



KTI LANDMARK BERHAD

(Registration No. 201601008159 (1179087-X))

Incorporated in Malaysia

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1ST) QUARTER ENDED 31 MARCH 2025**

KTI LANDMARK BERHAD ("KTI LANDMARK" OR "COMPANY")
Registration No. 201601008159(1179087-X)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME⁽¹⁾**
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

		INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		Current Year Quarter Unaudited 31.03.2025 RM'000	Preceding Year Corresponding Quarter Unaudited 31.03.2024 RM'000	Current Period To-Date Unaudited 31.03.2025 RM'000	Preceding Year Corresponding Period Unaudited 31.03.2024 RM'000
	Note				
Revenue		55,954	27,079	55,954	27,079
Cost of sales		(43,530)	(20,711)	(43,530)	(20,711)
Gross profit ("GP")		12,424	6,368	12,424	6,368
Other operating income		600	244	600	244
Selling and distribution expenses		(1,227)	(767)	(1,227)	(767)
Administrative expenses		(5,263)	(3,455)	(5,263)	(3,455)
Profit from operation		6,534	2,390	6,534	2,390
Finance cost		(3,993)	(1,781)	(3,993)	(1,781)
Profit before taxation ("PBT")	B14	2,541	609	2,541	609
Taxation	B6	(666)	(270)	(666)	(270)
Profit after taxation ("PAT")/ Total comprehensive income for the period		1,875	339	1,875	339
PAT / Total comprehensive income for the period attributable to:					
Owners of the Group		1,875	339	1,875	339
Earnings per share ("EPS")	B13				
- Basic / Diluted (sen) ⁽²⁾		0.23	0.04	0.23	0.04

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and other comprehensive income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Diluted EPS of the Company for the individual quarter ended 31 March 2025 and period-to-date ended 31 March 2025 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

KTI LANDMARK BERHAD ("KTI LANDMARK" OR "COMPANY")
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
AS AT 31 MARCH 2025

	UNAUDITED As at 31.03.2025 RM'000	AUDITED As at 31.12.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	140,105	131,409
Inventories ⁽³⁾	851	851
Deferred tax assets	6,251	5,822
	147,207	138,082
Currents assets		
Inventories ⁽³⁾	349,781	337,770
Trade and other receivables	79,988	70,074
Contract assets	80,629	63,693
Tax recoverable	2,099	1,949
Fixed deposit with licensed bank	35,166	34,393
Cash and cash equivalents	33,355	31,659
	581,018	539,538
TOTAL ASSETS	728,225	677,620
EQUITY and LIABILITIES		
EQUITY		
Share capital	153,625	153,625
Retained profits	127,600	128,125
Reorganisation Reserve	(105,584)	(105,584)
	175,641	176,166
LIABILITIES		
Non-current liabilities		
Borrowings	95,018	54,244
Lease liabilities	10,291	7,643
Land Cost Payable	6,461	12,118
	111,770	74,005
Current liabilities		
Trade and other payables	103,780	122,192
Contract liabilities	2,254	1,284
Amount due to a related party	-	65
Borrowings	328,865	299,152
Lease liabilities	4,129	2,744
Tax payables	1,786	2,012
	440,814	427,449
TOTAL LIABILITIES	552,584	501,454
TOTAL EQUITY AND LIABILITIES	728,225	677,620
NET ASSET PER SHARE (RM)⁽²⁾	0.22	0.22

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
AS AT 31 MARCH 2025

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's number of ordinary shares as at 31 March 2025 of 800,000,000 shares (31 December 2024: 800,000,000 shares).
- (3) Inventories comprise of the followings:

	UNAUDITED	AUDITED
	as at	as at
	31.03.2025	31.12.2024
	RM'000	RM'000
Inventories		
Non-current assets		
Land held for property development	851	851
Current assets		
Property development costs	348,759	337,332
Completed properties	1,022	438
	349,781	337,770

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KTI LANDMARK BERHAD ("KTI LANDMARK" OR "COMPANY")
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

