TITIJAYA LAND BERHAD
BUILT TO INSPIRE

SUSTAINING MOMENTUM TOGETHER

ANNUAL REPORT 2021

Our Vision

Aspire to be the best, grow rapidly, mould an excellent team and winning culture.

Our Mission

To build properties that people will buy, appreciate and want to buy again.

Cover Rationale:

TITIJAYA has strategically positioned itself to become a leading property developer with operations spanning the nation. The Group is emerging strongly from the challenges of 2021 and steering a straight course while taking on new adventures and overcoming obstacles and barriers. Drawing upon our inherent strengths, and led by a strong management team that is experienced in navigating through a competitive environment and implementing in-depth strategies, we are continuously creating a winning combination that will sustain our momentum and ensuring a progressive force moving forward.

what's inside

Business

Performance Review

Leadership Team

Governance

Financial Statements

Other Information

Corporate Profile

TITIJAYA LAND BERHAD, a name synonymous with modern and innovative property development, is an urban lifestyle developer in Malaysia poised for greater growth after more than two decades in the property industry.

Titijaya has proven to be a notable property developer with its successful high-rise residential projects, integrated developments, commercial hubs, SoHo and industrial developments. Over the years, Titijaya has been awarded with accolades such as The Asia Pacific Property Awards Development in association with American Standard 2019 - 2020, and The Edge Top Property Developers Awards 2019. It has also received the CSR Malaysia Awards 2019 in recognition of its outstanding CSR initiatives.

Recognised by the industry for its outstanding product offerings, the Group is highly regarded for its brand presence and achievements, as well as its many successful developments in the most sought-after growth areas.

The Group is also renowned for understanding and grasping the changes in the market. 2020 also saw the Group embracing the challenges that arose from the unprecedented COVID-19 pandemic by adapting to the new norms with continuously enhanced digitalisation efforts. In line with the Group's mission, "to build properties that people will buy, appreciate and want to buy again", Titijaya is always adapting to changing market trends and introducing new types of products that fit the customers' needs.

The properties developed by the Group has been aesthetically conceptualised with modern and innovative facilities, inspired and based on modern contemporary lifestyle. The established efforts of the detailing on every project continue to be carried out in Titijaya's ongoing and upcoming properties.

"**Titijaya Land Berhad,** listed on the Main Market of Bursa Malaysia Securities Berhad, has, in the span of two decades, proven to be a notable property developer with its successful high-rise residential projects, integrated developments, commercial hubs, SoHo and industrial developments."

2021 Performance at a Glance

11
Projects

RM 3.9 BILLION
PROPERTIES DELIVERED
Gross Development Value

RM 1.13 BILLION
Shareholders' Fund

RM 253.6 MILLION
Total Revenue

RM 337 MILLION
Unbilled Sales

131 ACRES
Strategic Land Bank

Project Highlights

TOTAL GDV
RM
8.18
BILLION

TAMAN SERI RESIDENSI
NORTH KLANG
SEMI-D & LINKED BUNGALOW HOUSES

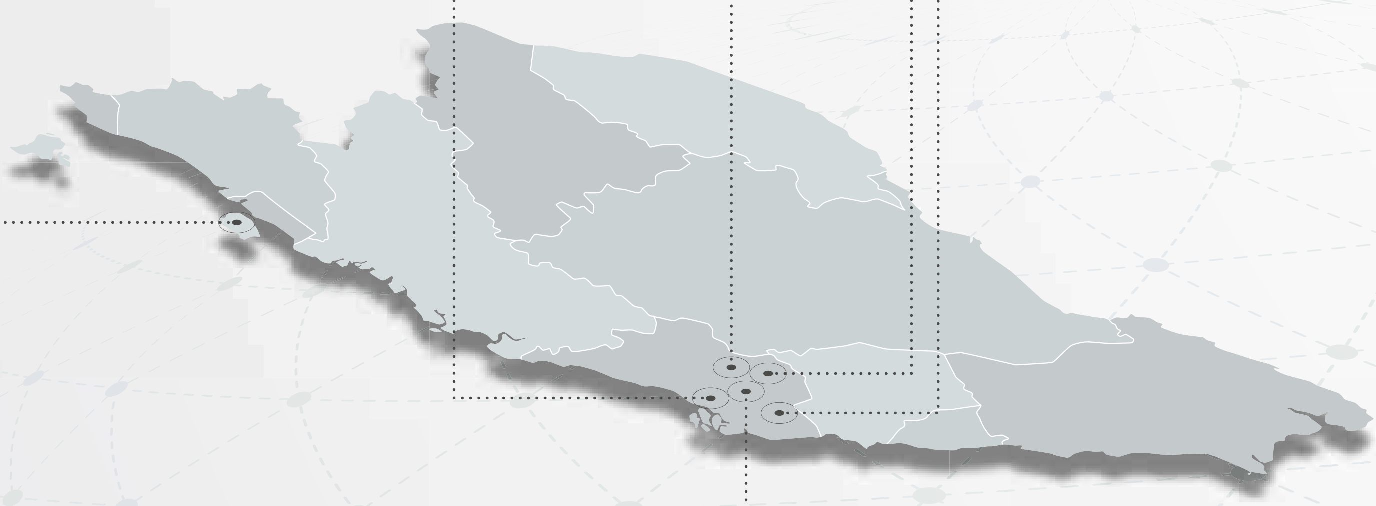
EMPORIA
SHAH ALAM
MIXED DEVELOPMENT

INNOVATION PARK BUKIT RAJA
KLANG
2-STOREY SHOP OFFICES

DAMAISURIA
SUBANG
INTEGRATED DEVELOPMENT

ARECA
PENANG
MIXED DEVELOPMENT

Park RESIDENCY
CHERAS
3-STOREY RESIDENCES



Project Highlights
(CONTINUED)

RIVERIA CITY
– KL SENTRAL –

OFFICE SUITES, SERVICED APARTMENTS & RETAILS

THE SHORE
KOTA KINABALU

SERVICE SUITES & RETAIL MALL

第一棕城
FIRST PALM CITY CENTRE
LAHAD DATU

INTEGRATED DEVELOPMENT

DEON
Residency
KUALA LUMPUR

MIXED DEVELOPMENT

3RD NVENUE
EMBASSY ROW

EMBASSY ROW, KUALA LUMPUR

OFFICE SUITES, SERVICED APARTMENTS & RETAILS

In the News

1 JULY 2020 – 30 JUNE 2021

THE EDGE MARKETS

Insider Moves: Acoustech Bhd, CN Asia Bhd, Titijaya Land Bhd, Top Glove Corp Acme Holdings Bhd, BCM Alliance Bhd

Notable filings

Notable movements

Rangka Kerja Khas CLQ Bakal Diwujudkan

THE EDGE MARKETS

After PPE fabric market, Titijaya eyes gloves in next medical move

NEW STRAITS TIMES

Titijaya aims to create urban developments

Titijaya Land Bhd aims to create urban developments that are attractive, to foster brand loyalty and repeat purchases.

Its newly-appointed group managing director Lim Poh Yit has the vision of creating a paradigm shift in urban property development, Titijaya said in a statement.

Pemaju Diminta Terlibat Sediakan Kemudahan Penginapan Berpusat Untuk Pekerja Perindustrian

In the News

(CONTINUED)

TheStar

New MD to take Titijaya to the next level

TITIJAYANEWS

We've Reached The Top!

We are delighted to announce the success of the Topping-out Ceremony of NEU Suites @ Embassy Row on 24 December 2020. A big applause to Titijaya Land Berhad & China Railway Group Limited (CREC)!

The Straits Times

Titijaya Land, Rubberex in deal to export gloves, medical products

要闻

A2

响应州工业发展部号召
FSI 会员踊跃捐助保佛灾民

人資部長：給寬限期改善
員工宿舍違例暫不嚴懲

The Borneo Post (Sabah) | 9 Jun 2021 | 4 of 24

FSI donates to Beaufort flood victims

Corporate Information

BOARD OF DIRECTORS

ADMIRAL TAN SRI DATO' SETIA MOHD ANWAR BIN HJ MOHD NOR (Retired)
Chairman
Independent Non-Executive Director

LIM POH YIT
Group Managing Director

LIM PUAY FUNG
Executive Director

DATO' FAIZAL BIN ABDULLAH
Executive Director
(Appointed on 19 April 2021)

CHIN KIM CHUNG
Non-Independent Non-Executive Director

TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR
Non-Independent Non-Executive Director

DATUK SERI CH'NG TOH ENG
Independent Non-Executive Director

DATO' MOHD IBRAHIM BIN MOHD NOR
Independent Non-Executive Director

AUDIT COMMITTEE

DATO' MOHD IBRAHIM BIN MOHD NOR
Chairman

ADMIRAL TAN SRI DATO' SETIA MOHD ANWAR BIN HJ MOHD NOR (RETIRED)

DATUK SERI CH'NG TOH ENG

CHIN KIM CHUNG

NOMINATION COMMITTEE

ADMIRAL TAN SRI DATO' SETIA MOHD ANWAR BIN HJ MOHD NOR (RETIRED)
Chairman

TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR

DATUK SERI CH'NG TOH ENG

REMUNERATION COMMITTEE

DATUK SERI CH'NG TOH ENG
Chairman

CHIN KIM CHUNG

LIM POH YIT

BOARD RISK MANAGEMENT COMMITTEE

ADMIRAL TAN SRI DATO' SETIA MOHD ANWAR BIN HJ MOHD NOR (RETIRED)
Chairman

DATO' MOHD IBRAHIM BIN MOHD NOR

DATUK SERI CH'NG TOH ENG

CHIN KIM CHUNG

LIM POH YIT

COMPANY SECRETARIES

CHUA SIEW CHUAN
(SSM PC No.: 201908002648)
(MAICSA 0777689)

TAN LEY THENG
(SSM PC No.: 201908001685)
(MAICSA 7030358)

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur, Wilayah Persekutuan

Tel : (603) 2084 9000
Fax : (603) 2094 9940

PRINCIPAL PLACE OF BUSINESS

N-16-01, Penthouse, Level 16
First Subang, Jalan SS15/4G
47500 Subang Jaya
Selangor Darul Ehsan

Tel : (603) 8022 9999
Sales Inquiry : 1 300 22 9898
Fax : (603) 8022 9888
Email : ir@titijaya.com.my
www.titijaya.com.my

SHARE REGISTRAR

One Capital Market Services Sdn. Bhd.
[Registration No. 201901023363 (1332692-M)]
Level 18, Plaza VADS, No. 1,
Jalan Tun Mohd Fuad, Taman Tun Dr Ismail,
60000 Kuala Lumpur, Wilayah Persekutuan

Tel : (603) 7735 5770
Fax : (603) 7732 7997

AUDITORS

Baker Tilly Monteiro Heng PLT
(201906000600)
(LLP0019411-LCA) (AF0117)

Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1
Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan

Tel : (603) 2297 1000
Fax : (603) 2282 9980

PRINCIPAL BANKERS

Bank Islam Malaysia Berhad

HSBC Bank Malaysia Berhad

OCBC Bank Malaysia Berhad

United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Sector : Property
Sub Sector : Property
Stock Code : 5239
5239PA
Stock Name : Titijya
Titijya-PA

Corporate Structure

AS AT 1 OCTOBER 2021

TITIJAYA LAND BERHAD
BUILT TO INSPIRE

- 100% **AMAN KEMENSAH SDN. BHD.** REGISTRATION No. 199701014315 (429811-K)
- 100% **CITY MERIDIAN DEVELOPMENT SDN. BHD.** REGISTRATION No. 201101006128 (934265-V)
- 100% **EPOCH PROPERTY SDN. BHD.** REGISTRATION No. 201101027338 (955473-D)
- 100% **NPO BUILDERS SDN. BHD.** REGISTRATION No. 199301029833 (284572-T)
- 100% **NPO DEVELOPMENT SDN. BHD.** REGISTRATION No. 199701018774 (434271-A)
  - 100% **NEU ESTATES SDN. BHD.** REGISTRATION No. 199501019388 (348591-M)
  - 100% **ZEN ESTATES SDN. BHD.** REGISTRATION No. 200401011869 (650372-W)
- 100% **PIN HWA PROPERTIES SDN. BHD.** REGISTRATION No. 200201000513 (568176-V)
- 100% **PREMSDALE DEVELOPMENT SDN. BHD.** REGISTRATION No. 201401045801 (1121985-U)
- 100% **PROSPEROUS HECTARES SDN. BHD.** REGISTRATION No. 201301005141 (1034984-H)
- 100% **SAFETAGS SOLUTION SDN. BHD.** REGISTRATION No. 200601035257 (755016-A)
- 100% **SHAH ALAM CITY CENTRE SDN. BHD.** REGISTRATION No. 199101011256 (221568-X)
- 100% **SRI KOMAKMUR DEVELOPMENT SDN. BHD.** REGISTRATION No. 198201010765 (90489-M)
  - 100% **BLU WATERFRONT DEVELOPMENT SDN. BHD.** REGISTRATION No. 200801019476 (820786-P)
    - 100% **LAKSANA WAWASAN SDN. BHD.** REGISTRATION No. 201601014242 (1185173-A)
  - 100% **RENOFAJAR SDN. BHD.** REGISTRATION No. 200401011846 (650349-H)
- 100% **TAMARIND HEIGHTS SDN. BHD.** REGISTRATION No. 201601002733 (1173659-X)
- 100% **TERBIT KELANA DEVELOPMENT SDN. BHD.** REGISTRATION No. 200201027120 (594783-M)
- 100% **TITIJAYA CAPITAL SDN. BHD.** REGISTRATION No. 201101006263 (934400-D)
- 100% **TITIJAYA DEVELOPMENT (PULAU PINANG) SDN. BHD.** REGISTRATION No. 201501040024 (1165342-V)
- 100% **TITIJAYA MEDICARE SDN. BHD.** *(formerly known as TITIJAYA RESOURCES SDN. BHD.)* REGISTRATION No. 201401001946 (1078020-X)
  - 100% **AMAN DUTA SDN. BHD.** REGISTRATION No. 201701025008 (1239174-X)
  - 70% **AMPANG AVENUE DEVELOPMENT SDN. BHD.** REGISTRATION No. 200801025592 (826917-X)
    - 100% **NIPAH VALLEY SDN. BHD.** REGISTRATION No. 201001018007 (901712-H)
  - 70% **TENANG SEMPURNA SDN. BHD.** REGISTRATION No. 201101027869 (956004-W)
- 100% **TITIJAYA PMC SDN. BHD.** REGISTRATION No. 201301017609 (1047442-P)
- 100% **TITIJAYA SOUTH ASIA SDN. BHD.** *(formerly known as HIGH SPLENDOUR SDN. BHD.)* REGISTRATION No. 201501030338 (1155662-T)
- 100% **TULUS LAGENDA SDN. BHD.** REGISTRATION No. 201301010747 (1040584-D)
- 70% **RIVERIA CITY SDN. BHD.** REGISTRATION No. 200401006891 (645395-X)

Chairman's Statement

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)
Chairman
Independent Non-Executive Director

INTRODUCTION

On behalf of the Board of Directors, it is my privilege to present to you the Annual Report and Audited Financial Statements of Titijaya Land Berhad ("Titijaya" or "the Group") for the financial year ended June 30, 2021 ("FYE2021").

An Unprecedented Year Like No Other

The year 2021 will always be a talking point for many in the future, a year unlike any other, as the unprecedented perfect storm took its place with the combination of the outbreak of COVID-19 pandemic, major geopolitical events, US Presidential Elections, and US-China trade war. These strings of events have brought about major disruptions to the global economy and financial markets, affecting the businesses and lives of many.

The International Monetary Fund has projected the global economy to recover by 6.0% in 2021 and normalises to 4.9% in 2022 after recording an appalling 3.2% drop in 2020. Despite the optimism for the recovery in the global economy, the pace of the country's recovery traction will be different relative to the speed of vaccine rollout and policy supports dished out. The growth prospects for the emerging and developing market have also been marked down on the back of prolonged COVID-19 containment measures in comparison to the developed economies, where growth will be supported by the manufacturing and services sectors, facilitated by the robust healthcare system and higher inoculation rates.

For Malaysia, the Gross Domestic Product ("GDP") fell to a two-decade low of -5.6% for the year of 2020, no thanks to the broad-based weaknesses in external demand, production and domestic demand, weakened labour market conditions, constricted economic and business activities weighed by various phases of movement restrictions imposed to curb the spread of the COVID-19 pandemic.

Chairman's Statement
(CONTINUED)

The property development and construction activities were also restricted during the movement control orders period in January and June 2021 which had impacted the Group's earnings performance for the second half of FYE2021. The Group continues to be forward-looking and take proactive measures to chart long-term growth strategy to capitalise on the upswing of the economy once the new normalcy kicks in.

Amidst the challenging operating environment throughout the year, the Group managed to sustain its value to its stakeholders, and is adapting to the changes by innovating to stay relevant in these ever-changing times. We remain confident that our Group will be able to ride through this crisis, emerging stronger like we always do through every crisis since our inception, to continue to steer towards a sustainable future.

INDUSTRY ISSUE AND CHALLENGES

Recovery is Forthcoming with Supportive Policy Measures

Closer to home, certain industries will be able to rebound and recover, while some will require some time to recover to the pre-pandemic level. The outlook will continue to hinge on the developments of the COVID-19 pandemic, continued policy support from the government, labour market conditions, and the recovery of the external and domestic demand.

The property market is expected to remain soft notwithstanding the improved overhang and unsold situation in 2020 where the overhang units dropped 3.6% to 29,565 units as compared to 2019. In an effort to invigorate the property market, the government has reintroduced the Housing Ownership Campaign (HOC), which had helped buoy the property market in 2019 for homebuyers to benefit from exemptions of stamp duty. Other initiatives which are expected to enhance the affordability of prospective property buyers and cushion the impact of COVID-19 to the property sector are the removal of the 70% margin of financing limit for third housing loan onwards, Real Property Gain Tax ("RPGT") exemptions, Stamp Duty reliefs, and Rent-To-Own schemes.

In addition, the Monetary Policy Committee (MPC) has maintained the Overnight Policy Rate (OPR) at 1.75% at the May and July 2021 MPC meetings, to cushion the economic impact of the COVID-19 pandemic and help stimulate the economy. This accommodative stance is conducive for the property market as prospective buyers, especially first-time homebuyers, will be able to take advantage of the lower interest rates.

From this end, the Group will remain prudent in launching new projects and focus on the completion of the existing projects, at the same time, aims to create urban developments that are attractive, to foster brand loyalty and repeat purchases for past and existing buyers while taking the opportunity to plan for projects to be launched once the property market rebounds.

DIVIDEND PAYOUT

In view of the macroeconomic headwinds and adverse disruptions brought about by the COVID-19 pandemic, the Board of Directors have decided to remain prudent and not recommend any declaration of dividend for FYE2021 after careful consideration to preserve cash in these tumultuous times.

OUTLOOK

Light at the End of the Tunnel

The outlook by Bank Negara Malaysia for 2021 was dampened by the resurgence of COVID-19 cases, resulting in the recent revision of Malaysia's GDP Growth to between 3.0 – 4.0% from 6.0 – 7.0% projected earlier. The revision was necessitated to factor in the business disruptions caused by the re-imposition of the Full Movement Control Order ("MCO") nationwide effected in June 2021.

Looking forward, the economic recovery will be dependent on the pace of vaccine rollout to achieve the herd immunity status and effectiveness of vaccines against newer variants coupled with supportive monetary and fiscal policies to facilitate the reopening of the economic sectors. Additionally, the domestic economy is expected to be driven by revitalised global trade demand, global tech upcycle, ongoing fiscal and monetary policies to support businesses and households, as well as the continuation of large-scale infrastructure projects to spur the economic recovery.

Against these backdrops, the Group remains cautious on the outlook for FYE2022 and continues to remain committed to delivering the highest standard and quality products to the market.

Chairman's Statement
(CONTINUED)

EVERCHANGING COMPLIANCE LANDSCAPE

On the top of the COVIC-19 pandemic challenges, the Group also has adapted, adopted and complied with the everchanging compliances rolled out by the government and authorities. One of the important laws rolled out by the government in recent years is the Malaysian Anti-Corruption Commission Act 2009. The Group has also published the Anti-Bribery and Corruption Policy ("ABCP") on its website. The Group has embarked on the education and the training of its Board of Directors and the employees of the need to be compliant to the MACC and ABCP.

APPRECIATION

On behalf of the Board, I wish to express our sincere appreciation to our valued customers, business partners, financiers, and shareholders for your continuous support. I would like to extend my heartfelt appreciation to my fellow Board members for your valuable advice, commitment, and contribution to the Board through these challenging times. On top of that, it is my utmost gratitude to our employees for their dedication and the stakeholders for their support and faith in committing to our Group's vision and mission.

CHANGE IN BOARD MEMBER

During the year under review, the Group would like to announce the retirement of Tan Sri Dato' Lim Soon Peng as the Group Managing Director on 31 March 2021, ("Tan Sri Dato' Lim") being in the forefront of stewardship to steer the Group to its success today, impacting the lives of many positively. Tan Sri Dato' Lim will be focusing on philanthropy and elevating the standard of living of people through the work of Titijaya Foundation. On behalf of the Board, Management, and staff, I would like to wish him the best for his future endeavour and thank his invaluable contributions to the Group.

I would also like to warmly welcome Mr. Lim Poh Yit ("Mr Lim") as our new Group Managing Director, who joined the board on 28 August 2012 and held the role of Deputy Group Managing Director of Titijaya since 31 July 2014. Mr. Lim has been with the Group for more than 17 years, rotating and experiencing various roles from operational and day-to-day management, strategic planning, property development projects, human resources, accounts and finance to oversee the implementation of the Group's internal policies. I am confident and excited to bring youth to the Group and with his experience, Mr. Lim will further lead and contribute to the success and innovation of the Group in its new transformation plan.

At the same time, we would like to extend a warm welcome to Dato' Faizal Bin Abdullah as a new Executive Director of the Board, effective 19 April 2021. His immense experience in the corporate advisory sphere would be able to bring forth great strategic addition to the Group's prowess.

With the new leadership in place, we are confident that Titijaya's growth trajectory will continue to be sustained, bringing the Group to greater heights.

Yours Sincerely,
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)

Group Managing Director's Statement

INTRODUCTION

New Normal with New Strategies

It has been more than a year since COVID-19 began as a health emergency crisis, adversely affecting economies across the globe, upending daily lives and disrupting economic activities. While the vaccination rate is gaining traction globally resulting in signs of a rebound in some parts of the world, the potential new variants of COVID-19 will continue to post downside risks to the global economic recovery.

Titijaya has certainly not been spared by this black swan event, but we believe this crisis will be behind us as the world adjusts to the new normal. On the local front, with the surge of COVID-19 cases, the Malaysian government had re-implemented a Full MCO from 1 June to 28 June 2021 where only essential economic and services sectors were allowed to operate. With international and local borders still closed, the property industry will continue to be challenging in the near to medium term, requiring some time to recover to the pre-COVID19 level.

In the fight against the COVID-19 pandemic, all of us are forced out of our comfort zone to adjust and embrace the new normal set upon into the business environment. Titijaya has also embarked on the digitalisation route, specifically to improve the way to reach out to customers by putting in place virtual property tours as well as collaboration with property industry leaders to organise webinars to seize the potential growth opportunities in these areas.

The Group places top priority on ensuring the health, safety and wellbeing of our employees, contractors and other business partners. As part of the Group's initiative to ensure the safety of all our employees, only vaccinated employees are allowed to be back to the office and periodic COVID-19 self-tests have to be performed by the employees with strict adherence to the Standard Operating Procedures in place.

Lim Poh Yit
Group Managing Director

Group Managing Director's Statement
(CONTINUED)

We continue to maintain a prudent stance by centering our attention to market and sell existing properties while at the same time looking out for land banking opportunities to capitalise on once the economy and property market rebound. This is an opportune time for us to re-strategise and rethink the future growth plans taking into account the new normal that COVID-19 has brought about, shifting the norm and way people work and socialise.

STRATEGIC REVIEW

Due the unprecedented COVID-19 pandemic, for the past 20 months, the Group has experienced significant disruption to the business operations which affected the earnings. The Group has been overly reliant on the property development and, hence, it is seeking other opportunities to diversify to be more resilient and with multiple earnings to sustain the Group's operations.

Diversification in Property Development Segment

i. One-stop Workers' Accommodation Hub

In line with the Government's effort to improve and resolve ongoing issues arising from the poor living conditions of workers and to bring Malaysian workers' accommodation facilities to be on par with international standards. The Group will collaborate with the companies to build and lease the one-stop workers' accommodation hub to these companies.

ii. Logistics Business Warehouse and Distribution Centres

The COVID-19 pandemic has escalated the shift of the landscape of the business operations from the traditional "brick and mortar" business model to the online business model. With this shift, the demand of warehouse and distribution centres by the logistics business companies have increased exponentially to cater the online business model. The Group will partner with the logistics business companies to build and lease warehouse and distribution centres.

iii. Medical related businesses opportunities

The Group has entered into a few collaboration agreements with foreign and local companies for medical related businesses opportunities, such as, the Sinopharm Medical Equipment QuanZhou Co. Ltd. ("SMEQ") to jointly develop business in the marketing and sales, trading and supply of medical and hospital equipment and products, and medical related real estate. The Group will be exploring on the medical related real estate by providing the land for the build and lease model to the medical centre to meet demand and needs from the country and the medical tourism industry.

PROSPECTS

Rethink, Restrategise, Refocus

With the continued assistance and potential to achieve herd-immunity status as a nation, the Group is hopeful that the light at the end of the tunnel is nearer. More importantly, the Group has re-strategised and reviewed our sales target to focus on catering products for the medium income household group, and the younger population namely the Gen-Y and the Gen-Z generations who are looking to own their first home.

As we continue on our journey of growth, we will try our best in every way possible to ensure we remain financially resilient, backed by our disciplined and prudent capital management strategy to keep our balance sheet robust to seize opportunities as they arise. It is also imperative that we consistently evaluate our operating procedures to improve our governance standards, policies and practices.

APPRECIATION

Titijaya would not be able to achieve its glory today without Tan Sri Dato' Lim Soon Peng, who was instrumental in leading the Group to become one of Malaysia's leading property developers, improving the lives of people and providing them with quality homes. It is my deepest honour and appreciation to continue the leadership, continuing to grow the legacy of Titijaya "To build properties that people will buy, appreciate and want to buy again".

I would like to record my heartfelt gratitude to our management and employees for their contributions as we navigated through an unprecedented year. As we continue to shape Titijaya's future and deliver sustainable value to our shareholders, we look forward to your repeated support for the years ahead.

My appreciation is also extended to our employees and other stakeholders as well, who remained with us and contributed immensely to the Group's continuity and success during this unprecedented crisis. With light at the end of the tunnel, and potential herd immunity paving the way to the reopening of the economy, we will see brighter days on the horizon in the coming year.

Management's Discussion and Analysis

REVIEW & HIGHLIGHTS OF FINANCIAL PERFORMANCE

Over the past year, the Group adopted a more restrained approach for our property launches and activities, choosing to tactically pace our new launches while at the same time, accentuating effective digital marketing for all our completed and ongoing projects.

For the financial year under review, Titijaya recorded revenue of RM253.6 million, a surge of 53.4% or RM88.3 million as compared to RM165.3 million posted in the corresponding period in the preceding year. The jump in revenue in the period under review reflected the higher revenue recognition in the preceding year attributable to Neu Suites, TheRiv, The Shore, and completed projects namely, 3 Elements, Park Residency, and Mizu. The Group has also disposed a parcel of land at Seiring in Bukit Subang amounting to RM17.56 million.

The adverse business disruption brought about by the various phases of the MCO has also affected the progress billing recognition due to stop-work-order and restriction to business activities resulted in closure of Titijaya's offices and construction sites. The decrease in revenue in the current quarter reflected lower progress billings across some of the Group's key existing ongoing projects and lower sales as a result of the COVID-19 pandemic. This has inadvertently hampered the Group's efforts to generate in new property sales and also at the same time, the progress of the key ongoing development of projects was also slowed down.

Amidst the challenging backdrop, the Group has also recognised inventory written down totalling RM25.2 million inclusive of the development of Odeon for RM20.1 million, the development of Bukit Padang for RM4.0 million and completed unit of Embun for RM1.1 million respectively resulting in the Group's profit before tax (PBT) in FYE2021 eased 21.9% or RM3.5 million to RM12.7 million from RM16.2 million in FYE2020. Excluding the inventories written down, the Group saw an increase of RM25.2 million in PBT to RM37.8 million. The Group has also implemented various austerity measures in FYE2021, resulting in a 58.2% drop in selling, marketing and administration expenses to RM13.8 million.

On the back of inventories written down recognised, the Group's loss after tax (LAT) attributable to the owners of the company for FYE2021 stood at RM14.0 million versus FYE2020 profit after tax (PAT) attributable to the owners at RM2.1 million. Despite the unprecedented time, the Group managed to sustain the Group's performance, having recorded a property sale of RM218.0 million as compared to RM168.0 million in FYE2020 on the continued focus to clear existing inventory.

As at FYE2021, the Group saw its total assets grew to RM2.46 billion from RM2.36 billion in the corresponding period under review on the back of the completion of projects while total liabilities edged up to RM1.32 billion from RM1.20 billion arising from the increase in contract liabilities. The Group's borrowing in the financial period under review increased to RM509 million from RM489 million in FYE2020.

The cash and short-term deposits in FYE2021 improved by 8.1% to RM173 million from RM160 million in FYE2020, mainly due to the Group's prudent stance in its cash management strategies and continued preservation of its liquidity position. There was no major capital expenditure incurred for FYE2021 and the Group's FYE2021 net gearing stood at 0.37 times as compared to 0.36 times in the previous year.

REVIEW OF BUSINESS AND OPERATIONS

The lingering weakness of the property industry continues to carry onto FYE2021, further exacerbated by the COVID-19 pandemic. Based on National Property Information Centre ("NAPIC"), property market activity saw volume and transaction contracted significantly in Q2 2020 with some glimpse of recovery in Q3 2020 following the implementation of the Recovery Movement Control Order. In 2020, a total of 295,968 transactions worth RM119.1 billion was recorded, a decrease of 9.9% in volume and 15.8% in value respectively as compared to 2019.

This was further worsened by the stricter criteria for potential borrowers due to the adverse economic landscape, no thanks to the effects of COVID-19. Total loan approval decreased by 8.3% despite a 2.2% increase in amount of loan applications for residential property purchase in 2020. The ratio of loan approvals against loans applications for the purchase of residential property fell to 34.1% in 2020 versus 42.4% in 2019.

As a result of the slowdown in the property industry, most developers had delayed their pipeline launches to focus on unloading the remaining unsold inventories, resulting in lesser new launches for the primary market. Total new units launched in 2020 was 21.4% lower at 47,178 units versus approximately 60,000 units in 2019.

