



# **KTI LANDMARK BERHAD**

**(Registration No. 201601008159 (1179087-X))**

**Incorporated in Malaysia**

**INTERIM FINANCIAL REPORT FOR THE  
FIRST (1ST) QUARTER ENDED 31 MARCH 2026**

**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 <sup>(1)</sup> FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

	Note	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		Current Year Quarter Unaudited 31.03.2026 RM'000	Preceding Year Corresponding Quarter Unaudited 31.03.2025 RM'000	Current Year To-Date Unaudited 31.03.2026 RM'000	Preceding Year Corresponding Period Unaudited 31.03.2025 RM'000
Revenue		81,294	55,954	81,294	55,954
Cost of sales		(65,193)	(43,530)	(65,193)	(43,530)
<b>Gross profit ("GP")</b>		<b>16,101</b>	<b>12,424</b>	<b>16,101</b>	<b>12,424</b>
Other operating income		1,374	600	1,374	600
Selling and distribution expenses		(1,939)	(1,227)	(1,939)	(1,227)
Administrative expenses		(7,057)	(5,263)	(7,057)	(5,263)
Profit from operation		8,479	6,534	8,479	6,534
Finance cost		(5,520)	(3,993)	(5,520)	(3,993)
<b>Profit before taxation ("PBT")</b>	<b>B13</b>	<b>2,959</b>	<b>2,541</b>	<b>2,959</b>	<b>2,541</b>
Taxation	<b>B6</b>	(515)	(666)	(515)	(666)
<b>Profit after taxation ("PAT")/Total comprehensive income for the period</b>		<b>2,444</b>	<b>1,875</b>	<b>2,444</b>	<b>1,875</b>
PAT/ Total comprehensive income/ for the period attributable to:					
Owners of the Group		2,444	1,875	2,444	1,875
Earnings per share (" <b>EPS</b> ")	<b>B12</b>				
Basic / Diluted (sen) <sup>(2)</sup>		0.31	0.23	0.31	0.23

**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 2025 and the accompanying explanatory notes attached to this interim financial report.
- (2) Diluted EPS of the Company for the individual quarter ended 31 March 2026 and period-to-date ended 31 March 2026 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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**  
**AS AT 31 MARCH 2026**

	<b>UNAUDITED</b> <b>As at</b> <b>31.03.2026</b> <b>RM'000</b>	<b>AUDITED</b> <b>As at</b> <b>31.12.2025</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	205,373	190,314
Inventories <sup>(3)</sup>	851	851
Deferred tax assets	7,986	7,966
	<b>214,210</b>	<b>199,131</b>
<b>Currents assets</b>		
Inventories <sup>(3)</sup>	481,896	418,422
Trade and other receivables	130,683	126,649
Contract assets	139,602	129,486
Tax recoverable	2,219	3,481
Fixed deposit with licensed bank	17,004	16,845
Cash and cash equivalents	30,886	37,444
	<b>802,290</b>	<b>732,327</b>
<b>TOTAL ASSETS</b>	<b>1,016,500</b>	<b>931,458</b>
<b>EQUITY and LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	153,625	153,625
Retained profits	143,698	144,454
Reorganisation reserve	(105,584)	(105,584)
	<b>191,739</b>	<b>192,495</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	172,224	161,931
Lease liabilities	8,863	10,346
Deferred tax liabilities	-	554
Trade payable	2,210	7,027
	<b>183,297</b>	<b>179,858</b>
<b>Current liabilities</b>		
Trade and other payables	205,050	165,089
Contract liabilities	1,570	1,869
Amount due to a related party	-	106
Borrowings	425,184	382,773
Lease liabilities	6,460	6,225
Tax payables	-	3,043
Dividend payables	3,200	-
	<b>641,464</b>	<b>559,105</b>
<b>TOTAL LIABILITIES</b>	<b>824,761</b>	<b>738,963</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,016,500</b>	<b>931,458</b>
<b>NET ASSET PER SHARE (RM)<sup>(2)</sup></b>	<b>0.24</b>	<b>0.24</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**  
**AS AT 31 MARCH 2026.**

**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 2025 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 2026 of 800,000,000 shares (31 December 2025: 800,000,000 shares).
- (3) Inventories comprise of the followings:

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>as at</b>	<b>as at</b>
	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Inventories</b>		
<b>Non-current assets</b>		
Land held for property development	851	851
<b>Current assets</b>		
Property development costs	477,593	415,616
Completed properties	438	948
Raw materials	3,865	1,858
	<b>481,896</b>	<b>418,422</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

