KTI LANDMARK BERHAD

(Registration No. 201601008159 (1179087-X)

Incorporated in Malaysia

INTERIM FINANCIAL REPORT FOR THE

SECOND (2ND) QUARTER ENDED 30 JUNE 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME [1]

		INDIVIDUAL QUARTER 3 months ended		CUMULATIVE QUARTER 6 months ended	
		30.06.2026	30.06.2025	30.06.2026	30.06.2025
		Unaudited	Unaudited	Unaudited	Unaudited
	Note	RM'000	RM'000	RM'000	RM'000
Revenue		82,115	55,793	163,409	111,748
Cost of sales		(67,012)	(43,383)	(132,205)	(86,913)
Gross profit		15,103	12,410	31,204	24,835
Other operating income		3,022	1,514	4,395	2,115
Selling and distribution expenses		(1,856)	(1,490)	(3,795)	(2,717)
Administrative expenses		(6,967)	(4,502)	(14,023)	(9,765)
Profit from operation		9,302	7,932	17,781	14,468
Finance cost		(5,889)	(4,331)	(11,409)	(8,324)
Profit before taxation	B13	**3,413**	**3,601**	**6,372**	**6,144**
Taxation	B6	(1,248)	(436)	(1,763)	(1,103)
Profit after taxation		**2,165**	**3,165**	**4,609**	**5,041**
Total comprehensive income for the period attributable to:					
Owners of the Group		2,165	3,165	4,609	5,041
Earnings per share (“**EPS**”)	B12				
Basic / Diluted (sen) [2]		0.27	0.40	0.58	0.63

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 30 June 2026 and period-to-date ended 30 June 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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION [1]

	Note	UNAUDITED As at 30.06.2026 RM'000	AUDITED As at 31.12.2025 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		229,711	190,314
Inventories [3]		851	851
Deferred tax assets		7,919	7,966
		238,481	**199,131**
Currents assets			
Inventories [3]		503,832	418,422
Trade and other receivables		163,512	126,649
Contract assets		157,805	129,486
Tax recoverable		5,035	3,481
Fixed deposit with licensed bank		18,413	16,845
Cash and cash equivalents		26,397	37,444
		874,994	**732,327**
TOTAL ASSETS		**1,113,475**	**931,458**
EQUITY and LIABILITIES			
EQUITY			
Share capital		153,625	153,625
Retained profits		145,863	144,454
Reorganisation reserve		(105,584)	(105,584)
		193,904	**192,495**
LIABILITIES			
Non-current liabilities			
Borrowings	B8	181,780	161,931
Lease liabilities	B8	7,707	10,346
Deferred tax liabilities		554	554
Trade payable		2,210	7,027
		192,251	**179,858**
Current liabilities			
Trade and other payables		274,977	165,089
Contract liabilities		-	1,869
Amount due to related parties		35,850	106
Borrowings	B8	408,913	382,773
Lease liabilities	B8	6,333	6,225
Tax payables		1,247	3,043
		727,320	**559,105**
TOTAL LIABILITIES		**919,571**	**738,963**
TOTAL EQUITY AND LIABILITIES		**1,113,475**	**931,458**
NET ASSET PER SHARE (RM)[2]		**0.24**	**0.24**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION [1] (CONT'D)

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 30 June 2026 of 800,000,000 shares (31 December 2025: 800,000,000 shares).

(3) Inventories comprise of the followings:

	UNAUDITED as at 30.06.2026	AUDITED as at 31.12.2025
Inventories	**RM'000**	**RM'000**
Non-current assets		
Land held for property development	851	851
Current assets		
Property development costs	499,009	415,616
Completed properties	438	948
Raw materials	4,385	1,858
	503,832	**418,422**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY [(1)]

6 months ended 30 June 2026	**Share capital RM'000**	**Reorganisation reserve RM'000**	**Retained profits RM'000**	**Total equity RM'000**
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	-	-	4,609	4,609
Dividend	-	-	(3,200)	(3,200)
Balance as at 30 June 2026 (Unaudited)	**153,625**	**(105,584)**	**145,863**	**193,904**
6 months ended 30 June 2025				
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 2025 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS [1]

