72%	6.44%	7.19%	16.38%	8.12%
Year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	
%	6.39%	0.95%	-2.38%	-2.20%	-0.68%	-0.87%	

Projected Service Charges

3.0%.

For Service Charge Increment is 3% per year (based on the average of 10 years inflation rate referring to the Indonesia Central Bank report (BI)).

Projected Operating Expenses

Year 1: Rp405,802,912 to Year 3 Rp430,780,363;

Year 4: Rp1,441,935,537 to Year 10 Rp1,961,460,094.

In our assessment, we have primarily relied on the current and historical outgoings of the Subject Property. For the outgoings for Year 1 to Year 3, we have benchmarked against the existing lease arrangement whereby the tenant undertake to pay all the cost of outgoings including operational expenses of the building; save for taxes / assessments, insurance, general repair and maintenance of the Subject Property which is borne by the Landlord. The Operational Expenses referred herein include cost of utilities, telecommunication facilities and other services supplied to the Subject Property.

The historical outgoings of the Subject Property for the past 3 year are as follows:-

Historical Outgoings of the Subject Property			
Year	2020	2019	2018
Operational expenses	Rp1,064,139,261	Rp1,499,065,212	Rp1,278,440,606
Property tax	Rp1,609,984	Rp1,609,984	Rp1,609,984
Insurance	Rp393,910,568	Rp326,453,172	Rp379,269,686
Repair & Maintenance	Rp10,121,362	Rp10,021,151	Rp6,325,851

There is no allocation of operational expenses in the projection from Year 1 to Year 3 as the operational expenses was borne by the tenant as stipulated in the lease agreement.

However, upon the expiry of the lease agreement on Year 4 onwards, we have allocated the operational expenses of Rp998,081,761 in addition to the landlord's obligations expenses in its projection throughout the holding period after having benchmarked against the actual historical operational expenses of the Subject Property.

The outgoing expenses adopted in Year 1 and Year 4 are as follows:-

Outgoing Expenses in Projection		
	Year 1	Year 4
Operational expenses	-	Rp998,081,761
Property tax	Rp1,770,982	Rp2,357,178
Insurance	Rp393,910,568	Rp430,436,713
Repair & Maintenance	Rp10,121,362	Rp11,059,886

Computation of Operational Expenses in Year 4	
Actual historical operational expenses in Year 2020	Rp1,064,139,261 (translating to Rp88,678,272 per month)
Projected expenses per month in Year 4 with a growth of 3% per annum	Rp99,808,176
Projected expenses of 10 months upon expiry of the lease agreement	*Rp998,081,761

VALUATION CERTIFICATE IN RESPECT OF THE SUBJECT PROPERTY (Cont'd)

WILLSON & REKAN | Knight Frank

The increment for Operating Expenses, Insurance, Repair & Maintenance will be 3.0% of the preceding year of actual Profit and Loss (based on the average of 10 years inflation rate referring to the Indonesia Central Bank report (BI)).

Projected Other Expenses

5.0%

Allocation for vacancy loss is 5.0% of total rental revenue and service charge with probability the average percentage of vacancy level.

Vacancy loss is an allowance of void and unforeseen vacancies to the projected occupancy rate, which commonly in the range of 5% for the commercial properties with multiple tenancy. The adopted rate is reflective of market industry practice for the operational retail in Indonesia.

0.5%

Allocation for collection loss is 0.5% of total Gross revenue.

Collection loss is an allocation for the possible rent-free periods, fitting out periods and possibility of bad debts. The adopted rate is reflective of market industry practice for the operational retail in Indonesia.

3.0%

Reserve for Sinking Fund is 3% of Service Charge revenue.

Sinking fund is a reserve fund to cater future expenditure such as large-scale repairs or major works on a building, which are typically 3% of Service Charge's revenue for commercial buildings in Indonesian market and is reflective of market industry practice for the operational retail in Indonesia.

Discount Rate

11.77%

The discount rate is calculated by using the Band of Investment Method/BOIM), using the following formula:

(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 Modal (CAPM):-

Whereas: Ke = Rf + (β x RPm)

ke = Expected rate of return

Rf = Risk free rate

β = Beta

RPm = Equity risk premium

The assumption used in calculating the discount rate is as follow: -

Description	Rate	Source	Remark
Cost of Equity			
Risk Free	7.54%	Indonesia Bond Pricing Agency	Indonesia Government Bond
Default Spread	2.23%	Damodaran	Difference on Indonesia Bond Yield / credit rating to United State of America that reflects the Indonesia country risk
Market Risk Premium	8.03%	Damodaran	Indonesia Market Risk Premium
Beta	1.432	Pefindo	Average Industry Beta
ke	16.80%		

VALUATION CERTIFICATE IN RESPECT OF THE SUBJECT PROPERTY (Cont'd)

WILLSON & REKAN | Knight Frank

Cost of Debt			
kd	9.06%	Central Bank of Indonesia	Investment loan interest of state banks.
Equity Portion	35.00%	Market	The average equity and debt portion in property investment in Indonesia.
Debt Portion	65.00%		

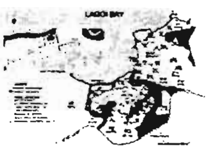
Terminal Yield / Capitalisation Rate	7.55% The lack of publicly available information relating to transacted yields of similar asset class in the current market has resulted in continued difficulties in assessing a benchmark for yields. As a result, the above estimated expected yields are computed based on discount rate (11.77%) less average growth of EBITDA (4.22%) of the last three years of projection, where the growth is stable; resulting to the terminal cap rate at the end of year-10 to be 7.55%.
Discount Period	10 years.

Conclusion for DCF (Market Value)

This approach generates an indicative Market Value of **Rp79,866,000,000.**

Market Value – Cost Approach by DRC Method

The lack of publicly available information relating to land transactions in the market has resulted in continued difficulties in assessing a benchmark for land value. As a result, we have gathered vacant lands for sale as reference and comparable(s) from relevant publications and stakeholders; which are yet to be concluded. In our assessment to derive at the most probable expected land value, we have generally considered and made diligent adjustment for prevailing market condition, location, land area, physical characteristic of the land along with its condition. The indicative value of the subject land has been determined by using the direct comparison method from the following market data:

	Comparable 1	Comparable 2	Comparable 3
	Vacant Land	Vacant Land	Vacant Land
	Lagoi Bay, Bintan	Ria Bintan Block B1	Ria Bintan Block C1
			
Land Area (sqm)	239,000	271,000	230,000
Certificate	Right to Build (SHGB)	Right to Build (SHGB)	Right to Build (SHGB)
Offering price/sqm	SGD200	USD135	USD120
Conversion to Rp	Rp2,161,488	Rp1,909,755	Rp1,697,560
Offering Date	2020	2019	2019
Source	Information from Marketing on site	Info Memo from Colliers International	Info Memo from Colliers International

VALUATION CERTIFICATE IN RESPECT OF THE SUBJECT PROPERTY (Cont'd)

WILLSON & REKAN | Knight Frank

General Adjustment	General adjustments considered for negotiation, prevailing market condition, location and access, land area, topography, certificate, land shape, position, land condition and beach / lake front.		
Total Adjustment	60%	70%	70%
Adjusted Value	Rp3,371,921/Sqm	Rp3,287,071/Sqm	Rp2,921,841/Sqm
Aggregate Absolute Adjustment	80%	70%	70%
	1.25	1.43	1.43
Weighted Value	30%	35%	35%
Land Price After Weighted		Rp3,185,859/Sqm	

In view of limited identical land sales offering in the immediate and surrounding localities, we have resorted to adopt the selected comparable(s) in our assessment by Comparison Approach; as it is not possible to identify exactly alike properties to make reference to, hence appropriate adjustments are made to reflect the differences of the comparable(s) and the property being valued. Although total aggregate absolute adjustments (in selected Comparable are in excess of 80%) were considered and made in our assessment, we are of the view that the selected Comparable(s) adopted are still considered relevant by virtue of the fact that the selected Comparable(s) are of most recent offering prices and to have relatively similar attributes as compared to the Subject Property. With total effective adjustments made for all Comparable(s); we have assigned land price weightage across all comparable(s) adopted to derive at the most probable expected land value as there are no best direct land comparable that we could solely rely upon.

Based on the foregoing, we have thus adopted a value for **the subject land** to be Rp40,072,000,000 **(analysed to be Rp3,185,859 per square meter)** in our valuation as fair representation by using the Direct Comparison Method.

The indicative value of the main and ancillary buildings has been determined by estimating the new replacement cost less the physically depreciation. We have made references to Quantity Surveyor to determine on the reliability of the cost adopted.

Description	Building Area (sqm)	Construction Cost / sq. m	Building Economic Life	Condition
Mall Building	4,505	Rp7,690,000	40	78%
Genset Room	25	Rp2,370,000	30	33%
Changing Room	252	Rp3,730,000	30	83%

Summary of Parameters	
Land Value	Rp40,072,000,000
Building Value	Rp35,322,000,000
Total	Rp75,394,000,000

Page 12

Conclusion for Market Value

Valuation Approach	Indicative Value	Weighted Ratio	Market Value
Cost Approach	Rp75,394,000,000	48.56%	Rp36,611,202,087
Income Approach	Rp79,866,000,000	51.44%	Rp41,083,202,087
	Total		**Rp77,694,404,174**
	Rounded		Rp77,694,000,000

$$\text{* Weighted ratio} = \frac{\text{Respective Market Value of Cost / Income Approach}}{\text{Summation of Market Value of Cost Approach Income Approach}}$$

Investment Value – Income Approach by DCF Method

In deriving the Investment Value of the Subject Property, we applied Income Approach by Discounted Cash Flow Method (DCF) Method. The cash flow projection is using a DCF analysis over 10 year's projection, started from 27th October 2020. Projections are made until the EBITDA property growth is stable which is 10 years.

