



KTI LANDMARK BERHAD

(Registration No. 201601008159 (1179087-X))

Incorporated in Malaysia

**INTERIM FINANCIAL REPORT FOR THE
SECOND (2ND) QUARTER ENDED 30 JUNE 2025**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		Current Year Quarter Unaudited 30.06.2025 RM'000	Preceding Year Corresponding Quarter Unaudited 30.06.2024 RM'000	Current Period To-Date Unaudited 30.06.2025 RM'000	Preceding Year Correspondi ng Period Unaudited 30.06.2024 RM'000
	Note				
Revenue		55,793	29,277	111,748	56,356
Cost of sales		(43,383)	(22,449)	(86,913)	(43,160)
Gross profit ("GP")		12,410	6,828	24,835	13,196
Other operating income		1,514	221	2,115	465
Selling and distribution expenses		(1,490)	(749)	(2,717)	(1,516)
Administrative expenses		(4,502)	(6,401)	(9,765)	(9,856)
Profit from operation		7,932	(101)	14,468	2,289
Finance cost		(4,331)	(1,550)	(8,324)	(3,331)
Profit before tax ("PBT")/ (Loss before tax ("LBT"))	B13	3,601	(1,651)	6,144	(1,042)
Taxation	B6	(436)	(244)	(1,103)	(514)
Profit after tax ("PAT")/ (Loss after tax ("LAT")) / Total comprehensive income/ (loss) for the period		3,165	(1,895)	5,041	(1,556)
PAT/(LAT) / Total comprehensive income/loss for the period attributable to:					
Owners of the Group		3,165	(1,895)	5,041	(1,556)
Earnings/(Loss) per share ("EPS")	B12				
- Basic / Diluted (sen) ⁽²⁾		0.40	(0.26)	0.63	(0.28)

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 30 June 2025 and period-to-date ended 30 June 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. The basic EPS is calculated by dividing the PAT by the weighted average number of ordinary shares in issue during the respective current and preceding financial period to date under review.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
AS AT 30 JUNE 2025

	UNAUDITED As at 30.06.2025 RM'000	AUDITED As at 31.12.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	148,974	131,409
Inventories ⁽³⁾	851	851
Deferred tax assets	6,619	5,822
	156,444	138,082
Currents assets		
Inventories ⁽³⁾	368,625	337,770
Trade and other receivables	88,275	70,074
Contract assets	79,388	63,693
Tax recoverable	2,205	1,949
Fixed deposit with licensed bank	17,319	34,393
Cash and cash equivalents	32,386	31,659
	588,198	539,538
TOTAL ASSETS	744,642	677,620
EQUITY and LIABILITIES		
EQUITY		
Share capital	153,625	153,625
Retained profits	130,766	128,125
Reorganisation Reserve	(105,584)	(105,584)
	178,807	176,166
LIABILITIES		
Non-current liabilities		
Borrowings	105,352	54,244
Lease liabilities	12,958	7,643
Land Cost Payable	6,461	12,118
	124,771	74,005
Current liabilities		
Trade and other payables	100,561	122,192
Contract liabilities	-	1,284
Amount due to a related party	-	65
Borrowings	332,831	299,152
Lease liabilities	5,836	2,744
Tax payables	1,836	2,012
	441,064	427,449
TOTAL LIABILITIES	565,835	501,454
TOTAL EQUITY AND LIABILITIES	744,642	677,620
NET ASSET PER SHARE (RM)⁽²⁾	0.22	0.22

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
AS AT 30 JUNE 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 30 June 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
	30.06.2025	31.12.2024
	RM'000	RM'000
Inventories		
Non-current assets		
Land held for property development	851	851
	<hr/>	<hr/>
Current assets		
Property development costs	368,190	337,332
Completed properties	435	438
	<hr/>	<hr/>
	368,625	337,770
	<hr/>	<hr/>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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	-	-	5,041	5,041
Dividend	-	-	(2,400)	(2,400)
Balance as at 30 June 2025 (Unaudited)	153,625	(105,584)	130,766	178,807

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	UNAUDITED	UNAUDITED
	Current Period	Preceding
	To-Date	Corresponding
	30.06.2025	30.06.2024
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
PBT/(LBT)	6,144	(1,042)
Adjustments for:		
Depreciation for property, plant and equipment	1,284	995
Deposit from customers forfeited	(28)	-
Gain on disposal of property, plant and equipment	(15)	-
Interest expense	8,324	3,331
Interest income	(603)	(365)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	15,106	2,919
Increase in inventories	(30,856)	(20,815)
Increase in trade and other receivables	(4,466)	(15,101)
Increase in contract assets	(16,695)	(44,930)
(Decrease)/Increase in trade and other payables	(21,631)	4,237
Cash used in operations	(58,542)	(73,690)
Interest paid	(8,324)	(7,444)
Interest received	603	365
Income tax paid	(2,431)	(1,585)
NET CASH USED IN OPERATING ACTIVITIES	(68,694)	(82,354)
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,039)	(7,418)
Advance payment for purchase of property, plant and equipment	(13,735)	-
Decrease / (Increase) in housing development accounts	1,200	(2,813)
Proceeds from disposal of property, plant and equipment	15	-
NET CASH USED IN INVESTING ACTIVITIES	(22,559)	(10,231)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025(CONT'D)