	<b>Share capital RM'000</b>	<b>Reorganisation reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total equity RM'000</b>
Balance as at 1 January 2025 (Audited)	153,625	(105,584)	128,125	176,166
Profit for the financial year	-	-	18,729	18,729
Dividend	-	-	(2,400)	(2,400)
Balance as at 31 December 2025 (Audited)	153,625	(105,584)	144,454	192,495
Profit for the financial period	-	-	2,444	2,444
Dividend	-	-	(3,200)	(3,200)
Balance as at 31 March 2026 (Unaudited)	153,625	(105,584)	143,698	191,739

**Note:**

- <sup>(1)</sup> 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 2025 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

	<b>UNAUDITED 3 Months Ended 31.03.2026 RM'000</b>	<b>UNAUDITED 3 Months Ended 31.03.2025 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	2,959	2,541
Adjustments for:		
Depreciation for property, plant and equipment	442	338
Interest expense	5,520	3,993
Interest income	(153)	(338)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>8,768</b>	<b>6,534</b>
Increase in inventories	(97,343)	(9,722)
Increase in trade and other receivables	(4,139)	(9,913)
Increase in contract assets	(10,417)	(15,967)
Increase in trade and other payables	56,627	(9,162)
<b>Cash used in operations</b>	<b>(46,504)</b>	<b>(38,230)</b>
Interest paid	(7,252)	(9,970)
Interest received	153	338
Income tax paid	(2,870)	(1,472)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(56,473)</b>	<b>(49,334)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(16,748)	(696)
Advance payment for purchase of PPE	-	(13,735)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(16,748)</b>	<b>(14,431)</b>

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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026(CONT'D)**

	<b>UNAUDITED 3 Months Ended 31.03.2026 RM'000</b>	<b>UNAUDITED 3 Months Ended 31.03.2025 RM'000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Uplift of fixed deposit	(159)	(762)
Dividend paid	-	(2,400)
Drawdown of bankers' acceptance	19,576	55,644
Drawdown of revolving credit	4,331	-
Drawdown of term loan	89,637	43,734
Repayment of bankers' acceptance and trust receipts	(16,196)	(16,809)
Repayment of revolving credit	(11)	-
Repayment of term loan	(28,179)	(8,337)
Repayment of bridging loan	(15,214)	-
Repayment of lease liabilities	-	(953)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>53,785</b>	<b>70,117</b>
Net decrease in cash and cash equivalents	(19,436)	6,352
Cash and cash equivalents at the beginning of the financial year	23,092	33,592
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3,656</b>	<b>39,944</b>
<b>Cash and cash equivalents at the end of the financial year comprise the following:</b>		
Cash and bank balances	30,886	33,355
Fixed deposit placed with licensed banks	17,004	35,166
Balance as stated in the statement of financial position	47,890	68,521
Less: Bank overdraft	(30,374)	(14,212)
Less: Fixed deposit pledged with licensed banks	(13,860)	(14,365)
<b>Balance for Statement of Cash Flows</b>	<b>3,656</b>	<b>39,944</b>

Note:

- <sup>(1)</sup> 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 2025 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 2025 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 2025, except for the adoption of the following new amendments to MFRS's:

**Standards issued but not yet effective.**

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB"), but are not yet effective to the Group.

● **Effective for financial periods beginning on or after 1 January 2026:**

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - *(Amendments to the Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity)*  
Annual Improvements to MFRS Accounting Standards - Volume 11

● **Effective for financial periods beginning on or after 1 January 2027.**

MFRS 18 Presentation and Disclosure in Financial Statements.  
MFRS 19 and Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures.  
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - *(Translation to a Hyperinflationary Presentation Currency)*

● **Effective date of these Amendments to Standards has been deferred, and yet to be announced.**

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - *(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 material impact on the consolidated financial statements upon their initial applications except the Group is currently assessing the impact of adopting MFRS18.

**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 2025.

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

**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 year 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 year-to-date under review.

**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 year 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**

No dividend was paid during the financial quarter under review.

**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**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Land under property development</b>		
Authorised and contracted for	22,303	22,303

**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 B10 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 Berhad and its subsidiaries ("the Group") recorded a revenue of RM81.29 million for the current quarter ended 31 March 2026, primarily driven by strong progress billings from flagship development projects—Kayana Heights, Taman Seraya, and The Logg, alongside contributions from external construction works in Lok Kawi, Labuan, and ABM. This healthy top-line performance, supported by sustained development momentum, successfully yielded a Profit Before Tax (PBT) of RM2.96 million, demonstrating the Group's operational efficiency in delivering its core project pipeline.