	Cumulative quarter 6 months	
	30.06.2026	**30.06.2025**
	UNAUDITED	**UNAUDITED**
	RM'000	**RM'000**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**6,372**	**6,144**
Adjustments for:		
Depreciation for property, plant and equipment	837	1,284
Deposit from customers forfeited	-	(28)
Gain on disposal of property, plant and equipment	-	(15)
Interest expense	11,409	8,324
Interest income	(293)	(603)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**18,325**	**15,106**
Net change in inventories	(95,225)	(30,856)
Net change in trade and other receivables	(36,968)	(4,466)
Net change in contract assets	(30,189)	(16,695)
Net change in trade and other payables	123,353	(21,631)
Cash used in operations	**(20,704)**	**(58,542)**
Interest paid	(9,166)	(8,324)
Interest received	293	603
Income tax paid	(6,029)	(2,431)
NET CASH USED IN OPERATING ACTIVITIES	**(35,606)**	**(68,694)**
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(40,235)	(23,774)
Proceeds from disposal of property, plant and equipment	-	15
NET CASH USED IN INVESTING ACTIVITIES	**(40,235)**	**(23,759)**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS [1] (CONT'D)

	Cumulative quarter 6 months	
	30.06.2026 UNAUDITED RM'000	**30.06.2025 UNAUDITED RM'000**
CASH FLOW FROM FINANCING ACTIVITIES		
(Placement)/withdrawal of fixed deposit	(1,567)	767
Dividend paid	(3,200)	(2,400)
Proceeds from loan and borrowings	99,160	183,959
Repayment from loan and borrowings	(71,453)	(90,691)
Repayment of lease liabilities	(2,532)	(393)
Movement of borrowings from related parties, shareholders and directors	35,850	-
NET CASH FROM FINANCING ACTIVITIES	**56,258**	**91,242**
Net changes in cash and cash equivalents	(19,583)	(1,211)
Cash and cash equivalents at the beginning of the financial period	23,092	33,592
Cash and cash equivalents at the end of the financial period	**3,509**	**32,381**
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	26,397	30,667
Fixed deposit placed with licensed banks	18,413	17,319
Balance as stated in the statement of financial position	44,810	47,986
Less: Bank overdraft	(27,502)	(1,235)
Less: Fixed deposit pledged with licensed banks	(13,799)	(14,370)
Balance for Statement of Cash Flows	**3,509**	**32,381**

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 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 Preparations

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

There were no qualifications on the audited financial statements of the Company and its subsidiaries 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 or 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. Material Unusual Items

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 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

An interim dividend of RM3.2 million was declared on 27 February 2026 and paid on 26 May 2026.

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 As at 30.06.2026 RM'000	**AUDITED As at 31.12.2025 RM'000**
Land under Property Development		
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 Group Composition

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 RM82.12 million for the current quarter ended 30 June 2026, primarily driven by ongoing progress billings from flagship property developments namely Kayana Heights, Taman Seraya, and The Logg, alongside steady contributions from external construction projects. Supported by sustained operational momentum across both major operating segments, the Group achieved a profit before tax of RM3.41 million for the financial quarter under review.

B2.1 Comparison with the preceding year quarter's results

	Unaudited Current Year Quarter 30.06.2026 RM'000	Unaudited Preceding Year Quarter 30.06.2025 RM'000	Changes RM'000	%
Revenue				
Property Development	59,878	44,116	15,762	35.7%
Construction	22,237	11,677	10,560	90.4%
	82,115	**55,793**	**26,322**	47.2%
PBT	**3,413**	**3,601**	**(188)**	-5.2%

For the current year quarter ended 30 June 2026, The Group's total revenue increased by RM26.32 million or 47.2% to RM82.12 million as compared to RM55.79 million in the preceding year's quarter. The Group recorded a profit before tax of RM3.41 million for current year quarter under review compared to RM3.60 million in the preceding year quarter, reflecting consistent earnings contribution across the project portfolio.

The growth was driven across both primary operating segments:

Property Development segment increased by RM15.8 million or 35.7% to RM59.88 million as compared RM44.12 million in the preceding year quarter, mainly due to ongoing development progress. While Construction segment increased by RM10.56 million or 90.4% to RM22.24 million as compared to RM11.68 million in the preceding year quarter mainly due to higher billings from external contracts.