Management's Discussion and Analysis
(CONTINUED)

3RDNVENUE

THE SHORE

PROJECT REVIEW

3rdNvenue

3rdNvenue is situated within Kuala Lumpur's Golden Triangle, a project of collaboration between the Group and its joint venture partner, CREC Development (M) Sdn. Bhd.. Strategically nestled in the epicentre of retail and contemporary urban living, it is in close proximity to landmarks such as Kuala Lumpur City Centre, Menara Kuala Lumpur, Pavilion Mall, and Great Eastern Mall amongst others.

Developed on a 6-acre land within prime growth area, 3rdNvenue comprises four towers of lifestyle office suites, serviced apartments and retail lots. These contemporary and quality lifestyle offerings allow the residents living within the development to be able to unwind and relax.

3rdNvenue is conveniently accessible via AKLEH, Jalan Ampang, MRR2 and Jalan Tun Razak. The development, launched in 1Q FYE2018, is a Transit-Oriented Development ("TOD") situated near Jelatek LRT Station & Dato Keramat LRT Station, offering great connectivity and convenience within the city.

This project commands an estimated GDV of RM2.0 billion, with the first tower expected to be completed at the end of 2021. Current development progress is at 74%, and the Group is expected to launch the remaining three towers in the upcoming years.

The Shore @ KK Sabah

A luxury mixed-use commercial hub developed on a 1.82-acre land, it is a 25-storey high rise boasting a GDV of RM580.0 million. Located within a prime waterfront enclave of Kota Kinabalu, the development features ocean views with its uniquely designed concept evoking a beachfront-retreat ambience. The unique pricing point of the development, starting from RM450,000, is a product catered to the new working generation who are looking to own their first home.

The residence portion of this unique-design development, Citadines Waterfront, will be managed by the world's largest international serviced residence owner-operator, The Ascott Ltd ("Ascott") for 15 years. Strategically located near to local landmarks such as the Bank Negara Building, Royal Malaysian

Management's Discussion and Analysis
(CONTINUED)

Customs, Bukit Padang Hospital, Sabah Golf & Country Club, amongst others, The Shore is designed to create a new wave of lifestyle opportunities for the current multi-talented generation.

The construction of The Shore is ongoing at 76% progress and the completion is estimated to be in 2022. The current take-up rate as of FYE 2021 stands at 48%, or 303 units sold.

Riveria City @ KL Sentral

Riveria City is one of the Group's most iconic projects located in Kuala Lumpur Sentral, jointly developed by the Group, Tokyu Land Corporation and Prasarana Integrated Development Sdn. Bhd. Sitting on a vast 11.2-acre land, this development specifically provides for the younger working generation, offer living and working in the bustling city a pleasant and enjoyable experience. Boasting a GDV of RM1.5 billion, this TOD is accessible via a wide array of roads (Direct Access to Federal Highway) and public transport choices (Link to KL Sentral, Malaysia's largest transit hub.)

Upon completion, this mixed development will consist of 3 towers, housing riverfront retail shops, lifestyle office suites and serviced apartments all in one place. Targeted to be completed in 2023, Riveria saw 69% units already taken up.

RIVERIA CITY

PARK RESIDENCY

TAMAN SERI RESIDENSI

Park Residency

Strategically located on a 5.25-acre land in Cheras, Park Residency houses 62 units of three-storey link residences with a gated and guarded community. The interior of the residence is designed to promote cross-ventilation and the natural lighting concept built within is in line with our philosophy to preserve the ambience of a natural environment. A large public park is also situated next to the project to enhance the lives of the community living within.

With completion during the financial year, this RM86.5 million GDV development enjoys great accessibility, with choices of connections to SILK Highway, Besraya and MRR2.

Taman Seri Residensi

Taman Seri Residensi is a gated and guarded development focused to create a family-friendly neighbourhood, situated in North Klang. Sitting on 21 acres of land, this freehold development is built with an extensive lifestyle amenity while also brimming with quaint and peaceful surroundings to make home living as comfortable as possible.

Planned in six phases of development, we are proud to share that the first three phases, Fennel, Primrose, and Roseville, saw the units completely sold. Aster & Adam, double-storey linked bungalow with an estimated GDV of RM37.5 million, will be launched in FYE2022 and we have seen encouraging interest in the market so far.

Management's Discussion and Analysis
(CONTINUED)

RISK AND MANAGEMENT

Risk management forms an integral part of achieving the Group's business objectives in a prudent and systematic manner. Key risks for the Group and the Group's risk management approach are provided in more detail in the Statement of Risk Management and Internal Control on page 69 to 73 of this Annual Report.

PROSPECTS AND OUTLOOK

The Malaysian government stance in its expansionary monetary policy and measures to boost consumer spending is a lauded move to cushion the sudden economic shock brought about by the COVID-19 pandemic. To ensure business continuity, easing policies are put in place to supported the affected industries as well as preventing the economy from slipping into a deep recession.

The government initiated PRIHATIN, PENJANA, PEMULIH, and PERMAI aid packages were imperative in reinforcing the Malaysian economy as various stages of the MCO are implemented across the nation. These collective stimuli amounted to a sizable RM530.0 billion since the first movement control order (MCO) in March 2020 revolving around strengthening the public healthcare system and accelerate the national vaccination programme to ensure wellbeing of the Rakyat as well as the business continuity.

Even as the full impact on recovery unfolds, our current priority remains to reposition, diversify, and grow our business. Given this landscape, the Group anticipates that the business conditions will remain lacklustre for FYE2022 with continued uncertainties shadowing the global and local market. Barring unforeseen circumstances, the measures put in place as a market-driven developer would allow the Group to be unimpeded as we chart a post-COVID-19 corporate recovery. Backed by 5 ongoing projects with GDV of RM1.77 billion and 8 future projects with GDV of RM6.41 billion as at FYE2021, Titijaya will be able to continue to deliver sustainable growth for FYE2022 and beyond.

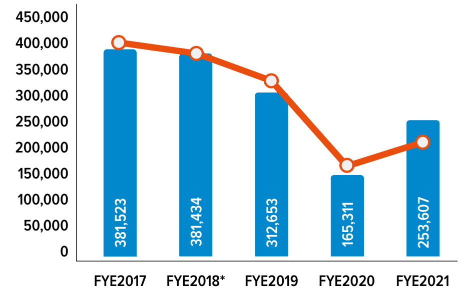
Financial Highlights

OUR FINANCIAL PERFORMANCE

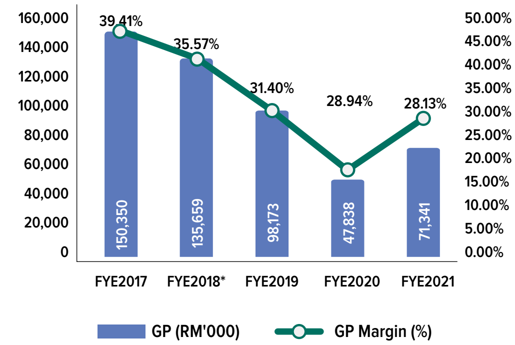
ANNUAL FINANCIAL RESULTS

	FYE2017	FYE2018 (Restated)	FYE2019	FYE2020	FYE2021
Revenue (RM'000)	381,523	381,434	312,653	165,311	253,607
GP (RM'000)	150,350	135,659	98,173	47,838	71,341
PBT (RM'000)	110,079	103,505	52,974	16,212	12,659
PAT/(LAT) (RM'000)	75,812	72,624	36,329	2,173	(7,632)
GP Margin	39.41%	35.57%	31.40%	28.94%	28.13%
PBT Margin	28.85%	27.14%	16.94%	9.81%	4.99%
PAT/(LAT) Margin	19.87%	19.04%	11.62%	1.31%	(3.01%)
Net EPS (RM)	0.20	0.05	0.03	(0.002)	(0.01)

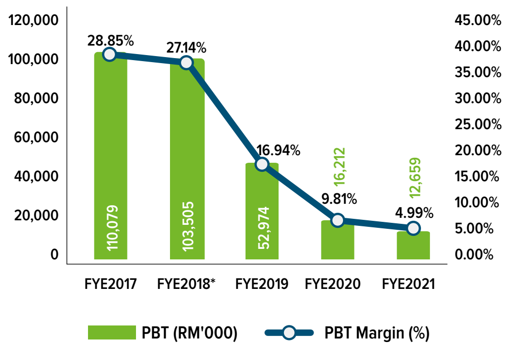
REVENUE (RM'000)



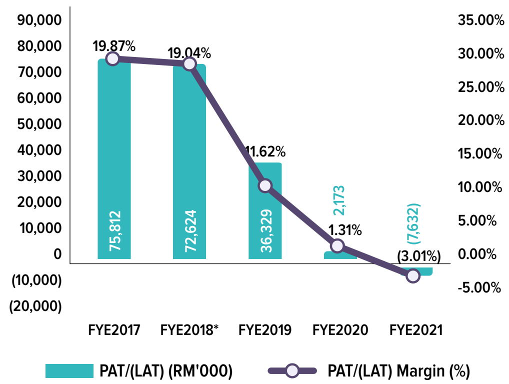
GROSS PROFIT (RM'000)



PROFIT BEFORE TAX (RM'000)



PROFIT/(LOSS) AFTER TAX (RM'000)



** Figures have been restated in respect of Malaysia Financial Reporting Standards adoption*

Board of Directors

FROM LEFT TO RIGHT

1. **DATO' FAIZAL BIN ABDULLAH**
   Executive Director
   (Appointed on 19 April 2021)

2. **LIM PUAY FUNG**
   Executive Director

3. **ADMIRAL TAN SRI DATO' SETIA MOHD ANWAR BIN HJ MOHD NOR (Retired)**
   Independent Non-Executive Director / Chairman

4. **LIM POH YIT**
   Group Managing Director

Board of Directors
(CONTINUED)

5. **CHIN KIM CHUNG**
   Non-Independent
   Non-Executive Director

6. **DATO' MOHD IBRAHIM BIN MOHD NOR**
   Independent Non-Executive Director

7. **DATUK SERI CH'NG TOH ENG**
   Independent Non-Executive Director

8. **TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR**
   Non-Independent
   Non-Executive Director

Directors' Profiles

ADMIRAL TAN SRI DATO' SETIA MOHD ANWAR BIN HJ MOHD NOR (Retired)

Chairman /
Independent
Non-Executive Director

Malaysian

Male

71 Age

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) ("Tan Sri Dato' Setia Mohd Anwar") (male) (Malaysian) aged 71, was appointed as the Chairman and Independent Non-Executive Director of the Company on 31 July 2014. He is also the Chairman of the Nomination Committee and Board Risk Management Committee of the Company. Besides that, he is a member of the Audit Committee of the Company.

Tan Sri Dato' Setia Mohd Anwar received his education at the Naval Base Secondary School, Singapore and the Officer Cadet School at the Britannia Royal Naval College Dartmouth, United Kingdom. He graduated from the Naval Staff College Rhode Island, USA Class 18 in 1981 and Joint Services Staff College in Canberra, Australia in 1988. He holds a Master's Degree in Engineering Business Management from the University of Warwick, United Kingdom and was conferred an Honorary Doctorate of Doctor of Management by the University Malaysia Terengganu.

He served the Royal Malaysian Navy for thirty-eight and a half (38.5) years, commanded six (6) ships and several Shores Bases. He rose to the rank of Admiral and took office as Chief of Navy in August 2003 and later became the first Naval Officer to assume the post of the Chief of Defence Force from April 2005 until 2007.

He was the President of the Malaysian Hockey Federation and is currently the President of the Malaysian Golf Association (MGA).

Tan Sri Dato' Setia Mohd Anwar was elected as the President of the Ex-Serviceman Association Malaysia (NGO) and continues to be President of the Retired Malaysian Navy Officers' Association (RMNOA).

He was the Non-Executive Chairman of Lembaga Tabung Angkatan Tentera (Armed Forces Fund Board), a position he held since his retirement from the Armed Forces in 2007 until May 2018.

He was also the President of the Malaysian Medical Association Foundation for six (6) years.

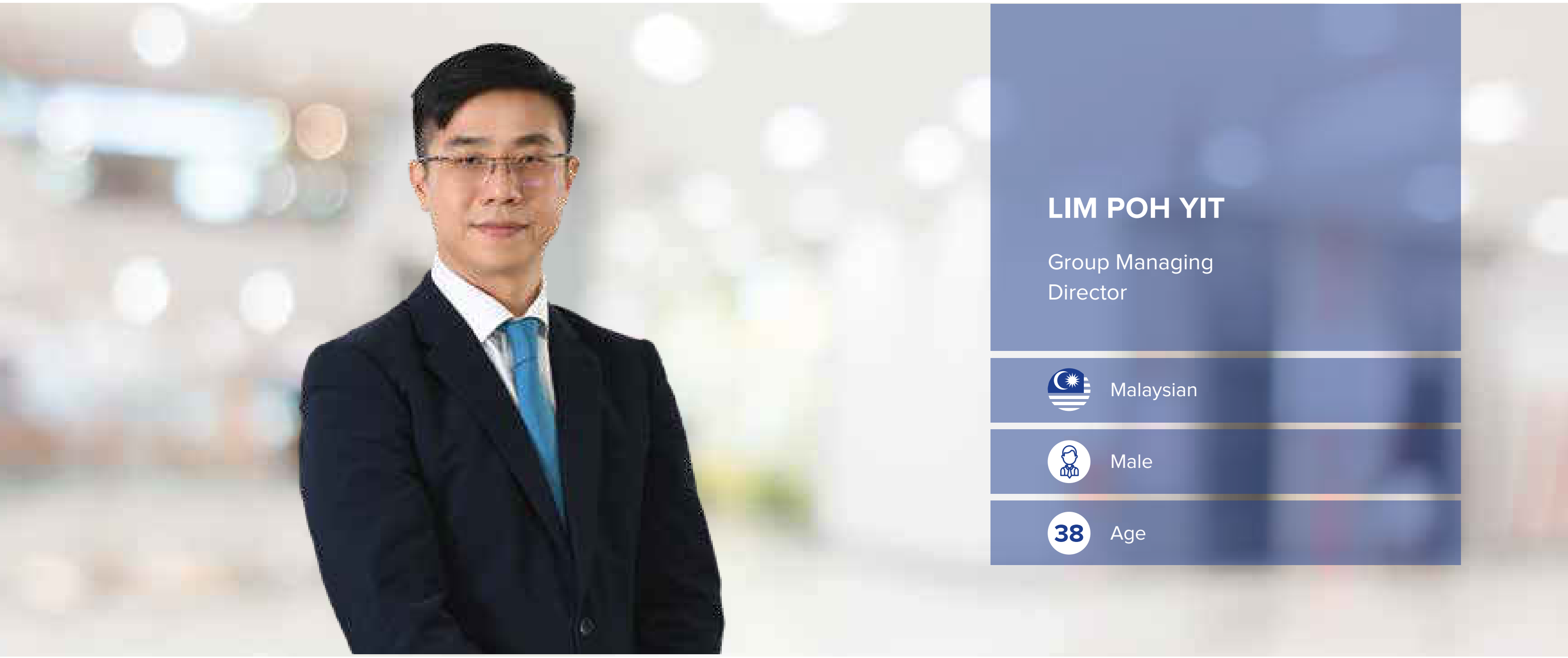
He served for one (1) term as Senator from 2015 to 2018.

Tan Sri Dato' Setia Mohd Anwar is currently the Pro-Chancellor of the National Defence University of Malaysia.

He does not hold any directorship in public listed companies and listed issuers.

Tan Sri Dato' Setia Mohd Anwar attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2021.

Directors' Profiles
(CONTINUED)



Lim Poh Yit ("Mr. Lim") (male) (Malaysian) aged 38, was appointed to the Board on 28 August 2012. He was appointed as the Deputy Group Managing Director on 31 July 2014 and re-designated to Group Managing Director on 31 March 2021. Mr. Lim is a member of the Board Risk Management Committee of the Company.

Upon his graduation from Monash University, Australia, in 2003, with a Bachelor of Computing Degree, Mr. Lim joined the Group in 2004 as a Business Development Executive undertaking project development feasibility assessment, identifying suitable land banks. Mr. Lim also assisted Tan Sri Dato' Lim Soon Peng ("Tan Sri Dato' Lim"), the former Group Managing Director, in the daily operations of the Group. He is currently steering the Group's day-to-day management, strategic planning, property development projects, human resources, accounts and finance as well as overseeing the implementation of the Group's internal policies. In 2020, he received the Pingat Kesatria Mahkota Wilayah (K.M.W.) award for his contribution to society.

Mr. Lim has more than seventeen (17) years of experience in the property development industry. As the newly appointed Group Managing Director, he is expected to bring the Group to its next phase of development, with deep insight into its values, culture, and resources. Succeeding his father, Tan Sri Dato' Lim, who is now taking on an advisory role in the Group, Mr. Lim has the vision of creating a paradigm shift in urban property development.

Mr. Lim is the brother to Lim Puay Fung, an Executive Director and substantial shareholder of the Company.

He was a former committee member of the Real Estate Housing Developers' Association (REHDA) Selangor, who was actively involved in the committee. He holds directorships in Titijaya Foundation and a number of private limited companies.

Mr. Lim attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2021.

Directors’ Profiles
(CONTINUED)

LIM PUAY FUNG

Executive Director

Malaysian

Female

41 Age

Lim Puay Fung (“Charmaine”) (female) (Malaysian) aged 41, is an Executive Director of the Company and was appointed to the Board on 24 September 2012.

Upon graduating with a Bachelor of Commerce (Corporate Finance) from the University of Adelaide, Australia in 2002, she joined the Group in 2003 as a Marketing Executive. She oversaw advertising, promotional activities, and marketing strategies for launches in the various development projects of the Group.

In 2007, she was promoted as the Group Sales & Marketing Director. She was responsible for the Group’s product development, strategic planning, branding & conceptual development, interior design, and sales & marketing in the day-to-day operation.

With more than seventeen (17) years of experience in the property industry, Charmaine has created and executed marketing campaigns for numerous projects. As the Executive Director, she is responsible for the Group’s Sales & Marketing, Property Management & Leasing Division. In 2016, Charmaine received the 100 Most Influential Young Entrepreneurs award for her entrepreneurship.

Charmaine is the sister of Lim Poh Yit, the Group Managing Director. Both of them are substantial shareholders of the Company.

Currently, she holds directorship in Titijaya Foundation and a number of private limited companies.

Charmaine attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2021.

Directors' Profiles
(CONTINUED)

DATO' FAIZAL BIN ABDULLAH

Executive Director

Malaysian

Male

50 Age

Dato' Faizal Bin Abdullah ("Dato' Faizal") (male) (Malaysian) aged 50, is the newly appointed Executive Director of the Company and was appointed to the Board on 19 April 2021.

Dato' Faizal holds a Master of Business Administration from the University of Strathclyde, Glasgow, UK, Asean Senior Management Development Program from the Harvard Business School Alumni Club Of Malaysia and an Advanced Diploma in International Management Studies from the Institute of Commercial Management, UK.

Dato' Faizal's working career started as a Corporate Advisor to Halimonn & Sons Holdings Sdn Bhd and Onn Ismail Sdn Bhd. He subsequently left to join Wijaya Baru Sdn Bhd as Manager (Corporate Affairs) and within a year was promoted as General Manager of Wawasan Development Sdn Bhd (a subsidiary of Wijaya Baru Sdn Bhd). He was appointed as Director of Corporate Affairs in Wijaya Baru Global Berhad and in a short period of time, he rose to the position of Deputy Chief Executive Officer. A restructuring in the company saw his redesignation to Group Deputy Chief Executive Officer. From there, he was appointed as Group Chief Executive Officer of Tadmax Resources Berhad (formerly known as Wijaya Baru Global Berhad) and eventually, he was appointed Executive Deputy Chairman, a position he held for two (2) years. Upon his retirement, the company appointed him as a consultant for two (2) years.

Dato' Faizal was also a Corporate Advisor to a number of companies including Inai Kiara Group of Companies, PT Menara Group Indonesia & PT Platindo Group Indonesia.

Dato' Faizal attended one (1) out of one (1) Board Meeting of the Company held during the financial year ended 30 June 2021.

Directors' Profiles
(CONTINUED)

DATUK SERI CH'NG TOH ENG

Independent Non-Executive Director

Malaysian

Male

64 Age

Datuk Seri Ch'ng Toh Eng ("Datuk Seri Ch'ng") (male) (Malaysian) aged 64, is an Independent Non-Executive Director of the Company and was appointed to the Board on 24 September 2012. Datuk Seri Ch'ng is the Chairman of the Remuneration Committee and a member of the Audit Committee, Nomination Committee and Board Risk Management Committee of the Company.

He obtained his Diploma in Education in 1979 from the Language Institute, Kuala Lumpur.

Datuk Seri Ch'ng started his career in 1980 as a secondary school teacher in Sri Tanjung, Kuala Selangor. In 1990, he was appointed as the Press Secretary to the Minister of Housing and Local Government. Subsequently, in 1993, he was promoted as the Political Secretary to the Minister of Housing and Local Government, a post that he held until 1995. In the same year, he was elected as a Selangor State Assemblyman and was subsequently appointed as a member of the Selangor State Executive Council which he served until 2008.

During his nineteen (19) years in both federal and state government administrations, he had accumulated various experiences in the areas of administration of environment, information communication technology and state planning.

Datuk Seri Ch'ng also has vast experience in Waste Management and Logistic Business He was a Director of National Solid Waste Management and Cleansing Corporation (2008-2014) and Port Klang Free Zone Sdn. Bhd. (2008-2018). He was also a Trustee of the National Welfare Foundation (2009-2014).

He is a Director of Time Galaxy (M) Sdn. Bhd and does not hold any directorship in other public companies and listed issuers.

Datuk Seri Ch'ng attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2021.

Directors' Profiles
(CONTINUED)

DATO' MOHD IBRAHIM BIN MOHD NOR

Independent Non-Executive Director

Malaysian

Male

62 Age

Dato' Mohd Ibrahim Bin Mohd Nor ("Dato' Ibrahim") (male) (Malaysian) aged 62, is an Independent Non-Executive Director of the Company and was appointed to the Board on 28 November 2019. He is the Chairman of the Audit Committee and a member of the Board Risk Management Committee of the Company.

Dato' Ibrahim graduated with a Degree in Mathematics from Knox College, Illinois, the USA in 1981. He then graduated with a Master in Business Administration from Drake University, Iowa, USA in 1983.

Upon graduation in 1983, he joined Asian International Merchant Bank Berhad in the Corporate Banking department. In the following year, he left Asian International Merchant Bank Berhad and joined Utama Wardley Berhad in the Corporate Banking department. He subsequently left Utama Wardley Berhad and joined The New Straits Times Press Group, where he held various senior management positions including General Manager in the Chief Executive Officer's Office and General Manager of the Circulation Department. In 1994, he left The New Straits Time Press Group and joined Malakoff Berhad as the Chief Operating Officer. He left Malakoff Berhad in 1995 and in 1996, he was appointed as the Managing Director of Padiberas Nasional Berhad and was later promoted to Vice Chairman in 2001 until his resignation in 2003.

Dato' Ibrahim was also an appointed Director of Malaysian Resources Corporation Bhd from 1999 to 2000; the Executive Vice Chairman for Sistem Television Malaysia Berhad from 2000 to 2001; a Director of Magazine World Sdn. Bhd. from 2003 to 2020; and the Chairman for Malay Mail Sdn. Bhd. from 2008 to 2012.

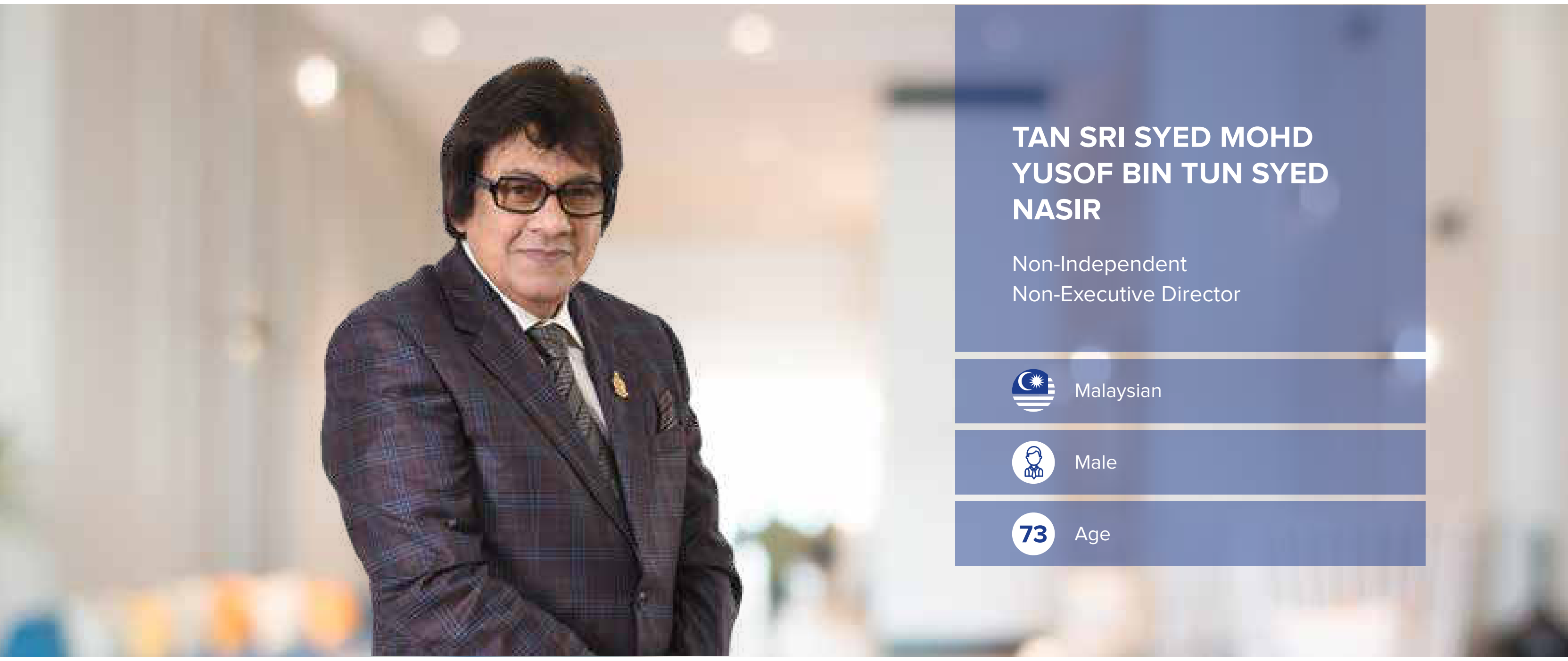
He was also the appointed Director and Chairman for Super Enterprise Holdings Berhad (which was subsequently delisted from the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and now known as MCC Labels Asia Sdn. Bhd.) from 2008 to 2011 and was reappointed in 2014 as a Director and redesignated as Chairman in the same year. He resigned from his position in December 2015. He was also appointed as a Director for Protasco Berhad in 2009 and was later appointed as Deputy Chairman from June 2012 to December 2012. From 2014 to 2015, he was reappointed as a Director of Protasco Berhad, He was appointed as the Chairman of Kumpulan Ikram Sdn. Bhd. in August 2017, a position he held until August 2018.

Dato' Ibrahim is presently an Independent Director in Kim Teck Cheong Consolidated Berhad, a company listed on the ACE Market of Bursa Securities since 2018 and the Independent Non-Executive Chairman of Carzo Holdings Berhad, a company listed on the LEAP Market of Bursa Securities since 1 March 2021.

He is also the Chairman of Blu Inc Holdings (Malaysia) Sdn. Bhd. since 2004, the largest magazine publications group in Malaysia; the Chairman of Second Wind Sdn. Bhd., a software solutions provider since May 2008; a Director of Ikram Education Sdn. Bhd. since July 2014; the Deputy Chairman of Rajawali Aerospace Sdn. Bhd. since April 2017; and the Chairman and Director of Protasco Development Sdn. Bhd. since September 2018.

Dato Ibrahim attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2021.

Directors' Profiles
(CONTINUED)



TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR

Non-Independent
Non-Executive Director

Malaysian

Male

73 Age

Tan Sri Syed Mohd Yusof bin Tun Syed Nasir ("Tan Sri Syed") (male) (Malaysian) aged 73, is a Non-Independent Non-Executive Director of the Company and was appointed to the Board on 3 October 2014. Tan Sri Syed is a member of the Nomination Committee of the Company.

Tan Sri Syed graduated with a Bachelor of Economics Degree majoring in Accountancy from the University of Tasmania, Australia, in 1975.

He is an entrepreneur who has more than forty (40) years of experience in diverse areas such as property development, construction, media, entertainment, hotel management and hospitality, food and beverage, banking, and information technology.

Currently, Tan Sri Syed is the Independent Non-Executive Chairman of Inix Technologies Holdings Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad.

He is also on the Board of various private companies and a trustee of Yayasan Raja Muda Selangor and Yayasan Toh Puan Zurina (Melaka).

Tan Sri Syed attended five (5) Board Meetings of the Company held during the financial year ended 30 June 2021.

Directors' Profiles
(CONTINUED)

CHIN KIM CHUNG

Non-Independent
Non-Executive Director

Malaysian

Male

57 Age

Chin Kim Chung ("Mr. Chin") (male) (Malaysian) aged 57 is a Non-Independent Non-Executive Director of the Company. Mr. Chin was appointed to the Board on 24 September 2012.

Mr. Chin is a member of the Audit Committee, Board Risk Management Committee and Remuneration Committee of the Company.

He is a member of the Malaysian Institute of Accountants, an Associate of the Malaysian Institute of Taxation, a Fellow of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Certified Public Accountants.

Mr. Chin started his career in the audit profession in 1992 with Big Four. In 2003, he co-founded a professional partnership firm, providing professional services in external audit, liquidation and corporate finance-related services. Since 2006, his firm practiced under the name of Russell Bedford LC & Company, a member of Russell Bedford International, a global network of independent professional services firms.

At Russell Bedford Malaysia, he is involved in the management of the firm and is also responsible for the firm's professional service lines in the areas of external audit, liquidation, and corporate advisory-related services.

With more than two (2) decades in the audit profession, he has accumulated vast invaluable experience in the areas of auditing, advisory work involving corporate exercises, liquidation, recovery and turnaround management and corporate advisory-related services.

Currently, Mr. Chin holds directorships in the Malaysian Chinese Women Entrepreneurs Foundation and several other private limited companies.

Mr. Chin attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2021.