**B2.1 Comparison with preceding year corresponding quarter's results**

	Income		Variance	
	Unaudited	Unaudited		
		Preceding		
	Current Year	Year		
	Quarter	Corresponding		
	31.03.2026	Quarter		
	RM'000	31.03.2025	RM'000	%
<b>Revenue</b>				
Property Development	66,526	33,317	33,209	100%
Construction	14,768	22,637	(7,869))	-35%
	<b>81,294</b>	<b>55,954</b>	<b>25,340</b>	<b>45%</b>
<b>PBT</b>	<b>2,959</b>	<b>2,541</b>	<b>418</b>	<b>16%</b>

For the current quarter ended 31 March 2026, the Group recorded a total revenue of RM81.29 million, representing a 45.3% increase or RM25.34 million compared to the RM55.95 million achieved in the preceding year's corresponding quarter. This growth was primarily driven by the Property Development segment, which recorded an increase in revenue by 100% to RM66.53 million (2025: RM33.32 million) due to accelerated progress billings from flagship projects like Kayana Heights, Taman Seraya, and The Logg.

However, this was partially offset by a 35% decrease in the Construction segment's revenue, which decreased to RM14.77 million (2025: RM22.64 million) following a lower volume of external contracts during the period. The Group recorded a PBT of RM2.96 million for the current financial quarter under review as compared to PBT of RM2.54 million reported in the previous year's corresponding quarter, reflecting the robust performance of the Property Development segment.

**B2.2 Comparison with immediate preceding quarter's results**

	<b>Income</b>		<b>Variance</b>	
	<b>Unaudited</b>	<b>Unaudited</b>		
	<b>Current Year</b>	<b>Immediate</b>		
	<b>Quarter</b>	<b>Preceding</b>		
	<b>31.03.2026</b>	<b>31.12.2025</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Revenue</b>				
Property Development	66,526	67,400	(874)	-1%
Construction	14,768	45,679	(30,911)	-68%
	<b>81,294</b>	<b>113,079</b>	<b>(31,785)</b>	<b>-28%</b>
<b>PBT</b>	<b>2,959</b>	<b>10,947</b>	<b>(7,988)</b>	<b>-73%</b>

For the current quarter ended 31 March 2026, the Group's revenue decreased by 28% or RM31.79 million to RM81.29 million, compared to RM113.08 million recorded in the immediate preceding quarter ended 31 December 2025. This reduction was primarily due to a 68% contraction in the Construction segment's revenue to RM14.77 million (Q4 2025: RM45.68 million), resulting from lower external contract billings during the current quarter. Meanwhile, the Property Development segment remained relatively stable, experiencing only a marginal decrease of 1% to RM66.53 million (Q4 2025: RM67.40 million), sustained by ongoing progress billings from flagship developments. Consequently, the Group recorded a PBT of RM2.96 million for the current quarter, representing a 73% decrease compared to the PBT of RM10.95 million achieved in the immediate preceding quarter, in line with the lower overall revenue contributions.

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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:

	<b>Property development RM'000</b>	<b>Construction RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>Current period to date ended 31 March 2026</u></b>					
<b>Revenue</b>					
Sales to external customers	66,526	14,768	1,180	(1,180)	81,294
Inter-segment revenue	-	30,796	-	(30,796)	-
<b>Total revenue</b>	<b>66,526</b>	<b>45,564</b>	<b>1,180</b>	<b>(31,976)</b>	<b>81,294</b>
<b>Segment profit before tax</b>	<b>3,890</b>	<b>3,455</b>	<b>(617)</b>	<b>(3,769)</b>	<b>2,959</b>
Included in the measure of segment profit are:					
Cost of sales	55,767	38,418	995	(29,987)	65,193
Interest income	(85)	(64)	(4)	-	(153)
Interest expenses	2,802	2,651	67	-	5,520
Depreciation of property, plant and equipment	253	170	19	-	442
Tax expenses	(703)	(699)	(18)	905	(515)