Notwithstanding the revenue growth, profit before tax contracted slightly by RM0.19 million or 5.2%, predominantly impacted by higher finance costs of RM5.89 million as compared to RM4.33 million in the preceding year quarter due to increased facility utilization for project execution, as well as higher administrative overhead of RM5.76 million as compared to RM4.50 million in the preceding year quarter to support operational expansion.

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

	Unaudited Current Year Quarter	Unaudited Immediate Preceding Quarter	Changes	
	30.06.2026	31.03.2026		
	RM'000	RM'000	RM'000	%
Revenue				
Property Development	59,878	66,526	(6,648)	-10.0%
Construction	22,237	14,768	7,469	50.6%
	82,115	**81,294**	**821**	1.0%
PBT	**3,413**	**2,959**	**454**	15.3%

For the current year quarter ended 30 June 2026, total revenue grew slightly by RM0.82 million or 1.0% to RM82.12 million from RM81.29 million recorded in the immediate preceding quarter ended 31 March 2026.

This top-line growth was mainly supported by the Construction segment, which expanded by RM7.47 million or 50.6% to RM22.24 million, compared to RM14.77 million in the immediate preceding quarter, driven by higher external project billings. Conversely, Property Development revenue moderated by RM6.65 million or 10.0% to RM59.88 million, compared to RM66.53 million in the immediate preceding quarter, due to lower sales conversion and the timing of progress billings across ongoing projects during the quarter.

Driven by the higher overall revenue contribution and stronger construction billings, the Group's profit before tax increased by RM0.45 million or 15.3% to RM3.41 million for the current year quarter, as compared to RM2.96 million in the immediate preceding quarter.

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

B3. SEGMENTAL REPORTING

The Group is organised into the following three (3) operating segments:

Business Segments	**Business Activities**
Property development	Property development activities and sales of completed units.
Construction	Construction activities.
Others	Non-reportable segment including investment holding, construction-in progress of hotel yet to commence its operation and corporate activities.

Segment revenue and results
Information regarding the Group's reportable segments is presented below:

Current period to date ended 30 June 2026	**Property development RM'000**	**Construction RM'000**	**Others RM'000**	**Elimination RM'000**	**Total RM'000**
Revenue					
Sales to external customers	123,856	36,746	2,959	(152)	163,409
Inter-segment revenue	-	63,196	-	(63,196)	-
Total revenue	**123,856**	**99,942**	**2,959**	**(63,348)**	**163,409**
Gross Profit	**30,332**	**5,103**	**(296)**	**(3,935)**	**31,204**
Included in the measure of segment profit are:					
Other operating income					4,395
Administrative and marketing expenses					(17,818)
Finance costs					(11,409)
Tax expenses					(1,763)
Profit for the period					**4,609**

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

B3. SEGMENTAL REPORTING (CONT'D)

	Property development RM'000	Construction RM'000	Others RM'000	Elimination RM'000	Total RM'000
Preceding period to date ended 30 June 2025					
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**
Gross Profit	**20,975**	**2,692**	**1,546**	**(378)**	**24,835**
Included in the measure of segment profit are:					
Other operating income					2,115
Administrative and marketing expenses					(12,482)
Finance costs					(8,324)
Tax expenses					(1,103)
Profit for the period					**5,041**

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

B4. Prospects of the Group

The Group remains proactive in pursuing prospects to strengthen its construction and property development portfolio and views the opportunities mentioned below as a testament to its capabilities and expects it to contribute positively to the Group's construction order book and future earnings upon commencement.

On 14 October 2025, the Group's wholly-owned subsidiary, K.T.I Sdn Bhd, accepted a Letter of Intent from the Ministry of Tourism, Culture and Environment of Sabah (**KePKAS**) for the proposed demolition and redevelopment of Wisma KePKAS in Kota Kinabalu, Sabah. The Group is still waiting for further directions from the Ministry as regards to this proposal.

On 10 August 2026, the Group's wholly-owned subsidiary, K.T.I Development Sdn Bhd (**KTIDSB**), entered into a Memorandum of Agreement (**MOA**) with Universiti Malaysia Sabah (**UMS**) to provide off-campus housing UMS students, employees, and associates at KTIDSB's 2,165-unit Kayana Heights development located adjacent to the UMS main campus. UMS refers its student tenants for fees while KTIDSB manages all tenancy matters under a five-year MOA.