	Share capital RM'000	Reorganisation reserve RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 1 January 2024 (Audited)	2,000	-	134,607	136,607
Contributions by owners of the Company:				
- Issuance of new shares	153,584	(105,584)	-	48,000
Share issuance expenses	(1,959)	-	-	(1,959)
Profit for the financial year	-	-	8,518	8,518
Dividend	-	-	(15,000)	(15,000)
Balance as at 31 December 2024 (Audited)	153,625	(105,584)	128,125	176,166
Profit for the financial Period	-	-	1,875	1,875
Dividend	-	-	(2,400)	(2,400)
Balance as at 31 March 2025 (Unaudited)	153,625	(105,584)	127,600	175,641

Note:

- ⁽¹⁾ The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

	UNAUDITED 3 Months Ended 31.03.2025 RM'000	UNAUDITED 3 Months Ended 31.03.2024 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,541	609
Adjustments for:		
Depreciation for property, plant and equipment	338	461
Interest expense	3,993	1,781
Interest income	(338)	(201)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6,534	2,650
Increase in inventories	(9,722)	(5,600)
Increase in trade and other receivables	(9,913)	(1,905)
Increase in contract assets	(15,967)	(8,467)
Decrease in trade and other payables	(9,162)	(16,070)
Cash used in operations	(38,230)	(29,392)
Interest paid	(9,970)	(1,781)
Interest received	338	201
Income tax paid	(1,472)	(940)
NET CASH USED IN OPERATING ACTIVITIES	(49,334)	(31,912)
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(696)	(3,023)
Advance payment for purchase of PPE	(13,735)	-
Increase in housing development accounts	(12,603)	(4,611)
NET CASH USED IN INVESTING ACTIVITIES	(27,034)	(7,634)

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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025(CONT'D)

	UNAUDITED 3 Months Ended 31.03.2025 RM'000	AUDITED 3 Months Ended 31.03.2024 RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Uplift of fixed deposit	(762)	(680)
Dividend paid	(2,400)	(15,000)
Drawdown of term loan	43,734	9,059
Drawdown of trade financing	49,768	42,691
Repayment of lease liabilities	(953)	(185)
Repayment of term loan	(8,337)	(535)
Repayment of trade financing	(16,809)	(9,472)
NET CASH FROM FINANCING ACTIVITIES	64,241	25,878
Net decrease in cash and cash equivalents	(12,127)	(13,668)
Cash and cash equivalents at the beginning of the financial period	33,592	19,709
Cash and cash equivalents at the end of the financial period	21,465	6,041
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	33,355	13,336
Fixed deposit placed with licensed banks	35,166	16,159
Balance as stated in the statement of financial position	68,521	29,495
Less: Bank overdraft	(14,212)	(3,869)
Less: Fixed deposit pledged with licensed banks	(14,365)	(14,868)
Less: Housing development bank account	(18,479)	(4,717)
Balance for Statement of Cash Flows	21,465	6,041

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

Part A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 : INTERIM FINANCIAL REPORTING

A1. Basis of preparation

This interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")("Listing Requirements").

This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those disclosed in the audited financial statements of the Company for the financial year ended 31 December 2024, except for the adoption of the following new amendments to MFRS's:

Effective for financial periods beginning on or after 1 January 2025

- Amendments to MFRS 121 Lack of Exchangeability
- MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)
- MFRS 19: Subsidiaries without Public Accountability: Disclosures
- MFRS 18: Presentation and Disclosure in Financial Statements

Effective date to be announced

- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The Group will adopt the above accounting pronouncements when they become effective in the respective financial periods. These accounting pronouncements are not expected to have any significant effect on the consolidated financial statements upon their initial applications.

A3. Auditors' report on preceding annual financial statements

There were no qualifications on the audited financial statements of the Company and its subsidiary companies for the financial year ended 31 December 2024.

A4. Seasonal of cyclical factors

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors in the current quarter and financial period-to-date under review.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no material items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the current quarter and financial period-to-date under review.