The table appended below outline the salient valuation assumptions adopted in undertaking our valuation assessment.

Summary of Parameters	
Net Leasable Area (NLA)	3,013 square meters.
Projected Occupancy	Year 1 to Year 3: 100%; Year 4: 75% to Year 10: 90%. During the holding period, we have projected the occupancy rate to stabilize at 90% from Year 7 onwards. Upon expiry of the committed master lease arrangement on Year 4 (Year 1 to Year 3 at 100% occupancy), we have projected a lower occupancy rate of 75% (potential drop-off of tenants) in Year 4 and projected a gradual take-up or increment of 5% per annum subsequently over the holding period up to 90% occupancy (being the optimum occupancy rate for the Subject Property) on Year 7 onwards. This was derived after taking into consideration the prevailing market condition along with the current occupancy rate of other selected malls / commercial buildings (ranging from 72% to 96%) in the surrounding localities (Plaza Lagoi: +/-95%; Tanjung Pinang City Centre: +/-72%; Ramayana Mall Tj Pinang: +/-96%)
Projected Gross Rental Revenue	Year 1: Rp285,810 per square metre to Year 3: Rp294,553 per square metre, over total NLA; Year 4: Rp306,069 per square metre to Year 10: Rp379,268 per square metre, over prevailing occupied NLA. In arriving at the gross rental revenue of the property for the period from Year 1 – Year 3 (Rp285,810 per square metre to Rp294,553 per square metre), we have generally adopted the current concluded rent of the remaining unexpired term as stipulated in the lease / tenancy agreement. Upon expiry, we have adopted rental (base rent) for the Subject Property (Year 4 at Rp306,069 per square meter / month) after having considered the current committed rental rate of the Subject Property. The rental rate projection for Investment Value is computed based on the projection of current ongoing lease agreement. Over the course of holding period (from Year 4 onwards), the projected market rent was based on a 13-year average growth trend of 4.04% per annum based on the average annual rent index growth trend of commercial property from Year 2008 to Year 2020. We deem that it is the sustainable growth of the Subject Property in a 10-year projection as our valuation is based on a medium to long term period as the property market is cyclical in nature and that there will be a gradual market recovery along with market rental growth in the long term. Please make reference to the DCF of Market Value for the growth index.

VALUATION CERTIFICATE IN RESPECT OF THE SUBJECT PROPERTY (Cont'd)

WILLSON & REKAN | Knight Frank

Projected Service Charges	3.0%. For Service Charge Increment is 3% per year (based on the average of 10 years inflation rate referring to the Indonesia Central Bank report (BI)).
Projected Operating Expenses	Year 1: Rp405,802,912 to Year 3 Rp430,780,363; Year 4: Rp1,441,935,537 to Year 10 Rp1,961,460,094. In our assessment, we have primarily relied on the current and historical outgoings of the Subject Property. For the outgoings for Year 1 to Year 3, we have benchmarked against the existing lease arrangement whereby the tenant undertake to pay all the cost of outgoings including operational expenses of the building; save for taxes / assessments, insurance, general repair and maintenance of the Subject Property which is borne by the Landlord. The Operational Expenses referred herein include cost of utilities, telecommunication facilities and other services supplied to the Subject Property. There is no allocation of operational expenses in the projection from Year 1 to Year 3 as the operational expenses was borne by the tenant as stipulated in the lease agreement. However, upon the expiry of the lease agreement on Year 4 onwards, we have allocated the operational expenses of Rp998,081,761 in addition to the landlord's obligations expenses in its projection throughout the holding period after having benchmarked against the actual historical operational expenses of the Subject Property. Please make reference to the Operating Expenses under the Market Value for detailed tabulation. The increment for Operating Expenses, Insurance, Repair & Maintenance will be 3.0% of the preceding year of actual Profit and Loss (based on the average of 10 years inflation rate referring to the Indonesia Central Bank report (BI)).
Projected Other Expenses	5.0% Allocation for vacancy loss is 5.0% of total rental revenue and service charge with probability the average percentage of vacancy level. Vacancy loss is an allowance of void and unforeseen vacancies to the projected occupancy rate, which commonly in the range of 5% for the commercial properties with multiple tenancy. The adopted rate is reflective of market industry practice for the operational retail in Indonesia. 0.5% Allocation for collection loss is 0.5% of total Gross revenue. Collection loss is an allocation for the possible rent-free periods, fitting out periods and possibility of bad debts. The adopted rate is reflective of market industry practice for the operational retail in Indonesia. 3.0% Reserve for Sinking Fund is 3% of Service Charge revenue. Sinking fund is a reserve fund to cater future expenditure such as large-scale repairs or major works on a building, which are typically 3% of Service Charge's revenue for commercial buildings in Indonesian market and is reflective of market industry practice for the operational retail in Indonesia.
Discount Rate	11.77%. Please make reference to the DCF computation under the Market Value for detailed tabulation in deriving the discount rate.
Terminal Yield / Capitalisation Rate	7.60% The lack of publicly available information relating to transacted yields of similar asset class in the current market has resulted in continued difficulties in assessing a benchmark for yields. As a result, the above estimated expected yields are computed based on discount rate (11.77%) less average growth of EBITDA (4.17%) of the last three years of projection, where the growth is stable; resulting to the terminal cap rate at the end of year-10 to be 7.60%.
Discount Period	10 years.

Conclusion for Investment Value This approach generates an indicative Investment Value of **Rp102,658,000,000.**

VALUATION CERTIFICATE IN RESPECT OF THE SUBJECT PROPERTY (Cont'd)

WILLSON & REKAN | Knight Frank

MARKET VALUE (CONT'D)

Term of Reference

WE WERE SPECIFICALLY INSTRUCTED BY THE CLIENT TO ASCERTAIN THE MARKET VALUE OF THE SUBJECT PROPERTY ON THE BASIS AND / OR ASSUMPTION (I) THAT THE EXISTING LAND LEASE TERM IS EXTENDED FOR AN ADDITIONAL TERM OF 20 YEARS (UP TO JUNE 2044); WITH FURTHER OPTION TERM TO RENEW THEREAFTER TO PERPETUITY (30 YEARS EACH TERM); TOGETHER WITH THE CURRENT LEASE EXTENSION PREMIUM AND RELEVANT CHARGES FULLY PAID (IF APPLICABLE); AND (II) THAT THE BUILDING OWNER OR THE VENDOR WILL DELIVER ALL OUTSTANDING BUILDING PERMITS AND LICENCES INCLUDING SERTIFIKAT LAIK FUNGSI (SLF) FOR THE BUILDING AS PART OF THE COMPLETION PROCESS OF THE PROPOSED ACQUISITION.

WE ARE UNABLE TO PROVIDE A SEPARATE 'AS IS' VALUE FOR THE SUBJECT PROPERTY (WHICH IS WITHOUT THE AFORESAID BASIS AND/OR ASSUMPTION) AS REQUIRED BY THE MALAYSIAN LOCAL VALUATION STANDARDS AS THE BASIS AND/OR ASSUMPTION STATED ABOVE FORMS PART OF THE CONDITION PRECEDENTS AND COVENANTS BY THE VENDOR IN THE SALE AND PURCHASE AGREEMENT TO UNDERTAKE, COMPLETE AND DELIVER ALL OUTSTANDING OBLIGATIONS THAT ARE REQUIRED PRIOR TO THE COMPLETION OF THE TRANSACTION. AS SUCH, OUR INTENDED VALUATION IS LIMITED TO VALUATION BASED ON THE AFORESAID BASIS AND / OR ASSUMPTION(S) STATED ABOVE ONLY.

"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE BASIS AND/OR ASSUMPTIONS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON THE BASIS AND/OR ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED"

Opinion of Value

Our opinion of the Market Value and Investment Value of the Subject Property, as at 27 October 2020 is:

Market Value — **Rp 77,694,000,000,-**

(Indonesian Rupiahs Seventy Seven Billion Six Hundred Ninety Four Million Only)

Reflecting RM22,022,951.56 at the exchange rate of Ringgit Malaysia (RM) 1.00 equal to Rp. 3,527.865 or S$ 7,188,936.51 at the exchange rate of Singapore Dollars (S$) 1.00 equal to Rp.10,807.44 (middle rate of the Central Bank of Indonesia) as at the date of valuation.

Investment Value — **Rp 102,658,000,000,-**

(Indonesian Rupiahs One Hundred Two Billion Six Hundred Fifty Eight Million Only)

Reflecting RM29,099,186.05 at the exchange rate of Ringgit Malaysia (RM) 1.00 equal to Rp. 3,527.865 or S$ 9,498,826.73 at the exchange rate of Singapore Dollars (S$) 1.00 equal to Rp.10,807.44 (middle rate of the Central Bank of Indonesia) as at the date of valuation.

On behalf of KJPP Willson dan Rekan
in association with Knight Frank

Mosalina Dewi
ST, MM, MAPPI (Cert).
Partner
Licensed Public Valuer No.: P1.11.00321 (Property Valuation)
OJK Registration No. STTD-PP-117/PM.223/2019
MAPPI No.00-S-01272

Date: 24th February 2021

Note: The above valuation is reviewed but not undertaken by Mr. Ooi Hsien Yu (Registered Valuer V-692 | MRICS No. 1275795) of Knight Frank Malaysia Sdn Bhd.

FURTHER INFORMATION ON SOLID ALLY

1. BACKGROUND AND HISTORY

Solid Ally was incorporated in the British Virgin Islands ("**BVI**") on 21 February 2006 as a BVI Business Company limited by shares and having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, Virgin Islands, British.

2. PRINCIPAL ACTIVITY

The principal activity of Solid Ally is investment holding.

3. SHARE CAPITAL

As at the LPD, the issued share capital of Solid Ally is USD1 comprising 1 ordinary share in Solid Ally.