On 9 July 2026, the Group's wholly-owned subsidiary, K.T.I Sdn Bhd entered into a non-binding Memorandum of Understanding with Sabah Rubber Industry Board (**SRIB**) to conduct a 12-month feasibility studies for the joint development of approximately 500 acres of land in Samat Sawah, Tuaran, Sabah, into a residential and/or industrial estate, with the intention of subsequently entering into a formal joint venture agreement subject to Cabinet approval. This potential joint property development on the large site will contribute significantly to the Group's long-term order book.

Further to the Development Agreement entered on 20 August 2025 between the Group's wholly-owned subsidiary, K.T.I Sdn Bhd and the Government of the State of Sabah, acting through the Ministry of Tourism, Cultural and Environment Sabah, to develop a RM107 million cultural complex with facilities and infrastructure on a public-private partnership basis via a land swap initiative involving a 153-acre Reserve Land in Kinarut, KTISB has obtained the preliminary Interim Development Plan approval from Majlis Perancangan Negeri Sabah on 9th March 2026 and has further submitted the Development Plans of Majlis Perbandaran Papar's approval on 24 April 2026 for the development of the Sabah Cultural Complex and Village on 58 acres of the 153-acre site, and the development of approximately 900 units of residences and 11 commercial units on the remaining 65 acres of swapped land.

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.

B6. Income Tax Expenses

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited		Unaudited	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 RM'000
Income tax expense				
- Current year	(1,582)	(713)	(3,002)	(1,809)
Deferred tax expense				
- Current year	334	277	1,239	706
Total Tax Expense	**(1,248)**	**(436)**	**(1,763)**	**(1,103)**
Effective tax rate	36.6%	12.1%	27.7%	17.9%

The Group's effective tax rate for the current individual quarter is higher than the statutory income tax rate mainly due to non-recognition of deferred tax assets on unutilised tax losses of certain subsidiaries, under-provision of taxation in prior quarter and partially offset by the recognition of deferred tax assets arising from the elimination of unrealised profits on intra-group transactions.

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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B8. Loans and Borrowings - secured

	UNAUDITED As at 30.06.2026 RM'000	AUDITED As at 31.12.2025 RM'000
Non-Current Liabilities:		
Term Loan	181,780	161,931
Lease liabilities payable	7,707	10,346
	189,487	**172,277**
Current Liabilities:		
Term loan	57,532	66,794
Bank overdrafts	27,502	17,246
Trade financing	323,879	298,733
Lease liabilities payable	6,333	6,225
	415,246	**388,998**
	604,733	**561,275**

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 24 August 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 Dalan 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 were dismissed by the Court of Appeal and Federal Court respectively. Thus, the matter will now be remitted back to the Special Commissioners of Income Tax ("SCIT") for trial.

Special Commissioners of Income Tax ("SCIT") Proceeding

At the mention before SCIT on 31 March 2026, 28 April 2026, 13 May 2026 and 9 June 2026, the SCIT has directed for the Trial to take place on 29 June 2027 and 30 June 2027, that all Witness Statements and Bundles are to be filed on/before 1 June 2027, and that the next case management shall be on 1 June 2027.

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

***(ii)* Landmark Property Sdn Bhd ("Landmark Property") v GC Architect ("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.

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

(ii) **Landmark Property Sdn Bhd ("Landmark Property") v GC Architect ("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, George Chong Ket Choi from GCA ("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.

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

On 19 January 2026, the Kota Kinabalu High Court granted a Prohibitory Order against GC's half share in the Land (Country Lease Title No. 015359556).

On 6 February 2026, the Kota Kinabalu High Court granted a Prohibitory Order against GC's whole share in the Land (Subsidiary Title No. 010507392).

On 16 April 2026, a Garnishee Order Absolute was granted in favour of Landmark Property for the sum of RM3,410.27.

On 19 March 2026, Landmark Property commenced bankruptcy proceedings against George Chong Ket Choi. This process remains underway. The solicitor for Landmark Property are of the view that Landmark Property have strong chances of obtaining a Bankruptcy Order against George Chong Ket Choi.