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134 : INTERIM FINANCIAL REPORTING (CONT'D)

A6. Material changes in Accounting Estimates

There were no material changes in estimates that have a material effect on the results for the current quarter and financial period-to-date under review.

A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8. Dividend paid

An interim dividend of RM2.4 million was declared on 27 February 2025 and paid on 27 March 2025.

A9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A10. Capital commitments

	UNAUDITED	AUDITED
	As at	As at
	31.03.2025	31.12.2024
	RM'000	RM'000
Land under property development		
Authorised and contracted for	<u>19,385</u>	<u>46,935</u>

A11. Material Subsequent Events

There were no material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

A12. Changes in the composition of the Group

There were no other material changes in the composition of the Group for the current financial quarter under review.

A13. Contingent assets and contingent liabilities

Save as disclosed in Note B11 of this report, the Group is not aware of any material and/or indirect contingent liabilities that may be incurred by the Group that may have a material impact on its financial position.

PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

Results for current quarter

KTI Landmark and its subsidiaries (the "**Group**") recorded revenue of RM55.95 million for the current quarter ended 31 March 2025. The revenue was mainly derived from its ongoing property development projects namely Residensi Seri Akasia Block E & F, Plaza Lemawang 2, Kayana Heights, Taman Seraya and The Logg project together with revenue from the external construction projects at Lok Kawi and Labuan.

Correspondingly, the Group recorded a PBT of RM2.54 million for the current quarter ended 31 March 2025.

B2. Comparison with immediate preceding quarter's results

	Income		Variance	
	Unaudited Current Year Quarter 31.03.2025 RM'000	Unaudited Immediate Preceding Quarter 31.12.2024 RM'000	RM'000	%
Revenue				
Property Development	33,317	45,865	(12,548)	(27)
Construction	22,637	20,129	2,508	12
Others	-	28	(28)	(100)
	55,954	66,022	(10,068)	(15)
PBT	2,541	8,359	(5,818)	(70)

The Group recorded a revenue of approximately RM55.95 million from property development and construction contract projects for the current financial quarter under review, representing a decrease of 15% compared to RM66.02 million revenue recognised in the previous quarter. This was mainly due to no new launches during the current quarter and the completion of the Residensi Seri Akasia Blocks C & D as compared to the previous financial quarter. However, improved revenue from higher construction activities assisted in reducing the deficit in the revenue recognised for the current financial quarter.

The Group recorded a PBT of approximately RM2.54 million for the current financial quarter under review as compared to a PBT of RM8.36 million in the immediate preceding financial quarter resultant from the reduced revenue recognised in the current financial quarter and also due to the increased administrative cost from the increase in the employee cost and payment of bonus for the employees in the current financial quarter.

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EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3. SEGMENT INFORMATION

Segment revenue and results

Information regarding the Group's reportable segments is presented below:

	Property development RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>Current period to date ended 31 March 2025</u>					
Revenue					
Sales to external customers	33,317	22,637	-	-	55,954
Inter-segment revenue	-	2,114	-	(2,114)	-
Total revenue	33,317	24,751	-	(2,114)	55,954
Segment profit before tax	2,241	595	5,794	(6,089)	2,541
Included in the measure of segment profit are:					
Cost of sales	22,250	23,114	191	(2,025)	43,530
Interest income	(245)	-	(93)	-	(338)
Interest expenses	3,626	367	-	-	3,993
Depreciation of property, plant and equipment	309	29	-	-	338
Tax expenses	545	142	-	(21)	666

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EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3. SEGMENT INFORMATION (CONT'D)

	Property development RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>Preceding period to date ended 31 March 2024</u>					
Revenue					
Sales to external customers	26,687	392	-	-	27,079
Inter-segment revenue	-	2,186	-	(2,186)	-
Total revenue	26,687	2,578	-	(2,186)	27,079
Segment profit before tax	858	189	(114)	(324)	609
Included in the measure of segment profit are:					
Cost of sales	20,347	2,484	-	(2,120)	20,711
Interest income	(200)	-	(1)	-	(201)
Interest expenses	1,735	46	-	-	1,781
Depreciation of property, plant and equipment	1,424	174	-	-	1,598
Tax expenses	303	45	-	(78)	270