4. ORIGINAL COSTS AND DATES OF INVESTMENT BY THE VENDOR

The original costs and date of investment by the Vendor in Solid Ally and PTBW is SGD9.78 million (equivalent to approximately RM29.77 million and date of investment is 15 September 2020.

5. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the LPD, the director of Solid Ally is LCC whilst the Vendor is the sole beneficial owner of Solid Ally, details of which are set out below:-

			As at the LPD			
			Direct		Indirect	
Name	Designation	Nationality	No. of Solid Ally Share	(%)	No. of Solid Ally Share	(%)
Director						
LCC	Director	Malaysian	-	-	-	-
Beneficial owner						
Mark Wee	-	Malaysian	1	100.00	-	-

6. SUBSIDIARIES AND ASSOCIATE COMPANIES

As at the LPD, Solid Ally does not have any associate company. The subsidiary of Solid Ally as at the LPD is set out as follows:-

Name of subsidiary	Date of incorporation	Share capital	Effective equity interest (%)	Principal activities
PTBW	12 February 2005	USD500,000	99.9	Real estate activities/ property owner

7. MATERIAL CONTRACTS

Solid Ally has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately preceding the LPD of this Circular.

8. MATERIAL COMMITMENTS

As at the LPD, Solid Ally has no material commitments incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results/position of Solid Ally.

9. CONTINGENT LIABILITIES

As at the LPD, Solid Ally has no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results/position of Solid Ally.

10. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, the Solid Ally Group is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, and the director of Solid Ally is not aware of and do not have any knowledge of any proceedings pending or threatened against the Solid Ally Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Solid Ally Group.

11. FINANCIAL INFORMATION OF SOLID ALLY

The table below sets out the financial performance of Solid Ally for the past 3 years up to and including FYE 31 December 2019:-

	Audited		
	31 December 2017 (SGD)	**31 December 2018 (SGD)**	**31 December 2019 (SGD)**
Revenue	600,000	810,000	810,000
PBT	559,973	770,946	712,284
PAT	499,973	689,255	630,652
Shareholders' funds/NA	1,277,701	1,966,956	2,597,610
Share capital	1.53	1.53	1.53
EPS/(LPS)	499,973	689,946	631,284
NA per share	1,277,703	1,966,958	2,597,610
Current ratio (times)	13.96	29.81	34.22
Total borrowings (including all interest-bearing debts)	-	-	-
Gearing (times)	-	-	-

There has been no audit qualification for the audited financial statements of Solid Ally for the past 3 FYEs 31 December 2017 to 2019. There were no exceptional and/or extraordinary items reported in the audited financial statements of Solid Ally or peculiar accounting policies adopted by Solid Ally for the past 3 FYEs 31 December 2017 to 2019.

Commentary

FYE 31 December 2017 ("FYE 2017")

Solid Ally Group recorded a revenue of approximately SGD600,000 for the FYE 2017, which is consistent with the revenue recorded in the FYE 2016.

Solid Ally Group recorded a PBT of approximately SGD559,973 for the FYE 2017, representing an increase of approximately SGD3,254 or 0.58% as compared to the PBT of approximately SGD556,719 in the FYE 2016. The increase in PBT is mainly due to lower operating expenses incurred in the FYE 2016.

FYE 31 December 2018 ("FYE 2018")

Solid Ally Group recorded a revenue of approximately SGD810,000 for the FYE 2018, representing an increase of approximately SGD210,000 or 35.00% as compared to the revenue of approximately SGD600,000 recorded in the FYE 2017. The increase in revenue was mainly attributed to the increase in rental income due to higher rental rate charged in the FYE 2018.

Solid Ally Group recorded a PBT of approximately SGD770,946 for the FYE 2018, representing an increase of approximately SGD210,973 or 37.68% as compared to the PBT of approximately SGD559,973 in the FYE 2017. The increase in PBT is mainly due to lower operating expenses incurred in the FYE 2018.

FYE 31 December 2019 ("FYE 2019")

Solid Ally Group recorded a revenue of approximately SGD810,000 for the FYE 2019, which is consistent with the revenue recorded in the FYE 2018.

Solid Ally Group recorded a PBT of approximately SGD712,284 for the FYE 2019, representing a decrease of approximately SGD58,662 or 7.61% as compared to the PBT of approximately SGD770,946 in the FYE 2018. The decrease in PBT is mainly due to lower operating expenses incurred in the FYE 2019.

SOLID ALLY INVESTMENTS LIMITED
AND ITS SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019

AND INDEPENDENT AUDITORS' REPORTS

SOLID ALLY INVESTMENTS LIMITED
AND ITS SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019

TABLE OF CONTENTS

SOLID ALLY INVESTMENTS LIMITED

Incorporated in British Virgin Island
BVI Company Number 1811856

THE DIRECTOR'S STATEMENT REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019
SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY

I, the undersigned:

1. Name	:	Lee Chen Chui
Registered office address	:	Vistra Corporate Services Centre Wickhams Cay II, Road Town Tortola, VG 1110 Virgin Islands, British
Function	:	Sole Director

declare that:

1. I am responsible for the preparation and presentation of Solid Ally Investments Limited and its subsidiary consolidated financial statements;
2. Solid Ally Investments Limited and its subsidiary consolidated financial statements have been prepared and presented in accordance with International Financial Accounting Standards;
3. a. All information in the Solid Ally Investments Limited and its subsidiary consolidated financial statements has been disclosed in a complete and truthful manner;
   b. Solid Ally Investments Limited and its subsidiary consolidated financial statements do not contain misleading information, and I have not omitted any information or facts that would be material to the consolidated financial statements;
4. I am responsible for Solid Ally Investments Limited internal and its subsidiary control system.

I certify the accuracy of this statement.

On Behalf of the Board
Bintan, 18 January 2021

[redacted] [redacted]

Lee Chen Chui
Sole Director

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

	Notes	2019	2018
ASSETS			
Current Assets			
Cash & cash equivalents	4	1.522.067,90	1.256.696,01
Trade and other receivables			
Trade receivables - third parties	5	135.000	-
Other receivables - related party	5	516.167,69	233.962,27
Total current assets		2.173.235,59	1.490.658,28
Non-Current Assets			
Fixed Assets - Net	6	491.307,70	529.100,60
Total non-current assets		491.307,70	529.100,60
TOTAL ASSETS		**2.664.543,29**	**2.019.758,88**
LIABILITIES & EQUITY			
Current Liabilities			
Deposits	7	50.000,00	50.000,00
Tax payable	12a	13.500,00	-
Total current liabilities		63.500,00	50.000,00
Equity			
Share capital - authorized capital 1 ordinary shares, issued and fully paid 1 ordinary shares, with par value 1,53 SGD per share	8	1,53	1,53
Retained earnings		2.597.608,24	1.966.956,18
Equity attributable to owners of the Company		2.597.609,77	1.966.957,71
Non-controlling interest	13	3.433,52	2.801,17
Total equity		2.601.043,29	1.969.758,88
TOTAL LIABILITIES & EQUITY		**2.664.543,29**	**2.019.758,88**

The accompanying notes form an integral part of these financial statements

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

	Notes	2019	2018
Revenue	9	810.000,00	810.000,00
Cost of revenue		-	-
Gross profit		810.000,00	810.000,00
Administrative expenses	10	(97.721,53)	(38.871,10)
Operating profit		712.278,47	771.128,90
Other incomes (expenses) :			
~ Other income	11a	85,53	17,90
~ Other expense	11b	(79,59)	(200,85)
Total other income (expenses)		5,94	(182,95)
Profit before tax		712.284,41	770.945,95
Tax expense			
~ Current tax expense	12b	(81.000,00)	(81.000,00)
~ Deferred tax	12b	-	-
Total tax expense		(81.000,00)	(81.000,00)
Profit for the year		**631.284,41**	**689.945,95**
Other comprehensive income		-	-
Total comprehensive income		**631.284,41**	**689.945,95**
Profit attributable to			
~ Owners of the Company		630.652,06	689.254,93
~ Non-controlling interest	13	632,35	691,02
		631.284,41	**689.945,95**
Total comprehensive income attributable to			
~ Owners of the Company		630.652,06	689.254,93
~ Non-controlling interest	13	632,35	691,02
		631.284,41	**689.945,95**

The accompanying notes form an integral part of these financial statements

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

	Share Capital	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance at January 01, 2018	1,53	1.277.701,25	1.277.702,78	2.110,15	1.279.812,93
Comprehensive income for the year	-	689.254,93	689.254,93	691,02	689.945,94
Balance at December 31, 2018	**1,53**	**1.966.956,18**	**1.966.957,71**	**2.801,17**	**1.969.758,88**
Comprehensive income for the year	-	630.652,06	630.652,06	632,35	631.284,41
Balance at December 31, 2019	**1,53**	**2.597.608,24**	**2.597.609,77**	**3.433,52**	**2.601.043,29**

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		712.284,41	770.945,95
Adjustments for :			
Depreciation	6	37.792,90	37.792,90
Operating profit before changes in working capital		750.077,31	808.738,85
Changes in working capital :			
Trade and othes receivables			
Trade receivables - third parties	5	(135.000,00)	50.000,00
Other receivables - related party	5	(282.205,42)	(117.576,29)
Tax payable	12a	13.500,00	(5.000,00)
Tax paid		(81.000,00)	(81.000,00)
Net cash flows generated from Operating Activities		265.371,89	655.162,56
Net increase in cash and cash equivalents		265.371,89	655.162,56
Cash and cash equivalents at the beginning of the year		1.256.696,01	601.533,45
Cash & cash equivalents at the end of the year	4	**1.522.067,90**	**1.256.696,01**

The accompanying notes form an integral part of these financial statements

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

1. GENERAL INFORMATION

Solid Ally Investments Limited (thc Company),is a BVI Business Company incorporated in the British Virgin Islands on 21 February 2006 with Company Number 1011856. The registered office address of the Company is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110 Virgin Island, British.