	UNAUDITED	UNAUDITED
	Current Period	Preceding
	To-Date	Corresponding
	30.06.2025	30.06.2024
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Uplift of fixed deposit pledged with licensed banks	767	660
Dividend paid	(2,400)	(15,000)
Drawdown of loans	94,636	14,495
Drawdown of trade financing	88,123	80,911
Proceed from issuance of ordinary shares	-	46,703
Repayment of lease liabilities	(393)	(1,163)
Repayment of loans	(57,103)	(1,195)
Repayment of trade financing	(33,588)	(18,393)
NET CASH FROM FINANCING ACTIVITIES	90,042	107,018
Net (Decrease)/Increase in cash and cash equivalents	(1,211)	14,432
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	32,381	34,141
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	32,386	34,796
Fixed deposit placed with licensed banks	17,319	16,292
Balance as stated in the statement of financial position	49,705	51,088
Less: Bank overdraft	(1,235)	(499)
Less: Fixed deposit pledged with licensed banks	(14,370)	(13,529)
Less: Housing development bank account	(1,719)	(2,919)
Balance for Statement of Cash Flows	32,381	34,141

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. No dividend was declared during the current 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

	UNAUDITED	AUDITED
	As at	As at
	30.06.2025	31.12.2024
	RM'000	RM'000
Land under property development		
Authorised and contracted for	21,411	22,547

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 RM55.79 million for the current quarter ended 30 June 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 RM3.6 million for the current quarter ended 30 June 2025.

B2. Comparison with immediate preceding quarter's results

	Income		Variance	
	Unaudited Current Year Quarter 30.06.2025 RM'000	Unaudited Immediate Preceding Quarter 31.03.2025 RM'000	RM'000	%
Revenue				
Property Development	44,116	33,317	10,799	32.4
Construction	11,677	22,637	(10,960)	(48.4)
	55,793	55,954	(161)	(0.3)
PBT	3,601	2,541	1,058	41.6

The Group recorded a revenue of approximately RM55.79 million from property development and construction contract projects for the current financial quarter under review, representing a slight decrease of 0.3% compared to RM55.95 million revenue recognised in the previous quarter. This was mainly due to no new projects launches during the current quarter

The Group recorded a PBT of approximately RM3.60 million for the current financial quarter under review as compared to a PBT of RM2.54 million in the immediate preceding financial quarter resultant from the rental income generated from equipment rental recognised in the current financial quarter and also due to the fact that there was bonus payment incurred in the immediate preceding quarter while there was no such bonus payment in the current financial quarter.

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 30 June 2025</u>					
Revenue					
Sales to external customers	77,433	34,315	-	-	111,748
Inter-segment revenue	-	9,006	-	(9,006)	-
Total revenue	77,433	43,321	-	(9,006)	111,748
Segment profit before tax	5,106	1,417	6,000	(6,379)	6,144
Included in the measure of segment profit are:					
Cost of sales	54,943	40,599	-	(8,627)	86,915
Interest income	(452)	-	(151)	-	(603)
Interest expenses	7,574	750	-	-	8,324
Depreciation of property, plant and equipment	1,168	116	-	-	1,284
Tax expenses	881	313	-	(91)	1,103

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 30 June 2024</u>					
Revenue					
Sales to external customers	50,828	5,528	-	-	56,356
Inter-segment revenue	-	13,004	-	(13,004)	-
Total revenue	50,828	18,532	-	(13,004)	56,356
Segment profit/ (loss) before tax	1,386	396	(2,459)	(365)	(1,042)
Included in the measure of segment profit are:					
Cost of sales	38,019	17,780	-	(12,639)	43,160
Interest income	(360)	-	(5)	-	(365)
Interest expenses	3,244	87	-	-	3,331
Depreciation of property, plant and equipment	885	110	-	-	995
Tax expenses	447	160	-	(93)	514

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

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 30 June 2025</u>					
Assets					
Segment assets	614,488	87,150	320,676	(286,405)	735,909
Deferred tax assets and current tax liabilities	7,282	-	72	1,379	8,733
Total assets	621,770	87,150	320,748	(285,026)	744,642
<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	-	31	1,379	7,770
Total assets	649,801	83,048	150,853	(206,082)	677,620

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

B4. Prospects of the Group

The Construction Division will focus on project execution and timely completion of its on-going projects, while actively seeking more opportunities to grow its order book. The Division will continue to monitor and implement effective cost control measures in view of the current volatile geopolitical landscape in the business environment. As a positive development, the Group strengthened its construction project portfolio with the recent awards of the construction of Akademi Binaan Malaysia Wilayah Sabah campus from Lembaga Pembangunan Industri Pembinaan Malaysia ("CIDB Malaysia"), which commenced work in the third quarter of FYE 2025 and Sabah Cultural & Traditional Complex from the Ministry of Tourism, Culture and Environment Sabah which is scheduled to commence in the first quarter of FYE 2026. Thus, the Division's order book expanded to approximately RM452 million as of the reporting date.