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EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3. SEGMENT INFORMATION (CONT'D)

	Property development RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Total RM'000
<u>As at 31 March 2025</u>					
Assets					
Segment assets	573,573	57,316	287,489	(198,501)	719,877
Deferred tax assets and current tax liabilities	6,882	-	69	1,400	8,351
Total assets	580,455	57,316	287,558	(197,101)	728,228
<u>As at 31 December 2024 (Audited)</u>					
Assets					
Segment assets	643,441	83,048	150,822	(207,461)	669,850
Deferred tax assets and current tax liabilities	6,360	-	32	1,379	7,771
Total assets	649,801	83,048	150,854	(206,082)	677,621

**EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)**

B4. Prospects of the Group

As disclosed in the Prospectus of the Company dated 21 May 2024, The Group has put in place a series of future plans as follows:

- (i) The Group intends to expand the Group's property development business through the acquisition of landbank for future projects in Sabah;
- (ii) The Group intends to further strengthen its market presence as an established property developer in Sabah;
- (iii) The Group intends to expand the production capability of its casting activities with the addition of a new industrialised building system ("**IBS**") production line to produce hollow core slabs to supplement our existing range of IBS components manufactured; and
- (iv) The Group intends to upgrade its software and systems to further enhance its operational efficiency.

Barring any unforeseen circumstances, the Board of Directors of the Company ("**Board**") is optimistic about the future prospects of the Group.

B5. Variance of actual profits from profit forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

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EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)

B6. Income tax expenses

	Quarter Ended		Period Ended	
	Unaudited		Unaudited	
	31.03.2025	31.12.2024	31.03.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current year	(1,096)	(3,438)	(1,096)	(4,298)
- Prior year	-	-	-	(1,518)
Deferred tax expense				
- Current year	430	3,897	430	5,554
- Prior year	-	-	-	78
Total tax expense	(666)	459	(666)	(184)

The Group's effective tax rate for the financial period of 26% is higher than the statutory income tax rate of Malaysia of 24% mainly due to the non-recognition of deferred tax assets on unutilised tax losses of certain subsidiaries.

B7. Status of Corporate Proposals

There were no corporate proposals pending completion as at the date of this interim financial report.

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**EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)**

B8. Utilisation of proceeds from the IPO

The gross proceeds from the IPO amounting to RM48,000,000 has been fully utilised in the following manner:

Details of utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Unutilised RM'000	Estimated time frame for utilisation upon listing
Acquisition of land for development	18,000	18,000	-	Within 12 months
Upgrading existing/expansion of the casting yard/ IBS facility for the building division	2,150	2,150	-	Within 24 months
Upgrading software and system	350	350	-	Within 6 months
Working capital for project development	20,700	20,700	-	Within 12 months
Repayment of bank borrowings	3,000	3,000	-	Within 6 months
Estimated listing expenses	3,800	3,800	-	Within 1 month
	48,000	48,000	-	

B9. Bank borrowings - secured

	UNAUDITED As at 31.03.2025 RM'000	AUDITED As at 31.12.2024 RM'000
Non-current liabilities:		
Term Loan	95,018	54,244
Lease liabilities payable	10,291	7,643
	105,309	61,887
Current liabilities:		
Term loan	85,879	90,625
Bank overdrafts	14,212	12,980
Bridging loan	175,243	150,295
Revolving credit	30,349	30,000
Trade facilities	23,182	15,252
Lease liabilities payable	4,129	2,744
	332,994	301,896
Total Bank Borrowings	438,303	363,783

The borrowings are denominated in Ringgit Malaysia.