Notes:-
Save as disclosed, none of the Directors has:-
- *any family relationship with any directors and/or major shareholders of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past 5 years other than possible traffic offences, if any ; and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

Senior Management Team's Profiles

Malaysian

Male

54 Age

TAN CHEE LENG

Group Chief Financial Officer

Tan Chee Leng ("Mr. Tan") (male) (Malaysian) aged 54, is the Group Chief Financial Officer and was appointed by the Company on 11 October 2019. He is responsible for developing the financial strategy, treasury planning, risk management operation and ensuring prudent financial reporting of Titijaya Land Berhad Group ("**Titijaya Group**").

He is a Fellow Member of Association of Chartered Certified Accountants, United Kingdom and also a member of the Malaysian Institute of Accountants.

Mr. Tan has over thirty-two (32) years working experience in auditing, finance and accounting, corporate finance and corporate and strategies planning, mostly with public listed property development companies. Prior to joining Titijaya Group in October 2019, he was the Senior Financial Controller of PPB Group Berhad group's property division.

He does not hold any directorship in public listed companies and listed issuers.

Malaysian

Male

56 Age

TEH KIAN JOO

Senior General Manager of the Property Development and Project Department

Teh Kian Joo ("Mr. Teh") (male) (Malaysian) aged 56, was appointed as the General Manager of the Property Development and Project Department on 1 June 2015 and was promoted to the post of Senior General Manager on 1 December 2017. After graduating with a Bachelor of Science (Building) from the University of Newcastle, Australia, he then obtained the Master of Business Administration in Construction Management from Warnborough University, United Kingdom.

Mr. Teh has more than thirty-two (32) years of working experience in Low-rise to High-rise residential and commercial building in the property development industry. He has served at various companies, with Masalam Sdn. Bhd., MBF Property Services Sdn. Bhd., SunwayMas Sdn. Bhd., Nam Fatt Corporation Berhad and Glomac Berhad.

Mr. Teh is responsible for project implementation, ensuring and monitoring smooth execution of property construction, to complete project within time, budget and quality.

He does not hold any directorship in public listed companies and listed issuers.

Senior Management Team's Profiles

(CONTINUED)

Malaysian

Male

46 Age

CHONG SWEE HOE

General Manager of the Property Development and Project Department

Chong Swee Hoe ("Shawn") (male) (Malaysian) aged 46, is the General Manager of the Property Development and Project Department. He began his tenure with the Group on 1 November 2016. He holds a Bachelor of Planning and Design from the University of Melbourne and a Bachelor of Architecture from the University of Melbourne. He is a corporate member of the Pertubuhan Arkitek Malaysia and a registered Architect of the Board of Architect Malaysia.

Shawn has more than twenty (20) years of working experience in several industries namely, designing, property development and construction. Before joining the Group, he served in various job segments such as architectural design and consultancy and project management in ArchiCentre Sdn. Bhd. from 2001 to 2003 and in Garis Architects Sdn. Bhd. from 2003 to 2007. Later, from 2007 to 2016, he worked with Modular Construction Technology Sdn. Bhd. (now known as MCT Bhd), a property development company, where he has overseen various projects for planning and managing the development.

With his vast industry experience, Shawn's current role in the Group consists of managing current developments in product development and planning for upcoming projects.

He does not hold any directorship in public listed companies and listed issuers.

Malaysian

Female

45 Age

NG CHE CHIN

Assistant General Manager of the Contracts and Administration Department

Ng Che Chin ("Ms. Ng") (female) (Malaysian) aged 45, is the Assistant General Manager of the Contracts and Administration Department. She has been with the Group since 2 August 2004. She holds a Bachelor of Science in Construction Management from Heriot-Watt University, United Kingdom.

Ms. Ng has more than twenty-four (24) years of working experience in the construction industry. Before joining as a Quantity Surveyor in Titijaya Construction Sdn. Bhd., she served as an Assistant Quantity Surveyor in Pembinaan Mitrajaya Sdn. Bhd., a wholly owned subsidiary of Mitrajaya Holdings Berhad.

Ms. Ng has vast experience in overseeing various types of contracts in connection with the construction industry, which includes negotiating, evaluating and finalising the terms of the tender documents, the main contracts and sub-contracts with the contractors and sub-contractors. She also provides guidance and/or advice to the project managers or other operational staff to ensure that the project administration is in accordance with the terms of the contracts. She is also responsible in handling the dispute resolution process and assisting management in connection with the claims payment.

She does not hold any directorship in public listed companies and listed issuers.

Notes:-

Save as disclosed, none of the Key Senior Management has:-

- *any family relationship with any directors and/or major shareholders of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past 5 years other than possible traffic offences, if any; and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

Sustainability Statement

ABOUT THIS STATEMENT

Titijaya Land Berhad ("Titijaya" or "the Group") is proud to present our fourth annual sustainability statement. This statement demonstrates the Group's commitment to transparent business disclosures and monitoring its performance across key Environmental, Social and Governance ("ESG") aspects, as well as ensuring economic robustness during these trying times.

STATEMENT SCOPE

The statement provides an overview of the Group's sustainability initiatives for the financial year from 1st July 2020 to 30th June 2021 ("FY2021"). In addition to Titijaya's headquarters in Subang Jaya - Selangor, four (4) projects have been included in the scope of reporting for this year.

Completed	On-Going	On-Going	On-Going
Cheras, Selangor	Off Jalan Ampang, Kuala Lumpur (Phase 1)	Kota Kinabalu, Sabah	KL Sentral, Kuala Lumpur (Phase 1)
Q2 FY 2021 (Oct – Dec 2020)	To Complete on **Q3 FY2022** (Jan – March 2022)	To Complete on **Q3 FY2022** (Jan – March 2022)	To Complete on **Q4 FY2022** (Apr – Jun 2022)

STATEMENT FRAMEWORK

We adhere to the main market listing requirements published by Bursa Malaysia and its Sustainability Reporting Guide (2nd ed.) to provide a complete and balanced sustainability statement as part of our annual report. To enhance our disclosures, we referred to the Global Reporting Initiative ("GRI") Standards for this statement.

FEEDBACK

Feedback from all stakeholders is welcome to improve our sustainability performance and content of this statement. Please direct your inquiries or comments to info@titijaya.com.my.

OUR SUSTAINABILITY APPROACH

CONTRIBUTION TO THE SUSTAINABILITY AGENDA

Our Sustainability Policy underpins the Group's values and commitment to the principles of sustainability. The Sustainability Policy was adopted by the Board of Directors ("Board") in FY2019 and encompasses nine (9) key tenets.

Provide a safe and healthy workplace for all our employees, including those who are directly employed by the Company as well as those who work in any of our premises and construction sites

Ensure fair treatment of all our employees regardless of gender, age ethnicity and religion

Continuously engage with relevant stakeholders to address and manage their concerns and expectations of the Group

Develop knowledge, skills and abilities of our employees to increase awareness and understanding of local industry

Deliver sustainable economic growth and returns to our investors and enrich the local economy

Contribute to local communities and assist them in improving and enhancing their socio-economic status

Deliver products and services of the best quality to meet or exceed customers' expectations

Comply with applicable laws and regulations

Minimise environmental impact on areas within and adjacent to our development areas

As a prominent property developer, Titijaya continues to contribute to the United Nations Sustainable Development Goals (SDGs) as part of the global agenda for sustainable development. The Group has adopted three (3) SDGs.

- A wide range of benefits are offered to employees
- Guidance of Workplace Management for COVID-19

- Park residency Cheras scored 78 under QLASSIC assessment
- Reduced energy Intensity in office by 6%

- Code of Conduct and Ethics
- Whistleblowing Policy
- Anti-Bribery and Corruption Policy

Sustainability Statement
(CONTINUED)

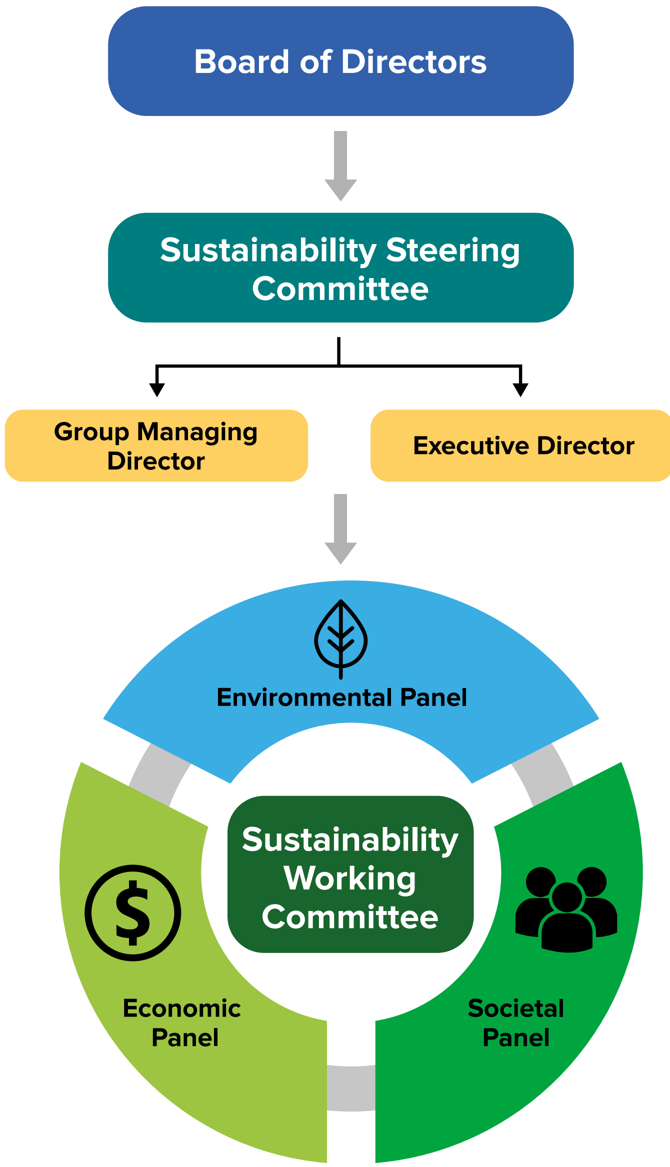
SUSTAINABILITY GOVERNANCE STRUCTURE

Having a robust governance structure for management of sustainability issues is critical for us. We have adopted a three-tiered approach when establishing our sustainability governance structure. Our sustainability governance is led by the Board and the Sustainability Steering Community ("SSC") who reports to the Board. The SSC is further assisted by the Sustainability Working Committee ("SWC") which consists of three (3) panels and are responsible for the implementation of sustainability initiatives.

True to the 'Tone at the Top' approach, the Board is the main decision-making body for the Group's sustainability agenda. The Board is responsible for the overall implementation of sustainability strategy and initiatives proposed by the SSC and SWC. The final approval for sustainability matters such as policies and reporting are also under the purview of the Board.

The SSC, whose members comprise the Group's Managing Director, Deputy Group Managing Director and the Executive Director, informs the Board on Titijaya's sustainability performance as well as recommends sustainability initiatives. The SSC also oversees SWC's implementation of approved initiatives and manages all identified sustainability-related risks that may affect the longevity of the Group.

The SWC, which consists of the economic, environmental and societal panel, monitors and reports the status and progress of approved sustainability initiatives. The identification of material sustainability matters and the collection of sustainability-related information for reporting disclosures are also handled by SWC members.



OUR APPROACH TO STAKEHOLDER ENGAGEMENT

We are cognisant of the importance of public trust and brand reputation that enables us to maintain a license to operate within the society. We identified six (6) key stakeholder groups that have significant influence over Titijaya's business operations and those who are significantly impacted by Titijaya's business decisions. We engage with all key stakeholders on a regular basis, allowing us to meet their interests through effective communication.

Sustainability Statement
(CONTINUED)

Investor

Titijaya's Response
- Annual general meeting
- Extraordinary general meeting whenever required
- Annual reports
- Bursa and website announcements whenever required

Area of Interest
- Financial performance
- Business strategy
- Stable income distribution

Employee

Titijaya's Response
- Annual staff appraisal
- Regular training programmes
- Circulation of internal policies
- Annual staff activities
- Biannual Group's newsletter
- Annual get together event

Area of Interest
- Performance management
- Learning and development
- Ethics and integrity
- Remuneration

Regulatory Body

Titijaya's Response
- Regular site inspection
- Annual corporate governance meeting
- Meeting with local regulator whenever required
- Monthly progress and site reports
- Fortnightly site meeting

Area of Interest
- Compliance and adherence
- Security and safety issues
- Transparency and accountability
- Environmental impacts
- Public issues
- Labour practices

Customer

Area of Interest
- Efficient complaints resolution
- Customer-company relations
- Safety and security
- Product quality

Titijaya's Response
- Regular customer appreciation and loyalty programmes
- Newsletter and website updated thrice annually
- Feedback sessions and survey upon vacant possession
- Community and networking event during festive seasons
- Certification when required
- Customer care portal

Supplier, Vendor, Contractor, Sales Agent

Area of Interest
- Transparent procurement practices
- Payment schedule
- Pricing of services
- Health, Safety and Environment ("HSE") compliance
- Timely completion and delivery

Titijaya's Response
- Annual evaluation and performance review
- Monthly site inspections
- Continuous networking
- Biannual newsletter publication
- Fortnightly consultation/ contractor meeting
- Monthly sales agency meeting

Local Community

Area of Interest
- Impact of business operations
- Transparency and accountability
- Environmental impacts

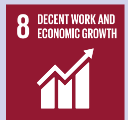
Titijaya's Response
- Regular community engagement
- Annual financial and sustainability reporting
- Monitoring whenever required

Sustainability Statement
(CONTINUED)

OUR MATERIAL SUSTAINABILITY MATTERS

MAPPING OF MATERIAL SUSTAINABILITY MATTERS

Since our inaugural sustainability statement in FY2018, the SWC has been reviewing our list of material sustainability matters annually to ensure it remains relevant to the Group's business operations and risks. In FY2021, we have consolidated a list of nine (9) key material matters from the original 14 that were identified in FY2018, ensuring each matter reflects our sustainability concerns. The following table illustrates the Group's endeavour to manage each material matter and maps it to the relevant SDGs.

Material Matters	Description	Stakeholder Groups	Relevant GRI Indicators	SDGs
Governance				
Corporate Governance, Compliance and Transparency	Mechanisms and initiatives implemented to uphold ethical standards while conducting business and to adhere to relevant laws and regulations.	• Regulatory bodies • Investors • Employees • Customers • Suppliers, vendors, contractors, sales agents	102: General Disclosure	
Economic				
Financial Performance	Measures to maximise the economic value generated and distributed, while managing financial risks and opportunities.	• Investors • Employees • Suppliers, vendors, contractors, sales agents	201: Economic Performance	 
Procurement and Supply Chain Management	Continuous engagement with reliable suppliers and service providers to support the local economy without affecting the environment.	• Regulatory bodies • Investors • Suppliers, vendors, contractors, sales agents	204: Procurement Practices	
Environmental				
Environmental Compliance	Actions taken to keep Titijaya's operations updated with the latest environmental regulations.	• Regulatory bodies • Local communities	307: Environmental Compliance	
Energy and Water	Utilisation of water and energy resources in an efficient manner to preserve the surrounding environment.	• Regulatory bodies • Local communities	302: Energy 303: Water and Effluents 305: Emissions	

Material Matters	Description	Stakeholder Groups	Relevant GRI Indicators	SDGs
Social				
Product Quality	Management systems in place to inspect and maintain the quality of products delivered to customers.	• Regulatory bodies • Suppliers, vendors, contractors, sales agents • Customers	103: Management Approach	
Talent Management	Development of a conducive workplace and training programmes to encourage growth and retain talented employees.	• Employees • Local communities • Investors	401: Employment 404: Training and Education	
Occupational Health and Safety	Initiatives and management systems in place to safeguard employee safety and health.	• Regulatory bodies • Employees	403: Occupational Health and Safety	
Community Engagement	Elevating the standards of living for the local community through donations and development programmes.	• Investors • Employees • Customers • Local communities	413: Local Communities	

MATERIALITY ASSESSMENT

Through the application of GRI and Bursa Standards, we were able to identify our material sustainability matters through internal reviews. The material matters from FY2020 were deemed to be relevant and have been maintained for this reporting period. A materiality assessment was conducted to determine the relevance of each material matter to the Group's business priorities.

Materiality Assessment Process

Identification

The material matters are evaluated and determined for this reporting period based on its relevance to current conditions and business strategy.

Prioritisation

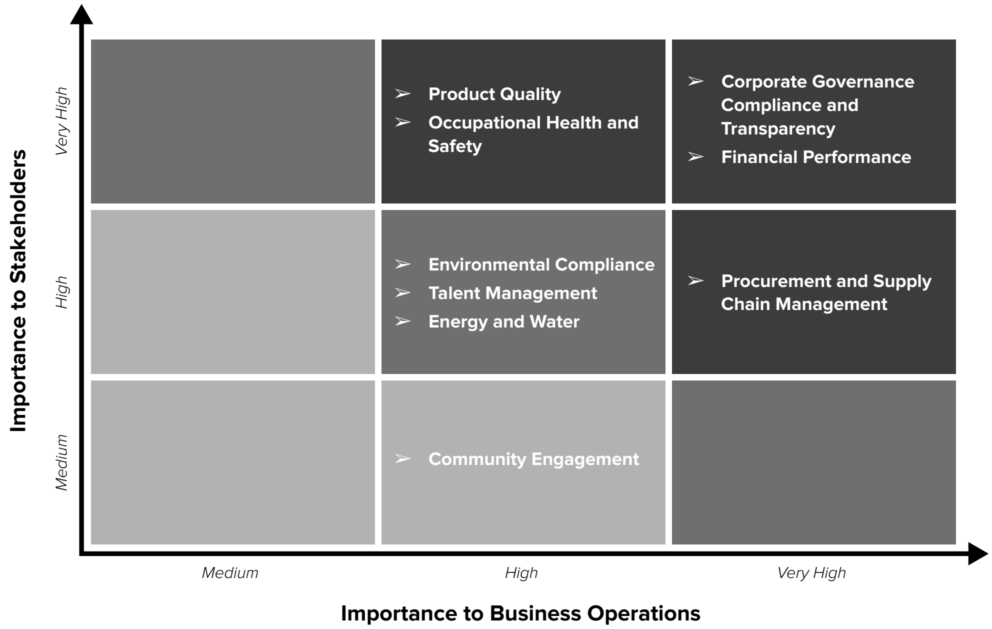
The assessment is conducted via and online survey, with each material matter ranked according to its importance to business and stakeholders.

Validation

The results are analysed to form a matrix and sent to the SSC and Board for validation before it is published.

Sustainability Statement
(CONTINUED)

A materiality matrix is used to illustrate the Group's priorities in managing the nine (9) material matters identified. Findings from the analysis are arranged based on its impact to Titijaya's business operations and influence on stakeholders.



GOVERNANCE

CORPORATE GOVERNANCE, COMPLIANCE AND TRANSPARENCY

Robust governance is key to building and maintaining trust between Titijaya and our stakeholders. We recognise the importance of transparency and integrity in the Group's business operations and the role it plays in maintaining a competitive business.

Ethics and Integrity

The values, principles and expectations of professional conduct are upheld through our Code of Conduct and Ethics ("the Code"), applicable to all Titijaya employees.

The Code, presented in the Employee Handbook, has clear guidelines relating to the standards and ethics that all employees are expected to adhere to. It is designed to maintain a harmonious standard in the workplace among employees of all levels. It also sets out the circumstances in which employees would be deemed to have breached the Code and subsequent actions. Policies and guidelines within the Code relate to areas including ethics, professional conduct, sexual harassment, whistleblowing and data security.

To compliment the Code, we have a Whistleblowing Policy. It facilitates employees and other stakeholders in disclosing any form of misconduct within Titijaya. All reports received through this channel are treated with confidentiality, with no employee or third-party subject to consequence or retaliation for making a report in good faith. To file a complaint through this channel, the whistle-blower is required to send an email to whistleblowing@titijaya.com.my. For concerns that are less serious in nature, employees are encouraged to send a direct email to the Human Resources Department. In this reporting period, we have not received any whistleblowing reports.

An Anti-Bribery and Corruption ("ABC") Policy was introduced in June 2020 in response to the Malaysian Anti-Corruption Commission ("MACC") Act Section 17A that came into effect in June 2020. The ABC Policy defines the Group's overall position on bribery and all forms of corruption, and provides information and guidance to the Group's Directors, employees and external stakeholders on standards of behaviour when dealing with bribery and corruption.

Due to the pandemic, we were unable to conduct any training regarding our policies this year. However, all policies and practices can be found on the corporate website and are detailed in the Employee Handbook. They are also communicated to employees during orientation. A signed interest declaration form is required from all employees to indicate awareness and understanding of current policies and practices. Review of these ethical policies are conducted every two (2) to three (3) years or whenever there is a need to do so.

Regulatory Compliance

To protect the Group's reputation, we abide by all relevant laws, policies and regulations. The key national laws and regulations applicable to our business are:

- National Land Code (Act 56) 1965
- Malaysian Construction Industry Development Board Act 1994
- Housing Development (Control and Licensing) Act 1996
- Strata Titles 1985
- Strata Management Act 2013
- Employment Act 1995
- Occupational Safety and Health Act 1994
- Environmental Quality (Clean Air) Regulations 2014
- Environmental Quality (Sewage) Regulations 2009
- Environmental Quality (Declared Activities) Open Burning Order 2003

Sustainability Statement
(CONTINUED)

We are proactive in taking the necessary measures to ensure continuous compliance with all relevant laws and regulations. We ensure our site employees are up-to-date with the latest changes in business practices and relevant regulations through regular meetings. Our internal auditor conducts periodic assessment on the Group's standard operating procedures and internal control measures for its effectiveness. A report is sent to the Board on a quarterly basis while internal and external audits are conducted on an annual and quarterly basis respectively. In the year under review, we have not recorded any incidents of non-compliance.

Risk Management

The Board recognises and affirms its overall responsibility in maintaining a risk management framework and internal control system, as well as to review the adequacy of the system. As such, the Board has adopted an enhanced Enterprise Risk Management ("ERM") framework which enables Titijaya to continuously identify, assess and manage risks that could prevent the Group from achieving its business objectives within defined risk parameters, in a timely and effective manner.

Oversight of risk management is carried out by the Board and the Board Risk Management Committee ("BRMC"), who reviews and deliberates the Group's risks. The BRMC conducts meetings triennially. The BRMC is assisted by a Management-level Risk Committee which is responsible for formulating risk management policies, identifying principal risks and monitoring the implementation of control measures. The Risk Coordinator ensures continuous communication and facilitates risk assessment and implementation while the Sub-Committee identifies and manages risks.

ECONOMIC

8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES

FINANCIAL PERFORMANCE

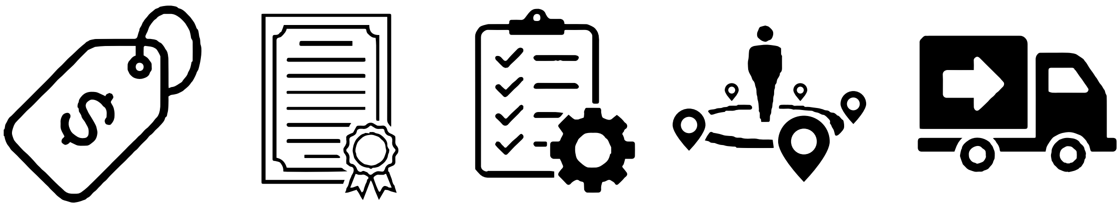
Maintaining the economic performance of the Group has been challenging in FY2021 due to the resurgence of COVID-19 and re-implementation of the nationwide Movement Control Order ("MCO"). Such burden placed immense pressure on both our ability to deliver on projects deadlines, as well as generate value for our stakeholders.

To address this issue, we have doubled our efforts to finish existing projects, as well as promoting the sale of completed units at our completed properties. The Group's financial performance is summarised in the table below, with detailed disclosure available in page 83 of the Annual Report.

		Total Amount (RM)
Economic Value generated	Revenue	RM253.61 million
Economic Value distributed	Operating Expense	RM17.31 million
	Employee Wages	RM10.98 million
	Tax Expense	RM20.29 million
	Impairment Loss	RM30.59 million
Economic Value retained	Net Loss	RM7.63 million

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Establishing an efficient and sustainable supply chain ensures we procure quality material and services vital for the Group's operations at a fair and competitive price. Our Contract Department has outlined stringent selection criteria for the evaluation process to determine the suitability of suppliers/contractors before awarding the contract. The key criteria assessed include:



Price | **Credentials** | **Specifications** | **Locality** | **Logistics**

In line with our Sustainability Policy and the requirements of the Local Council, we strive to engage with local suppliers whenever possible as it is cost-efficient, environmentally friendly and enriches the local economy. We continue to spend 100% of the procurement budget on local suppliers.

ENVIRONMENT

ENVIRONMENTAL COMPLIANCE

Titijaya adheres to all relevant legislature to protect our environment while managing our project sites. Key environmental legislation we adhere have been addressed in the 'Regulatory Compliance' section.

We require contractors to monitor the noise, effluent and vibration levels at all active projects to ensure it does not exceed the permissible limit. The management's plans and environmental data will undergo review by our internal auditors to ensure compliance with applicable regulations. We have recorded zero incidents of non-compliance with environmental legislation in this reporting period.

ENERGY AND WATER

Electricity constitutes the main proportion of Titijaya's energy consumption, with the bulk of operational use concentrated in servers located at our corporate headquarters. We place great emphasis on cultivating energy-saving practices among our employees, which includes turning off all lights, air-conditioners and workstations when not in use for long periods of time. The importance of electricity conservation is communicated to our employees through their work emails, as well as notices on the bulletin board.

Although we have abundant rainfall and water resources, we still strive to minimise water use in our offices and project sites. Similar to electricity, we place reminders on the importance of water conservation at strategic points in the office such as restrooms and pantry area. At all project sites, a rainwater harvesting system is incorporated to supplement water use for sanitary purposes. We also take precautionary measures to prevent contamination of water resources that may arise from construction work. Water discharged from our sites are filtered through a silt trap to ensure it is free from harmful pollutants before being released back into the environment.

Sustainability Statement

(CONTINUED)

Due to COVID-19, construction works were temporarily halted during the MCO at the end of FY2021. Our office workers had to adapt to work-from-home measures, which contributed to reduction in total energy use by approximately 6% in this reporting period as seen in **Figure 1. Figure 2** shows that our overall water consumption fell by 11 % when compared to 577 m³ in FY2020.

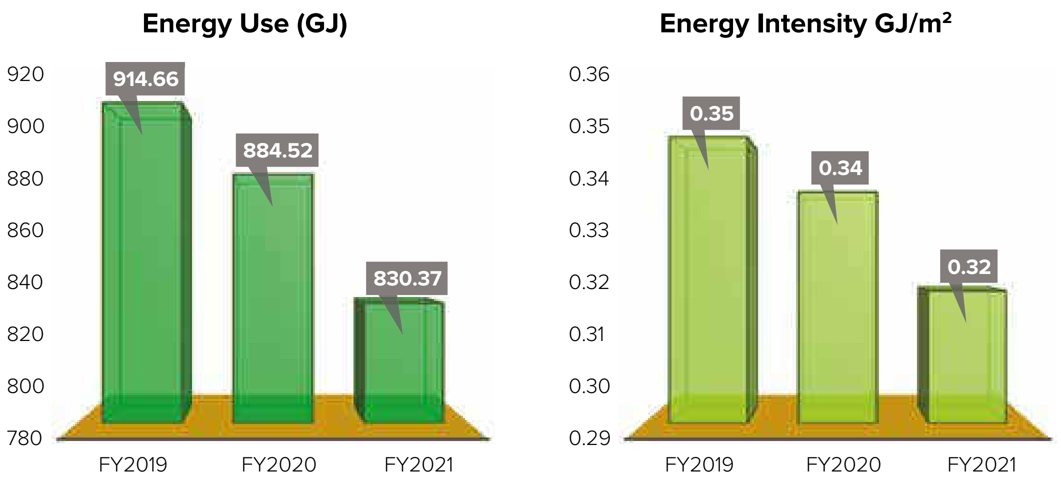


Figure 1: Energy use and intensity in Titijaya office
Note: Conversion factor used: Malaysia Energy Statistic Handbook 2020

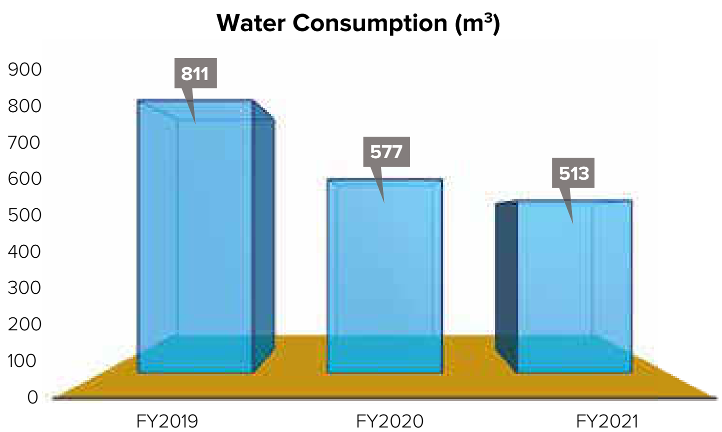


Figure 2: Water consumption in Titijaya office

SOCIAL

PRODUCT QUALITY

We are committed to delivering high quality properties that meet the needs and expectations of our customers, while securing long-term business opportunities and upholding our reputation as a reliable property developer. Selected buildings are assessed against the Quality Assessment System in Construction ("QLASSIC") which focuses on the workmanship quality of construction work based on the Construction Industry Standards CIS 7:2006. Through this system, the buildings are evaluated for quality of structural, architectural, mechanical and electrical, and external works. In this reporting period, Cheras Park Residency underwent the QLASSIC assessment and received a score of 78%.

Titijaya's operations are ISO 9001:2015 certified, with comprehensive quality management systems developed internally. The specifications and guidelines of our 'Property Development & Project Quality Manual' is made clear during the tender process, with quality control assessments carried out during the post-construction phase by Titijaya-appointed consultants.

We also maintain high standards when it comes to the quality of contractors engaged for our projects. Contractor evaluation is performed after the completion of awarded project to determine their performance level. The evaluation procedure encompass a wide range of criteria including:

- Project Specifications (completion time, cost, quality)
- Workforce Management (staffing and manpower, work efficiency, coordination skill, level of cooperation)
- Competency Level (contractual knowledge, technical knowledge)

The satisfactory score for contractor evaluation is 65 points, with the contractors responsible for Park Residency Cheras scoring 68 points.

An important aspect of managing the quality of our properties is obtaining customer feedback. We encourage an open line of communication with our customers via social media, where they can send a direct message to the Group.