The Property Division successfully launched and fully sold-out Phase 4 of Taman Seraya at Sandakan, with an estimated gross development value of RM26 million in the first half of FYE 2025. Supported by recent launches with total unbilled sales of RM319 million as at 30 June 2025, the Division is expected to deliver a satisfactory performance in the upcoming financial year. Concurrently, it will continue to adopt a cautious and resilient approach in overseeing its ongoing development projects while strategically exploring and evaluating new opportunities.

The Hospitality Division will continue to explore and review investment opportunities to build up its asset base with recurring revenue streams. The construction of the hotel and mall assets in Luyang are coming up as per schedule and are on target for opening in the 2nd quarter of FYE2026 and will further strengthen the revenue contribution to the Group in the future years upon being operational.

The Group will continue to monitor the business environment that it operates in, with periodic assessments to be carried out to ensure prudent financial management and efficient operating procedures are in place to achieve sustainable growth moving forward. Additionally, the Group will continue to replenish the construction order book and expand its Property Division's landbank to sustain the future earnings of the Group.

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

KTI LANDMARK BERHAD ("KTI LANDMARK" OR "COMPANY")**Registration No. 201601008159(1179087-X)****(Incorporated in Malaysia)****EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)****B6. Income tax expenses**

	Quarter Ended Unaudited		Period Ended Unaudited	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current year	713	(512)	1,809	(860)
- Prior year		-		-
Deferred tax expense				
- Current year	(277)	268	(706)	268
- Prior year		-		78
Total tax expense	(436)	(244)	(1,103)	(514)

The Group's effective tax rate for the financial period 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 of certain subsidiaries.

B7. Status of Corporate Proposals

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

B8. Bank borrowings - secured

	UNAUDITED	AUDITED
	As at	As at
	30.06.2025	31.12.2024
	RM'000	RM'000
Non-current liabilities:		
Term Loan	105,352	54,244
Lease liabilities payable	12,958	7,633
	118,310	61,887
Current liabilities:		
Term loan	191,795	90,625
Bank overdrafts	1,235	12,980
Bridging loan	18,894	150,295
Revolving credit	84,535	30,000
Trade facilities	23,376	15,252
Lease liabilities payable	5,836	2,744
	325,671	301,896
Total Bank Borrowings	443,981	363,783

The borrowings are denominated in Ringgit Malaysia.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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 25 August 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 of Sabah & Sarawak at Kota Kinabalu ("**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 has been stayed pending Landmark Property's appeal against the dismissal of their representing solicitor's ad hoc admission application for Sudharsanan a/l Thillainathan ("**Mr. T. Sudhar**") ("**Mr. T. Sudhar's Ad Hoc Admission Application**") to practice and appear as Senior and Lead Counsel in the Substantive 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 ("**the Motion for Leave**") 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)

On 25 July 2025, Landmark Property filed an ad hoc admission application for Thangaraj Balasundram ("**Mr. Thangaraj**") ("**Mr. Thangaraj's Ad Hoc Admission Application**") to practice and appear as Senior and Lead Counsel in the Motion for Leave and if leave is granted, in Landmark Property's intended appeal to the Federal Court, including in any related interlocutory proceedings (collectively, "**the FC Proceedings**").

Mr. Thangaraj's Ad Hoc Admission Application is fixed for hearing on 8 September 2025.

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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 parties' respective arguments on 21st May 2025 and the date for Ruling is scheduled for 3rd September 2025.

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.

B10. Contingent liabilities

Save for the value of the Impugned Assessments amounting to RM14,670,037.27 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

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. No dividend was declared during the current quarter under review.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

B12. 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
	30.06.2025	To-Date
	RM'000	30.06.2025
		RM'000
Profit attributable to the owners of the Company	3,165	5,041
Weighted average	800,000	800,000
Basic / Diluted EPS (sen)	0.40	0.63

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

B13. Notes to the Statement of Comprehensive Income

	UNAUDITED	UNAUDITED
	Current	Current
	Quarter	Period
	30.06.2025	To-Date
	RM'000	30.06.2025
		RM'000
PBT is after charging / (crediting)		
Depreciation of property, plant and equipment	335	1,284
Directors' remuneration	727	2,563
Interest expense	4,115	8,324
Interest on lease liabilities	216	426
Staff Costs	1,881	6,258
Interest income	(265)	(603)
Rental income	(9)	(18)

B14. Related Party Transactions

	UNAUDITED	UNAUDITED
	Current	Current
	Quarter	Period
	30.06.2025	To-Date
	RM'000	30.06.2025
		RM'000
Transactions with Directors		
Rental expenses	12	24
Dividend paid	-	-
Directors' remuneration and emoluments	720	1,763
Transactions with related party		
Rental expenses	9	18
Repair and maintenance of motor vehicles	186	456

BY ORDER OF THE BOARD

KTI LANDMARK BERHAD

27 AUGUST 2025