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

**B3. SEGMENT INFORMATION (CONT'D)**

	<b>Property development RM'000</b>	<b>Construction RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>Preceding period to date ended 31 March 2025</u></b>					
<b>Revenue</b>					
Sales to external customers	33,317	22,637	-	-	55,954
Inter-segment revenue	-	2,114	-	(2,114)	-
<b>Total revenue</b>	<b>33,317</b>	<b>24,751</b>	<b>-</b>	<b>(2,114)</b>	<b>55,954</b>
<b>Segment profit before tax</b>	<b>2,241</b>	<b>595</b>	<b>5,794</b>	<b>(6,089)</b>	<b>2,541</b>
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 1TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**

**B3. SEGMENT INFORMATION (CONT'D)**

	<b>Property development RM'000</b>	<b>Construction RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>As at 31 March 2026</u></b>					
<b>Assets</b>					
Segment assets	502,155	370,815	408,527	(275,202)	1,006,295
Deferred tax assets	3,921	(350)	(9)	4,424	7,986
Current tax assets	3,661	(837)	(605)	-	2,219
<b>Total assets</b>	<b>509,737</b>	<b>369,628</b>	<b>407,913</b>	<b>(270,778)</b>	<b>1,016,500</b>
<b><u>As at 31 December 2025 (Audited)</u></b>					
<b>Assets</b>					
Segment assets	727,196	121,474	382,577	(311,236)	920,011
Deferred tax assets	4,446	-	-	3,520	7,966
Current tax assets	3,466	-	15	-	3,481
<b>Total assets</b>	<b>735,108</b>	<b>121,474</b>	<b>382,592</b>	<b>(307,716)</b>	<b>931,458</b>

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

**B4. Prospects of the Group**

The International Monetary Fund's World Economic Outlook (WEO) update released in April 2026 highlights the escalation of conflict in the Middle East (Iran war) as a new headwind to a global economy that had been benefiting from easing inflation, improved financial conditions, and continued investment—particularly in technology and artificial intelligence. The IMF presents a baseline scenario in which the impact of the conflict remains contained and disruptions fade by mid-2026, under which global growth is projected at around 3.2 percent in 2026 and 3.1 percent in 2027, about 0.1 percentage point lower than in the January 2026 WEO update. This baseline reflects the assumption that earlier positive momentum in global activity continues to partially offset the drag from geopolitical tensions.

In the event that the war drags on or intensifies, a more adverse scenario is envisaged in which rising energy prices and tighter financial conditions dampen economic activity, leading to weaker growth and broader spillovers to trade and investment. Downside risks dominate the outlook. A longer or broader conflict, worsening geopolitical fragmentation, a reassessment of expectations surrounding artificial-intelligence-driven productivity gains, or renewed trade tensions, could significantly weaken global growth and destabilise financial markets.

*(Source: IMF WEO Report dated April 2026)*

For the Malaysian economy, Bank Negara Malaysia (BNM), in its Annual Report 2025, Economic and Monetary Review 2025 and Financial Stability Review for the Second Half of 2025, reported that the economy remained on a steady growth path in 2025, expanding by around 5.2 percent, supported by resilient domestic demand, firm labour market conditions, and sustained investment activity. Growth was primarily driven by household consumption and investment, particularly in multi-year infrastructure projects and continued capital spending in high-technology and manufacturing-related sectors. The services sector remained the key growth driver, while manufacturing activity was sustained by the ongoing global technology upcycle and demand for electrical and electronics (E&E) products. Inflation remained contained at low levels, reflecting moderate cost pressures and broadly stable domestic demand conditions

Looking ahead into 2026, BNM projects the Malaysian economy to grow within a range of 4.0 to 5.0 percent, supported by resilient domestic demand, steady investment activity, and improving external demand conditions. However, the outlook remains subject to global uncertainty, including geopolitical tensions and trade fragmentation. The monetary policy stance remains unchanged, with the Overnight Policy Rate (OPR) maintained at 2.75 percent, consistent with a policy setting aimed at supporting price stability and sustainable growth amid external headwinds. Downside risks remain from weaker global trade, commodity price volatility, and geopolitical developments, while upside potential could arise from stronger external demand, particularly in E&E exports, a faster global technology cycle, and robust tourism activity.

*(Source: BNM's Annual Report 2025; Economic and Monetary Review 2025; Financial Stability Review for the Second Half of 2025)*

Despite persistent challenges, including elevated material prices, labour shortages, and broader economic uncertainties exacerbated by the Middle East conflicts the Group remains resilient, prioritising operational efficiency and prudent cost control. The Group has tightened project SOPs, strengthened budget variance monitoring, and enhanced change-order controls to mitigate potential project cost overruns. The Group remains focused on the timely completion of ongoing development projects and sales efforts of inventories to enhance cash flow and enable capital redeployment into future developments. Looking ahead, the Group will continue to pursue new project opportunities and strategic partnerships to drive sustainable growth and deliver long-term value to shareholders.