The principal activities of the Company are those investment holding.

The Company's Registered of Director as of December 31, 2019 are as follows :

Director : Mr. Lee Chen Chui

The Company have direct ownership interest of more than 50% in the following subsidiary:

31 December 2018

Subsidiary	Domicile	Nature of business	Percentage of ownership	Start of commercial operation	Total assets before elimination
PT. Buana Wisatama	Bintan	Renting and managing real estate that is owned or lease	99,90%	2006	2.165.157,25

PT. Buana Wisatama

Based on Notarial deed No. 08 dated February 12, 2005 of Public Notary Agnes Margono, S.H. Company established PT. Buana Wisatama, the deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. C-13727 HT.01.01.TH.2005 dated May 19, 2005. The article of association has been amendment several times and the latest amendment with deed numbered 34 dated 29 September 2018 of Public Notary Agnes Margono, S.H. with authorized 1.000.000 ordinary shares, issued and paid 500.000 shares, 99,90% of which was registered in the name of the Company. The Company activities are renting and managing real estate that is owned or lease in Bintan Island.

2. ACCOUNTING POLICIES

The Company's financial statements were authorized by Board of Directors on January 18, 2021.
Presented below are the significant accounting policies adopted in preparing the financial statements company, which are in conformity with International Financial Reporting Standards ("IFRS").

a. Basis of preparation of the financial statements

The financial statements have been prepared on the historical cost concept using the accrual basis.

The statement of cash flows is prepared based on the indirect method by classifying cash flows on the basis of operating, investing and financing activities. For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, cash in banks and time deposits with original maturity of three months or less, net of bank overdrafts (if any).

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

2. ACCOUNTING POLICIES (CONTINUED)

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and subsidiary. A subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of a subsidiary is consolidated from the date on which effective control is obtained by the Company and is no longer consolidated from the date that control ceases.

The accounting policies adopted in the consolidated financial statements are consistently applied by the Company and subsidiary in all material respects, unless otherwise stated.

All material intercompany transactions and balances, including assets and liabilities, equity, income and expenses, have been climinated in full. Unrealised gain and losses resulting from intercompany transactions of the Company and subsidiary are eliminated in the consolidated financial statements.

c. Foreign currency translation

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Singapore Dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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.

For the purpose of presenting these consolidated financial statements, all monetary assets and liabilities denominated in foreign currency other than Singapore Dollar are translated into Singapore Dollar at the rate approximating the middle exchange rate on thoses date. The resulting net foreign exchange gains or losses are recognized in the current year's statement of profit or loss and other comprehensive income.

Exchange gains and losses arising on transactions in foreign currency and on the translation of foreign currency monetary assets and liabilities are recognised in the statement of profit or loss and other comprehensive income.

d. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with banks.

e. Trade receivables

Trade receivables are recorded net of an allowance for doubtful debts, based on a review of the collectibility of outstanding amounts. Accounts are written-off as bad debts during the period in which they are determined to be not collectible.

f. Prepayments

Prepaid expenses are amortized over their beneficial periods using the straight line method.

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

2. ACCOUNTING POLICIES (CONTINUED)

g. Fixed Assets

In accordance with SFAS No. 16 (Revised 2007), an entity shall choose between the Cost model and Revaluation model as the accounting policy for its fixed assets. The Company has chosen the Cost model as the accounting policy for its fixed assets.

Fixed assets are initially recognized at cost and subsequently, except for land, carried at cost less accumulated depreciation and accumulated impairment losses.

Fixed assets are depreciated using the Straight-line method over the expected useful lives as follows :

Land and building	20 Years

The cost of repairs and maintenance is charged to the Statement of profit or loss and other comprehensive income as incurred. Significant renewals and betterments are capitalized. When properties are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the Statement of profit or loss and other comprehensive Income for the period.

The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each statement of financial position date. The effect of any revisions are recognized in the Statement of profit lor loss and other comprehensive income, when the changes arise.

h. Impairment of assets

The company assesses at each annually reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

Impairment loss are recognized as current year's loss, unless non-financial assets are carried at revalued amounts. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount of a non-financial asset's carrying amount does not exceed the recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss of non-financial asset's had been recognized.

i. Financial Instruments

PSAK No. 50 contains the requirements for the presentation of financial instruments and identifies the information that should be disclosed. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. This PSAK requires the disclosure of, among others, information about factors that affect the amount, timing and certainty of an entity's future cash flows relating to financial instruments and the accounting policies applied to those instruments.

PSAK No. 55 establishes the principle for recognizing and measuring financial assets, financial liabilities, and some contract to buy or sell non-financial items. This standard provides for the definitions and characteristics of a derivative, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others.

(1) Financial assets

Initial recognition

Financial assets within scope of PSAK No. 55 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sales financial assets. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

2. ACCOUNTING POLICIES (CONTINUED)

i. Financial Instruments (continued)

Financial assets are recognized initially at fair value, plus, in the case of the financial assets not at fair value through statement of profit or loss and other comprehensive income, directly attributable transaction costs related to the acquisition or issuance of the respective financial assets.

All regular way purchases and sales of financial assets are recognized or derecognized on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

The Company's financial assets include cash, due from related parties, other current assets and other non-current assets which fall under the loans and receivables category.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the financial assets are derecognized or impaired, as well as through the amortization process.

Derecognition

A financial asset is derecognized where the contractual right to receive cash flows from the assets has expired. On derecognition of a financial asset in its entirely, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced through the use of an allowance of impairment account and the amount of the loss is recognized in the statementof profit or loss and other comprehensive income.

If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment account. If a future write-off is later recovered, the recovery is recognized in statement of profit or loss and other comprehensive income.

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

2. ACCOUNTING POLICIES (CONTINUED)

i. Financial Instruments (continued)

(2) Financial liabilities

Initial recognition

Financial liabilities within the scope of the PSAK No. 55 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs related to the acquisition or issuance of the respective financial liabilities.

The Company's financial liabilities include trade payables, accrued expenses, which fall under the loans and borrowings category.

Subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the loans and borrowings are derecognized as well as through the effective interest method amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are derecognized, and through the amortization process.

(3) Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and included transaction costs and fees that are an integral part of the effective interest rate.

(4) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(5) Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's-length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flows analysis, or other valuation models.

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

2. ACCOUNTING POLICIES (CONTINUED)

j. Taxation

Current tax is the expected tax payable or refundable on taxable income or loss for the year, using tax rates substantively enacted as of the reporting date, and include true-up adjustments made to the previous years' tax provisions either to reconsile them with the income tax reported in annual tax returns, or to account for differences arising from tax assessments. Current tax payable or refundable is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date. This method also requires the recognition of future tax benefits, such as tax loss carry forward, to the extent that realization of such benefits is probable.

Amendments to the taxation obligations are recorded when an assessment is received or, if appealed against by the Company or its subsidiaries, when: (1) the result of the appeal is determined, unless there is significant uncertainty as to the outcome of such appeal, in which event the impact of the amendment of tax obligations based on an assessment is recognized at the time making such appeal, or (2) at the time based on knowledge of developments in similar cases involving matters appealed, based on rullings by the Tax Court or the Supreme Court, that a positive appeal outcome is adjudged to be significantly uncertain, in which event the impact of an amendment of tax obligations based on an assessment is recognized.

k. Revenue and Expenses Recognition

Revenue is measured at fair value of the consideration received or receivable. The company recognises revenue if the revenue can be realiably measured and probable that future economic benefits will be obtained. The subsidiary company revenue from rental of land or building to PT. Treasure Development Services based on agreement dated 1 June 2015 between PT. Buana Wisatama and PT. Treasure Development Services.

Expenses are recognized as incurred on the accrual basis.

l. Related party transactions

In accordance with Financial Accounting Standard No. 7 related parties are defined as follows:

(1) A person or a close member of that person's family is related to the reporting entity 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.

(2) An entity is related to the reporting entity 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.
  vii. A person identified has significant influence over the entity or is a member of the key management personnel of the entity (or 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.

Significant transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

2. ACCOUNTING POLICIES (CONTINUED)

m. Use of estimates

The preparation of financial statements in conformity with international principles accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could be different from these estimates.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a. Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those including estimations and assumptions, which have the most significant effect on the amounts recognized in the financial statements.

Classification of financial assets and financial liabilities

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No.55. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies.

Determination of functional currency

The Group's functional currency are currency from primary economic environment in which the Group operates. It is the currency that mainly influences the revenue and cost of given product. Based on the Group's management assessment, the Group's functional currency is Singapore Dollar.

Allowance for impairment losses of trade receivables

The Group evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Group uses judgment, based on the best available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on third party credit reports and known market factors, to record specific provisions for customers against amounts due to reduce its receivable amounts that the Group expects to collect.

These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment losses of trade receivables.

Fair value of financial instruments

The review for impairment is performed if there are indications of impairment of certain assets. Determination of fair value of assets requires the estimation of cash flows expected to be generated from the continuous use and disposal of the asset. Significant changes in the assumptions used to determine fair value can have a significant impact on the recoverable amount and the amount of impairment loss occurs, that may materially affect recoverable amount the Group's results of operations.

Provision for employee service entitlement

The determination of the Company's obligations and cost for the employee service entitlements liabilities is accordance with Labor Law No. 13/2003. The Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual results or significant changes in the Company's assumptions may materially affect its estimated liabilities for employee service entitlements and related expense.