To ensure a smooth transition in the transfer of property ownership, Titijaya have established a 3-step procedure for quality inspection, as follow:

1. **During the vacant possession ("VP") phase, a joint inspection is held with a Titijaya representative and the purchaser to survey the property for any defects. If defects are identified, contractors will be sent to rectify the problem within 30 days.**
2. **An inspection is performed between a Titijaya representative and contractor as a quality control ("QC") test to review the workmanship of property.**
3. **A second joint inspection with the purchaser will be conducted once more to ensure all reported issues are resolved before signing off on the VP form.**

A total of two complaints were received by TItijaya during FY2021. Both complaints were on minor issues such as water leakage and have been resolved promptly within the 30-days' time period.

Sustainability Statement
(CONTINUED)

TALENT MANAGEMENT

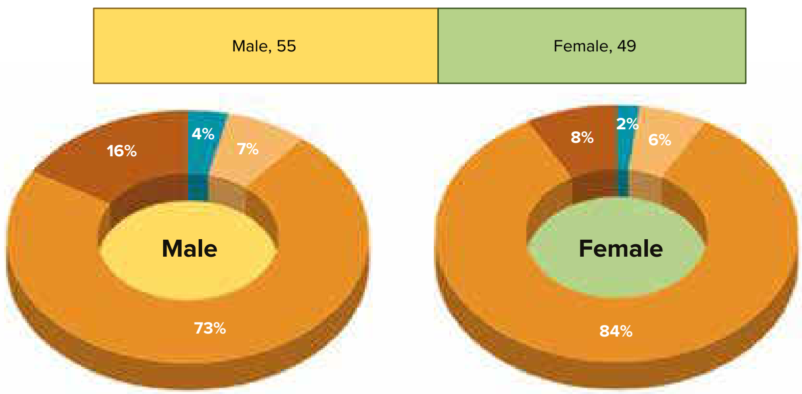
We hired 12 new employees this year and our new hire rate was 12.2%. Of the 12 new hires, the majority (75%) belong to the 30-50 age group. With the resignation of 33 employees, we recorded a turnover rate of 29.5% in this reporting period.

Workplace Diversity

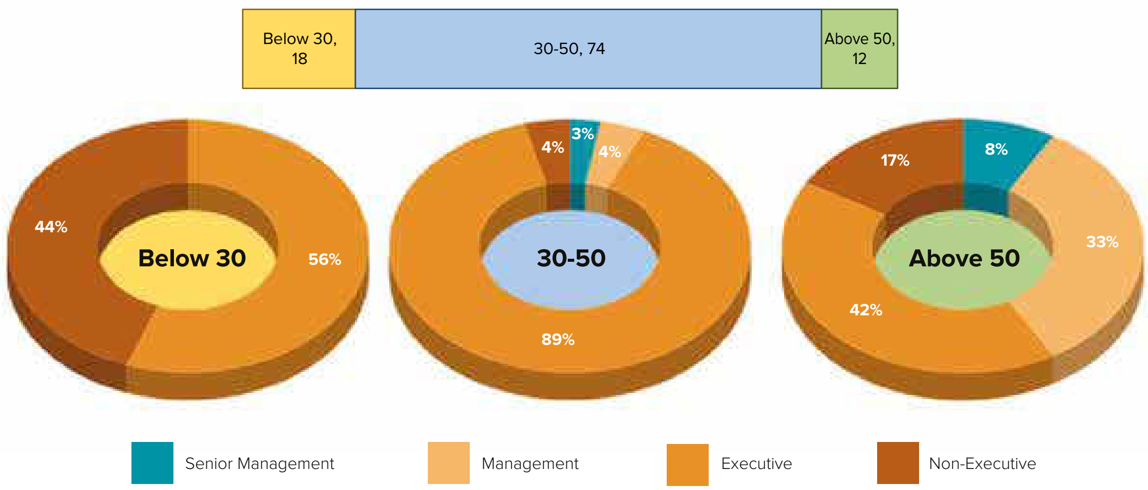
Workplace diversity is crucial in bringing in a broad range of skills, experiences and perspectives to the Group. This, in turn, fosters collaboration among employees and drives innovation. The productivity of employees has also been shown to increase when working in companies that have inclusive cultures.

Currently, women make up 47% of our team and 40% of the Management team. The majority of our staff (71%) lie within the 30-50 age group, with approximately 6% of them holding Management level positions and 89% of them holding Executive level positions. This age group represents talented and experienced professionals capable of driving our business forward.

Employee Distribution by Gender and Employment Category



Employee Distribution by Age and Employment Category



Employee Well-Being

Our employees are our most valuable asset. We provide them with a range of benefits including medical benefits, marriage leave, compassionate leave, parental leave, personal accident and hospitalisation insurance coverage. Those in managerial positions are provided with an insurance package which includes medical check-ups.

In this reporting period, four (4) female employees took parental leave, with 100% of them returning back to work when their leave had completed. Twelve months after their return, they remained under Titijaya's employment.

In the wake of COVID-19 pandemic, we have not organised any social gatherings apart from a small Chinese New Year celebration in February 2021. Prior to the pandemic, we would organise regular activities for our employees to foster a healthy work-balance while creating strong relationships within our team.

Virtual Zumba sessions were arranged to promote indoor exercise and maintaining regular workout during the MCO in April 2021. We look forward to resuming our activities when it is safe to do so.

Training and Development

We recognise that training brings value to both the Group and its employees. The Group benefits from new and updated skillsets while creating higher job satisfaction among employees through increased personal development. Training is provided to employees based on their department and personal needs. Unfortunately, due to the various restrictions caused by the pandemic, the Group was unable to organise any formal training at our project sites in FY2021.

8 DECENT WORK AND ECONOMIC GROWTH

OCCUPATIONAL HEALTH AND SAFETY

Titijaya takes occupational health and safety ("OHS") matters seriously, and strives to actively identify and manage workplace hazards to prevent accidents.

We firmly stand by our Safety and Health Policy Statement, highlighting our commitment to provide a safe and healthy workplace for all our employees, and for those we interact with on our premises. We also strive to continuously improve our OHS performance while providing the necessary competency, knowledge, equipment and avenue for consultation. We undergo annual compliance checks to ensure compliance with all laws and regulations applicable to the Group. Prior to the pandemic, we would conduct routine inspections to identify workplace hazards and recommend actions to mitigate them. We would also conduct regular OHS training but due to the current circumstances, we have not been able to do so in this reporting period.

Our OHS Manual and Procedures provides the framework for managing all safety and health-related issues within our operations, including hazard identification, risk assessment and risk control, the roles and responsibilities of relevant committees, and the emergency preparedness and response procedures to fires, explosions and miscellaneous events.

Responsibility over OHS within the Group ultimately lies with top management, who reviews the need for resources and provides the resources essential to the implementation of an effective management system. Top management is also responsible for appointing a member of the management team to assume the role of Chairman in the Safety and Health Committee ("SHC"), while reporting the performance of the management system to top management and overseeing OHS matters arising from project sites. Apart from the Chairman, the SHC consists of a secretary, employer representatives and employee representatives. The SHC conducts meetings every two (2) months. Any significant outcome is circulated by email and posted on the bulletin board.

Sustainability Statement

(CONTINUED)

As a result of effective implementation of the safety and health measures stated above, we have recorded zero reportable incidents in the year under review.

COVID-19 Pandemic

The pandemic was unprecedented and continues to impact business operations and our employees. To manage the impacts of the pandemic, we have implemented internal standard operating procedures through our Guidance of Workplace Management for COVID-19 which is in line with government recommendations.

We strongly encourage all Titijaya employees to be vaccinated against COVID-19 to protect the health of co-workers in the office and contribute to the national herd immunity effort. As of FY2021, 96% of our staff have achieved 'Fully Vaccinated' status according to the MySejahtera COVID-19 Vaccination Status.

1. Provision of face masks and hand sanitiser
2. Implementation of a health screening record system
3. MySejahtera QR code must be scanned daily
4. Daily cleaning and sanitisation of office area
5. Safety alerts are shared with employees via email
6. Workplace SOP signages are placed in the office

COMMUNITY ENGAGEMENT

At Titijaya, we are cognisant of our responsibility towards the communities in which we operate. As such, we have continued to lend our support, offering financial and non-financial assistance. In the year under review, we have donated RM167,766 to various organisations.

Joachim (fourth left) and Richard (third right) when handing the donation

FSI donates to Beaufort flood victims

KOTA KINABALU: Members of the Federation of Sabah Industries (FSI) last week responded to the Industrial Development Ministry's call to help the flood victims in Beaufort.

"First of all, I personally want to thank Datuk Dr Joachim Gunsalam, the Deputy Chief Minister III cum Minister of Industrial Development for inviting me and FSI to help the Beaufort flood victims," said Richard Lim, president of Federation of Sabah Industries (FSI).

"I would also like to thank the following members of FSI for their generous donation. They are Lim Poh Yit, director of Titijaya Land Berhad, Datuk John Choo, executive chairman of Ken Chong Food Industries Sdn. Bhd; Liaw Hen Kong, managing director of Life Water Industries Sdn Bhd; Sonia Huang, general manager of Kimanis Food Industries Sdn Bhd; and Dr Andrew Sim, sales director of Osuka Sdn Bhd," said Richard.

"We hope that through this meaningful corporate social responsibility program, it will ease the burden of the victims and their family," he said.

Key beneficiaries of our donation drive include the following:

- Beaufort flood victims
- Parent-Teachers Association of Pandamaran Chinese School
- Malaysian Volunteers Corps Department
- Prasarana Malaysia Berhad
- Malaysia Fujian Chamber of Commerce and Industry
- Malaysia World Lin Chamber of Commerce

MOVING FORWARD

The pandemic has brought to light the importance of a resilient business strategy which can be achieved through the lens of sustainability. We have identified new pathways to overcome the challenges we have faced and will continue to embed sustainable strategies into the heart negative operational impacts from the ESG perspective.

Corporate Governance Overview Statement

The Board of Directors ("**Board**") of Titijaya Land Berhad ("**Titijaya**" or "**Company**") recognises the importance of good corporate governance and is committed towards upholding high standards of corporate governance for long-term sustainable business and corporate development, and to continuously protect and enhance shareholders' value.

The Board is pleased to present this Corporate Governance Overview Statement ("**Statement**") to provide shareholders and investors with an overview of the corporate governance practices of the Company under the leadership of the Board during the financial year ended 30 June 2021. This overview summarises the application by the Company of the Principles and Recommendations of the Malaysian Code on Corporate Governance ("**MCCG**").

A detailed explanation of the application of corporate governance practices is reported under the Corporate Governance Report which is available on the Company's website.

The Board is cognisant of the updates on the Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**") issued by the Securities Commission Malaysia with effect on 28 April 2021. MCCG 2021 introduces new practices and additional guidance to strengthen the corporate governance culture of public listed companies. The reporting for adoption and application of new practices will begin for the companies with the financial year ending 31 December 2021. The Board will strive to adopt and apply the new practices of MCCG 2021 and will make disclosures in the Company's Annual Report 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD ROLES AND RESPONSIBILITY

The Board leads the Titijaya Group ("Group") and plays a strategic role in overseeing the Group's corporate objective, directions and long-term business goals. The Board is responsible for oversight and overall management of the Company.

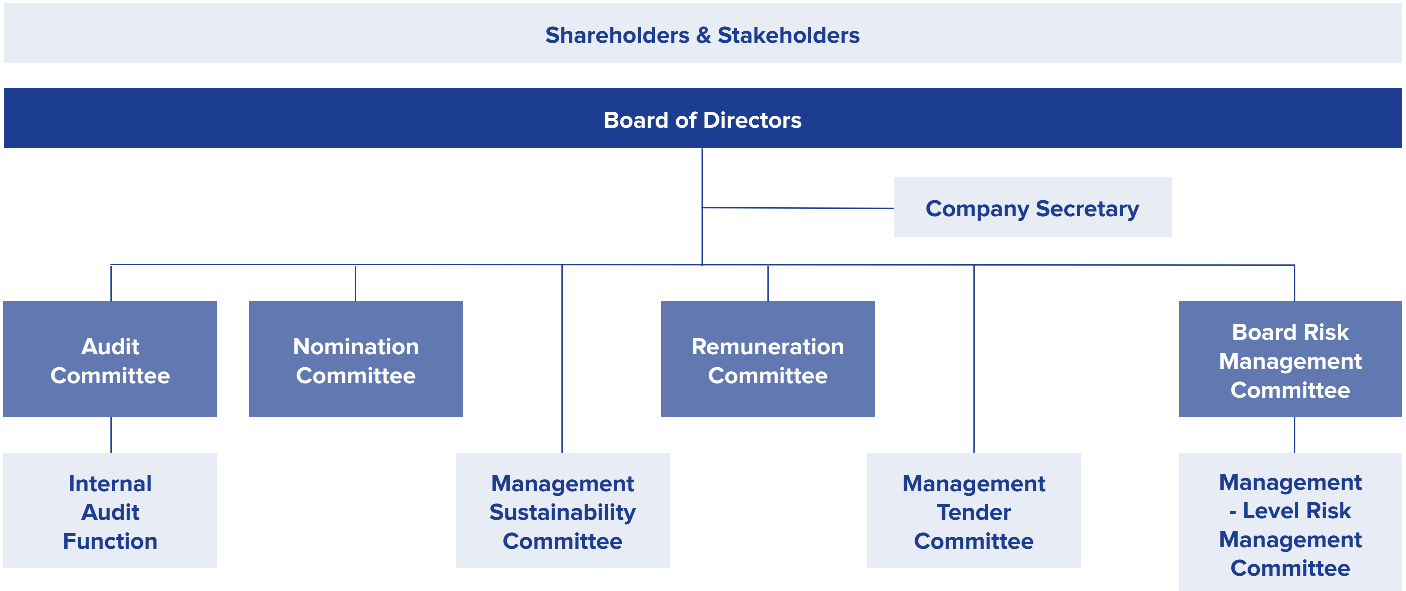
To ensure the effective discharge of its functions and responsibilities, the Board has delegated specific responsibilities to the Audit Committee, Nomination Committee, Remuneration Committee and Board Risk Management Committee. Each of the Committees is entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective written Terms of Reference. The Chairman of the respective Committees shall report the outcome of their meetings to the Board. The minutes of all board committee meetings are circulated to the Board members so that they are kept abreast of proceedings and matters discussed at board committee meetings.

The Board is primarily entrusted with the responsibility of charting the direction of the Group and focuses mainly on strategies, financial performance and critical business issues, including the following areas: -

- Reviewing the Group's strategic action plans particularly promoting sustainability and policies;
- Overseeing the conduct of the Group's business to ensure that it is effectively and efficiently managed;
- Identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks;
- Appointing, training and fixing the compensation of and where appropriate, replacing senior management;
- Succession planning;
- Developing and implementing investor relations programmes and shareholder communications policy for the Company;
- Reviewing the adequacy and the integrity of the Group's system of internal control, risk management framework and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- Responsible for the preparation of the Company's financial statements.

Corporate Governance Overview Statement
(CONTINUED)

The reporting structure of the Company where the power of the Board is delegated to the relevant Board Committees and the Management of the Company, as depicted below:



Independent Non-Executive Directors provide unbiased and independent views in ensuring that the strategies proposed by the Management are fully deliberated and examined objectively, taking into the perspective of the long-term interest of shareholders, other stakeholders and communities at large.

The Executive Directors take on primary responsibility for implementing the Group's business plans and managing the business activities.

Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subjected to the Board's approval. Key matters reserved for the Board's approval includes dividend, related party transactions, new ventures and investment, material acquisition and disposal of assets that are not in the ordinary course of business of the Company.

ROLES OF THE CHAIRMAN AND GROUP MANAGING DIRECTOR

The Board is led by Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) as the Independent Non-Executive Chairman and Mr. Lim Poh Yit as the Group Managing Director of the Company.

The roles of the Chairman and the Group Managing Director are held separately by different individuals and the division of their responsibilities is clearly established, with each having distinct and clearly defined authority and responsibilities. This is to ensure an appropriate balance of roles, responsibilities and accountability at the Board level.

The Chairman plays an important leadership within the Group and is responsible for:

- Setting the agenda for meetings of the Board and focus on strategic direction and performance;
- Maintaining ongoing dialogue and relationship of trust with and between the Directors and Management;
- Ensuring clear and relevant information is provided to Directors in a timely manner; and
- Ensuring sufficient time is allowed for the discussion of complex or critical issues.

The Board delegates the authority and responsibility of managing the day-to-day affairs of the Group to the Group Managing Director, and through him and subject to his oversight, to other Senior Management.

The Board recognises the crucial role and contribution played by Independent Non-Executive Directors. They represent the element of objectivity and independent judgement of the Board. This ensures that there is sufficient check and balance so that no one or any particular group dominates the Board.

COMPANY SECRETARIES

The Board is supported by qualified Company Secretaries in carrying out their roles and responsibilities. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board policies and procedures and compliance with the relevant regulatory requirements, code of guidance and legislations.

The Company Secretary attends and ensures the Board and the Board Committee meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the registered office of the Company. Nevertheless, the Board does not have any agreed procedure for Directors whether as an entire Board or in their individual capacity, in furtherance of their duties to take independent professional advice at the Company's expenses, if necessary. Any need for professional advice normally comes under the purview of the Board who will deliberate on a consensual basis.

BOARD MEETING AND ACCESS TO INFORMATION

To ensure effective conduct of Board meetings, a structured formal agenda and Board meeting papers relating to the agenda including progress reports on operations, quarterly results of the Group and the Company, financial and corporate proposals and minutes of the Board Committees are circulated to all Directors prior to each Board meeting. The Directors are thus given sufficient time to peruse the matters that will be tabled at the Board meetings to enable them to participate in the deliberations of the issues to be raised and make informed decisions.

Where a potential conflict arises in the Group's investments, projects or any transactions involving Director's interest, such Director is required to declare his interest and abstain from further discussion and the decision-making process.

Where necessary, senior management and independent external advisers are invited to attend Board meetings to furnish additional insights and professional views on specific items to be tabled for the Board's consideration.

Minutes of the Board and Board Committee meetings are circulated to Directors for their perusal prior to confirmation of the Minutes at the following Board and Board Committee meetings. The Directors may request further clarification or raise comments on the Minutes prior to confirmation of the Minutes to be tabled at the respective Board Committee meetings as the correct records of the proceedings.

In exercising Directors' duties, the Board has access to all information within the Company, the advices and services of the Company Secretaries and independent professional advice where necessary, at the Company's expense.

TIME COMMITMENT

The Directors are required to allocate sufficient time to the Company to discharge their responsibilities effectively, including adequate time to prepare for Board and Committee meetings and in joining visits to the Group's operational sites either physically or virtually.

Board and Board Committee meetings are scheduled at the onset of the calendar year. An annual corporate calendar with an indication of the key business items for each meeting is circulated to all Directors, to facilitate the Directors' time planning.

Corporate Governance Overview Statement
(CONTINUED)

The Board met five (5) times during the financial year ended 30 June 2021, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions, the business direction of the Group, related party transaction and corporate governance matters. The Board also noted the decisions, recommendations and issues deliberated by the Board Committees through the minutes of these committees.

In the interval between Board meetings, any matter requiring urgent Board decision and/or approvals were sought via circular resolutions which were supported with all the relevant information and explanations required for an informed decision to be made.

The details of attendance of each Director for the financial year ended 30 June 2021 are as follows:-

Name of Directors	Number of Meetings Attended
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	5/5
Dato' Mohd Ibrahim Bin Mohd Nor	5/5
Lim Poh Yit	5/5
Lim Puay Fung	5/5
Chin Kim Chung	5/5
Datuk Seri Ch'ng Toh Eng	5/5
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	5/5
Dato' Faizal Bin Abdullah *(Appointed on 19 April 2021)*	1/1
Tan Sri Dato' Lim Soon Peng *(Retired on 31 March 2021)*	4/4

BOARD CHARTER

The Board Charter provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance.

The Board Charter is made available on the Company's website at www.titijaya.com.my and will be reviewed when necessary to ensure it remains consistent and relevant with the Board's objectives, current law and practices.

CODE OF CONDUCT AND ETHICS, WHISTLEBLOWING POLICY AND ANTI-BRIBERY AND CORRUPTION POLICY

The Board is committed to maintaining and practising ethical values and corporate culture in carrying out its duties, with such practices formalised through the Directors' Code of Conduct and Ethics uploaded on the Company's website at www.titijaya.com.my.

The Group sets high standards of behaviour and applying those values embedded in the Code of Conduct for Employees to build substance in the character, credibility and reputation of the Group that are observable through individual behaviour, individually and collectively as a team and as a company. In serving customers and dealing with supply chain providers, the Group strives to put their interests ahead of other personal interests to uphold the Group's reputation and their confidence with the Group. The Group is committed to provide efficient, effective and excellent products and services in an impartial manner.

The Whistleblowing Policy allows employees, stakeholders, contractors and any individuals to disclose any misconduct or malpractice on a confidential basis so as to allow appropriate remedial action to be taken. The policy is also to reinforce the Group's commitment to its policies and values and to develop a culture of openness, accountability and integrity within the Group. The Anti-Bribery and Corruption Policy has been developed with the purpose of fulfilling the legal and regulatory requirements and sets out the overall position on bribery and corruption in all forms.

An Anti-Bribery and Corruption Policy was implemented to comply with Section 17A - Corporate Liability on the corruption of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). The purpose of the Anti-Bribery and Corruption Policy is to provide information and guidance to the Directors, employees and business associates on standards of behaviour and to uphold their responsibilities to which must be adhered to, recognised, as well as dealing with bribery and corruption.

The Whistleblowing Policy and Anti-Bribery and Corruption Policy can be viewed on the Company's website at www.titijaya.com.my.

STRATEGIES TO PROMOTE SUSTAINABILITY

The Board is mindful of the importance of building a sustainable business and is committed to the promotion of best practice principles in this regard. The Board recognises that enhancing sustainability is a long-term commitment and therefore takes into consideration of the environmental, social and governance impact when developing the corporate strategy.

The Group is committed to provide a safe workplace for its employees with emphasis on best practice in health, safety and environment and conducting its business in a way that is environmentally sound. The Group is also committed to protect the environment through conscientious efforts to ensure pollution levels are kept to a minimum in respect of its construction works. The Group also aims to eliminate all occupational injuries, prevent pollution at its source and optimises the use of natural resources.

BOARD COMPOSITION

The Board consists of eight (8) Directors, comprising three (3) Independent Non-Executive Directors, three (3) Executive Directors and two (2) Non-Independent Non-Executive Directors. This Board composition complies with Paragraph 15.02 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, to be independent. The profiles of the Directors are set out in the Directors' Profile in this Annual Report.

The Board consists of qualified individuals of various range of skills sets, experiences and backgrounds and the size of the Board is such that it facilitates the making of informed and critical decisions for the Group. The Executive Directors have direct responsibilities on the day-to-day business operations and frequently attend management meetings wherein operational details and other issues are discussed and considered.

The presence of Independent Non-Executive Directors provides guidance, independent views, advice and judgement in ensuring that the strategies proposed are discussed and examined. This has ensured a proper check and balance in the Board in order to safeguard the interest of minority shareholders and stakeholders and to ensure that high standards of conduct and integrity are maintained by the Group.

INDEPENDENCE

The Board recognises the importance of independence and objectivity in the decision-making process as advocated in MCCG. The Board is committed to ensure that the Independent Directors are capable to exercise independent judgment and act in the best interest of the Company.

Corporate Governance Overview Statement
(CONTINUED)

The Board via the Nomination Committee conducted an independent assessment of the Independent Directors. The Nomination Committee is satisfied with the results whereby all the Independent Directors fulfilled the criteria of "Independence" as prescribed under the MMLR of Bursa Securities.

TENURE OF INDEPENDENT DIRECTORS

The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) years term, an Independent Director may continue to serve on the Board subject to the said Director's re-designation as a Non-Independent Director.

Datuk Seri Ch'ng Toh Eng was appointed as an Independent Non-Executive Director of the Company on 24 September 2012 and has served on the Board in an independent capacity for a cumulative term of more than nine (9) years.

The Nomination Committee had assessed the independence of Datuk Seri Ch'ng Toh Eng, his ability and commitment towards the Company's objective and was of view that the length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best practice of the Company.

In view thereof, the Board recommended and endorsed the retention of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director of the Company, subject to the shareholders' approval at the forthcoming Ninth AGM of the Company.

GENDER, ETHNICITY AND AGE GROUP DIVERSITY

The Board is cognisant of the gender diversity recommendation promoted by MCCG pertaining to the need to establish a policy formalising the approach to boardroom diversity and to set targets and measures for the adoption of the said recommendation. Presently, there is one (1) existing female Director on the Board of the Company.

The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have a specific policy on setting a target for female candidates in the workforce. The Company does not practice any form of gender, ethnicity and age group bias as all candidates shall be given fair and equal treatment.

The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider candidates based on the candidates' competency, skills set, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company and with due regard for the benefits of diversity on the Board.

NOMINATION COMMITTEE

The Nomination Committee comprises entirely of Non-Executive Directors, majority of whom are Independent Directors. The Independent Director is appointed as Chairman of the Nomination Committee. The Nomination Committee shall meet at least once a year or as and when deemed fit and necessary. The members of the Nomination Committee are as follows: -

Name	Designation	Directorship
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	Chairman	Independent Non-Executive Director
Datuk Seri Ch'ng Toh Eng	Member	Independent Non-Executive Director
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	Member	Non-Independent Non-Executive Director

The Nomination Committee is empowered by the Board to, amongst others, recommend suitable candidates for new appointments to the Board. In making these recommendations, the Nomination Committee considers the required mix of skill sets and experiences the Directors would bring to the Board. Any new nomination received is recommended to the full Board for assessment and endorsement.

The Nomination Committee assesses the effectiveness of the Board and the Committees of the Board annually to ensure that the Board has an appropriate balance of skill set, expertise and core competencies.

The Terms of Reference of the Nomination Committee are published on the Company's website at www.titijaya.com.my.

SELECTION AND APPOINTMENT OF BOARD, BOARD COMMITTEES AND DIRECTORS

New Appointment to the Board

The Nomination Committee is responsible for making recommendations for any new appointment to the Board and its various Board Committees. In making these recommendations, the Nomination Committee considers the required mix of skill set and experience, integrity, competence and time commitment which the Directors should bring to the Board.

All the Board members shall notify the Chairman of the Board prior to the acceptance of new Board appointment(s) in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction.

The Chairman of the Board shall notify the Board members before accepting any new directorships in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The notification should include an indication of the time that will be spent on the new appointment.

The Nomination Committee had considered and recommended the appointment of Dato' Faizal Bin Abdullah as an Executive Director of the Company. The Nomination Committee had reviewed his profile, curriculum vitae, the qualifications and the disclosure of their other directorships and had considered his background, academic qualifications, skill set, experiences, time commitment and competencies prior to his appointment as an Executive Director of the Company.

Re-election of Directors

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting ("**AGM**"). The Constitution also provides that at least one-third (1/3) of the Board Directors is subject to re-election by rotation at each AGM, provided that the Directors including the Managing Director shall retire at least once in every three (3) years but shall be eligible for re-election.

The Constitution further provide that all Directors who are appointed during the financial year are subject to retirement and re-election by the shareholders at the AGM following their appointment.

At the upcoming Ninth AGM, Ms. Lim Puay Fung, Datuk Seri Ch'ng Toh Eng and Mr. Chin Kim Chung will retire by rotation pursuant to Clause 122 of the Company's Constitution and being eligible, have offered themselves for re-election.

In accordance with Clause 121 of the Company's Constitution, Dato' Faizal Bin Abdullah will retire from the Board at the forthcoming AGM and being eligible, offer himself for re-election.

Corporate Governance Overview Statement
(CONTINUED)

Annual Assessment

The Nomination Committee has a formal assessment mechanism to assess the effectiveness of the Board as a whole and the contribution of each individual Director.

The Board through its Nomination Committee conducts an annual review of its size and composition to determine if the Board has the right size and sufficient diversity with independent elements that fit the Company's objectives and strategic goals.

During the financial year ended 30 June 2021, the Nomination Committee held one (1) meeting with full attendance of all its members, to deliberate the following matters: -

- For Directors who would be retiring by rotation at the forthcoming AGM, reviewed their suitability for re-election for the Board's consideration;
- Reviewed the independence, experience and skill set of the recommended candidate and put forth to the Board on the appointment of the same for the position as Director of the Company;
- Conducted the annual assessment on the effectiveness of the Board as a whole and the Board Committees and contribution and performance of each individual Director;
- Reviewed and assessed the effectiveness of the Audit Committee and its composition to ensure their duties have been carried out according to its Terms of Reference; and
- Assessment of the independence of Independent Directors.

Re-designation as Group Managing Director

Following the retirement of Tan Sri Dato' Lim Soon Peng as the Group Managing Director of the Company on 31 March 2021, the Nomination Committee had reviewed the recommended re-designation of Mr. Lim Poh Yit from Deputy Group Managing Director to Group Managing Director and put forth the same to the Board for approval.

Based on the results of the annual assessment, the Nomination Committee has made the following observations: -

- the current size and composition of the Board is appropriate and well-balanced with the right mix of skill set with the Board composition comprising individuals of high caliber, credibility and with necessary skill set and qualifications to enable the Board to discharge its responsibility effectively.
- all Board Committees members have discharged their duties with care and diligence according to the respective Terms of Reference.

The Board is mindful of the recommendation of the MCCG that the Board must comprise at least half of independent directors. The Board will continuously identify potential candidates who are independent to be interviewed to fulfil the requirements of MCCG.

TRAINING

The Board acknowledges that continuous education is essential for the Directors to further enhance their skills and knowledge. The Board shall ensure compliance with the Mandatory Accreditation Programme as required by Bursa Securities for the newly appointed Directors.

Newly appointed Directors are invited to attend an in-house orientation programme which is usually conducted after their effective appointment date.

Training is available to all Directors on an ongoing basis and the training needs of Directors would be assessed and proposed by the individual Directors. Each Director determines the areas of training that he or she may require for personal development as a Director or as a member of a Board Committee.

During the financial year under review, the Directors have attended appropriate training programs conducted by external experts to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast of marketplace developments. The training programs that the Directors had attended are as follows: -

Name of Directors	Training / Courses Attended
Chin Kim Chung	• ISQM 2 Engagement Quality Reviews • MIA Virtual Conference Series: Capital Market Conference 2021 • Malaysia Insolvency Conference 2021 • National Tax Conference 2020 • National Tax Conference 2021 • ISRS 4400 (Revised), Agreed-Upon Procedures Engagement • ISA 540 (Revised) Auditing Accounting Estimates and related Disclosures • Impairment of Assets & Financial Assets in accordance with MFRS 136 & MFRS 9 • 2021 Budget Seminar
Lim Poh Yit	• Certified Data Centre Professional
Lim Puay Fung	• COVID-19 Act : Impact on Housing Development
Dato' Mohd Ibrahim Bin Mohd Nor	• MIA Webinar Series: Pre&Post IPO rules and key updates to Listing Requirements • Implementing amendments in the Malaysian Code on Corporate Governance

Dato' Faizal Bin Abdullah was appointed as an Executive Director of the Company on 19 April 2021 and has attended the Mandatory Accreditation Programmed prior to his appointment to the Board.