Barring any unforeseen circumstances, the Board of Directors of the Company ("**Board**") remains cautiously 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.

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

**B6. Income tax expenses**

	<b>Quarter Ended</b>		<b>Period Ended</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax expense				
- Current year	(1,420)	(1,096)	(1,420)	5,357
- Prior year	-	-	-	(128)
Deferred tax expense				
- Current year	905	430	905	-
- Prior year	-	-	-	228
<b>Total tax expense</b>	<b>(515)</b>	<b>(666)</b>	<b>(515)</b>	<b>5,457</b>

The Group's effective tax rate for the current financial quarter is lower than the statutory income tax rate of Malaysia of 24% mainly due to the recognition of deferred tax assets on unutilised tax losses and non taxable income 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. Bank borrowings - secured**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current liabilities:</b>		
Term Loan	172,224	161,931
Lease liabilities payable	8,863	10,346
	<u>181,087</u>	<u>172,277</u>
<b>Current liabilities:</b>		
Term loan	67,142	66,794
Bank overdrafts	102,246	57,453
Bridging loan	198,504	210,087
Revolving credit	34,917	34,859
Trade facilities	22,375	13,580
Lease liabilities payable	6,460	6,225
	<u>431,644</u>	<u>388,998</u>
Total Bank Borrowings	<u><b>612,731</b></u>	<u><b>561,275</b></u>

The borrowings are denominated in Ringgit Malaysia.

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

**B9. 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 20 May 2026:

**(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, Landmark Property 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)**

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

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

**Ad Hoc Admission Application**

On 25 July 2025, their representing solicitors filed another Ad Hoc Admission Application that Mr. Thangaraj be granted permission to practice and appear as Senior and Lead Counsel for Landmark Property in the Federal Court to seek Motion for Leave to Appeal against the Decision of the Court of Appeal, and if leave is granted, in Landmark Property's intended appeal to the Federal Court, including in any related interlocutory proceedings.

On 8 September 2025, the High Court granted the Ad Hoc Admission Application with no order as to costs on the basis that: (i) it is Landmark Property's last chance to overturn the decision of the Court of Appeal; and (ii) there is room to say that the subject matter before the Federal Court would benefit from the assistance of a Senior Counsel.

**Stay Motion & Recall and Vary Motion**

Both the Motion to Stay the Decision of the Court of Appeal and the Motion to Recall and Vary the Judgment of the Court of Appeal were dismissed by the Court of Appeal on 11 November 2025.

On 10 December 2025, Landmark Property filed a Notice of Motion for Leave to Appeal to the Federal Court against the Decision of the Court of Appeal in dismissing the Recall and Vary Motion.

The Recall and Vary Leave Motion and the Substantive Leave Motion are fixed for Consolidated Hearing on 11 March 2026 were dismissed by the Federal Court on 11 March 2026 and now reverted to the Special Commissioners of Income Tax ("SCIT").

**Special Commissioners of Income Tax ("SCIT") Proceeding**

At the mention before SCIT on 31 March 2026, 28 April 2026 and 13 May 2026, the SCIT has fixed a further mention on 9 June 2026 for the LHDN to update on the Respondent's Issues to be Tried and to fix Hearing date.

The representing solicitors are of the matter before the SCIT carries reasonable prospects of success on paper.

**(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.

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

**(ii) Landmark Property v GCA (Cont'd)**

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.

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 RM4,644,062.86 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.

On 3 September 2025, the Court of Appeal rendered Judgment in favour of Landmark Property and allowed the final award to be set aside. As such, Landmark Property is entitled to now commence execution/enforcement proceedings to recover the RM4,644,062.86 earlier paid by Landmark Property to GCA, and to claim RM20,000 (being the costs awarded to Landmark Property by the Court of Appeal) and RM800 (being allocator fees paid by Landmark Property to the Court of Appeal) from GCA.

On 11 March 2026, the Federal Court dismissed GCA's Motion for Leave to Appeal to Federal Court against the Order of the Court of Appeal and affirmed the decision of the Court of Appeal with costs of RM50,000 in favour of Landmark Property. The decision by the Federal Court represents the end of the matter.

Subsequently, on 18 March 2026, GC withdrew their Motion for Stay of the Court of Appeal.

In the circumstances, Landmark Property obtained a successful outcome of this matter.