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

b. Estimates and assumptions

Depreciation of fixed assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management properly estimates the useful live of these fixed assets 20 years. These are common life expectancies applied in the industries where the Company conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

Income tax

Determining income tax provisions requires the Company to make judgments on the future tax treatment of certain transactions. The Company carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition. deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. This requires significant judgment on the tax treatment of certain transactions and also assessment on the probability that adequate future taxable profits will be available to recover the deferred tax assets.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for all taxable temporary differences to the extent that it is probable that the temporary differences can be used. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4. CASH & CASH EQUIVALENTS	2019	2018
This account consists of :		
~ Cash in bank		
- Singapore Dollars (UOB)	1.519.524,02	1.254.182,95
- Indonesia Rupiah (UOB)	2.543,88	2.513,06
Total	**1.522.067,90**	**1.256.696,01**

5. TRADE AND OTHER RECEIVABLES	2019	2018
Trade receivables - third parties :		
~ PT Treasure Development Services	135.000,00	-
Sub Total	**135.000,00**	**-**
Other receivables - related parties :		
~ Shareholder account	516.167,69	233.962,27
Sub Total	**516.167,69**	**233.962,27**
Total	**651.167,69**	**233.962,27**

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

6. FIXED ASSETS

Cost	Beginning Balance 2019	Addition	Disposal	Ending Balance 2019
~ Land and building - LOT ARI	755.858,00	-	-	755.858,00
Total cost	755.858,00	-	-	755.858,00
Accumulated Depreciation				
~ Land and building - LOT ARI	226.757,40	37.792,90	-	264.550,30
Total accumulated depreciation	226.757,40	37.792,90	-	264.550,30
Book Value	**529.100,60**			**491.307,70**

Cost	Beginning Balance 2018	Addition	Disposal	Ending Balance 2018
~ Land and building - LOT ARI	755.858,00	-	-	755.858,00
Total cost	755.858,00	-	-	755.858,00
Accumulated Depreciation				
~ Land and building - LOT ARI	188.964,50	37.792,90	-	226.757,40
Total accumulated depreciation	188.964,50	37.792,90	-	226.757,40
Book Value	**566.893,50**			**529.100,60**

	2019	**2018**
Depreciation expense was allocated to the following:		
~ Administrative expenses	37.792,90	37.792,90
Total	**37.792,90**	**37.792,90**

7. DEPOSITS RECEIVED

	2019	**2018**
This account consists of :		
~ Deposit of rental received	50.000,00	50.000,00
Total	**50.000,00**	**50.000,00**

8. SHARE CAPITAL

This account consists of the company's shareholders is as follows ;

No.	Shareholder name	Percentage of Ownership	Amount of Shares	Total Amount
1.	Mr. Lee Chen Chui	100%	1	1,53
	Total	100%	1	1,53

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

9. REVENUE	2019	2018
This account consists of :		
Rental income	810.000,00	810.000,00
Total	**810.000,00**	**810.000,00**

10. ADMINISTRATIVE EXPENSES	2019	2018
This account consists of :		
~ Depreciation	37.792,90	37.792,90
~ Transport and travelling expense	58.864,35	-
~ BVI annual maintenance expense	1.064,28	1.078,20
Total administrative expenses	**97.721,53**	**38.871,10**

11. OTHER INCOMES (EXPENSES)	2019	2018
a. Other incomes		
~ Interest income	16,96	17,90
~ Gain on foreign exchange	68,57	-
	85,53	17,90
b. Other expenses		
~ Bank charges	79,59	82,89
~ Loss on foreign exchange	-	117,96
	79,59	200,85
Total	**5,94**	**(182,95)**

12. TAXATION	2019	2018
a. Current tax liabilities		
~ Corporate tax payable	-	-
	-	-
Other tax payable		
~ Article 4(2)	13.500,00	-
Total tax payable	13.500,00	-
b. Income tax expenses		
~ Final tax	(81.000,00)	(81.000,00)
~ Deferred tax	-	-
Total income tax	**(81.000,00)**	**(81.000,00)**
Profit before income tax	712.284,41	770.945,95
Timing differences		
Difference between book and tax depreciation	-	-
Permanent differences		
Income subject to tax	(810.085,53)	(810.017,90)
Expense not decuctible for tax purposes	97.801,12	39.071,95
Total permanent differences	(712.284,41)	(770.945,95)
Taxable income (Fiscal Gain)	-	-
Rounded-off	-	-
Income tax expense	-	-
Deferred tax		
At the beginning of the year	-	-
Charged to statement of income	-	-
At the end of the year	-	-

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

13. NON-CONTROLLING INTEREST

Non-controllling interest represents the share of minority shareholders in the net assets of subsidiary that are not wholly owned by the Company.

Details of non-controlling interest in the equity and share of result of subsidiary are as follows:

Subsidiary	As of beginning of the year	Profit	Other comprehensive income	As of end of the year
31 December 2019				
PT Buana Wisatama	2.801,17	632,35	-	3.433,52
31 December 2018				
PT Buana Wisatama	2.110,15	691,02	-	2.801,17

14. FINANCIAL INSTRUMENT, FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT

Financial instruments

The Company's financial assets and liabilities are expected to be realized, or settled in the near term. Therefore, their carrying amounts approximate their fair values.

Fair value is defined as the amount at which the instrument could be exchange in a current transaction between knowledgeable willing parties in an arm's-length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flows models and option pricing models as appropriate.

Financial Instruments presented in the statement of financial position are carried at the fair value, otherwise, they are presented at carrying value either these are reasonable approximation of fair values or their fair values cannot be reliably measured.

Financial risk management

The Board of Directors is responsible for setting the objective and underlying principles of financial risk management for the Company.

Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise foreign currency risk. Financial instruments primarily affected by market risk include cash and cash equivalents.

Foreign currency risk management

The Company manages foreign currency exposure by matching, as far as possible, receipts and payments in each individual currency.

Interest rate risk management

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

SOLID ALLY INVESTMENTS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
(IN SINGAPORE DOLLAR)

14. FINANCIAL INSTRUMENT, FINANCIAL RISK MANAGEMENT AND CAPITAL RISK MANAGEMENT (CONTINUED)

Credit risk management

As of 31 December 2019, approximately 79,27% (2018 : 100%) of the Company's account receivables represents receivables from related parties. Further, as of 31 December 2019, approximately 20,73% (2018 : 0%) of the Company's account receivables represents receivables from third parties customers.

Credit risk refers to the risk that debtors will default on their obligations to repay the amount owing to the Company, resulting in a loss to the Company. The Company has adopted a stringent procedure in extending credit terms to customers and in monitoring its credit risk.

The Company performs ongoing credit evaluation of its customers' financial condition and generally does not require collateral. This evaluation includes assessing and valuation of customers' credit reliability and periodic review of their financial status to determine credit limits to be granted.

Concentration of credit risk exist when changes in economic, industry or geographical factors affect cluster of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

The carrying amount of financial assets recorded in the financial statements represents the Company's exposure to credit risk.

Liquidity risk management

The Company monitors and maintains a level of cash and bank balances deemed adequately by the management to finance the Company's day to day operations.

	2019	2018
Current assets		
Cash on hand and in banks	1.522.067,90	1.256.696,01
Account receivables	651.167,69	233.962,27
Total current assets	**2.173.235,59**	**1.490.658,28**
Current liabilities		
Deposits received	50.000,00	50.000,00
Tax payable	13.500,00	-
Total current liabilities	**63.500,00**	**50.000,00**
Net current assets	**2.109.735,59**	**1.440.658,28**

Drs. Sayuti Gazali
Registered Public Accountants
License No : KEP-136/KM. 6/2003

Jl. Batang Anai No. 4, Padang 25114 - Indonesia
Tel. 62 - 751 - 447372 Fax. 62 - 751 - 447371

Report No. 00007/2.0540/AU.1/09/0273-1/0/I/2021

Independent Auditor's Report

The Shareholders,
Board of Commissioners and Board of Directors
Solid Ally Investments Limited

We have audited the accompanying financial statements of Solid Ally Investments Limited, which comprise the statement of financial position as of December 31, 2019 of the Group and of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit in accordance with International Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Solid Ally Investments Limited as of December 31, 2019 of the Group and the Company, and the statement of comprehensive income and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

KAP DRS. SAYUTI GAZALI

REGISTERED PUBLIC ACCOUNTANTS

Drs. Sayuti Gazali, Akt, CPA
License of Public Accountant No. AP 0273

January 18, 2021

FURTHER INFORMATION ON PTBW

1. BACKGROUND AND HISTORY

PTBW was established in Indonesia on 12 February 2005 as a limited liability company and having its correspondence address at Jl. Raja Haji, No. 54, Kawasan Pariwisata Lagoi, Kel. Sebong Lagoi, Kec. Telok Sebong, Kab. Bintan, Prov. Kepulauan Riau.

2. PRINCIPAL ACTIVITY

PTBW is principally engaged in the business of real estate activities/property owner.

3. SHARE CAPITAL

As at the LPD, the issued share capital of PTBW is USD500,000 comprising 500,000 ordinary shares in PTBW.

4. ORIGINAL COSTS AND DATES OF INVESTMENT BY THE VENDOR

The original costs and date of investment by the Vendor in Solid Ally and PTBW is SGD9.78 million (equivalent to approximately RM29.77 million and date of investment is 15 September 2020.

5. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the LPD, the director of PTBW is VKF whilst the Vendor is the sole beneficial owner of PTBW, details of which are set out below:-

Name	Designation	Nationality/ Country of Incorporation	As at the LPD			
			Direct		Indirect	
			No. of PTBW Shares	(%)	No. of PTBW Shares	(%)
Director						
VKF	Director	Malaysian	-	-	-	-
Beneficial owner						
Solid Ally	-	BVI	499,500	99.90	-	-
Mark Wee	-	Malaysian	500	0.10	[(1)]499,500	99.90

Note:-

(1) Deemed interest by virtue of his shareholdings in Solid Ally.

6. SUBSIDIARIES AND ASSOCIATE COMPANIES

As at the LPD, PTBW does not have any subsidiary and associate company.

7. MATERIAL CONTRACTS

Save as disclosed below, PTBW has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately preceding the LPD of this Circular:-

(i) Novation agreement entered on 1 January 2020, whereby the Property Lease Agreement was novated to the Tenant, being PT Treasure Bay Attractions.