Although Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired), Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir and Datuk Seri Ch'ng Toh Eng were not able to attend a structured training programme during the financial year under review due to their personal exigencies, they continued to gain updates through the briefings by the Company Secretaries, Internal and External Auditors during the quarterly meetings as well as communications with other Directors as well as the daily work exposures.

During the financial year under review, the Company Secretaries had regularly updated and notified the Board on the invitations for trainings / seminars organised by Bursa Securities, Securities Commission Malaysia and any other relevant bodies and changes to the laws and regulations.

Corporate Governance Overview Statement
(CONTINUED)

REMUNERATION POLICIES

Remuneration Committee

The Remuneration Committee comprises one (1) Independent Non-Executive Director, one (1) Non-Independent Non-Executive Director and one (1) Executive Director. The members of the Remuneration Committee are as follows: -

Name	Designation	Directorship
Datuk Seri Ch'ng Toh Eng	Chairman	Independent Non-Executive Director
Chin Kim Chung	Member	Non-Independent Non-Executive Director
Lim Poh Yit *(Appointed on 30 June 2021)*	Member	Group Managing Director

The Board is aware of the recommendation of MCCG that the Remuneration Committee should only consist of Non-Executive Directors and a majority of them must be Independent Directors.

The Board will review the composition of the Remuneration Committee to be in line with MCCG.

The Terms of Reference of the Remuneration Committee is available on the Company's website at www.titijaya.com.my.

Directors' Remuneration

The Board has instituted a set of policies and procedures to govern the remuneration of Directors and Senior Management. The policies and procedures serve as guidelines for the Board in remunerating Directors and Senior Management with a view to attract, retain and motivate talented and high calibre individuals. The Remuneration Policy of Directors and Senior Management is available for reference at the Company's website at www.titijaya.com.my.

The remuneration of the Executive Directors is structured to link rewards to corporate and individual performance in order to attract, retain and motivate the Executive Directors to manage the Group successfully. For the Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned. Non-Executive Directors will be paid based on fixed fees commensurate with their responsibilities in the Board and Board Committees.

The Directors abstain from participating in a discussion concerning their own remuneration and play no part in determining their own remuneration.

During the financial year ended 30 June 2021, the Remuneration Committee met one (1) time with full attendance of all its members, to deliberate the following matters prior to making recommendations to the Board for approval: -

- Reviewed the proposed bonus payment for the Executive Directors;
- Reviewed the proposed bonus payment for employees of the Group; and
- Reviewed the Benchmarking Study of the Levels of Remuneration for Executive Directors of Listed Issuers.

The details of the aggregate remuneration (including benefits-in-kind) of the Directors of the Company and Group who served during the financial year ended 30 June 2021 are as follows:

Received from the Company

	Salaries, Bonus and Other Emoluments (RM)	Allowance (RM)	Fees (RM)	Total (RM)
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	-	14,000	49,000	63,000
Lim Poh Yit	-	-	29,680	29,680
Lim Puay Fung	-	-	28,980	28,980
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	10,000	28,980	38,980
Chin Kim Chung	-	14,000	40,950	54,950
Datuk Seri Ch'ng Toh Eng	-	14,500	32,900	47,400
Dato' Mohd Ibrahim Bin Mohd Nor	-	13,500	32,200	45,700
Dato' Faizal Bin Abdullah *(Appointed on 19 April 2021)*	-	-	7,245	7,245
Tan Sri Dato' Lim Soon Peng *(Retired on 31 March 2021)*	-	-	21,735	21,735

Corporate Governance Overview Statement
(CONTINUED)

Received on Group Basis

	Salaries, Bonus and Other Emoluments (RM)	Allowance (RM)	Fees (RM)	Total (RM)
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	-	14,000	49,000	63,000
Lim Poh Yit	685,056	-	29,680	714,736
Lim Puay Fung	547,711	-	28,980	576,691
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	10,000	28,980	38,980
Chin Kim Chung	-	14,000	40,950	54,950
Datuk Seri Ch'ng Toh Eng	-	14,500	32,900	47,400
Dato' Mohd Ibrahim Bin Mohd Nor	-	13,500	32,200	45,700
Dato' Faizal Bin Abdullah *(Appointed on 19 April 2021)*	87,031	-	7,245	94,276
Tan Sri Dato' Lim Soon Peng *(Retired on 31 March 2021)*	718,690	-	21,735	740,425

The Directors' fees had been reduced to RM271,670 in the financial year ended 30 June 2020 (30% reduction) when compared to the amount of RM388,100 approved at the Seventh AGM held on 28 November 2019.

At the Eighth AGM held on 26 November 2020, the amount of up to RM271,670 comprising the Directors' fees for the financial year ended 30 June 2020, was duly approved by the shareholders.

For the financial year ended 30 June 2021, the Directors offered a 30% reduction in their fees as that of previous financial year ended 30 June 2020, upon taking into consideration the current economic situation and performance of the Company.

The remuneration of the top 4 Senior Management in each remuneration band for the financial year ended 30 June 2021 is as follows: -

Remuneration Bands (RM)	Number of Senior Management (Excluding Executive Directors)
100,001 – 200,000	1
200,001 – 300,000	2
300,001 – 400,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The role of the Audit Committee in relation to the External Auditors is set out in the Audit Committee Report of this Annual Report. The Company has always maintained a formal and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the applicable accounting standards in Malaysia.

The Board regards the members of the Audit Committee collectively possess the accounting and related financial management expertise and experience required for Audit Committee to discharge its responsibilities and assist the Board in its oversight over the financial reporting process.

COOLING PERIOD OF A FORMER KEY AUDIT PARTNER

The Board has approved a policy requiring a former key audit partner to undergo a cooling-off period of two (2) years in the event the Board wishes to onboard such a person to be part of the Audit Committee. This policy has been incorporated in the Audit Committee's Terms of Reference. None of the members of the Board was a former key audit partner and currently the Board has no intention to appoint any former key audit partner as a member of the Board.

RELATIONSHIP WITH AUDITORS

The External Auditors are regularly invited to attend the Audit Committee meetings for discussion on their audit plan, audit findings and the financial statements of the Company. At least one of these meetings is held with the External Auditors without the presence of the management. The Audit Committee also meets with the External Auditors additionally whenever it deems necessary. In addition, the External Auditors attend the Annual General Meeting of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of the Annual Report.

ASSESSMENT ON THE SUITABILITY, OBJECTIVITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Audit Committee considers the reappointment, remuneration and terms of engagement of the External Auditors annually. The review procedures entail the use of the prescribed External Auditors Evaluation Form, with emphasis of evaluation on the independence and service level of the External Auditors, which amongst others, include reviewing the External Auditors' performance and quality of work, ability to meet deadlines, timeliness of service deliverables and non-audit services provided.

The Audit Committee met with the External Directors without the presence of Executive Directors and Management to enquire on any extraordinary matters or confidential comments that necessitated the Audit Committee's attention.

Having regard to the outcome of its assessment, the Audit Committee is satisfied with the independence of Baker Tilly Monteiro Heng PLT ("**Baker Tilly**") as the External Auditors of the Company and also on their audit and non-audit fees services rendered by Baker Tilly and its affiliates for the financial year ended 30 June 2021. The Board will recommend for shareholders' approval during the AGM the re-appointment of Baker Tilly as the External Auditors.

COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board is committed to providing a balanced, clear and understandable assessment of the financial position, performance and prospects of the Group in the disclosures made to the shareholders and the regulatory authorities.

The Board takes responsibility to ensure that the financial statements of the Company present a balanced and meaningful assessment of the Group's position and prospects and to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable accounting standards in Malaysia.

Corporate Governance Overview Statement
(CONTINUED)

The Board, assisted by the Audit Committee, oversees the Group's financial reporting process and the information for disclosure to ensure accuracy, adequacy and completeness.

The composition of Audit Committee, their responsibilities and main works carried out for the financial year ended 30 June 2021 are set out in the Audit Committee Report of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

RISK MANAGEMENT FRAMEWORK

The Board fulfils its responsibilities in the risk governance and oversight functions through its Board Risk Management Committee who reviews the effectiveness of risk management framework and manages the overall risk exposure to the Group. The Board Risk Management Committee is responsible for assisting the Board in overseeing the risk management matters in line with the step-up practice set out in the MCCG.

The Board Risk Management Committee assesses and monitors the efficacy of the risk management controls and measures taken, whilst the adequacy and effectiveness of the internal controls are reviewed by the Audit Committee through the work performed internal audit function for the Group.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent external professional services firm, to assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

The internal audit function has prepared a risk-based internal audit plan and incorporated a holistic schedule of assignments to provide independent assurance on the system of risk management and safeguarding of the Group's assets. Scheduled internal audits are carried out by the Internal Auditors based on the audit plan presented to and approved by the Audit Committee.

During the financial year ended 30 June 2021, internal audit reviews were carried out and the findings of the reviews, including the recommended management action plans were presented directly to the Audit Committee. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The information on the Group's risk management and internal control is presented in the Statement of Risk Management and Internal Control of this Annual Report.

PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

Corporate Disclosure Policy

The Company recognises the value of transparent, consistent and coherent communications with the investing community consistent with commercial confidentiality and regulatory considerations.

The Company is committed to ensure that communications to the investing public regarding the business, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

The Company is guided by the Corporate Disclosure Guide issued by Bursa Securities with the consultation of the Company Secretaries, advisers and/or other service providers.

The Company's website incorporates an Investor Relations section which provides all relevant information of the Company and is accessible to the public. The Investor Relations section enhances the Investor Relations function by including all announcements made by the Company.

Leverage on Information Technology for Effective Dissemination of Information

The Board has established a dedicated section for corporate information on the Company's website where information on the Company announcements, financial information and stock information can be accessed.

CONDUCT OF ANNUAL GENERAL MEETINGS

Encourage Shareholder Participation at General Meeting

The Board and Management convey information about the Company's performance, corporate strategy and other matters affecting shareholders and investors through timely dissemination of information which including distribution of annual reports and relevant circulars and issuance of press releases. Enquiries by shareholders are dealt with promptly as practicable as possible.

Annual General Meeting

The AGM is the principal forum for dialogue with shareholders. Notice of the AGM and a guide to view and download the annual report are sent out to shareholders at least 28 days before the date of the meeting. A printed copy of the annual report will be provided upon request. At the meeting, Management makes a presentation on the year's financial results and business activities.

At the AGM, the Board encourages shareholders to participate in the question-and-answer session whereby the Directors are available to discuss the aspects of the Group's performance and its business activities. The Chairman responds to shareholders' questions during the meeting.

An explanatory statement to facilitate full understanding and evaluation of the issues involved will accompany items of special business included in the notice of the meeting.

Due to the COVID-19 pandemic and the enforcement of the Movement Control Order in Malaysia, the Company had conducted its first fully virtual AGM during the Eighth AGM held on 26 November 2020. As advised by the Securities Commission of Malaysia, only essential individuals were physically present at the broadcast venue while the Senior Management, External Auditors and shareholders participated the meeting remotely.

Poll Voting

Pursuant to the MMLR, any resolution set out in the notice of any general meeting, or in any notice of resolution which may be properly moved and is intended to be moved at any general meeting, is voted by poll.

The Eight AGM of the Company held on 26 November 2020 was conducted electronically in its entirety via Remote Participation and Voting in accordance with the directives of the Ministry of Health, the General Standard Operating Procedures on Event Implementation of Government and Private Institutions issued by the National Security Council, as well as the Guidance Notes on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.

Corporate Governance Overview Statement
(CONTINUED)

The Company had conducted its voting on all resolutions by poll at its Eighth AGM held on 26 November 2020. Similarly, the poll voting at the forthcoming AGM will also be conducted through a remote electronic voting system. An independent scrutineer will be appointed to validate the poll results and the decision of each resolution, including the votes for and against the resolution, will be made known at the meeting and the outcome is announced via Bursa Link on the same meeting day.

Effective Communication and Proactive Engagement

The Board believes that a constructive and effective relationship with all investors is essential in enhancing shareholder value and recognises the importance of timely dissemination of information to the investor community and shareholders.

During the last AGM, the Group Chief Financial Officer presented an overview and explained the operational and financial performance of the Group, its corporate strategies, trends and the outlook for the future. Shareholders present at the meeting had the opportunity to enquire on the Group's performance and operations and were invited to ask questions during the question-and-answer session.

Further, apart from announcements and public statements required by Bursa Securities, the Company issues press releases and conducts media and analysts briefings in conjunction with the release of the Group's quarterly and annual financial results announcements as deemed fit.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is fully committed in ensuring good governance practices and compliance with regulatory requirements under the MCCG and relevant rules and regulations.

Moving forward, the Group will look towards enhancing the Group's supporting business information systems platforms and putting in place appropriate cybersecurity risk strategies to safeguard the Group's information assets and technology infrastructure from any security breaches. Further, the Group will continue to intensify its efforts encompassing areas such as risk management as well as anti-bribery and corruption compliance throughout the Group.

CONCLUSION

The Board is satisfied that for the financial year ended 30 June 2021, the Company has applied substantially the practices encapsulated in the MCCG, except for those departures highlighted in the CG Report. The CG Report is available on the Company's website at www.titijaya.com.my.

As the corporate governance landscape continues to evolve and with the introduction of new best practices and further guidance under the updated MCCG 2021 issued by the Securities Commission Malaysia in April 2021, the Board will continue to operationalise and enhance the Company's existing corporate governance framework, policies and practices and instill a risk and governance awareness culture and mindset throughout the Group in the best interest of all stakeholders.

This CG Overview Statement together with the CG Report was presented and approved by the Board on 14 October 2021.

Audit Committee Report

COMPOSITION

CHAIRMAN

Dato' Mohd Ibrahim Bin Mohd Nor
(Independent Non-Executive Director)

MEMBERS

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)
(Independent Non-Executive Director)

Datuk Seri Ch'ng Toh Eng
(Independent Non-Executive Director)

Chin Kim Chung
(Non-Independent Non-Executive Director)

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee set out the composition, proceedings of the meeting, authority, roles and responsibilities of the Audit Committee, are available on the Company's corporate website at www.titijaya.com.my.

MEETINGS

Five (5) Audit Committee Meetings were held during the financial year ended 30 June 2021. The details of attendance of each member are as follows: -

Name of Member	Meeting Dates					
	27.08.2020	15.10.2020	26.11.2020	25.02.2021	27.05.2021	Total
Dato' Mohd Ibrahim Bin Mohd Nor	✓	✓	✓	✓	✓	5/5
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	✓	✓	✓	✓	✓	5/5
Datuk Seri Ch'ng Toh Eng	✓	✓	✓	✓	✓	5/5
Chin Kim Chung	✓	✓	✓	✓	✓	5/5

The Group Chief Financial Officer was invited to all Audit Committee meetings to facilitate direct communications and to provide clarification on financial reports. Minutes of each meeting were recorded and tabled for confirmation at the next Audit Committee meeting and subsequently presented to the Board for notation.

Dato' Mohd Ibrahim, the Chairman of the Audit Committee briefed the Board on matters of significant concern discussed during the Audit Committee Meeting held prior to the Board Meeting. The applicable recommendations of the Audit Committee were presented by the Audit Committee's Chairman at subsequent Board Meeting for the Board's approval.

Audit Committee Report
(CONTINUED)

SUMMARY OF THE WORK OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR

The work undertaken by the Audit Committee in the discharge of its functions and duties for the financial year ended ("**FYE**") 30 June 2021 and up to the date to this report is summarised as follows: -

A. FINANCIAL REPORTING

(i) FYE 30 June 2020

(a) On 27 August 2020, the Audit Committee reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2020 at its meeting, prior to deliberation and approval by the Board.

(b) The Audit Committee at its meeting held on 15 October 2020, reviewed the Audited Financial Statements of the Group and Company for FYE 30 June 2020, and recommended the same for the Board's approval.

(ii) FYE 30 June 2021

(a) The Audit Committee reviewed the unaudited first, second, and third quarterly financial results for the respective periods ended 30 September 2020, 31 December 2020 and 31 March 2021 at the meetings held on 26 November 2020, 25 February 2021 and 27 May 2021 respectively.

(b) The Audit Committee at its meeting held on 22 September 2021, reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2021 to the Board for approval.

(c) On 14 October 2021, the Audit Committee reviewed the Audited Financial Statements of the Group and Company for FYE 30 June 2021 at its meeting and recommended the same to the Board for approval.

The Audit Committee carried out the review of the quarterly results and annual financial statements to ensure that they were prepared in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

B. EXTERNAL AUDIT

(i) FYE 30 June 2021

(a) On 27 May 2021, the Audit Committee reviewed the Audit Plan for FYE 30 June 2021 prepared by the External Auditor, Baker Tilly Monteiro Heng PLT ("**BTMH**"), outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override, and the new and revised auditors reporting standards.

(b) On 27 May 2021, BTMH confirmed that they would continuously comply with the relevant ethical requirements regarding independence with respect to the audit of the financial statements of the Company and Group for FYE 30 June 2021 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

(c) On 27 May 2021, the Audit Committee discussed with BTMH the scope of work, key areas of audit emphasis, audit approach, and audit timetable before the commencement of the annual statutory audit for FYE 30 June 2021.

During the meeting, the Audit Committee was briefed on the COVID-19 Outbreak – Audit and Financial Reporting Consideration. In this connection, the Group and the Company were to assess the potential impact to the financial statements which includes, but not limited to the following areas:

- Appropriateness of going concern in the preparation of financial statements in accordance with MFRS 101 *Presentation of Financial Statements*.
- Impairment indication and test on non-financial assets in accordance with MFRS 136 *Impairment of Assets*.
- Changes in fair value of investment properties in accordance with MFRS 140 *Investment Properties*.
- Updating revaluation of assets in accordance with MFRS 116 *Property, Plant and Equipment*.
- Inventories costing and valuation in accordance with MFRS 102 *Inventories*.
- Changes in expected credit losses on financial assets in accordance with MFRS 9 *Financial Instruments*.

(d) The Audit Committee had two (2) private sessions with BTMH without the presence of Management staff and the Executive Board members on 27 May 2021 and 22 September 2021. BTMH did not highlight any private issues to be brought to the Audit Committee's attention.

(e) On 22 September 2021, the Audit Committee deliberated on the Audit Review Memorandum with BTMH at its meeting with regards to the significant accounting and audit issues arising from the statutory audit of the Group and the Company for FYE 30 June 2021.

(f) During the presentation of the Audit Review Memorandum, the internal control weaknesses identified by BTMH during their course of audit of the Group together with the Management's comments, were highlighted for the Audit Committee's attention.

(g) On 14 October 2021, the Audit Committee reviewed the Audited Financial Statements of the Company and the Group for FYE 30 June 2021, the issues arising from the audit, their resolutions and the Independent Auditors' Report prepared by the External Auditors prior to recommending to the Board for approval. In the review of the Audited Financial Statements, the Audit Committee discussed with the Management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements as well as issues and reservations arising from the statutory audit.

The Audit Committee reviewed the performance of BTMH, their independence and objectivity, their ability to serve the Group in terms of technical competencies and manpower resource sufficiency, as well as the reasonableness of their audit fees and non-audit fees. Having been satisfied with the independence, suitability, and performance of BTMH, the Audit Committee recommended to the Board the re-appointment of BTMH as External Auditors of the Company at the forthcoming Ninth AGM of the Company.

C. INTERNAL AUDIT

(a) Reviewed the Internal Audit Strategy Document of the internal audit function presented by the Internal Auditors to ensure adequate scope and comprehensive coverage of the activities of the Group.

(b) Considered the findings of internal audit and the Management's responses thereon and where relevant, recommended appropriate actions.

(c) Noted the management corrective actions on outstanding internal audit issues and follow-up actions to be taken by either the Internal Auditors or the Management to ensure the key risks and control lapses have been addressed and rectified accordingly.

During the financial year under review, the Internal Auditors had conducted the audit activities as per the approved audit plan and presented their Internal Audit reports on 26 November 2020, 25 February 2021, 27 May 2021 and 22 September 2021 respectively to the Audit Committee.

The areas covered by the Internal Audit included the assessment of internal control implemented by Management in managing risks associated with the operating processes as listed below: -

- Customer Booking Process
- Collection Process
- Outsourced Sales Agent Management
- Project Management
- Financial Management

Summary reports which provided status updates of the implementation of management action plans on the findings reported in the Internal Audit reports for all the previous audit cycles were presented to the Audit Committee.

D. RELATED PARTY TRANSACTIONS

(a) Reviewed the quarterly report on recurrent related party transactions for compliance with both the Group procedures and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(b) Reviewed the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature prior to its approval by the Board.

Audit Committee Report
(CONTINUED)

E. OTHER MATTERS

(a) Reviewed the Statement to Shareholders in relation to the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company, prior to the submission to the Board for approval.

(b) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control, prior to submission to the Board for consideration and inclusion in the Annual Report of the Company.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent external professional services firm, Tricor Axcelasia Sdn. Bhd., which reports directly to the Audit Committee.

The Audit Committee has full access to the outsourced Internal Auditors and reports on all internal audits performed. The main role of the internal audit function is to carry out independent assessments of the adequacy and effectiveness of the Group's internal control systems in anticipation of any potential risk areas within key business processes of the Group.

During the financial year ended 30 June 2021, internal audit reviews were carried out in accordance with the approved internal audit plan. The internal audit planning and execution were carried out with reference to an international recognised framework, which is the International Professional Practices Framework ('IPPF') issued by the Internal Auditors ('IIA') Inc. Representatives from the outsourced Internal Auditors led the role of the internal audit functions of the Group (referred to as the "**IA Team**") and conducted its internal audit visits based on the approved Internal Audit Plan ("**IA Plan**"). Any significant changes to the IA Plan will be referred to the Audit Committee for approval prior to the commencement of the internal audit.

In developing the IA Plan, the IA team will:

- perform a risk assessment through review of documents, interviews with key management personnel and representatives from the Audit Committee to identify and highlight risks and concerns of Management and members of the Audit Committee.
- identify auditable areas and the risk significance of such auditable areas.
- develop an audit plan focusing on compliance, efficiency and effectiveness.

For each internal audit visit, the IA Team will perform the following and provide Management with periodic progress updates as and when requested, and meet with Management at the conclusion of each visit to review the results: -

- understand the process, key performance indicators, risks involved and controls in place through interviews with various personnel, observations and review of Management reports and other documents such as corporate policies, procedures and guidelines before summarising key process risks and control design.
- evaluate control design effectiveness and discuss observations with the Management.
- develop control testing programmes.
- conduct testing programs, analyse root causes of findings and identify improvement opportunities.
- discuss issues and improvement opportunities with process owners.
- summarise issues and recommend action plans.

The total costs incurred for the internal audit function of the Group during the financial year ended 30 June 2021 amounted to **RM92,609** (FYE 2020: RM94,560), inclusive of service tax and disbursements.

Statement on Risk Management and Internal Control

INTRODUCTION

This Statement on Risk Management and Internal Control by the Board of Directors ("**Board**") on the Group is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Malaysian Code on Corporate Governance ("**MCCG**").

This Statement outlines the nature and scope of risk management and internal control of the Group during the financial year ended 30 June 2021. It covers all of the Group's operations except for associate companies as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board recognises and affirms its overall responsibility in maintaining a risk management framework and internal control systems as well as to review the adequacy and integrity of the system. The risk management and internal control system covers financial, operational, management information systems, organisational and compliance controls. In view of the inherent limitations in any internal control system, internal controls and risks management are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Accordingly, it should be noted that these processes can only provide reasonable but not absolute assurance against material misstatement or loss.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The process has been in place during the year up to the date of approval of the annual report and is subject to review by the Board.

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Board fully endorses Practices 9.1 and 9.2 of the MCCG, which call for the establishment of an effective risk management and internal control framework and the disclosure thereof.

The Board is assisted by the Board Risk Management Committee ("**BRMC**") in evaluating, assessing and reviewing the adequacy of the Group's system of risk management.

The BRMC comprises three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Executive Director. The composition of the BRMC is as follows:

CHAIRMAN

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)
(Independent Non-Executive Director)

MEMBERS

Dato' Mohd Ibrahim Bin Mohd Nor
(Independent Non-Executive Director)

Datuk Seri Ch'ng Toh Eng
(Independent Non-Executive Director)

Chin Kim Chung
(Non-Independent Non-Executive Director)

Lim Poh Yit
(Redesignated as Group Managing Director on 31 March 2021)

The oversight role of risk management is carried out by the Board and BRMC. Mandate and commitment from the Board and BRMC are key contributors to the success factors in implementing enterprise risk management programmes. The Board and BRMC set the strict direction for risk roles, responsibilities and risk reporting structures.

The BRMC is assisted by a Management-level Risk Management Committee ("**MRMC**"), which consists of the Group Managing Director, risk managers and respective heads of department. The periodic reporting to both the Board and BRMC on the risk management activities undertaken by the MRMC, keeps the Board and BRMC apprised and advised of all aspects of the enterprise risk management and significant risks and risk trends.

Detailed Risk Registers are used to capture the identified key risks and controls information. The identified key risks and controls are assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence. Risk profiles for the major departments are presented to the BRMC for deliberation and approval for adoption.

The Board adopted the enhanced Enterprise Risk Management ("**ERM**") Framework. The ERM Framework has been enhanced with the Group's risk profiles being updated and action plans formulated focusing on principal business risks. It also identified the ERM reporting structure and frequency of reporting, the

Statement on Risk Management and Internal Control
(CONTINUED)

responsibilities of the Board Committees for ERM and the key elements of the risk assessment process. In the previous financial year, the Board had approved the revised ERM reporting structure to include the identity of the responsible personnel in the ERM reporting structure. The current ERM reporting structure is as follows:-

ERM PROCESS AND GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

↑

BOARD RISK MANAGEMENT COMMITTEE

Responsibilities	:	Governing overall risk oversight responsibility including defining the appropriate governance structure and risk appetite.
Process	:	Articulates and provides direction on risk appetite, organisational control environment and risk culture.

↑

MANAGEMENT-LEVEL RISK MANAGEMENT COMMITTEE

Responsibilities	:	Oversees the operationalisation of risk management strategies as well as frameworks and policies.
Process	:	Monitors the consistent enforcement of ERM policy, reviews and endorses risk parameter, risk appetite, risk profile and treatment options and risk action plans.

↑

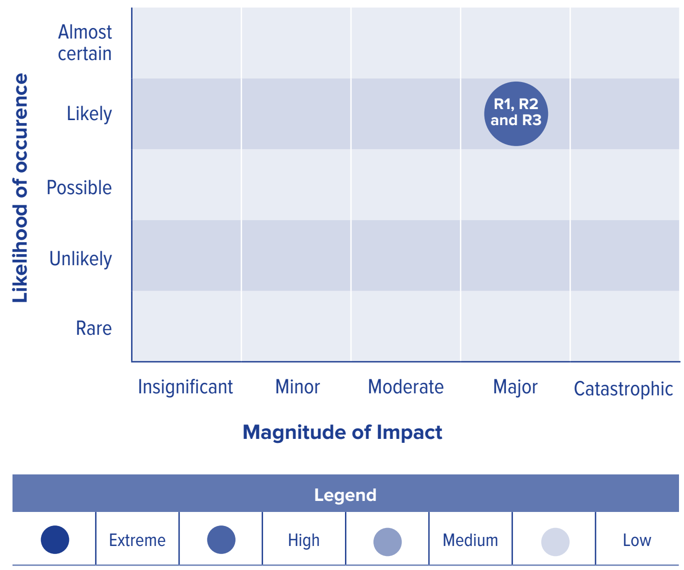
SUB-COMMITTEE & STAFFS

Responsibilities	:	Manage day-to-day risk inherent in business activities as guided by the established risk strategies, frameworks and policies.
Process	:	Identification and assessment of risk, implementation and monitoring of risk action plans.

The ERM processes are undertaken three times a year to assess and evaluate risks that may impede the Group from achieving its strategic and operational objectives, as well as developing action plans to mitigate such risks.

During the financial year under review, the result of the risk updates was deliberated on causes, existing controls, impact and action plans to address the top risk of the organisation at the BRMC meetings. The updated risk profile was used as one of the basis to develop a risk-based internal audit plan for the financial year ended 30 June 2021, which was approved by the BRMC. Results of the risk review were then reported to the Board for endorsement and approval.

Identified key risks of the group were assessed and recorded in the risk profile for continuous monitoring (see table below). Being in the property and project development businesses, it is inherent that the group is facing key risks such as project progress challenges, increasing cost of construction, liquidity and sales.



The Board and the Management have formulated strategy and plans to address the following key risks, among others are:

Risk	Specific Risk	Management Strategy
R1	Liquidity	• Close monitoring on business operation pertaining to the cash flow issues. • Close monitoring on the receivables ageing report
R2	Project Progress Challenges	• Close monitoring on the progress report and contractor performance • Client-consultant meeting and site meeting with contractor to discuss progress and resolve issues faced
R3	Sales	• To ensure marketing strategy, including right people, product, pricing and marketing channels, effectiveness and efficiency to ride through the volatility market challenge

INTERNAL CONTROL

The Board acknowledges that the internal control systems are designed to identify, evaluate, monitor and manage the risks that may hinder the Group from achieving its goals and objectives.

The Group's internal control system consists of various components such as control environment, risk assessment, control activities, information, communication and monitoring. These will facilitate an effective and efficient operation by responding appropriately to significant business, operational, financial, compliance and other risks in achieving the Group's corporate and strategic objectives.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm, Tricor Axcelasia Sdn. Bhd., which assists both the Board and Audit Committee by conducting independent assessments of the adequacy and operating effectiveness of the Group's internal control system. The internal audit function reports directly to the Audit Committee to ensure independence from Management.

The outsourced internal audit function is led by the Executive Director of the outsourced service provider. He is a professional member of the Institute of Internal Auditors Malaysia and possesses the professional qualifications of Certified Internal Auditor; Certification in Risk Management Assurance; and other relevant professional qualifications. The internal audit function is supported by a team of internal auditors who have relevant work experiences.

The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the major business functions of the Group and in accordance with the internal audit plan approved by the Audit Committee. The internal audit independently reviews the system of internal controls implemented by Management within the Group. The internal audit provides an assessment of the adequacy and integrity of the Group's system of internal controls and provides recommendations, if any, for the improvement of the control policies and procedures.