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B10. Material litigation

Save as disclosed below, the Group is not engaged in any government, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on the financial position or profitability of the Group as at 22 May 2025:

(i) *Landmark Property Sdn Bhd ("Landmark Property") v Ketua Pengarah Hasil Dalam Negeri and Lembaga Hasil Dalam Negeri Malaysia ("LHDN")*

Pursuant to the letter dated 2 November 2020 from LHDN to Landmark Property, LHDN stated that the expenses incurred by Landmark Property in relation to the government grant awarded to Landmark Property of up to RM56,225,544 for the years of assessment 2016, 2017 and 2018 are not deductible for tax purposes pursuant to Paragraph 3 of the Income Tax (Exemption) (No.22) Order 2006 ("**Exemption Order**").

Landmark Property filed a judicial review application on 25 November 2020 ("**Judicial Review**") seeking for a declaration that the following notices are ultra vires the Exemption Order, Section 127(3)(b) of the Income Tax Act 1967 and accordingly are null and void in law:

- (aa) the Notice of Assessment for the Year of Assessment 2016;
 - (bb) the Notice of Assessment for the Year of Assessment 2017; and
 - (cc) the Notice of Additional Assessment for the Year of Assessment 2018,
- (collectively, "**the Impugned Assessments**").

On 23 December 2020, the High Court granted Landmark Property leave to commence the said Judicial Review, subsequently on 9 July 2021, the Judicial Review application was allowed by the High Court. Following that, in August 2021, LHDN filed a Notice of Appeal to the Court of Appeal against the decision of the High Court ("Substantive Appeal") and the Substantive Appeal was stayed pending Landmark Property's appeal against the dismissal of their representing solicitor's ad hoc admission application ("the Ad Hoc Admission Appeal"). The Ad Hoc Admission Appeal was dismissed by the Court of Appeal, and Landmark Property applied to the Federal Court for leave to appeal against the Decision of the Court of Appeal but this was dismissed on 25 February 2025.

The Court of Appeal allowed the Substantive Appeal on 13 March 2025.

Landmark Property has made payment to LHDN up till July 2021 amounting to RM1,337,041 in accordance with an Impugned Assessments instalment scheme that was proposed for the settlement of the tax liabilities ("Amount Paid"), and Landmark Property has since ceased subsequent payments to be made in accordance with the abovementioned instalment scheme following the High Court's decision to allow the Judicial Review application. In light of the Substantive Appeal being allowed, the balance amount of the impugned Assessments due is RM14,670,037.27.

Landmark Property has on 25 March 2025 filed a Notice of Motion to Stay the Decision of the Court of Appeal. Further, LPSB has on 11 April 2025 filed (i) a Notice of Motion for Leave to Appeal to the Federal Court against the Decision of the Court of Appeal; and (ii) a Notice of Motion to Recall and Vary the Judgment of the Court of Appeal.

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)

The representing solicitors are of the view that Landmark Property has a reasonable prospect of success in both Motions, given that on the same day the Court of Appeal delivered its decision in the Substantive Appeal, the Federal Court, in *Ketua Pengarah Hasil Dalam Negeri v. Kind Action (M) Sdn*

Bhd (Civil Appeal No. 01(f)-18-05/2024(J)), issued a conflicting judgement which, if applied to the Substantive Appeal, would favour LPSB.

Therefore, the representing solicitors are of the opinion that the LHDN has no reasonable basis to issue the impugned Assessments.

(ii) *Landmark Property v GCA*

Landmark Property and GCA entered into a Memorandum of Agreement / Conditions of Engagement dated 3 November 2010 ("**Contract**") for the provision of professional services by GCA for Landmark Property's project called "Proposed Commercial & Housing Development on Country Lease No. 025341940 at Kinarut South, Papar, Sabah" ("**Project**"). The Project is divided into Phase 1 to 3 and Phase 4.

In respect of Phase 1 to 3, GCA claims an alleged total sum of RM2,490,341.59 as at 30 June 2021 for work done. In respect of Phase 4, GCA claims an alleged total sum of RM7,659,459.80 as at 30 June 2021 for work done.