8. MATERIAL COMMITMENTS

As at the LPD, PTBW has no material commitments incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results/position of PTBW.

9. CONTINGENT LIABILITIES

As at the LPD, PTBW has no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results/position of PTBW.

10. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, the PTBW is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, and the director of PTBW is not aware of and do not have any knowledge of any proceedings pending or threatened against PTBW, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of PTBW.

11. FINANCIAL INFORMATION OF PTBW

The table below sets out the financial performance of PTBW for the past 3 years up to and including FYE 31 December 2019:-

	Audited		
	31 December 2017 (SGD)	31 December 2018 (SGD)	31 December 2019 (SGD)
Revenue	600,000	810,000	810,000
PBT	560,895	772,024	713,349
PAT	500,895	691,024	632,349
Shareholders' funds/NA	2,110,157	2,801,181	3,433,530
Share capital	820,350	820,350	820,350
EPS/(LPS)	1.00	1.38	1.26
NA per share	4.22	5.60	6.87
Current ratio (times)	29.06	46.44	47.33
Total borrowings (including all interest-bearing debts)	-	-	-
Gearing (times)	-	-	-

There has been no audit qualification for the audited financial statements of PTBW for the past 3 FYEs 31 December 2017 to 2019. There were no exceptional and/or extraordinary items reported in the audited financial statements of PTBW or peculiar accounting policies adopted by PTBW for the past 3 FYEs 31 December 2017 to 2019.

Commentary

FYE 31 December 2017 ("FYE 2017")

PTBW recorded a revenue of approximately SGD600,000 for the FYE 2017, which is consistent with the revenue recorded in the FYE 2016.

PTBW recorded a PBT of approximately SGD560,895 for the FYE 2017, representing an increase of approximately SGD3,157 or 0.57% as compared to the PBT of approximately SGD557,738 in the FYE 2016. The increase in PBT is mainly due to lower operating expenses incurred in the FYE 2016.

FYE 31 December 2018 ("FYE 2018")

PTBW recorded a revenue of approximately SGD810,000 for the FYE 2018, representing an increase of approximately SGD210,000 or 35.00% as compared to the revenue of approximately SGD600,000 recorded in the FYE 2017. The increase in revenue was mainly attributed to the increase in rental income due to higher rental rate charged in the FYE 2018.

PTBW recorded a PBT of approximately SGD772,024 for the FYE 2018, representing an increase of approximately SGD211,129 or 37.64% as compared to the PBT of approximately SGD560,895 in the FYE 2017. The increase in PBT is mainly due to lower operating expenses incurred in the FYE 2018.

FYE 31 December 2019 ("FYE 2019")

PTBW recorded a revenue of approximately SGD810,000 for the FYE 2019, which is consistent with the revenue recorded in the FYE 2018.

PTBW recorded a PBT of approximately SGD713,349 for the FYE 2019, representing a decrease of approximately SGD58,675 or 7.60% as compared to the PBT of approximately SGD772,024 in the FYE 2018. The decrease in PBT is mainly due to lower operating expenses incurred in the FYE 2019.

PT. BUANA WISATAMA

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019

AND INDEPENDENT AUDITORS' REPORT

PT. BUANA WISATAMA
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
AS OF DECEMBER 31, 2019
AND FOR THE YEAR ENDED DECEMBER 31, 2019

TABLE OF CONTENTS

PT. BUANA WISATAMA

Jl. Raja Haji KM01, Desa Sebong Lagoi, Kecamatan Teluk Sebong, Bintan, Kepulauan Riau

THE DIRECTOR'S STATEMENT REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019
PT. BUANA WISATAMA
(the "Company")

I, the undersigned:

1.	Name	: Vong Kian Fatt
	Office address	: Jl. Raja Haji KM01, Desa Sebong Lagoi Kecamatan Teluk Sebong Bintan, Kepulauan Riau
	Function	: Director

declare that:

1. I am responsible for the preparation and presentation of the financial statements of the Company;
2. The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards.
3. a. All information in the financial statements has been disclosed in a complete and truthful manner;
   b. The financial statements do not contain any misleading information, and I have not omitted any information or facts that would be material to the financial statements;
4. I am responsible for the internal control system.

I certify the accuracy of this statement.

For and on behalf of the Board of Directors

Vong Kian Fatt
Bintan, 06 January 2021

PT. BUANA WISATAMA
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019
EXPRESSED IN SINGAPORE DOLLAR

	Note	2019	2018
ASSETS			
Current assets			
Trade and other receivables	3	1.483.654,49	1.065.384,79
Cash and cash equivalents	4	1.522.067,90	1.256.696,01
Total current assets		**3.005.722,39**	**2.322.080,80**
Non - current assets			
Land - LOT ARI	5	491.307,70	529.100,60
Total non - current assets		**491.307,70**	**529.100,60**
TOTAL ASSETS		**3.497.030,09**	**2.851.181,40**
LIABILITIES AND EQUITY			
Current liabilities			
Deposit received	6	50.000,00	50.000,00
Tax payable	11a	13.500,00	-
Total current liabilities		**63.500,00**	**50.000,00**
Equity			
Share capital - authorised capital 1,000,000 shares, issued and fully paid up capital of 500,000 shares with par value SGD 1.6407 per share	7	820.350,00	820.350,00
Retained earnings		2.613.180,09	1.980.831,40
Total equity		**3.433.530,09**	**2.801.181,40**
TOTAL LIABILITIES AND EQUITY		**3.497.030,09**	**2.851.181,40**

The accompanying notes form an integral part of these financial statements

PT. BUANA WISATAMA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019
EXPRESSED IN SINGAPORE DOLLAR

	Note	2019	2018
Revenue	8	810.000,00	810.000,00
Administrative expenses	9	(96.657,25)	(37.792,90)
Other income	10a	85,53	17,90
Other expenses	10b	(79,59)	(200,85)
Profit before tax		713.348,69	772.024,15
Tax expense	11b	(81.000,00)	(81.000,00)
Profit for the year		632.348,69	691.024,15
Other comprehensive income		-	-
Total comprehensive income for the year		632.348,69	691.024,15

The accompanying notes form an integral part of these financial statements

PT. BUANA WISATAMA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019
EXPRESSED IN SINGAPORE DOLLAR

	Share Capital	Retained Earnings	Total
Balance as at January 1, 2018	820.350,00	1.289.807,25	2.110.157,25
Comprehensive income for the year	-	691.024,15	691.024,15
Balance as at December 31, 2018	**820.350,00**	**1.980.831,40**	**2.801.181,40**
Comprehensive income for the year	-	632.348,69	632.348,69
Balance as at December 31, 2019	**820.350,00**	**2.613.180,09**	**3.433.530,09**

PT. BUANA WISATAMA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
EXPRESSED IN SINGAPORE DOLLAR

	2019	2018
Cash flows from operating activities		
Profit before tax	713.348,69	772.024,15
Adjustment for :		
Depreciation	37.792,90	37.792,90
Operating cash flows before changes in working capital	**751.141,59**	**809.817,05**
Changes in working capital :		
Increase in trade and other receivables	(418.269,70)	(68.654,49)
Increase in tax payable	(67.500,00)	(86.000,00)
Net cash flows (used in) / generated from operating activities	265.371,89	655.162,56
Net increase in cash and cash equivalents	265.371,89	655.162,56
Cash and cash equivalents at beginning of the year	1.256.696,01	601.533,45
Cash and cash equivalents at end of the year	1.522.067,90	1.256.696,01

PT. BUANA WISATAMA
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
EXPRESSED IN SINGAPORE DOLLAR

1 GENERAL

a. Establishment and general information

PT. Buana Wisatama was incorporated on 12 February 2005 pursuant to the approval of the Ministry of Justice and Human Rights of the Republic of Indonesia numbered C-13727 HT.01.01.TH.2005 Tahun 2005 based upon the notarial document of the Notary, Agnes Margono, S.H. i.e. Deed of Establishment numbered 08 dated 12 February 2005, in Bintan Utara.

Based upon the notarial document of the Notary, Agnes Margono, S.H. i.e. Deed of Amendment numbered 08 dated 15 May 2017 and the latest notarial document of the Notary, Agnes Margono, S.H. i.e. Deed of Amendment numbered 34 dated 29 September 2018 the authorised capital of the Company was IDR 9,355,000,000 (Nine Billion Three Hundred Fifty Five Million IDR) and paid up capital of the Company was IDR 4,677,500,000 (Four Billion Six Hundred Seventy Seven Million Five Hundred Thousand IDR) divided into 500,000 shares with nominal IDR 9,355 per share.

This Company is located at Bintan Island. The main activity is renting and managing real estate that is owned or leased.

b. Board of commissioners and directors

Composition of the Company's Board of Directors and Commissioners are as follows :

Director	: Mr. Vong Kian Fatt
Commissioner	: Mr. Lee Chen Chui

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presented below are the significant accounting policies adopted in preparing the financial statements of the Company, which are in conformity with Indonesian Financial Accounting Standards.

a. Basis of preparation

The financial statements have been prepared based on the historical cost concept and accrual basis. The statement of cash flows is prepared based on the indirect method by classifying cash flows on the basis of operating, investing and financing activities. For the purpose of the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts.

These financial statements are presented in Singapore Dollar which is the Company's functional currency unless otherwise stated.

The preparation of the financial statements in conformity with Indonesian Financial Accounting Standards that requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

PT. BUANA WISATAMA
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
EXPRESSED IN SINGAPORE DOLLAR

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Foreign currency translation

The financial statements are presented in Singapore Dollar. Foreign currency transactions are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

At statement of financial position date, monetary assets and liabilities in foreign currencies are translated at the exchange rates prevailing at that date. As at 31 December 2019, the exchange rates applied were IDR 13,901.01 per 1 USD and IDR 10,320.74 per 1 SGD.