The internal audit reports are reviewed by the Audit Committee and forwarded to the Senior Management and MRMC so that any recommended corrective actions could be implemented. The Senior Management and risk sub-committees are responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame. A total of RM92,609/- inclusive of services tax and disbursements was incurred on internal audit activities for the financial year ended 30 June 2021.

OTHER INTERNAL CONTROL PROCESSES

Apart from risk management and internal audit, the Group's system of internal controls also comprises the following key elements:-

(a) Integrity and Ethical Values

- **Code of Ethics and Conduct**

  The Board believes ethical corporate culture begins from the top which the control environment sets the tone for the Group by providing fundamental discipline and structure.

  The Board has set the tone at the top for corporate behavior and corporate governance. All employees of the Group shall adhere to the Code of Ethics and Conduct of the Group, which sets out the principles and standards to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing within the Group and with external parties.

Statement on Risk Management and Internal Control

(CONTINUED)

- **Whistleblowing Policy and Procedure**
  The Board has formalised a set of Whistleblowing Policy and Procedures to provide an avenue for stakeholders of the Company to raise concerns related to possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices. The Whistleblowing Policy and Procedures set out the protection accorded to whistleblowers who disclose such irregularities in good faith.

- **Anti-Bribery and Corruption Policy**
  The Group had introduced an Anti-Bribery and Corruption Policy to provide information and guidance to the Directors, employees and business associates on standards of behavior and to uphold their responsibilities which must be adhered to, recognised, as well as dealing with bribery and corruption. The Anti-Bribery and Corruption Policy has been developed to fulfill the legal and regulatory requirements and sets out the overall position on bribery and corruption in all forms. All applicable laws, rules and regulations set by the government, are to be complied with by the Group and are expected to adopt and comply with the Malaysian Anti-Corruption Commission Act 2009 including any amendment thereof.

(b) Authority and Responsibility

- **Organisation Structure**
  The Group has a clear organisational structure that formally defines the lines of reporting, as well as the accountabilities and responsibilities of the respective functions within the Group. The corporate structure enhances the ability of each subsidiary or division, as the case may be, to focus on its assigned core or support functions within the Group.

- **Board Committees**
  The Board has established several Board Committees to assist in discharging its duties. These include the Audit Committee, Nomination Committee, Remuneration Committee and Board Risk Management Committee. These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

- **Limits of Authority**
  The Group has clear limits of authority which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority are reviewed periodically and updated in line with the changes in the organisation.

(c) Planning, Monitoring and Reporting

- **Performance Monitoring and Reporting**
  The Group's management team monitors and reviews financial and operating results, including monitoring and reporting of performance against the operating plans. The management team formulates and communicates action plans to address the areas of concern.

- **Performance Review**
  The preparation of periodic and annual results and the state of affairs of the Group are reviewed and approved by the Board before the same are released to the regulators whilst the full year financial statements are audited by the external auditors before their issuance to the regulators and shareholders.

- **Financial Budgeting**
  Annual budgets are prepared and reviewed by Senior Management prior to tabling to the Board for approval. Actual performance is reviewed against the budget with explanations provided for material variances.

(d) Policies and Procedures

- **Documented Policies and Procedures**
  Internal policies and procedures, which are set out in a series of clearly documented standard operating manuals covering most areas within the Group, are maintained and subject to review as considered necessary.

- **ISO 9001:2008 Accreditation**
  The Construction Division of the Group has been accorded full ISO 9001:2008 accreditation in line with the Group's quest to improve its internal system's strength consistently.

(e) Communication and Investor Relations

- **Reporting to Shareholders and other Stakeholders**
  The Group has established processes and procedures to ensure the quarterly and annual reports, which cover the Group's performance, are submitted to Bursa Securities for release to shareholders and stakeholders on a timely basis. All quarterly results are reviewed by the Board prior to their announcements.

The Annual Report of the Group is made available to the shareholders within the stipulated time as prescribed under the MMLR of Bursa Securities.

BOARD ASSURANCE AND LIMITATION

The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Group's systems of internal control, identifying principal risks and establishing an appropriate control environment and framework to manage risks. The Board continues to derive its comfort of the state or risk management and internal control of the Group from the following oversight mechanisms and information compiled for these oversight processes:-

- periodic review of financial information covering financial performance and quarterly financial results;
- BRMC's oversight of risk management framework, changes in risk magnitudes and status of management implementation of risk mitigation plan;
- Audit Committee's review and consultation with Management on the integrity of the financial results and audited financial statements;
- audit findings and reports on the review of systems of internal control provided by the internal auditors and status of Management's implementation of the audit recommendations; and
- Management's assurance that the Group's risk management and internal control systems have been operated adequately and effectively, in all material respects.

The Board also received assurance from the Group Managing Director and Group Chief Financial Officer of the Company that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company.

For the financial year under review, the Board is satisfied that the existing level of systems of risk management and internal control is effective to enable the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses that require additional disclosure in this Annual Report.

The Board recognises that the systems of risk management and internal control should be continuously improved in line with the evolving business development. Nonetheless, it should be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of risk management and internal control in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

The Board will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Securities and pursuant to the scope set out in the Audit and Assurance Practice Guide ("**AAPG**") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the financial year ended 30 June 2021.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risk and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on their review, the External Auditors have reported to the Board that nothing has come to the attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal controls of the Group.

The Statement on Risk Management and Internal Control was approved by the Board on 14 October 2021.

Additional Compliance Information

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

The Company did not raise any fund through any corporate proposal during the financial year. Therefore, there was no utilisation of proceeds for the financial year.

2. AUDIT AND NON-AUDIT FEES

Details of the nature of non-audit service rendered by the External Auditors an/or its affiliates for the financial year ended 30 June 2021 are set out as follows:

Audit Fees	Group (RM)	Company (RM)
(1) Audit Fees Paid/Payable to Messrs Baker Tilly Monteiro Heng PLT ("BTMH")		
(a) Review of the audited financial statements for the financial year ended 30.06.2021	422,000	92,000
Total	**422,000**	**92,000**

Non-Audit Fees	Group (RM)	Company (RM)
(1) Non-Audit Fees Paid/Payable to BTMH		
(a) Review of the Statement on Risk management and Internal Control	7,000	7,000
(2) Non-Audit Fees Paid/Payable to affiliates of BTMH	135,719	2,900
Total	**142,719**	**9,900**

3. MATERIAL CONTRACTS

Save as disclosed below, the Company and its subsidiaries have not entered into any material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, which involved the interest of the Directors and major shareholders other than contracts entered into in the ordinary course of business: -

(i) City Meridian Development Sdn. Bhd. ("**CMD**"), a wholly owned subsidiary of the Company, had on 21 May 2014, entered into a sale and purchase agreement ("**SPA**") with Titijaya Group Sdn Bhd ("**TGSB**") to purchase a parcel of leasehold land held under PN4022, Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang for cash consideration at RM126,000,000 ("**Acquisition of Land**").

On 19 January 2015, CMD had entered into the supplemental agreement with TGSB to vary, amend, modify or alter certain provisions, terms and conditions of the SPA and to extend the period for the fulfilment of the conditions precedent for 1 year from 21 September 2014 or any other period as mutually agreed between the parties.

The Company had on 27 May 2015 obtained the approval from its shareholders in relation to the Acquisition of Land.

Subsequently, pursuant to the letters between CMD and TGSB dated 21 September 2015, 10 November 2015, 15 February 2016 and 26 May 2016, the parties had mutually agreed to further extend the date for fulfilment of the conditions precedent of the SPAs to 10 November 2015, 10 February 2016, 10 May 2016 and 10 December 2016, respectively. On 22 September 2016, the conditions precedent had been fulfilled by the respective parties.

TGSB, on behalf of CMD as stipulated in the SPAs, is in the midst of preparing its submission application to the Town and Country Planning Department of Penang and State Planning Committee of Penang for approval in varying the zoning of the land use to mixed development and approval in undertaking the development ratio of the Land with plot ratio of 1:4.

On 23 October 2018 and 1 November 2019, Titijaya Group Sdn. Bhd. and the Company mutually agreed to extend the period for a further period of 1 year. Subsequently, on 2 November 2020, Titijaya Group Sdn. Bhd. and the Company mutually agreed to extend the period for a further period of 1 year to 4 November 2021 to obtain the development approvals in respect of the land.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Eighth Annual General Meeting of the Company held on 26 November 2020, the Company had obtained a general mandate from its shareholders ("**Shareholders' Mandate**") for a recurrent related party transaction of revenue and trading nature ("**RRPT**").

There were no RRPTs conducted pursuant to the Shareholders' Mandate during the financial year ended 30 June 2021.

Statement of Directors' Responsibility

The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the applicable Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs), the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and Company so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and cash flows for the financial year then ended.

In preparing the annual financial statements, the Directors have also:-

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Assessed the Group's and the Company's ability to continue as going concern, and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors are also responsible for:

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements; and
- Taking the necessary steps to ensure appropriate systems and internal controls are in place to safeguard the assets of the Group and of the Company, as well as to prevent and detect fraud and any other irregularities.

The Directors confirmed that they have complied with the above requirements for the annual financial statements for the financial year ended 30 June 2021.

financial statements

Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(7,631,847)	(720,806)
Attributable to:		
Owners of the Company	(13,952,146)	(720,806)
Non-controlling interests	6,320,299	-
	(7,631,847)	(720,806)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2021.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company converted 1,066,300 new ordinary shares of RM0.825 each arising from the conversion of 10,663,000 units of irredeemable convertible preference shares ("ICPS") on the basis of 1 new ordinary share for every 10 units of ICPS.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 30 June 2021, the Company held 83,572,100 treasury shares out of its 1,359,034,210 issued ordinary shares. Such treasury shares are held at a carrying amount of RM25,290,710. Further details are disclosed in Note 15(b) to the financial statements.

Directors' Report
(CONTINUED)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*
Lim Poh Yit*
Lim Puay Fung*
Datuk Seri Ch'ng Toh Eng
Chin Kim Chung
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir*
Dato' Mohd Ibrahim Bin Mohd Nor*
Dato' Faizal Bin Abdullah* *(Appointed on 19 April 2021)*
Tan Sri Dato' Lim Soon Peng* *(Retired on 31 March 2021)*

** Directors of the Company and its subsidiary(ies).*

The names of directors of the Company's subsidiary(ies) since the beginning of the financial year to the date of this report, excluding those who are already listed above are disclosed in Note 6 to the financial statements.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.7.2020	**Bought**	**Sold**	**At 30.6.2021**
The Company				
Direct interest				
Lim Poh Yit	18,338,600	45,897,028	-	64,235,628
Lim Puay Fung	490,000	-	-	490,000
Chin Kim Chung	720,000	-	-	720,000
Datuk Seri Ch'ng Toh Eng	500,000	-	-	500,000
Indirect interest				
Lim Poh Yit #	709,668,494	-	-	709,668,494
Lim Puay Fung #	709,668,494	-	-	709,668,494
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir #	800,000	-	-	800,000

DIRECTORS' INTERESTS (continued)

	Irredeemable convertible preference shares			
	At 1.7.2020	**Bought**	**Sold**	**At 30.6.2021**
Direct interest				
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	10,000,000	-	(3,500,000)	6,500,000
Indirect interest				
Lim Poh Yit #	291,462,800	-	-	291,462,800
Lim Puay Fung #	291,462,800	-	-	291,462,800
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir #	1,200,000	-	-	1,200,000

	Number of ordinary shares				
	At 1.7.2020	**Bought**	**Sold**	**Transferred**	**At 30.6.2021**
Ultimate Holding Company					
Titijaya Group Sdn. Bhd.					
Direct interest					
Lim Poh Yit	57,630,000	-	-	33,900,000	91,530,000
Lim Puay Fung	21,470,000	-	-	-	21,470,000

 # Deemed interested by virtue of Section 8(4) of the Companies Act 2016 in Malaysia.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Lim Poh Yit and Lim Puay Fung are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 32 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' Report
(CONTINUED)

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM20,000,000 and RM25,185 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATIONS

Other than as disclosed elsewhere in this report, the Company does not have any interest in shares in the holding company and its other related corporations during the financial year.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 38 to the financial statements.

ULTIMATE HOLDING COMPANY

The directors regard Titijaya Group Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the ultimate holding company of the Company.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 27 to the financial statements.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

LIM POH YIT
Director

LIM PUAY FUNG
Director

Kuala Lumpur
Date: 14 October 2021

Statements of Financial Position

AS AT 30 JUNE 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	**9,980,543**	10,820,117	**-**	-
Inventories	10	**964,647,834**	958,930,577	**-**	-
Investment in subsidiaries	6	**-**	-	**1,203,484,908**	1,173,026,794
Investment in associates	7	**359,578**	445,451	**-**	-
Investment properties	8	**135,232,546**	186,002,369	**-**	-
Goodwill on consolidation	9	**2,062,677**	2,062,677	**-**	-
Deferred tax assets	21	**3,857,355**	3,017,746	**-**	-
Trade receivables	11	**250,859**	-	**-**	-
Total non-current assets		**1,116,391,392**	1,161,278,937	**1,203,484,908**	1,173,026,794
Current assets					
Inventories	10	**632,730,550**	586,951,279	**-**	-
Trade and other receivables	11	**512,078,059**	426,466,449	**7,393,032**	7,321,825
Contract assets	12	**-**	784,133	**-**	-
Contract costs	13	**10,440,215**	14,189,995	**-**	-
Current tax assets		**18,526,693**	12,162,891	**26,500**	-
Cash and short-term deposits	14	**173,081,838**	160,385,329	**15,931,426**	10,209,804
Total current assets		**1,346,857,355**	1,200,940,076	**23,350,958**	17,531,629
TOTAL ASSETS		**2,463,248,747**	2,362,219,013	**1,226,835,866**	1,190,558,423

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

AS AT 30 JUNE 2021 (CONTINUED)

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	15	**785,292,038**	784,412,338	**785,292,038**	784,412,338
Treasury shares	15	**(25,290,710)**	(25,290,710)	**(25,290,710)**	(25,290,710)
Irredeemable convertible preference shares	16	**59,311,800**	60,191,500	**59,311,800**	60,191,500
Other reserves	17	**(47,425,855)**	(47,425,855)	**-**	-
Retained earnings	15	**359,208,937**	373,161,083	**157,149,408**	157,870,214
		1,131,096,210	1,145,048,356	**976,462,536**	977,183,342
Redeemable preference shares	18	**141,000**	10,141,000	**-**	-
Non-controlling interests		**16,399,406**	10,079,107	**-**	-
TOTAL EQUITY		**1,147,636,616**	1,165,268,463	**976,462,536**	977,183,342
Non-current liabilities					
Trade and other payables	19	**60,691,283**	51,549,717	**-**	-
Loans and borrowings	20	**329,977,745**	317,899,272	**7,666,662**	-
Deferred tax liabilities	21	**34,033,032**	30,333,425	**-**	-
Total non-current liabilities		**424,702,060**	399,782,414	**7,666,662**	-
Current liabilities					
Trade and other payables	19	**434,821,925**	463,728,057	**126,502,474**	102,107,616
Contract liabilities	12	**273,047,583**	160,120,696	**-**	-
Loans and borrowings	20	**179,042,744**	171,061,955	**116,204,194**	111,200,000
Current tax liabilities		**3,997,819**	2,257,428	**-**	67,465
Total current liabilities		**890,910,071**	797,168,136	**242,706,668**	213,375,081
TOTAL LIABILITIES		**1,315,612,131**	1,196,950,550	**250,373,330**	213,375,081
TOTAL EQUITY AND LIABILITIES		**2,463,248,747**	2,362,219,013	**1,226,835,866**	1,190,558,423

The accompanying notes form an integral part of the financial statements.

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Revenue	22	**253,606,570**	165,311,037	**4,000,000**	64,300,000
Cost of sales	23	**(182,265,216)**	(117,472,863)	**-**	-
Gross profit		**71,341,354**	47,838,174	**4,000,000**	64,300,000
Other income	24	**9,006,267**	25,778,449	**-**	-
Distribution expenses		**(2,409,284)**	(4,182,423)	**-**	-
Administrative expenses		**(11,417,505)**	(28,878,255)	**(1,197,504)**	(1,249,610)
Net impairment (losses)/gain on financial instruments		**(1,542,962)**	58,270	**3,000,000**	(80,424)
Other expenses		**(43,390,400)**	(19,875,152)	**(505,470)**	(2,388,743)
Operating profit		**21,587,470**	20,739,063	**5,297,026**	60,581,223
Finance income	25	**1,290,723**	4,121,665	**5,891**	894,376
Finance costs	26	**(10,133,103)**	(8,644,278)	**(6,062,407)**	(5,046,612)
Share of results of associates, net of tax		**(85,873)**	(3,843)	**-**	-
Profit/(Loss) before tax	27	**12,659,217**	16,212,607	**(759,490)**	56,428,987
Income tax (expense)/credit	28	**(20,291,064)**	(14,039,364)	**38,684**	(189,570)
(Loss)/Profit for the financial year		**(7,631,847)**	2,173,243	**(720,806)**	56,239,417
Other comprehensive income for the financial year		**-**	-	**-**	-
Total comprehensive (loss)/income for the financial year		**(7,631,847)**	2,173,243	**(720,806)**	56,239,417
Total comprehensive (loss)/income attributable to:					
Owners of the Company		**(13,952,146)**	(2,116,875)	**(720,806)**	56,239,417
Non-controlling interests		**6,320,299**	4,290,118	**-**	-
		(7,631,847)	2,173,243	**(720,806)**	56,239,417
Loss per ordinary share attributable to Owners of the Company (sen)					
- Basic	29(a)	**(1.09)**	(0.17)		
- Diluted	29(b)	**(1.05)**	(0.16)		

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Group	Note	Share Capital (Note 15) RM	Treasury Shares (Note 15) RM	Other Reserves (Note 17) RM	Irredeemable Convertible Preference Shares (Note 16) RM	Retained Earnings (Note 15) RM	Sub-total RM	Redeemable Preference Shares (Note 18) RM	Non-Controlling Interests RM	Total Equity RM
		Attributable to owners of the Company								
At 1 July 2020		784,412,338	(25,290,710)	(47,425,855)	60,191,500	373,161,083	1,145,048,356	10,141,000	10,079,107	1,165,268,463
Total comprehensive (loss)/income for the financial year		-	-	-	-	(13,952,146)	(13,952,146)	-	6,320,299	(7,631,847)
Transactions with owners										
Redemption of preference shares	18	-	-	-	-	-	-	(10,000,000)	-	(10,000,000)
Conversion of ICPS	16	879,700	-	-	(879,700)	-	-	-	-	-
Total transactions with owners		879,700	-	-	(879,700)	-	-	(10,000,000)	-	(10,000,000)
At 30 June 2021		**785,292,038**	**(25,290,710)**	**(47,425,855)**	**59,311,800**	**359,208,937**	**1,131,096,210**	**141,000**	**16,399,406**	**1,147,636,616**

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

Group (continued)	Note	Share Capital (Note 15) RM	Treasury Shares (Note 15) RM	Other Reserves (Note 17) RM	Irredeemable Convertible Preference Shares (Note 16) RM	Retained Earnings (Note 15) RM	Sub-total RM	Redeemable Preference Shares (Note 18) RM	Non-Controlling Interests RM	Total Equity RM
		Attributable to owners of the Company								
At 1 July 2019		773,239,117	(22,230,187)	(47,425,855)	71,364,721	389,509,981	1,164,457,777	141,000	5,263,483	1,169,862,260
Total comprehensive (loss)/income for the financial year		-	-	-	-	(2,116,875)	(2,116,875)	-	4,290,118	2,173,243
Transactions with owners										
Changes in ownership interests in subsidiary		-	-	-	-	-	-	-	525,506	525,506
Dividends paid	19(f),37	-	-	-	-	(14,232,023)	(14,232,023)	-	-	(14,232,023)
Issuance of preference shares	18	-	-	-	-	-	-	10,000,000	-	10,000,000
Conversion of ICPS	16	11,173,221	-	-	(11,173,221)	-	-	-	-	-
Repurchase of treasury shares	15(b)	-	(3,060,523)	-	-	-	(3,060,523)	-	-	(3,060,523)
Total transactions with owners		11,173,221	(3,060,523)	-	(11,173,221)	(14,232,023)	(17,292,546)	10,000,000	525,506	(6,767,040)
At 30 June 2020		784,412,338	(25,290,710)	(47,425,855)	60,191,500	373,161,083	1,145,048,356	10,141,000	10,079,107	1,165,268,463

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

Company	Note	Share Capital (Note 15) RM	Treasury Shares (Note 15) RM	Irredeemable Convertible Preference Shares (Note 16) RM	Retained Earnings (Note 15) RM	Total Equity RM
		Attributable to owners of the Company				
At 1 July 2020		784,412,338	(25,290,710)	60,191,500	157,870,214	977,183,342
Total comprehensive loss for the financial year		-	-	-	(720,806)	(720,806)
Transactions with owners						
Conversion of ICPS	16	879,700	-	(879,700)	-	-
Total transactions with owners		879,700	-	(879,700)	-	-
At 30 June 2021		**785,292,038**	**(25,290,710)**	**59,311,800**	**157,149,408**	**976,462,536**
At 1 July 2019		773,239,117	(22,230,187)	71,364,721	103,652,345	926,025,996
Total comprehensive income for the financial year		-	-	-	56,239,417	56,239,417
Transactions with owners						
Repurchase of treasury shares	15(b)	-	(3,060,523)	-	-	(3,060,523)
Conversion of ICPS	16	11,173,221	-	(11,173,221)	-	-
Dividends paid	37	-	-	-	(2,021,548)	(2,021,548)
Total transactions with owners		11,173,221	(3,060,523)	(11,173,221)	(2,021,548)	(5,082,071)
At 30 June 2020		784,412,338	(25,290,710)	60,191,500	157,870,214	977,183,342

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash flows from operating activities					
Profit/(Loss) before tax		**12,659,217**	16,212,607	**(759,490)**	56,428,987
Adjustments for:					
Credit losses on revocation of sales		**-**	3,452,501	**-**	-
Depreciation of investment properties		**92,973**	756,237	**-**	-
Depreciation of property, plant and equipment		**845,830**	890,098	**-**	-
Finance costs		**10,133,103**	8,644,278	**6,062,407**	5,046,612
Finance income		**(1,290,723)**	(4,121,665)	**(5,891)**	(894,376)
Gain on reversal of an investment property		**(1,989,796)**	-	**-**	-
Impairment loss on:					
- amount owing by an associate		**4,542,962**	-	**-**	-
- amount owing by subsidiaries		**-**	-	**-**	80,424
- investment in an associate		**-**	40	**-**	-
- investment in subsidiaries		**-**	-	**-**	2,000,006
Inventories written down		**25,164,726**	5,723,814	**-**	-
Loss/(Gain) on disposal of:					
- investment in an associate		**40**	-	**-**	-
- investment properties		**10,152**	-	**-**	-
- property, plant and equipment		**(3,480)**	-	**-**	-
Net gain on capital redemption of Class A shares		**-**	(13,018,136)	**-**	-
Net loss/(gain) on Class A shares classified as financial liabilities at amortised cost		**1,116,172**	(7,813,203)	**-**	-
Reversal of impairment loss on:					
- amount owing by an associate		**(3,000,000)**	-	**(3,000,000)**	-
- investment in an associate		**(40)**	-	**-**	-
- trade receivables		**-**	(58,270)	**-**	-
Reversal of liquidated and ascertained damages income		**428,000**	-	**-**	-
Share of result of associates, net of tax		**85,873**	3,843	**-**	-
Written off of:					
- contract assets		**-**	9,402	**-**	-
- deposits		**-**	100	**-**	-
- other receivables		**878,734**	443,886	**-**	-
- prepayments		**-**	6,345	**-**	-
- property, plant and equipment		**5**	-	**-**	-
Operating profit before changes in working capital		**49,673,748**	11,131,877	**2,297,026**	62,661,653
Net changes in working capital:					
Contract assets		**784,133**	(574,162)	**-**	-
Contract costs		**3,749,780**	(3,313,460)	**-**	-
Contract liabilities		**112,926,887**	102,814,776	**-**	-
Inventories		**(61,491,523)**	(64,412,944)	**-**	-
Trade and other receivables		**(91,257,151)**	42,060,937	**14,078**	1,170,015
Trade and other payables		**41,087,509**	4,523,360	**(19,993)**	38,272
Prepayments		**(36,682)**	(438,718)	**(29,342)**	(440,137)
Net cash generated from operations		**55,436,701**	91,791,666	**2,261,769**	63,429,803
Income tax paid		**(22,793,645)**	(34,798,434)	**(55,281)**	(165,717)
Income tax refunded		**739,168**	6,185,637	**-**	-
Interests paid		**(15,300,975)**	(16,702,607)	**(42,504)**	(16,953)
Interests received		**1,290,723**	4,121,665	**5,891**	894,376
Net cash from operating activities		**19,371,972**	50,597,927	**2,169,875**	64,141,509

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from investing activities					
Advances from/(to) subsidiaries		**-**	-	**9,825,729**	(70,007,750)
Additions to investment properties		**(14,903,561)**	(19,739,800)	**-**	-
Acquisition of property, plant and equipment		**(6,281)**	(126,320)	**-**	-
Acquisition of minority interest		**-**	(120,000)	**-**	(120,000)
Investment in subsidiary		**-**	-	**(40,333,333)**	(52,600,000)
Proceed from disposal of property, plant and equipment		**3,500**	-	**-**	-
Proceeds from disposal of investment properties		**3,500,000**	-	**-**	-
Repayment from associates		**3,009,668**	538,394	**2,993,547**	3,392
Net cash used in investing activities		**(8,396,674)**	(19,447,726)	**(27,514,057)**	(122,724,358)
Cash flows from financing activities	(a)				
Advances from subsidiaries		**-**	-	**24,414,851**	9,825,676
Change in pledged deposits		**(176,630)**	2,416,118	**2,618,016**	5,584,199
Drawdown of bank borrowings		**109,632,691**	106,388,897	**77,200,000**	14,000,000
Dividend paid	19(f), 37	**-**	(14,232,023)	**-**	(2,021,548)
Interest paid		**(7,781,476)**	(6,829,109)	**(5,993,328)**	(5,029,659)
Proceeds from issuance of Class A shares		**-**	39,400,000	**-**	-
Proceeds from issuance of redeemable preference shares		**-**	10,000,000	**-**	-
Purchase of treasury shares		**-**	(3,060,523)	**-**	(3,060,523)
Redemption of Class A shares		**-**	(47,000,000)	**-**	-
Redemption of redeemable preference shares		**(10,000,000)**	-	**-**	-
Repayment of bank borrowings		**(89,330,644)**	(112,682,851)	**(64,533,334)**	-
Repayment of lease liabilities		**(246,975)**	(243,024)	**-**	-
Repayment to directors		**(530,000)**	(6)	**-**	(6)
Withdrawal of fixed deposits		**677,633**	1,202,178	**677,633**	1,202,178
Net cash from/(used in) financing activities		**2,244,599**	(24,640,343)	**34,383,838**	20,500,317
Net increase/(decrease) in cash and cash equivalent		**13,219,897**	6,509,858	**9,039,656**	(38,082,532)
Cash and cash equivalents at the beginning of the financial year		**73,237,882**	66,728,024	**(67,371,341)**	(29,288,809)
Cash and cash equivalents at the end of the financial year		**86,457,779**	73,237,882	**(58,331,685)**	(67,371,341)

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Analysis of cash and cash equivalents:					
Cash and bank balances	14	**99,461,969**	141,334,892	**11,672,505**	2,628,659
Fixed deposits placed with licensed banks	14	**73,619,869**	19,050,437	**4,258,921**	7,581,145
Islamic commercial paper	20	**(70,000,000)**	(70,000,000)	**(70,000,000)**	(70,000,000)
Bank overdraft	20	**(4,190)**	-	**(4,190)**	-
		103,077,648	90,385,329	**(54,072,764)**	(59,790,196)
Less: pledged deposits	14	**(16,248,540)**	(16,098,485)	**(3,887,592)**	(6,532,183)
Less: deposits with maturity more than 3 months	14	**(371,329)**	(1,048,962)	**(371,329)**	(1,048,962)
		86,457,779	73,237,882	**(58,331,685)**	(67,371,341)

(a) Reconciliation of liabilities arising from financing activities:

	At 1.7.2020 RM	Cash Flows RM	Non-cash Fair Value Changes RM	At 30.6.2021 RM
Group				
Amount owing to a director	1,339,930	(530,000)	-	**809,930**
Loans and borrowings	417,931,124	20,302,047	-	**438,233,171**
Lease liabilities	1,030,103	(246,975)	-	**783,128**
Other payables - Class A shares	31,586,797	-	1,116,172	**32,702,969**
	451,887,954	19,525,072	1,116,172	**472,529,198**
Company				
Amount owing to subsidiaries	101,674,543	24,414,851	-	**126,089,394**
Loans and borrowings	41,200,000	12,666,666	-	**53,866,666**
	142,874,543	37,081,517	-	**179,956,060**

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONTINUED)

(a) Reconciliation of liabilities arising from financing activities (continued):

	At 1.7.2019 RM	Cash Flows RM	Non-Cash Fair Value Changes RM	At 30.6.2020 RM
Group				
Amount owing to a director	1,339,936	(6)	-	1,339,930
Loans and borrowings	424,225,078	(6,293,954)	-	417,931,124
Lease liabilities	1,273,127	(243,024)	-	1,030,103
Other payables - Class A shares	47,000,000	(7,600,000)	(7,813,203)	31,586,797
	473,838,141	(14,136,984)	(7,813,203)	451,887,954
Company				
Amount owing to a director	6	(6)	-	-
Amount owing to subsidiaries	91,848,867	9,825,676	-	101,674,543
Loans and borrowings	27,200,000	14,000,000	-	41,200,000
	119,048,873	23,825,670	-	142,874,543

(b) Total cash outflows for leases as a leasee:

	Note	Group 2021 RM	Group 2020 RM
Included in net cash from operating activities:			
Payment relating to short-term leases	27	**120,150**	163,900
Payment relating to leases of low-value assets	27	**59,877**	97,161
Interest paid in relation to lease liabilities	26	**47,782**	48,905
Included in net cash from/(used in) financing activities:			
Payment of lease liabilities		**246,975**	243,024
Total cash outflows for leases		**474,784**	552,990

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

Titijaya Land Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal place of business of the Company is located at N-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan.

The directors regard Titijaya Group Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the ultimate holding company of the Company.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are stated in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 October 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies, except for those as discussed below.

Amendments to MFRS 3 Business Combinations

The Group has adopted the amendments to MFRS 3 for the first time in the current year. The amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The distinction is important because an acquirer does not recognise goodwill in an asset acquisition.