Landmark Property counterclaimed against GCA for the following reliefs:

- (aa) a declaration that the suspension by GCA of its professional services in failing or refusing to issue the *Perumahan Penjawat Awam Malaysia* (PPAM) certification for Phase 4 of the Project was unlawful and a repudiation of the Contract;
- (bb) a declaration that Landmark Property has lawfully terminated the Contract; and
- (cc) that GCA is to pay to Landmark Property the sum of RM3,825,460.50 (excluding interest and cost) as at 19 August 2021 comprising of financing costs or interest charges, additional cost to carry out valuation or quantity surveying works, additional cost incurred to appoint another prime consultant and two other consultants, interest and costs.

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B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

On 2 June 2022, the final arbitration award was rendered against Landmark Property in the following terms:

- (aa) the outstanding professional fees and 6.0% sales and service tax amounting to RM2,092,777.34 for Phases 1 to 3 and the amount of RM2,192,522.50 for Phase 4 was awarded to GCA;
- (bb) the simple interest at the rate of 5.0% per annum on the amount of RM2,092,777.34 for Phases 1 to 3 and on the amount of RM2,192,522.50 for Phase 4 awarded to GCA calculated from the date of the final award to the date of full realisation; and
- (cc) Landmark Property will pay GCA's cost and the cost of GCA's solicitor on a client-solicitor basis taxed by the court, including all costs and expenses and payments already incurred and/or disbursed for this arbitration.

On 7 July 2022, the High Court registered the final award as a court order. Landmark Property's application to set aside the final award ("**Main Suit**") was dismissed on 16 January 2023. Subsequent thereto, Landmark Property fully paid the sums due, amounting to RM4.29 million pursuant to the court order to GCA in early 2023. Despite having lost in the High Court in respect of the Main Suit, Landmark Property has filed a notice of appeal to the Court of Appeal. The parties received the grounds of judgment of the High Court on 3 October 2023. The Court of Appeal heard the appeal on 21 May 2025 and has reserved its decision to a later date, which has yet to be fixed.

In the event Landmark Property fails to defend its appeal, there will be no further amount due to be paid save for legal costs. Conversely, if Landmark Property is successful in its appeal, Landmark Property may potentially recover the amounts paid to GCA.

B11. Contingent liabilities

Save for the value of the Impugned Assessments amounting to RM14,670,037.27 as disclosed in B10 (i) above, there are no contingent liabilities incurred by the Group, the subsidiaries, which upon becoming enforceable, may have a material effect on the financial position or the subsidiaries' financial position.

B12. Dividend

The Board of Directors had on 27 February 2025 declared a single-tier interim dividend in respect of financial year ended 31 December 2024 of 0.3 sen per share to be paid on 27 March 2025 to every member who is entitled to receive dividend at the close of business on 17 March 2025.

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B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B13. Earnings per share

The basic and diluted earnings per share for the current financial quarter and financial period to date are computed as follows:

	UNAUDITED	UNAUDITED
	Current	Current
	Quarter	Period
	31.03.2025	31.03.2025
	RM'000	RM'000
Profit attributable to the owners of the Company	1,875	1,875
Weighted average	800,000	800,000
Basic / Diluted EPS (sen)	0.23	0.23

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B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B14. Notes to the Statement of Comprehensive Income

	UNAUDITED	UNAUDITED
	Current	Current
	Quarter	Period
	31.03.2025	To-Date
	RM'000	31.03.2025
		RM'000
PBT is after charging / (crediting)		
Depreciation of property, plant and equipment	338	338
Directors' remuneration	1,043	1,043
Interest expense	3,843	3,843
Interest on lease liabilities	150	150
Staff Costs	1,969	1,969
Interest income	(338)	(338)
Rental income	(9)	(9)

B15. Related Party Transactions

	UNAUDITED	UNAUDITED
	Current	Current
	Quarter	Period
	31.03.2025	To-Date
	RM'000	31.03.2025
		RM'000
Transactions with Directors		
Rental expenses	12	12
Directors' remuneration and emoluments	1,043	1,043
Transactions with related party		
Rental expenses	9	9
Repair and maintenance of motor vehicles	270	270

BY ORDER OF THE BOARD

KTI LANDMARK BERHAD

29 MAY 2025