Exchange gains and losses arising on transactions in foreign currency and on the translation of foreign currency monetary assets and liabilities are recognised in the statement of comprehensive income.

c. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

d. Trade and other receivables

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, if the impact of discounting is significant, less impairments.

Impairments for doubtful receivable is recognised based on a review of the collectibility of outstanding amounts at year end. Accounts are written-off as bad debts during the year in which they are determined to be not collectible.

e. Revenue

Revenue is measured at fair value of the consideration received or receivable. The company recognises revenue if the revenue can be reliably measured and probable that future economic benefits will be obtained.

The company revenue from rental of land or building to PT. Treasure Development Services based on agreement dated 1 June 2015 between PT. Buana Wisatama and PT. Treasure Development Services.

f. Taxation

Deferred income tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Amendments to taxation obligations are recorded when assessment is received or, if appealed against, when the result of the appeal are determined.

g. Fixed asset

Company has land area 12,578 m2 and building location Desa Sebong Lagoi Teluk Sebong Bintan Kepulauan Riau. This building is depreciated with rate 5% per year and estimated life time 20 years.

PT. BUANA WISATAMA
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
EXPRESSED IN SINGAPORE DOLLAR

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Post-employment benefit obligations

Employee benefits are payable whenever an employee's employment is terminated before the normal retirement date. The Company recognises employee benefits when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan and the possibility to withdraw the plan is low.

As at 31 December 2019, the company has not recorded any accrual for severance, gratuity and compensation payments because there is no employee, so the Company did not create post-employment benefit obligations.

i. Related party transactions

The Company entered into transactions with related parties as defined in PSAK 7 "Related Party Disclosures". All significant transactions and balances with related parties are disclosed in the notes to the financial statements.

3 TRADE AND OTHER RECEIVABLE

	2019	2018
~ PT. Treasure Development Services	135.000,00	-
~ Shareholder Account	-	46.730,30
~ Amount due from holding company - Solid Ally Investments Limited	1.348.654,49	1.018.654,49
Total	**1.483.654,49**	**1.065.384,79**

4 CASH AND CASH EQUIVALENTS

	2019	2018
~ UOB (SGD) A/C 593-900-777-7	1.519.524,02	1.254.182,95
~ UOB (IDR) A/C 593-300-733-3	2.543,88	2.513,06
Total	**1.522.067,90**	**1.256.696,01**

5 LAND - LOT ARI

	2018	Additions	Deduction	2019
Cost				
~ Land and building - LOT ARI	755.858,00	-	-	755.858,00
Total cost	755.858,00	-	-	755.858,00
Accumulated depreciation				
~ Land and building - LOT ARI	226.757,40	37.792,90	-	264.550,30
Total accumulated depreciation	226.757,40	37.792,90	-	264.550,30
Net book value	**529.100,60**			**491.307,70**

	2017	Additions	Deduction	2018
Cost				
~ Land and building - LOT ARI	755.858,00	-	-	755.858,00
Total cost	755.858,00	-	-	755.858,00
Accumulated depreciation				
~ Land and building - LOT ARI	188.964,50	37.792,90	-	226.757,40
Total accumulated depreciation	188.964,50	37.792,90	-	226.757,40
Net book value	**566.893,50**			**529.100,60**

PT. BUANA WISATAMA
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
EXPRESSED IN SINGAPORE DOLLAR

6 DEPOSIT RECEIVED

	2019	2018
~ Deposit of rental	50.000,00	50.000,00
Total	**50.000,00**	**50.000,00**

7 SHARE CAPITAL

The paid up capital of the Company amounted IDR 4,677,500,000 and converted to SGD 820,350 divided into 500,000 shares at par value of SGD 1,6407. The issued and paid up capital as at 31 December 2019 and 31 December 2018 are as follows :

Shareholders	Percentage of ownership	Number of shares	2019	2018
~ Solid Ally Investments Limited	99,90%	499.500	819.529,65	819.529,65
~ Vong Kian Fatt	0,10%	500	820,35	820,35
Total	**100,00%**	**500.000**	**820.350,00**	**820.350,00**

8 REVENUE

	2019	2018
~ Rental income from PT. Treasure Development Services	810.000,00	810.000,00
Total	**810.000,00**	**810.000,00**

9 ADMINISTRATIVE EXPENSES

	2019	2018
~ Depreciation	37.792,90	37.792,90
~ Transport & travelling expenses	58.864,35	-
Total	**96.657,25**	**37.792,90**

10 OTHER INCOME / (EXPENSES)

	2019	2018
a. Other income		
~ Interest income	16,96	17,90
~ Gain on foreign exchange	68,57	-
Total	**85,53**	**17,90**
b. Other expenses		
~ Bank charges	79,59	82,89
~ Loss on foreign exchange	-	117,96
Total	**79,59**	**200,85**

11 TAXATION

	2019	2018
a. Tax payable		
~ Current tax	-	-
Article 29	-	-
Other tax payable		
~ Tax Article 4(2)	13.500,00	-
Total	13.500,00	-

PT. BUANA WISATAMA
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
EXPRESSED IN SINGAPORE DOLLAR

11 TAXATION (CONTINUED)

	2019	2018
b. Tax expense		
Tax expense of the company consist of the following :		
~ Final tax	(81.000,00)	(81.000,00)
~ Deferred tax	-	-
Total	(81.000,00)	(81.000,00)

Current Tax

A reconciliation between income before tax per statement of comprehensive income and taxable income is as follows :

Profit before tax	713.348,69	772.024,15
Adjustment for tax calculated :		
~ Less income subject to tax		
~ Rental income	(810.000,00)	(810.000,00)
~ Interest income	(16,96)	(17,90)
~ Gain on foreign exchange	(68,57)	-
~ Add expenses not deductible for tax purposes		
~ Depreciation	37.792,90	37.792,90
~ Transport & travelling expenses	58.864,35	-
~ Bank charges	79,59	200,85
Taxable income	-	-
Total taxable income	-	-
Current tax expense	81.000,00	81.000,00

c. Administration

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self assessment. The Director General of Tax (DGT) may assess or amend taxes within five years of the time the tax becomes due.

SG Drs. Sayuti Gazali
Registered Public Accountants
License No : KEP-136/KM. 6/2003

Jl. Batang Anai No. 4, Padang 25114 - Indonesia
Tel. 62 - 751 -447372 Fax. 62 - 751 -447371

Report No. 00004/2.0540/AU.2/05/0273-3/1/I/2021

Independent Auditor's Report

The Shareholders,
Board of Commissioners and Board of Directors
PT. Buana Wisatama

We have audited the accompanying financial statement of PT. Buana Wisatama, which comprise the statement of financial position as of December 31, 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with Standards on Auditing established by Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.
An audit involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT. Buana Wisatama as of December 31, 2019, and the statement of comprehensive income and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

KAP DRS. SAYUTI GAZALI

DRS. SAYUTI GAZALI
REGISTERED PUBLIC ACCOUNTANTS
INDONESIA

Drs. Sayuti Gazali, Akt, CPA
License of Public Accountant No. AP 0273
January 06, 2021

FURTHER INFORMATION

---

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm 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 false or misleading.

All information relating to Solid Ally and PTBW have been obtained from publicly available documents (where available) and other information/documents provided by the Vendor and the directors/management of the respective parties. Therefore, the sole responsibility of the Board is restricted to ensure that such information is accurately reproduced in this Circular.

2. CONSENTS

UOBKH, being the Principal Adviser for the Proposed Acquisition, has given and has not subsequently 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.

FHCA, being the Independent Adviser for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, its IAL, and all references thereto in the form and context in which they appear in this Circular.

KJPP Wilson, the Independent Valuer for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the Valuation Certificate and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATIONS OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to Landmarks for the Proposed Acquisition.

FHCA has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Independent Adviser to Landmarks for the Proposed Acquisition.

KJPP Wilson has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Independent Valuer to Landmarks for the Proposed Acquisition.

4. MATERIAL COMMITMENTS

As at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results or position of the Group.

5. CONTINGENT LIABILITIES

As at the LPD, save as disclosed in **Section 6(a)(i)** and **(ii)** and the table below, the Board is not aware of any contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of Landmarks:-

Secured	(RM'000)
Corporate guarantees granted for banking facilities of a subsidiary of Landmarks	126,750

6. MATERIAL CONTRACTS

As at the LPD, save for the Proposed Acquisition (which is the subject matter of this Circular) and as disclosed below, the Landmarks Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years preceding the LPD:-

(a) Sale and purchase agreement dated 2 December 2020 in relation to the disposal by Tiara Gateway, of its 51% equity interest in Mendol Investments Pte Ltd ("**MIPL**"), a subsidiary of Landmarks Group, to Luminous Global Inc ("**LG**"), Strategic Premium Pte Ltd ("**SP**"), Genprop Pte Ltd ("**GPL**"), Wong Ho Kit ("**WHK**"), Sim Swee Yoke ("**SSY**") and Golden Prosperity LLP ("**GP**") (collectively "**the Purchasers**") for a total cash consideration of SGD13.87 million (equivalent to approximately RM42.24 million). MIPL ultimately owns all the interests in PT Mendol Estate (PMA Co) which owns and operates the 5-star hotel, Natra Bintan. This sale and purchase agreement was completed on 23 December 2020.