Amendments to MFRS 3 clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

Notes to the Financial Statements
(CONTINUED)

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^ / 1 January 2023#
MFRS 3	Business Combinations	1 January 2022 / 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021 / 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021 / 1 January 2022^ / 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021 / 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023 / 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022 / 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred / 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022 / 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#

^ *The Annual Improvements to MFRS Standards 2018-2020*

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Annual Improvements to MFRS Standards 2018–2020

Annual Improvements to MFRS Standards 2018–2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by Malaysian Accounting Standards Board in April 2018.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases

The *Interest Rate Benchmark Reform—Phase 2* amends some specific requirements in MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, with respect to issues that affect financial reporting during the reform of an interest rate benchmark.

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

Notes to the Financial Statements
(CONTINUED)

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below. (continued)

Amendments to MFRS 101 Presentation of Financial Statements (continued)

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associates used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.7.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statements of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statements of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associates.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(c) Associates (continued)

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.11(b).

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purpose of subsequent measurement, financial assets are classified as financial assets at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify their debt instruments at amortised cost.

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.11(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

Subsequent to initial recognition, financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(c) Regular way purchase or sale of financial assets (continued)

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive the cash flows from the financial asset expire, or

(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate items of property, plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold lands have an unlimited useful life and therefore are not depreciated.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Leasehold lands and buildings	over the remaining lease period
Freehold buildings	2%
Computers	20%
Office equipment	20%
Furniture and fittings	20%
Motor vehicles	20%
Renovation	20%
Others	20%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases

(a) Definition of lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group presents right-of-use assets that do not meet the definition of investment property in Note 5 and lease liabilities in Note 20.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases (continued)

(b) Lessee accounting (continued)

Lease liability (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statements of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value asset

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value asset. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs less accumulated depreciation and impairment losses, if any.

Asset under construction included in investment property is not depreciated as this asset is not yet available for its intended use.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16.

Investment in freehold land is stated at cost and is not depreciated as it has an indefinite life.

Other investment properties are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives at an annual rate of 2%.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3.7 Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Property under development

Cost includes:

- freehold and leasehold rights for land
- amounts paid to contractors for construction
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Contract assets/(liabilities)

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a).

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customers.

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of Islamic commercial paper, bank overdrafts, fixed deposits held as security values and deposits with maturity more than 3 months.

3.11 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, contract assets or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, contract assets and lease receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

The Group and the Company consider a financial asset to be in default when:

- the debtor is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default of past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.12 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Share capital (continued)

(b) Preference shares

The redemption of preference shares may be mandatory or at the option of the Company, depending upon the terms of payments. If both dividend payment and redemption are at the option of the Company, the entire instrument is classified as equity.

If preference shares are issued with mandatory dividend payment and mandatory redemption, the entire instrument is a financial liability, which should be measured at amortised cost using the effective interest method. Dividend expense, calculated using the effective interest rate method, is recognised in profit or loss.

(c) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

3.13 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, the Group contributes to the Employees Provident Fund (“EPF”), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.14 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group and the Company reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

(a) Property development

The Group develops and sells residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

(a) Property development (continued)

Revenue from commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred at a point in time as the Group's performance does not create an asset with an alternative use to the Group but the Group does not have an enforceable right to payment for performance completed to date. Revenue is recognised at a point in time when the properties have been completed and delivered to the customers.

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

Based on the Group's customary business practice, the customers' legal fees are borned by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees. The Group uses its experience in estimating the legal fees to be incurred. The Group uses the expected value method because it is the method that the Group expects to better predict the amount of consideration to which they will be entitled. The amount of revenue recognised does not include any customers' legal fees which is constrained.

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period ranges from 12 months to 24 months after the customer takes vacant possession of the building are recognised as a provision.

(b) Interest income

Interest income other than late payment interest income by house buyers and other trade receivables are recognised on an accrual basis.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Borrowing costs (continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.17 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income tax (continued)

(b) Deferred tax (continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Managing Director who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

3.19 Earnings per ordinary share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own share held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Notes to the Financial Statements
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Fair value measurements (continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3.22 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group expects those costs are recoverable.

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories,* MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets,* are recognised as part of contract costs when all of the following criteria are met:

(a) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;

(b) the costs generate or enhance resources of the Group and the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Contract costs (continued)

(b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors*.

(c) Impairment

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

(a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less

(b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

The Group has applied the practical expedient to recognise the incremental costs of obtaining contracts as an expense when incurred if the amortisation periods of the asset that the Group otherwise would have recognised are one year or less.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(a) Transfer of control in property development (Notes 10, 12, 13, 22 and 23)

The Group's property development activities comprise both "sell and build" model and "build and sell" model. For the purpose of revenue recognition, the directors use their judgement to determine whether control of residential and commercial properties under development is transferred to customers over time or at a point in time. The Group uses the criterion of control from the perspective of a customer, judged in relation to the customer's ability to obtain economic benefits of the asset under development. The Group considers that if the asset under development has been assigned to a customer and the asset has no alternative use to the Group and the Group has enforceable rights to payments, control of the asset is transferred over time to the customer. Revenue is recognised over time based on the progress towards complete satisfaction of performance obligation. If a customer does not obtain control when the asset is under development, such as in build and sell units, revenue is recognised at a point in time when the construction of the asset is completed and handed over to the customer.

(b) Property development revenue and expenses (Notes 10, 12, 13, 19(d), 22 and 23)

The Group recognised property development revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and expenses, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(c) Impairment of investments in subsidiaries (Note 6)

The Company performs impairment review on the investments in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment in subsidiaries may not be recoverable in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test.

Loans that are part of net investments represent amount owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in subsidiaries, they are stated at cost less accumulated impairment loss, if any.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investments in subsidiaries.

The carrying amounts of investment in subsidiaries are disclosed in Note 6.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2021	Freehold lands and buildings RM	Computers RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Others RM	Right-of-use assets RM	Total RM
At cost									
At 1 July 2020	10,564,211	1,045,190	162,440	487,844	485,267	926,080	27,874	2,509,412	16,208,318
Additions	-	-	-	-	-	2,250	4,031	-	6,281
Disposal	-	-	-	(14,978)	-	-	-	-	(14,978)
Written off	-	-	-	(3,287)	-	-	-	-	(3,287)
At 30 June 2021	**10,564,211**	**1,045,190**	**162,440**	**469,579**	**485,267**	**928,330**	**31,905**	**2,509,412**	**16,196,334**
Accumulated depreciation									
At 1 July 2020	1,082,321	840,658	124,361	419,792	485,267	428,209	26,067	1,981,526	5,388,201
Depreciation charge for the financial year	211,286	82,537	10,407	21,926	-	169,348	1,772	348,554	845,830
Disposal	-	-	-	(14,958)	-	-	-	-	(14,958)
Written off	-	-	-	(3,282)	-	-	-	-	(3,282)
At 30 June 2021	**1,293,607**	**923,195**	**134,768**	**423,478**	**485,267**	**597,557**	**27,839**	**2,330,080**	**6,215,791**
Carrying amount									
At 30 June 2021	**9,270,604**	**121,995**	**27,672**	**46,101**	**-**	**330,773**	**4,066**	**179,332**	**9,980,543**

Group 2020	Leasehold land RM	Freehold lands and buildings RM	Computers RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Others RM	Right-of-use assets RM	Total RM
At cost										
At 1 July 2019										
- As previously reported	7,078	10,564,211	1,035,760	140,840	463,215	2,987,601	857,219	26,074	-	16,081,998
- Effect of adoption of MFRS 16	(7,078)	-	-	-	-	(2,502,334)	-	-	2,509,412	-
Adjusted balance at 1 July 2019	-	10,564,211	1,035,760	140,840	463,215	485,267	857,219	26,074	2,509,412	16,081,998
Additions	-	-	9,430	21,600	24,629	-	68,861	1,800	-	126,320
At 30 June 2020	-	10,564,211	1,045,190	162,440	487,844	485,267	926,080	27,874	2,509,412	16,208,318
Accumulated depreciation										
At 1 July 2019										
- As previously reported	160	871,037	731,345	115,325	394,375	2,094,136	267,007	24,718	-	4,498,103
- Effect of adoption of MFRS 16	(160)	-	-	-	-	(1,611,575)	-	-	1,611,735	-
Adjusted balance at 1 July 2019	-	871,037	731,345	115,325	394,375	482,561	267,007	24,718	1,611,735	4,498,103
Depreciation charge for the financial year	-	211,284	109,313	9,036	25,417	2,706	161,202	1,349	369,791	890,098
At 30 June 2020	-	1,082,321	840,658	124,361	419,792	485,267	428,209	26,067	1,981,526	5,388,201
Carrying amount										
At 30 June 2020	-	9,481,890	204,532	38,079	68,052	-	497,871	1,807	527,886	10,820,117

Notes to the Financial Statements
(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Assets pledged as security

Freehold lands and buildings with a carrying amount of RM9,270,604 (2020: RM9,481,890) have been pledged as security to secure banking facilities granted to the Group as disclosed in Note 20.

(b) Right-of-use assets

The Group leases several assets including leasehold land and motor vehicles.

Information about leases for which the Group is a lessee is presented below:

	Leasehold land RM	Motor vehicles RM	Total RM
Group			
Carrying amount			
At 1 July 2019	6,918	890,759	897,677
Depreciation	(102)	(369,689)	(369,791)
At 30 June 2020	6,816	521,070	527,886
Depreciation	(100)	(348,454)	(348,554)
At 30 June 2021	**6,716**	**172,616**	**179,332**

The Group leases land for its operation site. The leases for operation site generally have lease term of 99 years.

The Group also leases motor vehicles with lease term of 7 to 9 years.

6. INVESTMENT IN SUBSIDIARIES

		Company	
	Note	2021 RM	2020 RM
Unquoted shares - at cost		**348,718,847**	348,718,847
Less : Impairment loss	(a)	**(6,093,008)**	(6,093,008)
		342,625,839	342,625,839
Loans that are part of net investments	(b)	**860,859,069**	830,400,955
		1,203,484,908	1,173,026,794

6. INVESTMENT IN SUBSIDIARIES (continued)

(a) The Company's investment in subsidiaries that are impaired at the reporting date and the reconciliation of movement in the impairment of investment in subsidiaries is as follows:

	Company	
	2021 RM	2020 RM
At 1 July 2020/2019	**6,093,008**	4,093,002
Charge for the financial year		
- Impairment loss	**-**	2,000,006
At 30 June	**6,093,008**	6,093,008

Investment in subsidiaries that are individually determined to be impaired at the reporting date relate to subsidiaries that are inactive.

The recoverable amount was determined based on value in use from financial budgets approved by the management and fair value less costs to sell of an asset.

Impairment testing for investments in subsidiaries

At 30 June 2021, the Company's investments in certain subsidiaries were tested for impairment due to impairment indicators noted where the carrying amount of investment costs are higher as compared to net assets of the related subsidiaries.

For the purpose of impairment testing, the recoverable amounts of certain subsidiaries were determined based on the greater of value-in-use or fair value less costs of disposal. The recoverable amounts were prepared based on financial budgets which cover a period of 3-9 years (2020: 3-6 years). The discount rate applied to the cash flow projections is approximately 9.28% (2020: 9.92%) per annum.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for investments in subsidiaries are most sensitive to the following assumptions:

(i) Projected gross margins – projected gross margin reflects the average historical gross margin adjusted for projected market and economic conditions and internal resource efficiency.

(ii) Discount rates approximately 9.28% (2020: 9.92%) – discount rates reflect management's estimate of the risks specific to these entities. In determining the appropriate discount rate for each unit, consideration has been given to the applicable weighted average cost of capital for each unit.

(iii) Revenue growth – the bases used to determine the future earnings potential are historical sales and expected growth rates of the relevant industry.

In the previous financial year, based on the impairment testing, impairment loss on the investment in subsidiaries amounting to RM2,000,006 was recognised.

(b) Loans that are part of net investments represent amount owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlements of the amounts are neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, they are stated at cost less accumulated impairment loss, if any.

Notes to the Financial Statements
(CONTINUED)

6. INVESTMENT IN SUBSIDIARIES (continued)

(c) The details of the subsidiaries are as follows:

Name of company	Principal place of business/Country of incorporation	Effective ownership interest 2021	Effective ownership interest 2020	Principal activities
Direct subsidiaries				
Aman Kemensah Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Epoch Property Sdn. Bhd.	Malaysia	**100%**	100%	Property development
NPO Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Safetags Solution Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Shah Alam City Centre Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Prosperous Hectares Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Pin Hwa Properties Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding and joint venture for property development
Terbit Kelana Development Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding
Titijaya Medicare Sdn. Bhd. *(formerly known as Titijaya Resources Sdn. Bhd.)*	Malaysia	**100%**	100%	Trading in medicare equipment and product, property development and investment holding
Titijaya PMC Sdn. Bhd.	Malaysia	**100%**	100%	Providing management services
City Meridian Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Titijaya Capital Sdn. Bhd.	Malaysia	**100%**	100%	Money lending business
Premsdale Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Tulus Lagenda Sdn. Bhd.	Malaysia	**100%**	100%	Joint venture for property development
Titijaya South Asia Sdn. Bhd. *(formerly known as High Splendour Sdn. Bhd.)*	Malaysia	**100%**	100%	Dormant
Titijaya Development (Pulau Pinang) Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Tamarind Heights Sdn. Bhd.	Malaysia	**100%**	100%	Property development
NPO Builders Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Sri Komakmur Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development and investment holding
Riveria City Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Indirect subsidiaries				
Subsidiaries of NPO Development Sdn. Bhd.				
Neu Estates Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Zen Estates Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Subsidiaries of Titijaya Medicare Sdn. Bhd. *(formerly known as Titijaya Resources Sdn. Bhd.)*				
Aman Duta Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Ampang Avenue Development Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Tenang Sempurna Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Subsidiary of Ampang Avenue Development Sdn. Bhd.				
Nipah Valley Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Subsidiaries of Sri Komakmur Development Sdn. Bhd.				
Renofajar Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Blu Waterfront Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Subsidiary of Blu Waterfront Development Sdn. Bhd.				
Laksana Wawasan Sdn. Bhd.	Malaysia	**100%**	100%	Property investment

6. INVESTMENT IN SUBSIDIARIES (continued)

(c) The details of the subsidiaries are as follows: (continued)

Names of directors of the Company's subsidiary(ies):

In addition to the directors listed in the Directors' Report, the following are the directors of some of the subsidiary(ies):

Adrian Cheok Eu Gene

Puan Sri Datin Chan Lian Yen

Qin Fei

Tan Sri Dato' Lim Soon Peng

Li Xinwen *(Appointed on 21 December 2020)*

Tsuyoshi Kojima *(Appointed on 30 December 2020)*

Daisuke Kawauchi *(Resigned on 30 December 2020)*

Lim Soon Koon *(Resigned on 30 July 2021)*

Wang You Ping *(Resigned on 21 December 2020)*

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

2021	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	**30%**	**30%**	**30%**	**30%**	
Carrying amount of NCI	**(578,932)**	**5,906,222**	**5,917,502**	**5,154,614**	**16,399,406**
Net (loss)/profit allocated to NCI	**(518,221)**	**2,276,766**	**3,138,284**	**1,423,470**	**6,320,299**

2021	Note	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM
Summarised statement of financial position					
As at 30 June 2021					
Non-current assets		**-**	**99,195,317**	**70,329,804**	**268,550,403**
Current assets		**74,427**	**260,228,196**	**59,194,239**	**186,312,977**
Non-current liabilities		**-**	**(35,710,517)**	**-**	**(150,689,468)**
Current liabilities		**(4,200)**	**(274,383,499)**	**(108,242,918)**	**(264,984,433)**
Net assets		**70,227**	**49,329,497**	**21,281,125**	**39,189,479**
Loan that are part of investment		**(2,000,000)**	**(29,642,090)**	**(1,556,120)**	**-**
Net gain on preference shares classified as financial liabilities at amortised cost	(i)	**-**	**-**	**-**	**(22,007,432)**
		(1,929,773)	**19,687,407**	**19,725,005**	**17,182,047**

Notes to the Financial Statements
(CONTINUED)

6. INVESTMENT IN SUBSIDIARIES (continued)

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows (continued):

2021	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM
Summarised statements of comprehensive income				
Financial year ended 30 June 2021				
Revenue	-	91,745,703	21,342,496	38,593,416
(Loss)/Profit for the financial year	(1,727,406)	7,589,220	10,460,944	4,744,899
Total comprehensive (loss)/income	(1,727,406)	7,589,220	10,460,944	4,744,899
Summarised cash flow information				
Financial year ended 30 June 2021				
Cash flows (used in)/from operating activities	(17,983)	(27,195,147)	27,799,668	(19,238,313)
Cash flows from investing activities	-	21,342,496	-	-
Cash flows from/(used in) financing activities	1,200	(445,168)	(31,342,422)	37,931,138
Net (decrease)/increase in cash and cash equivalents	(16,783)	(6,297,819)	(3,542,754)	18,692,825

(i) Net gain on preference shares issued to the Company by a subsidiary classified as financial liabilities at amortised cost.

2020	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	30%	30%	30%	30%	
Carrying amount of NCI	(60,711)	3,629,456	2,779,218	3,731,144	10,079,107
Net (loss)/profit allocated to NCI	(2,168)	610,416	1,313,756	2,368,114	4,290,118

2020	Note	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM
Summarised statements of financial position					
As at 30 June 2020					
Non-current assets		1,710,923	87,603,840	70,329,804	229,349,323
Current assets		89,710	255,867,292	70,984,234	166,960,066
Non-current liabilities		-	(58,675,473)	-	(112,133,359)
Current liabilities		(3,000)	(243,055,381)	(120,493,857)	(257,125,208)
Net assets		1,797,633	41,740,278	20,820,181	27,050,822
Loans that are part of investment		(2,000,000)	(29,642,090)	(1,556,120)	-
Preference shares		-	-	(10,000,000)	-
Net gain on preference shares classified as financial liabilities at amortised cost	(i)	-	-	-	(14,613,674)
		(202,367)	12,098,188	9,264,061	12,437,148

6. INVESTMENT IN SUBSIDIARIES (continued)

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows (continued):

2020	**Tenang Sempurna Sdn. Bhd. RM**	**Ampang Avenue Development Sdn. Bhd. RM**	**Nipah Valley Sdn. Bhd. RM**	**Riveria City Sdn. Bhd. RM**
Summarised statements of comprehensive income				
Financial year ended 30 June 2020				
Revenue	-	39,027,735	9,074,629	26,559,619
(Loss)/Profit for the financial year	(7,225)	2,034,723	4,379,186	7,893,714
Total comprehensive (loss)/income	(7,225)	2,034,723	4,379,186	7,893,714
Summarised cash flow information				
Financial year ended 30 June 2020				
Cash flows (used in)/from operating activities	(8,815)	13,189,401	6,080,313	(11,110,686)
Cash flows used in investing activities	-	-	-	(57,037,570)
Cash flows from financing activities	-	432,692	2,772,657	98,168,819
Net (decrease)/increase in cash and cash equivalents	(8,815)	13,622,093	8,852,970	30,020,563

(i) Net gain on preference shares issued to the Company by a subsidiary classified as financial liabilities at amortised cost.

(e) Effect on the acquisition of Riveria City Sdn. Bhd. ("RCSB") in the previous financial year

On 22 April 2019, the Company had entered into a Mutual Termination Agreement with Bina Puri Properties Sdn. Bhd. ("BPPSB") to terminate the joint venture agreement dated 21 March 2018 and transfer the remaining 30% equity interest comprising 120,000 ordinary shares in RCSB held by BPPSB for a total consideration of RM120,000. The acquisition was completed on 3 March 2020.

On 13 December 2019, the Company had entered into a Share Subscription Agreement with Tokyu Land Asia Pte. Ltd. ("TLA") for the subscription by TLA of 600,000 ordinary shares in RCSB for a total consideration of RM600,000. The shares were allotted to TLA on 26 March 2020. The equity interest in RCSB held by the Company remained at 70% subsequent to the subscription of shares by TLA.

Notes to the Financial Statements
(CONTINUED)

7. INVESTMENT IN ASSOCIATES

	Group	
	2021 RM	2020 RM
Unquoted shares - at cost		
At 1 July 2020/2019	**499,040**	499,040
Disposal	**(40)**	-
Less: Impairment loss	**-**	(40)
At 30 June	**499,000**	499,000
Share of post-acquisition reserves		
At 1 July 2020/2019	**(53,549)**	(49,706)
Additions	**(85,873)**	(3,843)
At 30 June	**(139,422)**	(53,549)
	359,578	445,451

The associates are accounted for using the equity method in the consolidated financial statements.

Details of the associates are as follows:

Name of company	Principal place of business / Country of incorporation	Effective ownership interest 2021	Effective ownership interest 2020	Principal activities
Indirect associates held through Titijaya Medicare Sdn. Bhd. (formerly known as Titijaya Resources Sdn. Bhd.)				
- Amona Titijaya Sdn. Bhd.*^	Malaysia	**40%**	40%	Property development.
- Asas Dinasti Sdn. Bhd.	Malaysia	**40%**	40%	Dormant
Indirect associate held through Tulus Lagenda Sdn. Bhd.				
- BJ Properties Sdn. Bhd.*	Malaysia	**49%**	49%	Property development.
Indirect associate held through Aman Duta Sdn. Bhd.				
- Usima Property Sdn. Bhd.	Malaysia	**-**	40%	Dormant

* *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

^ *Equity accounted for using unaudited management financial statements, auditors' report is not available.*

7. INVESTMENT IN ASSOCIATES (continued)

(a) Summarised financial impact of material associates

The summarised financial information of material associates during the financial year is as follows:

Group	BJ Properties Sdn. Bhd. RM	Other individually immaterial associates RM	Total RM
2021			
Assets and liabilities:			
Non-current assets	**96,516,933**	**5,421,489**	**101,938,422**
Current assets	**22,577,913**	**34,521**	**22,612,434**
Current liabilities	**(105,304,462)**	**(4,580,650)**	**(109,885,112)**
Net assets	**13,790,384**	**875,360**	**14,665,744**
Results:			
Loss for the financial year	**(1,053,045)**	**(11,081)**	**(1,064,126)**
Total comprehensive loss	**(1,053,045)**	**(11,081)**	**(1,064,126)**
2020			
Assets and liabilities:			
Non-current assets	97,564,134	5,421,489	102,985,623
Current assets	24,246,971	38,599	24,285,570
Current liabilities	(107,230,887)	(4,574,147)	(111,805,034)
Net assets	14,580,218	885,941	15,466,159
Results:			
Loss for the financial year	(914,858)	(10,107)	(924,965)
Total comprehensive loss	(914,858)	(10,107)	(924,965)

(b) The Group has not recognised its share of losses of Asas Dinasti Sdn. Bhd. and BJ Properties Sdn. Bhd. amounting to RM2,601 (2020: RM2,017) and RM513,044 (2020: RM359,860) respectively because the Group's cumulative share of losses has exceeded its investments in these associates and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM4,618 (2020: RM2,017) and RM872,903 (2020: RM359,860) respectively.

(c) On 28 August 2020, Aman Duta Sdn. Bhd. ("ADSB") had disposed its entire equity interests in Usima Property Sdn. Bhd. ("UPSB"). Consequently, UPSB ceased to be an associate of ADSB.

Notes to the Financial Statements
(CONTINUED)

8. INVESTMENT PROPERTIES

Group	Freehold lands RM	Buildings RM	Construction in progress RM	Total RM
Costs				
At 1 July 2019	74,930,366	68,708,668	32,207,993	175,847,027
Addition	-	-	19,739,800	19,739,800
Reversal	(3,571,197)	-	-	(3,571,197)
At 30 June 2020	71,359,169	68,708,668	51,947,793	192,015,630
Addition	-	-	14,903,561	14,903,561
Disposal	(3,510,152)	-	-	(3,510,152)
Reversal	-	(64,060,055)	-	(64,060,055)
At 30 June 2021	**67,849,017**	**4,648,613**	**66,851,354**	**139,348,984**
Accumulated depreciation				
At 1 July 2019	-	5,257,024	-	5,257,024
Depreciation charge for the financial year	-	756,237	-	756,237
At 30 June 2020	-	6,013,261	-	6,013,261
Depreciation charge for the financial year	-	92,973	-	92,973
Reversal	-	(1,989,796)	-	(1,989,796)
At 30 June 2021	**-**	**4,116,438**	**-**	**4,116,438**
Carrying amount				
At 30 June 2021	**67,849,017**	**532,175**	**66,851,354**	**135,232,546**
At 30 June 2020	71,359,169	62,695,407	51,947,793	186,002,369

Buildings consist of retail shop lots, office units and a food court.

	2021 RM	2020 RM
Fair value of investment properties	**91,428,000**	142,210,000
Rental income generated	**1,232,251**	1,417,358
Direct operating expenses arising from: - income generating investment properties	**224,027**	585,106

8. INVESTMENT PROPERTIES (continued)

(a) Fair value information

The fair value of investment properties (excluding construction in progress) of approximately RM91,428,000 (2020: RM142,210,000) is determined based on the valuation performed by the independent professional valuers with relevant experience in the location and categories of land being valued. The fair value of investment properties is measured at Level 2 hierarchy.

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the property, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square foot of comparable properties.

(b) The investment properties with net carrying amount of RM93,103,186 (2020: RM78,199,625) have been pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 20.

(c) During the financial year, a subsidiary has cancelled the acquisition of a property (classified as investment property) from a fellow subsidiary which was classified as inventory.

9. GOODWILL ON CONSOLIDATION

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination.

The carrying amount of goodwill had been allocated to investment holding segment as independent CGU.

The Group performed impairment review on goodwill annually or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value in use calculation using 2 to 9 years cash flows projections from financial budgets and projects approved by the management. The key assumptions for the value in use calculation are number of development units sold and progress development, discount rate and expected changes to selling prices and direct costs during the period. Management estimated discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. A discount rate factor of 9.28% (2020: 9.92%) has been applied in arriving at the present value of future cash flows. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case assumptions would cause the carrying values of the CGUs to exceed its recoverable amounts.

Notes to the Financial Statements
(CONTINUED)

10. INVENTORIES

	Group 2021 RM	2020 RM
Non-current:		
At lower of cost or net realisable value		
Property held for development		
- Freehold lands	**326,083,468**	336,081,694
- Leasehold lands	**91,747,915**	106,139,735
- Development costs	**546,816,451**	516,709,148
	964,647,834	958,930,577
Current:		
At lower of cost or net realisable value		
Property under development		
- Freehold lands	**6,236,702**	3,766,293
- Leasehold lands	**82,592,090**	90,158,778
- Development costs	**332,452,534**	295,210,714
	421,281,326	389,135,785
Completed properties	**211,449,224**	197,815,494
Total inventories (current)	**632,730,550**	586,951,279
Total inventories (non-current and current)	**1,597,378,384**	1,545,881,856

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM175,322,770 (2020: RM112,315,145). In addition, the expense recognised in the profit or loss include the following:

	Group 2021 RM	2020 RM
Inventories written down	**25,164,726**	5,723,814

(b) Freehold lands and leasehold lands included in the properties held for development of RM229,516,835 (2020: RM250,546,868) have been pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 20.

(c) Included in inventories are borrowing costs capitalised in the property development costs during the financial year as follows:

	Group 2021 RM	2020 RM
Borrowing costs capitalised	**15,169,731**	16,636,749

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021	**2020**	**2021**	**2020**
		RM	**RM**	**RM**	**RM**
Non-current:					
Trade					
Trade receivables	(a)	**250,859**	-	**-**	-
Current:					
Trade					
Trade receivables from contracts with customers	(a)	**152,949,050**	58,047,660	**-**	-
Stakeholder sum	(a)	**204,721**	246,191	**-**	-
		153,153,771	58,293,851	**-**	-
Less: impairment loss for trade receivables	(a)	**(2,229,901)**	(2,229,901)	**-**	-
		150,923,870	56,063,950	**-**	-
Non-trade					
Amounts owing by:					
- subsidiaries	(b)	**-**	-	**252,757**	203,267
- associates	(b)	**5,305,630**	8,315,298	**17,238**	3,010,785
Less: impairment loss on:					
- subsidiaries	(b)	**-**	-	**(203,267)**	(203,267)
- associates	(b)	**(5,286,823)**	(3,743,861)	**(371)**	(3,000,371)
Other receivables	(c)	**251,054,754**	253,522,445	**6,676,096**	6,690,161
GST refundable		**640,719**	1,837,960	**126,600**	126,613
Deposits	(d)	**108,949,578**	110,017,008	**54,500**	54,500
Prepayments		**490,331**	453,649	**469,479**	440,137
		361,154,189	370,402,499	**7,393,032**	7,321,825
Total trade and other receivables (current)		**512,078,059**	426,466,449	**7,393,032**	7,321,825
Total trade and other receivables (non-current and current)		**512,328,918**	426,466,449	**7,393,032**	7,321,825

Notes to the Financial Statements
(CONTINUED)

11. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

Included in the trade receivables of the Group is an amount of RM204,721 (2020: RM246,191) deposited with a lawyer as stakeholders' sum from house buyers.

The Group's normal trade credit terms ranges from 14 days to 90 days (2020: 14 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The reconciliation of movement in the accumulated impairment losses of trade receivables is as follows:

	Group	
	2021 RM	2020 RM
At 1 July 2020/2019	**2,229,901**	2,288,171
Reversal of impairment loss	**-**	(58,270)
At 30 June	**2,229,901**	2,229,901

The above trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

The information about the credit exposures are disclosed in Note 34(b)(i).

(b) Amounts owing by subsidiaries and associates

The amounts owing by subsidiaries and associates are non-trade in nature, unsecured, interest-free and receivable upon demand in cash.

The reconciliation of movement in the accumulated impairment losses of amounts owing by subsidiaries is as follows:

	Company	
	2021 RM	2020 RM
At 1 July 2020/2019	**203,267**	122,843
Charge for the financial year	**-**	80,424
At 30 June	**203,267**	203,267

The reconciliation of movement in the accumulated impairment losses of amounts owing by associates is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 July 2020/2019	**3,743,861**	3,743,861	**3,000,371**	3,000,371
Charge for the financial year	**4,542,962**	-	**-**	-
Reversal of impairment loss	**(3,000,000)**	-	**(3,000,000)**	-
At 30 June	**5,286,823**	3,743,861	**371**	3,000,371

11. TRADE AND OTHER RECEIVABLES (continued)

(b) Amounts owing by subsidiaries and associates (continued)

The above impairment losses that are individually determined at the reporting date relate to subsidiaries and associates that have difficulty in repaying the advances.

(c) Other receivables

(i) Included in the other receivables of the Group is an advance paid to a joint development project amounting to RM232,863,431 (2020: RM232,863,431).