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

On 10 March 2026, KTISB received a Statutory Notice dated 5 March 2026 demanding payment of RM19,194,000 in relation to a purported debt arising from High Court Civil Suit No. BKI-22-46/3-2012 ("Suit 46/3").

The demand relates to a High Court Order dated 10 March 2014 obtained in Suit 46/3 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 a Court of Appeal Order dated 18 July 2016 and a Supplemental Order dated 21 February 2018, with an order for damages of RM20,000 to be paid by KTISB to Plaintiff, for KTISB to reinstate the damaged part of the Plaintiffs' property to its original condition within 30 days, and for KTISB to replace the damaged fencing on the Plaintiff's property.

In satisfaction of all monetary obligations under the said High Court Order, Court of Appeal Order and Supplemental Order, by letter dated 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.

To resolve the obligation to reinstate the land and replace the fencing, the parties engaged in negotiation for over a year due to disputes as to the nature and extent of the reinstatement and replacement works. Despite the KTISB's earnest efforts to attempt to settle the said works, such attempts were unsuccessful and the Plaintiffs have remained silent since December 2019, until the Plaintiffs served a Statutory Notice dated 5 March 2026.

As a result of the Statutory Notice, on 26 March 2026, KTISB commenced an Originating Summons No. BKI-24-38-3/2026 for an injunction to restrain the Plaintiff from presenting a winding-up petition against KTISB. On 1 April 2026, the High Court granted an Ex Parte Fortuna Injunction Order restraining the Plaintiff from presenting a winding-up petition against KTISB, among other things. 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 Ruling in respect of the Originating Summons is on 26 August 2026.

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 (i.e. the reinstatement and replacement works). The alleged debt of RM19,194,000 found in the Statutory Notice is not substantiated in any manner whatsoever, not within the High Cour Order, Court of Appeal Order and Supplemental Order. The representing solicitors are of the view that the KTISB will obtain a favourable outcome in respect of this Originating Summons.

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

(iv) **Albert Maria Lim and Dorothy Lim v. K.T.I. Sdn Bhd & 2 Ors.**

In High Court Civil Suit No. BKI-22-46/3-2012 ("Suit 46/3"), KTISB has filed a Notice of Application to set aside an Ex Parte Order obtained by the Plaintiffs which granted them leave to commence execution proceedings against KTISB. The parties are still in the midst of exchanging affidavits and will, thereafter, exchange their respective written submissions.

A Mention is fixed for 20 August 2026 to monitor the filing of affidavits and submission, and to fix a hearing date for the Notice of Application.

The representing solicitors are of the view that there is no basis for the grant of the said Ex Parte Order as all obligations requiring payments under the High Court Order, Court of Appeal Order and Supplemental Order have been satisfied in full since 2018.

B10. Contingent Liabilities

Save for the value of the Impugned Assessments amounting to RM14,670,037.27 as disclosed in B9 (i) above, with an outstanding balance of RM11,596,720.34 as at 30 June 2026, there are no contingent liabilities incurred by the Group or its subsidiaries which, upon becoming enforceable, may have a material effect on the financial position of the Group or its subsidiaries.

B11. Dividend Declared

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:

	UNAUDITED Current Quarter Ended 30.06.2026 RM'000	**UNAUDITED Period To-Date 30.06.2026 RM'000**
Profit attributable to the owners of the Company	2,165	4,609
Weighted average	800,000	800,000
Basic / Diluted EPS (sen)	0.27	0.58

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

B13. Notes to the Statement of Comprehensive Income

	UNAUDITED Current Quarter Ended 30.06.2026 RM'000	UNAUDITED Period To-Date 30.06.2026 RM'000
PBT is After Charging/(Crediting)		
Depreciation of property, plant and equipment	396	837
Interest expense	5,704	11,016
Interest on lease liabilities	185	393
Staff costs	3,103	6,305
Interest income	(140)	(293)
Rental income	(363)	(1,457)

B14. Related Party Transactions

	UNAUDITED Current Quarter Ended 30.06.2026 RM'000	UNAUDITED Period To-Date 30.06.2026 RM'000
Transactions with Directors		
Rental expenses	14	26
Transactions with related party		
Repair and maintenance of motor vehicles	18	30

BY ORDER OF THE BOARD

KTI LANDMARK BERHAD

27 August 2026