Concurrently, TG and the Purchasers had also entered into a shareholders' agreement dated 23 December 2020 to set out their rights and obligations as shareholders of MIPL to jointly undertake, complete, own, manage and operate Natra Bintan ("**Shareholders' Agreement**"). Under the Shareholders' Agreement:-

(i) each of the Purchasers grants to Tiara Gateway the right, if and when it becomes a Prohibited Person (as defined under the Operating Services Agreement dated 8 June 2018 (as varied by the 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 PMA Co and PT Indo-Pacific Sheraton (an affiliate of Marriot International, Inc.) ("**Hotel Operator**") ("**OSA**")) to require it to sell and transfer to Tiara Gateway all of those shares in MIPL which it is the registered and beneficial owner of, together with all its rights, title, interests, entitlements and benefits accrued thereon free from all encumbrances, pledges or liens whatsoever ("**Option Shares**") in the manner set out in the Shareholders Agreement ("**Call Option**") – the Call Option may not be exercised in respect of part only the Option Shares; and

(ii) Tiara Gateway grants to each of the Purchasers the right, if EBITDA of Natra Bintan for Financial Year 2021 is less than IDR 9,602,000,000, to, during the period commencing from the date on which the audited accounts of PMA Co for Financial Year 2021 is signed by the auditors of PMA Co, and ending on the date falling 30 days thereafter, require Tiara Gateway to purchase and take transfer of all the Option Shares at the price it had purchase such Option Shares from Tiara Gateway ("**Put Option Price**") and in the manner set out in the Shareholders Agreement ("**Put Option**") – the Put Option may not be exercised in respect of part only the Option Shares.

7. MATERIAL LITIGATION, CLAIM OR ARBITRATION

As at the LPD, save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group:-

(a) Trade dispute between the National Union of Hotel, Bar, and Restaurant Workers ("**Union**") against The Andaman, A Luxury Collection Resort, Langkawi (owned by Andaman Resort Sdn Bhd ("**ARSB**")) ("**Hotel**")

This is in relation to a trade dispute that was first referred by the Union to the Industrial Court in respect of the Hotel's implementation of the Minimum Wages Order 2012. The nature of this trade dispute is over the implementation of the restructuring of wages by incorporating the service charge value into the employees' wages to ensure that the employees receive the minimum wages of RM 900.00.

Vide an Industrial Court Award No. 1609 of 2018 dated 13 July 2018, the Industrial Court ruled that the Hotel is entitled to restructure the employees' wages by converting part or the whole of the service charge payable, to be included with the basic wage to form the minimum wages of RM 900.00 in compliance to the Minimum Wages Order 2012 ("**Industrial Court Award**").

The Union filed a judicial review application to the High Court of Kuala Lumpur to challenge the decision of the Industrial Court Award. On 13 March 2019, the High Court allowed the judicial review application and granted the following prayers:-

(i) the Industrial Court Award is set aside;

(ii) ARSB's top-up structure of utilising the service charge to pay the minimum wages is declared inconsistent with the National Wages Consultative Council Act 2011 and the Minimum Wages Order 2012;

(iii) ARSB is forthwith pay its employees minimum wages without recourse to the service charge fund and refund to the employees all unutilised service charge with effect from 1 October 2013 within 30 days from the decision; and

(iv) ARSB is to pay costs of RM 5,000 to the Union.

ARSB (as appellant) filed a Notice of Appeal at the Court of Appeal to appeal against the decision of the High Court which set aside the Industrial Court Award which held that ARSB is entitled to restructure the employees' wages by converting part or the whole of the service charge payable to be included with the basic salary to form the minimum wage rate of RM 900.00 in compliance with the Minimum Wages Order 2012.

The hearing scheduled on 14 February 2020 was postponed upon the instructions of the Court of Appeal panel of judges. The hearing did not proceed later in 2020 owing to the imposition of the movement control order ("**MCO**").

In December 2020, the Court of Appeal allowed the Respondent's application for adjournment of the hearing pending the outcome of the Crystal Crown case at the Federal Court. The matter is scheduled for case management before the Court of Appeal on 12 January 2021. The matter has been scheduled for further case management on 11 February 2021. Subsequently, on 11 February 2021, the Court of Appeal has scheduled the case for further case management on 28 April 2021.

In the event the Appellant is not successful in this appeal, the Court of Appeal may affirm the High Court's decision and the Hotel may be further liable for costs payable to the Union. The Company has made provisions of approximately RM7.27 million for the matter above.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 20th Floor, Menara Haw Par, Jalan Sultan Ismail, 50250 Kuala Lumpur, during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

(i) the Constitution of Landmarks;

(ii) the SSA;

(iii) the Valuation Report together with the Valuation Certificate as set out in **Appendix II** of this Circular;

(iv) the audited consolidated financial statements of Landmarks Group for the past 2 financial years up to and including the FYE 31 December 2019, as well as the unaudited consolidated financial statements of Landmarks Group for the 12-month FPE 31 December 2020;

(v) the audited financial statements of Solid Ally for the past 2 financial years up to and including the FYE 31 December 2019;

(vi) the audited financial statements of PTBW for the past 2 financial years up to and including the FYE 31 December 2019;

(vii) the letters of consent and declarations of conflict of interest referred to in **Section 2** and **Section 3** of this **Appendix VII**;

(viii) the material contracts referred to in **Section 6** of this **Appendix VII**; and

(ix) the relevant cause papers in relation to the material litigation referred to in **Section 7** of this **Appendix VII**.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 the "**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 on Friday, 30 April 2021 at 10.00 a.m., or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the following resolution:-

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY TIARA GATEWAY PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF PRIMARY GATEWAY SDN BHD, WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF LANDMARKS ("TIARA GATEWAY" OR THE "BUYER") OF THE RIGHTS AND INTEREST UNDER HAK GUNA BANGUNAN NO. 00105/SEBONG LAGOI ("HGB") 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 ("LAND") AND THE BUILDINGS CONSTRUCTED THEREON ("PROPERTY") FOR A TOTAL CONSIDERATION OF SGD9.78 MILLION (EQUIVALENT TO APPROXIMATELY RM29.77 MILLION) ("PURCHASE CONSIDERATION") TO BE SATISFIED THROUGH THE ISSUANCE OF 84,830,494 NEW ORDINARY SHARES IN LANDMARKS ("CONSIDERATION SHARES") AND CASH CONSIDERATION OF SGD303,750 (EQUIVALENT TO APPROXIMATELY RM924,919), THROUGH THE PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN PT BUANA WISATAMA ("PROPOSED ACQUISITION")

"**THAT**, subject to the applicable approvals of all relevant authorities or parties being obtained (where required), approval be and is hereby given to Tiara Gateway to acquire the rights and interests under the HGB and the Property through the acquisition of the entire equity interest in PTBW from Mark Wee Liang Yee ("**Vendor**") for the Purchase Consideration to be satisfied through the issuance of 84,830,494 Consideration Shares at an issue price of RM0.34 per Consideration Share and the Cash Consideration of SGD303,750 (equivalent to approximately RM924,919), subject to the terms and conditions contained in the conditional share sale agreement dated 2 December 2020 ("**SSA**"), between Tiara Gateway and the Vendor and such other terms and conditions as the parties thereto may mutually agree upon in writing or which are imposed by the relevant authorities;

THAT approval be and is hereby given to the Board of Directors of Landmarks ("**Board**") to allot and issue the Consideration Shares to the Vendor for the purpose of part satisfaction of the Purchase Consideration for the Proposed Acquisition;

THAT the Consideration Shares shall, upon issuance and allotment, be of the same class and rank *pari passu* in all respects with the then existing ordinary shares in Landmarks, save and except that the holders of such Consideration Shares shall not be entitled to any dividends and/or other distributions declared by Landmarks, the entitlement date of which is prior to the date of allotment of the Consideration Shares, and shall be free from all encumbrances;

AND THAT, the Board (save for the Interested Director, as set out in the circular to shareholders dated 15 April 2021 ("**Circular**"), where required) be and is hereby authorised to give effect to the Proposed Acquisition 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 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 to the Proposed Acquisition."

By order of the Board,
LANDMARKS BERHAD

TAN AI NING (MAICSA7015852) (SSM PC No.: 202008001023)
WONG WEI FONG (MAICSA7006751) (SSM PC No.: 201908001352)
COMPANY SECRETARIES

SELANGOR DARUL EHSAN
Date: 15 April 2021

Notes:-

1. *As a precautionary measure in view of the COVID-19 outbreak, the EGM will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("**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.*
2. *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.*
3. *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 28 April 2021 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.*
4. *In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 23 April 2021 shall be entitled to attend, participate, speak and vote at the EGM.*
5. *Each shareholder may vote remotely or by proxy or by attorney or, being a corporation, by a duly authorised representative.*
6. *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.*
7. *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.*
8. *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.*
9. *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.*
10. *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, 30 April 2021, 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 5 March 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).*
11. *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.*
12. *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.*
13. *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]

Tel/Hp No. ____________________ Email Address ____________________

being a shareholder/shareholders of **LANDMARKS BERHAD,** hereby appoint ____________________

NRIC No./Passport No. ____________________________________ of

____
[Full Address]

and ____________________ NRIC No./Passport No. ____________________ of

____
[Full Address]

Tel/Hp No. ____________________ Email 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 on Friday, 30 April 2021 at 10.00 a.m. or at any adjournment thereof, on the proposed resolution as indicated with an 'X' in the appropriate spaces below.

** 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 1	Proposed Acquisition		

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 8), please specify the proportion of the shareholders' holdings to be represented by each proxy:

Number of Shares Held

Name of Proxy	No. of Shares Represented	Percentage
		%
		%
Total		100%

Dated this ____________ day of ____________ 2021

____
Signature(s)/Common Seal of Member(s)

Notes:-

1. *As a precautionary measure in view of the COVID-19 outbreak, the EGM will be conducted on a fully 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.*
2. *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.*
3. *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 28 April 2021 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.*
4. *In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 23 April 2021 shall be entitled to attend, participate, speak and vote at the EGM.*
5. *Each shareholder may vote remotely or by proxy or by attorney or, being a corporation, by a duly authorised representative.*
6. *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.*
7. *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.*
8. *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.*
9. *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.*
10. *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, 30 April 2021, 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 5 March 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).*
11. *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 for holding the Meeting or adjourned meeting, 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 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 the Company.*
12. *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.
13. *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).

1st Fold Here

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

2nd Fold Here

Fold This Flap For Sealing