Pursuant to the Federal Court Order dated 11 March 2026 that affirmed the decision of the Court of Appeal dated 3 September 2025, Landmark Property commenced enforcement proceedings against GC. The enforcement proceedings that were commenced by Landmark Property against GC are Garnishee Proceedings and two proceedings for separate Prohibitory Orders.

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

**(iii) Albert Maria Lim and Dorothy Lim vs K.T.I. Sdn Bhd ("KTISB")**

On 10 March 2026, KTISB received a Statutory Notice dated 10 March 2026 demanding payment of RM19,194,000 in relation to High Court Civil Suit No. BKI-22-46/3-2012 ("Suit 46/3")

The demand relates to a High Court judgment dated 10 March 2014 in which KTISB (as the 1st Defendant) through its servants and/or agents was found to have trespassed on the property of Albert Maria Lim and Dorothy Lim ("collectively known as Plaintiffs"). The judgment was partially varied by the Court of Appeal on 18 July 2016, with an order for damages of RM20,000 to be paid by KTISB to Plaintiff and reinstate the damaged part of the Plaintiffs' property to its original condition within 30 days.

By letter date 22 November 2016, KTISB's former solicitors forwarded a cheque amounting to RM130,000 to the former solicitors of Plaintiffs. As such, the orders requiring payments have been fully satisfied in 2016.

The judgment was subsequently varied by a Supplemental Order in the High Court dated 21 February 2018, which also imposed a 30-day compliance period for the reinstatement works and included a penal notice for failure to execution.

Despite the KTISB's earnest efforts attempted to settle the reinstatement works as varied by the Supplemental Order, such attempts were unsuccessful and the Plaintiffs have remained silent since December 2019.

On 26 March 2026, KTISB has commenced a new Suit vide an Originating Summons to restrain Albert Maria Lim and Dorothy Lim from presenting a winding-up petition against KTISB. On 1 April 2026, the High Court granted an Ex Parte Fortuna Injunction Order restraining Albert Maria Lim and Dorothy Lim for presenting a winding-up petition against KTISB. The said Ex Parte Order was effective until 21 April 2026.

On 21 April 2026, the High Court granted an Ad Interim Fortuna Injunction Order on the same terms as the said Ex Parte Order. The said Ad Interim Order shall be effective until the disposal of the Originating Summons and Ex Parte Notice of application.

The representing solicitors are of the view that Statutory Notice is without merit, given that the Statutory Notice relies on part of the High Court Order which consists of non-monetary orders which are reinstatement of the damaged portion of the plaintiffs' property to its original condition and replacement of the damaged fencing. The alleged debt of RM19,194,000 is not substantiated in any manner whatsoever, not within the High Cour Order, Court of Appeal Order and Supplemental Order.

**B10. Contingent liabilities**

Save for the value of the Impugned Assessments amounting to RM12,596,720.34 as disclosed in B9 (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.

**B11. Dividend**

No dividend has been declared by the company for the financial quarter under review.

**B12. Earnings per share**

The basic and diluted earnings per share for the current financial quarter and financial year end are computed as follows:

	<b>UNAUDITED Current Quarter Ended 31.03.2026 RM'000</b>	<b>UNAUDITED Period To-Date 31.03.2026 RM'000</b>
Profit attributable to the owners of the Company	2,444	2,444
Weighted average	800,000	800,000
Basic / Diluted EPS (sen)	0.31	0.31

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

**B13. Notes to the Statement of Comprehensive Income**

	<b>UNAUDITED Current Quarter Ended 31.03.2026 RM'000</b>	<b>UNAUDITED Period To-Date 31.03.2026 RM'000</b>
<b>PBT is after charging / (crediting)</b>		
Depreciation of property, plant and equipment	442	442
Directors' remuneration	769	769
Interest expense	5,313	5,313
Interest on lease liabilities	207	207
Staff Costs	3,202	3,202
Interest income	(153)	(153)
Rental income	(1,095)	(1,095)

**B14. Related Party Transactions**

	<b>UNAUDITED Current Quarter Ended 31.03.2026 RM'000</b>	<b>UNAUDITED Period To-Date 31.03.2026 RM'000</b>
<b>Transactions with Directors</b>		
Rental expenses	12	12
Directors' remuneration and emoluments	619	619
<b>Transactions with related party</b>		
Repair and maintenance of motor vehicles	12	12

**BY ORDER OF THE BOARD**

**KTI LANDMARK BERHAD**

**20 May 2026**