(ii) Included in the other receivables of the Group and the Company are amounts of RM451,340 (2020: RM496,405) and RM165,760 (2020: RM210,825) due from entities in which persons connected to certain directors.

(d) Deposits

Included in deposits of the Group is an amount of RM103,672,800 (2020: RM103,672,800) paid in connection to development project. The deposit is secured by a third party charge over a parcel of leasehold land.

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2021 RM	2020 RM
Contract assets relating to property development contracts	-	784,133
Contract liabilities relating to property development contracts	**(273,047,583)**	(160,120,696)

(a) Significant changes in contract balances

	2021		2020	
	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	**149,876,272**	-	56,211,951
Increases due to consideration received from customers, but revenue not recognised	-	**(257,712,459)**	-	(159,026,727)
Increase as a result of changes in the measure of progress	-	**(5,137,834)**	-	-
Transfer from contract liabilities recognised at the beginning of the year to payables	-	**47,134**	-	-
Increases due to revenue recognised, but no right to consideration	-	-	784,133	-
Transfers from contract assets recognised at the beginning of the period to receivables	**(784,133)**	-	(209,971)	-
Written off of contract assets	-	-	(9,402)	-

Notes to the Financial Statements
(CONTINUED)

12. CONTRACT ASSETS/(LIABILITIES) (continued)

(b) Revenue recognised in relation to contract balances

	Group	
	2021 RM	2020 RM
Revenue recognised that was included in contract liability at the beginning of the financial year	**149,876,272**	56,211,951

Revenue recognised that was included in the contract liability balance at the beginning of the year represented primarily revenue from the sale of property development contracts when percentage of completion increases.

13. CONTRACT COSTS

Costs to obtain contracts

Costs to obtain contracts relate to incremental commission fees paid to intermediaries as a result of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. During the financial year, the amortisation of contract costs of the Group recognised were RM7,025,164 (2020: RM5,138,942).

14. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	**99,461,969**	141,334,892	**11,672,505**	2,628,659
Short-term deposits	**73,619,869**	19,050,437	**4,258,921**	7,581,145
	173,081,838	160,385,329	**15,931,426**	10,209,804

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Short-term deposits	**73,619,869**	19,050,437	**4,258,921**	7,581,145
Less: pledged deposits	**(16,248,540)**	(16,098,485)	**(3,887,592)**	(6,532,183)
Less: deposits with maturity more than 3 months	**(371,329)**	(1,048,962)	**(371,329)**	(1,048,962)
	57,000,000	1,902,990	**-**	-
Cash and bank balances	**99,461,969**	141,334,892	**11,672,505**	2,628,659
Islamic commercial paper (Note 20)	**(70,000,000)**	(70,000,000)	**(70,000,000)**	(70,000,000)
Bank overdraft (Note 20)	**(4,190)**	-	**(4,190)**	-
	86,457,779	73,237,882	**(58,331,685)**	(67,371,341)

14. CASH AND SHORT-TERM DEPOSITS (continued)

(a) Included in the deposits placed with licensed banks of the Group and the Company, RM16,248,540 (2020: RM16,098,485) and RM3,887,592 (2020: RM6,532,183) are pledged to the licensed banks to secure credit facilities granted to subsidiaries and a third party as disclosed in Note 20.

(b) Deposits placed with licensed banks of the Group and the Company earn interest at rates ranging from 1.15% to 3.35% (2020: 2.00% to 3.35%) and 1.85% to 3.35% (2020: 2.00% to 3.35%) per annum.

(c) Included in cash and bank balances of the Group are amount of RM13,473,696 (2020: RM13,203,023) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

15. SHARE CAPITAL, TREASURY SHARES AND RETAINED EARNINGS

	Group and Company			
	Ordinary Shares		*Amount*	
	Share capital (Issued and fully paid up) Unit	Treasury shares Unit	Share capital (Issued and fully paid up) RM	Treasury shares RM
At 1 July 2019	1,344,424,610	(73,146,500)	773,239,117	(22,230,187)
Conversion of ICPS to ordinary shares	13,543,300	-	11,173,221	-
Repurchase of treasury shares	-	(10,425,600)	-	(3,060,523)
At 30 June 2020	1,357,967,910	(83,572,100)	784,412,338	(25,290,710)
Conversion of ICPS to ordinary shares	1,066,300	-	879,700	-
At 30 June 2021	**1,359,034,210**	**(83,572,100)**	**785,292,038**	**(25,290,710)**

(a) Share capital

Effective from 31 January 2017, the Companies Act 2016 abolished the concept of authorised share capital and par value of share capital.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company converted 1,066,300 (2020: 13,543,300) new ordinary shares of RM0.825 (2020: RM0.825) each arising from the conversion of 10,663,000 (2020: 135,433,000) units of irredeemable convertible preference shares ("ICPS") on the basis of 1 new ordinary share for every 10 units of ICPS.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

Notes to the Financial Statements
(CONTINUED)

15. SHARE CAPITAL, TREASURY SHARES AND RETAINED EARNINGS (continued)

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

In the previous financial year, the Company repurchased 10,425,600 of its issued ordinary shares from the open market at an average price of RM0.29 per share. The net total consideration paid for repurchase including transaction costs was RM3,060,523.

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

(c) Retained earnings

Under the single tier system, all the Company's retained earnings are distributable by way of dividend and tax on the Company's profit is the final tax and dividend distributed to shareholders will be exempted from tax.

16. IRREDEEMABLE CONVERTIBLE PREFERENCES SHARES ("ICPS")

	Group and Company			
	2021 Unit	2020 Unit	2021 RM	2020 RM
Issued ICPS				
At 1 July 2020/2019	**729,593,798**	865,026,798	**60,191,500**	71,364,721
Conversion of ICPS to ordinary shares	**(10,663,000)**	(135,433,000)	**(879,700)**	(11,173,221)
At 30 June	**718,930,798**	729,593,798	**59,311,800**	60,191,500

During financial year, 10,663,000 (2020: 135,433,000) units of ICPS has been converted to ordinary shares at RM0.825 (2020: RM0.825) each on the basis of 10 units of ICPS for every 1 existing ordinary share.

The salient features of the ICPS are as follows:

(a) Dividend rate

Subject to the compliance Section 131 of Companies Act 2016, the Company has full discretion over the declaration of dividends. Dividend declared and payable annually in arrears are non-cumulative.

The dividends of the ICPS shall be paid in priority over the ordinary shares. For avoidance of doubt, the redeemable convertible preference share ("RCPS") holder is not entitled to any dividend as the RCPS bears zero dividend rate.

(b) Tenure

The tenure is 5 years commencing from and inclusive of the date of issuance of the ICPS.

16. IRREDEEMABLE CONVERTIBLE PREFERENCES SHARES ("ICPS") (continued)

The salient features of the ICPS are as follows (continued):

(c) Maturity date

The maturity date of the ICPS immediately preceding the 5th anniversary from the date of issuance (27 September 2017).

(d) Conversion rights

Each ICPS carries the entitlement to convert into new ordinary shares at the conversion ratio through surrender of the ICPS. No adjustment to the conversion price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion. If the conversion results in a fractional entitlement to the ordinary shares of the Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash, otherwise, shall be given in respect of the disregarded fractional entitlement.

The ICPS can be converted at any time within 5 years commencing on and including the date of issuance of the ICPS up to and including the maturity date, and it had been fixed at either 10 ICPS to be converted into 1 new ordinary share or a combination of 1 ICPS and cash payment of RM1.485 for 1 new ordinary share.

(e) Rights of the ICPS holders

The ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distribution in the Company except the following circumstances until and unless such holders convert their ICPS into new shares:
(i) when the dividend or part of the dividend on the ICPS is in arrears for more than 6 months;
(ii) on a proposal to reduce the Company's share capital;
(iii) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking;
(iv) on a proposal that directly affects their rights and privileges attached to the ICPS;
(v) on a proposal to wind-up the Company; and
(vi) during the winding-up of the Company.

17. OTHER RESERVES

Other reserves arose from the acquisition of a subsidiary, NPO Development Sdn. Bhd..

18. REDEEMABLE PREFERENCE SHARES ("RPS")

	Group	
	2021 RM	**2020 RM**
Issued RPS		
At 1 July 2020/2019	**10,141,000**	141,000
Issued during the financial year	**-**	10,000,000
Redeemed during the financial year	**(10,000,000)**	-
At 30 June	**141,000**	10,141,000

Notes to the Financial Statements
(CONTINUED)

18. REDEEMABLE PREFERENCE SHARES ("RPS") (continued)

The redeemable preference shares were issued by a subsidiary of the Company, the main features of the redeemable preference shares are as follows:

(a) Right to dividends

The preference shares shall not confer upon the holders the right to be paid out of the profits of the subsidiary available for the payment any fixed or rate of dividend which the pre-determined in respect of any financial year or other period for which the subsidiary's accounts are made up. However, the Board of Directors of the subsidiary of the Company reserves the right and sole discretion right to declare or not declare any dividend to be paid to the holder of preference shares.

(b) The right to rank in regard to dividends and return of capital in priority to the ordinary shares.

(c) The holders shall not have the same rights as ordinary shareholders to receive notice of or to attend or vote at any general meeting of the subsidiary unless the business of the subsidiary includes the consideration of a reduction for the reducing of capital or for the winding up or reconstruction of the subsidiary or any resolution directly or adversely modifying or abrogating any of the special rights and privileges attached to the preference shares.

(d) The preference shares shall be redeemed on a date to be determined by the Board of the subsidiary of the Company and authorised by the ordinary shareholders.

19. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Non-current:					
Trade					
Trade payables	(a)	**27,988,314**	19,962,920	**-**	-
Non-trade					
Class A shares of a subsidiary classified as financial liability	(f)	**32,702,969**	31,586,797	**-**	-
Total trade and other payables (non-current)		**60,691,283**	51,549,717	**-**	-
Current:					
Trade					
Trade payables	(a)	**62,975,133**	63,262,705	**-**	-
Non-trade					
Amounts owing to:	(b)				
- subsidiaries		**-**	-	**126,089,394**	101,674,543
- a director		**809,930**	1,339,930	**-**	-
Other payables	(c)	**74,784,294**	68,093,863	**92,110**	42,403
GST payable		**25,263**	25,263	**-**	-
Accruals	(d)	**290,561,635**	326,184,898	**320,970**	390,670
Refundable deposits	(e)	**5,665,670**	4,821,398	**-**	-
		371,846,792	400,465,352	**126,502,474**	102,107,616
Total trade and other payables (current)		**434,821,925**	463,728,057	**126,502,474**	102,107,616
Total trade and other payables (non-current and current)		**495,513,208**	515,277,774	**126,502,474**	102,107,616

19. TRADE AND OTHER PAYABLES (continued)

(a) Trade payables

The normal trade credit terms granted to the Group range from 30 days to 90 days (2020: 30 days to 90 days).

Included in trade payables is an amount of RM52,814,683 (2020: RM49,821,444) held as retention sum payable to contractors.

(b) Amounts owing to subsidiaries and a director

The amounts owing to subsidiaries and a director are non-trade in nature, unsecured, interest-free and repayable on demand in cash.

(c) Other payables

(i) Included in other payables is an amount of RM28,837 (2020: RM52,343) owing to companies in which certain directors have interests.

(ii) Included in other payables is an amount of RM32,280,509 (2020: RM24,330,726) owing to a shareholder of a subsidiary. The amount due is unsecured, interest-free and repayable on demand in cash.

(d) Accruals

Included in accruals are an amount totalling RM284,155,233 (2020: RM321,083,071) which represents costs accrued for the development projects by the Group.

(e) Refundable deposits

Included in deposits are in relation to partial payments received from purchaser towards the sales of development properties.

(f) Class A shares of subsidiaries classified as financial liabilities

	Group			
	2021 Unit	**2020 Unit**	**2021 RM**	**2020 RM**
Class A shares of subsidiaries				
At 1 July 2020/2019	**39,400,000**	47,000,000	**31,586,797**	47,000,000
Issued during the financial year	**-**	39,400,000	**-**	39,400,000
Redeemed during the financial year	**-**	(47,000,000)	**-**	(47,000,000)
Net loss/(gain) on Class A shares classified as financial liabilities at amortised cost	**-**	-	**1,116,172**	(7,813,203)
At 30 June	**39,400,000**	39,400,000	**32,702,969**	31,586,797

Notes to the Financial Statements
(CONTINUED)

19. TRADE AND OTHER PAYABLES (continued)

(f) Class A shares of subsidiaries classified as financial liabilities (continued)

In the previous financial year:

(i) On 16 December 2019, Riveria City Sdn. Bhd. ("RCSB") had issued of 39,400,000 units of Class A shares for RM39,400,000 to a subscriber, Tokyu Land Asia Pte Ltd ("TLA"), for the purpose of expanding the property development business with certain terms and conditions as stated in the subscription agreement. The Class A shareholder is entitled to receive annual dividend and annual capital reduction.

(ii) On 6 May 2020, Epoch Property Sdn. Bhd. ("EPSB") had redeemed 47,000,000 units of Class A shares from the subscriber.

(iii) Dividends in respect of Class A shares in EPSB:

	Group RM
In respect of financial year ended 30 June 2020	
- Single tier interim dividend for the financial year ended 30 June 2020: RM0.0628 per Class A ordinary share of a subsidiary, paid on 31 July 2019	2,953,020
- Single tier final dividend for the financial year ended 30 June 2020: RM0.2411 per Class A ordinary share of a subsidiary, paid on 24 March 2020	9,257,455
	12,210,475

The main features of the Class A shares are as follows:

(i) Right to Annual Dividends

At the end of each financial year, TLA shall be entitled to receive as dividend or any distribution whatsoever, 30% of such amount attributable to the Net Profit of Project Riveria, subject to the Cash Flow Availability.

On any payment of dividends or distributions at any time, the Class A shares shall rank in priority to ordinary shares ("OS") and redeemable preference shares ("RPS"). RPS holder shall not be entitled to any dividends or distributions until and unless the Class A shareholder have first received the dividend and capital reduction for the particular financial year.

(ii) Annual Capital Reduction

At the end of each financial year, TLA shall be entitled to require RCSB to return such amount of capital to TLA by carrying out a share capital reduction exercise for such number of Class A shares at RM1 per share for an amount equivalent to 30% of the Net Cash Flow less the Annual Dividend to be paid for that financial year to TLA.

In the event if the Net Cash Flow is less than zero, such deficiency amount shall be carried forward to the following financial year.

(iii) Subscriber's Rights

RCSB shall not directly or indirectly vary or affect rights, privileges, or conditions attached to the Class A shares, or the exercise of any of those rights, privileges or conditions without the prior approval of the Class A Shareholders.

Any shares of RCSB ranking pari passu with existing Class A shares shall be deemed to be a variation of the rights, privileges or conditions attached to the Class A shares.

19. TRADE AND OTHER PAYABLES (continued)

(f) Class A shares of subsidiaries classified as financial liabilities (continued)

The main features of the Class A shares are as follows (continued):

(iv) Winding up preference

On a winding up, TLA is conferred the right to receive, in priority to any payment to the RPS holders and the ordinary shares holders, cash payment in full of the Subscription Price, less the amount of Annual Dividends distributed and Annual Capital Reduction made, and after the payment and discharge of all debts and liabilities of RCSB to its secured and unsecured creditors and the cost of such winding up, provided that after the aforesaid cash payments are made in full, and after RPS holder and ordinary shares holders are paid the subscription price of the ordinary shares, TLA shall rank pari passu with the Titijaya Land Berhad ("TLB") in any further distribution of any surplus assets. Any such further distribution shall be limited to surplus assets or profit arising out of or in connection with Project Riveria.

(v) Seniority

Class A shares shall rank senior to all other equity of RCSB. RPS shall rank senior to all equity of RCSB other than Class A shares.

(g) For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 34(b)(ii).

20. LOANS AND BORROWINGS

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Non-current:					
Term loans	(a)	**304,465,961**	270,262,727	**7,666,662**	-
Lease liabilities	(b)	**511,784**	761,545	**-**	-
Bridging loans	(c)	**25,000,000**	46,875,000	**-**	-
		329,977,745	317,899,272	**7,666,662**	-
Current:					
Term loans	(a)	**39,567,210**	56,424,317	**2,000,004**	-
Lease liabilities	(b)	**271,344**	268,558	**-**	-
Bridging loans	(c)	**25,000,000**	3,169,080	**-**	-
Revolving credits	(d)	**44,200,000**	41,200,000	**44,200,000**	41,200,000
Islamic commercial paper	(e)	**70,000,000**	70,000,000	**70,000,000**	70,000,000
Bank overdraft	(f)	**4,190**	-	**4,190**	-
		179,042,744	171,061,955	**116,204,194**	111,200,000
		509,020,489	488,961,227	**123,870,856**	111,200,000
Total loans and borrowings:					
Term loans	(a)	**344,033,171**	326,687,044	**9,666,666**	-
Lease liabilities	(b)	**783,128**	1,030,103	**-**	-
Bridging loans	(c)	**50,000,000**	50,044,080	**-**	-
Revolving credits	(d)	**44,200,000**	41,200,000	**44,200,000**	41,200,000
Islamic commercial paper	(e)	**70,000,000**	70,000,000	**70,000,000**	70,000,000
Bank overdraft	(f)	**4,190**	-	**4,190**	-
		509,020,489	488,961,227	**123,870,856**	111,200,000

Notes to the Financial Statements
(CONTINUED)

20. LOANS AND BORROWINGS (continued)

(a) Term loans

The term loans of the Group and of the Company bear interests at rates ranging from 3.60% to 5.70% and 3.96% (2020: 4.24% to 8.65% and Nil) per annum respectively.

(b) Lease liabilities

The lease liabilities bear interest at the effective interest rates ranging from 4.78% to 5.72% (2020: 4.66% to 5.72%) per annum.

Future minimum lease payments under leases together with the present value of net minimum lease payments are as follows:

	Group	
	2021 RM	**2020 RM**
Minimum lease payments:		
- within twelve months	**303,919**	311,741
- later than 1 year and not later than 5 years	**540,269**	816,145
- later than 5 years	**-**	3,670
	844,188	1,131,556
Less: Future finance charges	**(61,060)**	(101,453)
Present value of minimum lease payments	**783,128**	1,030,103
Analysis of present value of minimum lease payments		
- not later than one year	**271,344**	268,558
- later than 1 year and not later than 5 years	**511,784**	757,894
- later than 5 years	**-**	3,651
	783,128	1,030,103

(c) Bridging loans

The bridging loans bear interests at rate of 3.86% (2020: 4.19% to 5.32%) per annum.

(d) Revolving credits

The revolving credits of the Group and of the Company bear interest rate at rates ranging from 3.74% to 4.50% (2020: 4.40% to 5.40%) per annum.

(e) Islamic commercial paper

The Islamic commercial paper of the Group and of the Company is unsecured and bears interests at a rate of 5.10% (2020: 5.10%) per annum.

(f) Bank overdraft

The bank overdraft of the Group and of the Company bears interest at rate of 4.22% (2020: Nil) per annum.

(g) The loans and borrowings of the Group and of the Company are secured by way of:

(i) first and third party first, second and third legal charge over the Group's land held for development disclosed in Note 10;

(ii) fixed legal charged over the land held for development as disclosed in Note 10;

(iii) legal assignment and charge over the investment properties of subsidiaries as disclosed in Note 8;

(iv) specific debenture over all the fixed and floating assets on the property development land as disclosed in Note 10;

20. LOANS AND BORROWINGS (continued)

(g) The loans and borrowings of the Group and of the Company are secured by way of (continued):

(v) legal charge over ordinary shares of a subsidiary and cash deposits with bank of subsidiaries as disclosed in Note 14;

(vi) power of Attorney in favour of the bank to appoint a contractor at the bank's discretion to proceed and complete the entire development in the event of repayment default and/or inability to complete the project;

(vii) first party deed of assignment and power of attorney over the property of a subsidiary as disclosed in Note 5;

(viii) assignment of all the rights, title and interest in respect of the rental proceeds for a property from the tenant in favour of the lender;

(ix) assignment of subsidiary's Housing Development Act Account and Project Development Account of the projects;

(x) master trade agreement;

(xi) personal, joint and several guarantee by certain directors of the Company and its subsidiaries;

(xii) letter of subordination debts to subordinate all advances by the Company and certain directors of a subsidiary;

(xiii) letter of undertaking from the directors, a shareholder of a subsidiary and a subsidiary;

(xiv) corporate guarantee from the Ultimate Holding Company, the Company and a subsidiary;

(xv) legal charge and assignment over Finance Service Reserve and Escrow Account and all proceeds therein of a subsidiary;

(xvi) Government Guarantee issued by Syarikat Jaminan Pembiayaan Perniagaan Bhd;

(xvii) Memorandum of Charge over entire paid up capital of the Chargor for the land;

(xviii) debenture incorporating a fixed and floating charges for all monies owing or payable under facilities over present and future assets of a subsidiary; and

(xix) legal assignment of insurance by Chargor.

21. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) relates to the following:

	As at 1 July 2019 RM	Recognised in profit or loss (Note 28) RM	As at 30 June 2020 RM	Recognised in profit or loss (Note 28) RM	As at 30 June 2021 RM
Group					
Deferred tax liabilities:					
Property, plant and equipment	(73,115)	-	(73,115)	(878)	**(73,993)**
Investment properties	(15,124,832)	-	(15,124,832)	-	**(15,124,832)**
Inventories:					
- Development expenditures	(1,355,302)	988,283	(367,019)	(3,698,729)	**(4,065,748)**
- Land held for property development	(14,876,608)	108,149	(14,768,459)	-	**(14,768,459)**
	(31,429,857)	1,096,432	(30,333,425)	(3,699,607)	**(34,033,032)**
Deferred tax assets:					
Property, plant and equipment	-	-	-	(4,023)	**(4,023)**
Inventories:					
- Development expenditures	692,144	2,325,602	3,017,746	787,976	**3,805,722**
- Provision for liquidated ascertained damages	152,253	(152,253)	-	55,656	**55,656**
	844,397	2,173,349	3,017,746	839,609	**3,857,355**
	(30,585,460)	3,269,781	(27,315,679)	(2,859,998)	**(30,175,677)**

Notes to the Financial Statements
(CONTINUED)

21. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

	Group	
	2021 RM	2020 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	**3,857,355**	3,017,746
Deferred tax liabilities	**(34,033,032)**	(30,333,425)
	(30,175,677)	(27,315,679)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2021 RM	2020 RM
Temporary differences	**13,902,613**	7,372,055
Unused tax losses	**24,371,335**	20,321,329
Unabsorbed capital allowance	**158,891**	31,855
	38,432,839	27,725,239

Pursuant to Section 11 of the Finance Act 2018 (Act 812), special provision relating to Section 43 & 44 of Income Tax Act 1967, a time limit has been imposed on the unutilised business losses, to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment (i.e. from years of assessment 2019 to 2025).

The unused tax losses are available for offset against future taxable profits of the Group which will expire in the following financial years:

	Group 30 June 2021 RM
2025	**11,163,656**
2026	**3,983,222**
2027	**364,587**
2028	**8,859,870**

22. REVENUE

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Revenue from contract customers:				
Timing of revenue recognition:				
Over time				
Property development	**158,636,830**	109,986,881	**-**	-
At a point in time				
Sale of completed properties	**76,301,294**	54,566,062	**-**	-
Sale of land	**17,563,392**	-	**-**	-
Revenue from other source:				
Timing of revenue recognition:				
At a point in time				
Rental income from investment property	**1,097,699**	745,425	**-**	-
Dividend income from a subsidiary	**-**	-	**4,000,000**	64,300,000
Others	**7,355**	12,669	**-**	-
	253,606,570	165,311,037	**4,000,000**	64,300,000

23. COST OF SALES

	Group	
	2021 RM	**2020 RM**
Property development costs	**102,941,837**	73,542,595
Costs of completed properties sold	**71,876,419**	43,911,492
Costs of land sold	**7,665,646**	-
Reversal of costs accrued for development projects	**(359,267)**	-
Direct operating expenses arising from investment properties	**140,581**	18,776
	182,265,216	117,472,863

Notes to the Financial Statements
(CONTINUED)

24. OTHER INCOME

	Group	
	2021 RM	**2020 RM**
Administrative fee received	**128,144**	317,752
Forfeiture income	**2,215,129**	744,387
Gain on reversal of an investment property	**1,989,796**	-
Gain on disposal of property, plant and equipment	**3,480**	-
Liquidated and ascertained damages income	**28,000**	77,865
Miscellaneous income	**628,897**	161,975
Net gain on capital reduction of Class A shares	**-**	13,018,136
Net gain on Class A shares classified as financial liabilities at amortised cost	**-**	7,813,203
Non-refundable deposit income	**93,300**	-
Others	**105,270**	-
Rental income	**2,747,968**	3,645,131
Waiver of tax penalty	**1,066,283**	-
	9,006,267	25,778,449

25. FINANCE INCOME

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Interest income on short-term deposits	**464,046**	996,751	**-**	889,054
Interest earned on late payment received	**-**	1,802,392	**-**	-
Other interest income	**826,677**	1,322,522	**5,891**	5,322
	1,290,723	4,121,665	**5,891**	894,376

26. FINANCE COSTS

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Interest expense on:				
- Bank overdrafts	**83,462**	16,953	**42,504**	16,953
- Bridging loans	**556,662**	967,748	**-**	-
- Class A shares	**1,887,124**	1,749,311	**-**	-
- Islamic commercial paper	**3,596,178**	3,519,726	**3,596,178**	3,519,726
- Lease liabilities	**47,782**	48,905	**-**	-
- Others	**333,259**	-	**26,575**	-
- Revolving credits	**2,267,682**	1,361,989	**2,267,682**	1,361,989
- Term loans	**1,360,954**	979,646	**129,468**	147,944
	10,133,103	8,644,278	**6,062,407**	5,046,612

27. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving of profit/(loss) before tax:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Auditors' remuneration:				
- statutory audit				
- current year	**422,000**	414,000	**92,000**	92,000
- prior year	**-**	(4,000)	**-**	(2,000)
- non-statutory audit fees	**7,000**	27,000	**7,000**	27,000
Credit losses on revocation of sales	**-**	3,452,501	**-**	-
Expenses relating to short-term leases	**120,150**	163,900	**-**	-
Expenses relating to low value assets	**59,877**	97,161	**-**	-
Loss on disposal of investment in an associate	**40**	-	**-**	-
Loss on disposal of investment properties	**10,152**	-	**-**	-
Reversal of impairment loss on investment in an associate	**(40)**	-	**-**	-
Reversal of liquidated and ascertained damages income	**428,000**	-	**-**	-
Written off of:				
- contract assets	**-**	9,402	**-**	-
- deposits	**-**	100	**-**	-
- other receivables	**878,734**	443,886	**-**	-
- prepayment	**-**	6,345	**-**	-
- property, plant and equipment	**5**	-	**-**	-

Notes to the Financial Statements
(CONTINUED)

28. INCOME TAX EXPENSE/(CREDIT)

The major components of income tax expense/(credit) for the financial years ended 30 June 2021 and 30 June 2020 are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	**17,191,864**	9,800,747	**-**	188,165
- Under/(Over)provision in the previous financial year	**239,202**	7,508,398	**(38,684)**	1,405
	17,431,066	17,309,145	**(38,684)**	189,570
Deferred tax: (Note 21)				
- Origination of temporary differences	**1,104,203**	(531,134)	**-**	-
- Under/(Over)provision in the previous financial years	**1,755,795**	(2,738,647)	**-**	-
	2,859,998	(3,269,781)	**-**	-
Income tax expense recognise in profit or loss	**20,291,064**	14,039,364	**(38,684)**	**189,570**

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Profit/(Loss) before tax	**12,659,217**	16,212,607	**(759,490)**	56,428,987
Tax at Malaysian statutory income tax rate of 24%	**3,038,212**	3,891,025	**(182,278)**	13,542,957
Share of results of associates	**20,610**	922	**-**	-
Adjustments:				
- Non-deductible expenses	**14,003,187**	5,182,584	**1,691,335**	1,934,628
- Income not subject to tax	**(1,335,766)**	(2,053,004)	**(1,509,057)**	(15,289,420)
- Deferred tax not recognised on tax losses, capital allowances and temporary differences	**3,588,817**	2,535,984	**-**	-
- Utilisation of previously unrecognised tax losses, capital allowances and temporary differences	**(1,018,993)**	(287,898)	**-**	-
- Under/(Over)provision of income tax in the previous financial year	**239,202**	7,508,398	**(38,684)**	1,405
- Under/(Over)provision of deferred tax in the previous financial years	**1,755,795**	(2,738,647)	-	-
Income tax expense/(credit)	**20,291,064**	14,039,364	**(38,684)**	189,570

29. LOSS PER ORDINARY SHARE

(a) Basic

Basic loss per share are based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2021	**2020**
Loss attributable to to owners of the Company (RM)	**(13,952,146)**	(2,116,875)
Weighted average number of ordinary shares for basic earnings per share (units)	**1,274,663,131**	1,267,692,843
Basic loss per ordinary share (sen)	**(1.09)**	(0.17)

(b) Diluted

Diluted loss per share are based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2021	**2020**
Loss attributable to owners of the Company (RM)	**(13,952,146)**	(2,116,875)
Weighted average number of ordinary shares for basic earnings per share (units)	**1,274,663,131**	1,267,692,843
Effect of dilution from: Conversion of ICPS	**59,311,800**	72,959,380
Weighted average number of ordinary shares for basic earnings per share (units)	**1,333,974,931**	1,340,652,223
Diluted loss per ordinary share (sen)	**(1.05)**	(0.16)

Notes to the Financial Statements
(CONTINUED)

30. GUARANTEES

(a) Financial guarantees

The corporate guarantees, guaranteed by the Company for credit facilities granted to subsidiaries are as follows:

	Company	
	2021 RM	2020 RM
Corporate guarantees for credit facilities granted to subsidiaries	**384,624,605**	376,771,124

(b) Bank guarantees

The bank guarantees, guaranteed by the Group and the Company issued to authorities and a third party for joint development project is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Bank guarantees issued to authorities	**5,380,068**	12,208,338	**4,107,388**	11,136,858
Bank guarantees issued to a third party for joint development project	**5,016,232**	9,032,464	**5,016,232**	9,032,464
	10,396,300	21,240,802	**9,123,620**	20,169,322

31. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Company's holding company as disclosed in Note 1;

(ii) Subsidiaries;

(iii) Associates;

(iv) Entities in which directors have substantive financial interest;

(v) Close members of the family of a directors; and

(vi) Key management personnel of the Group's and of the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

31. RELATED PARTIES (continued)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Subsidiaries				
Project management fee				
- Titijaya PMC Sdn. Bhd.	**-**	-	**(72,000)**	(72,000)
Dividend income				
- NPO Development Sdn. Bhd.	**-**	-	**-**	26,800,000
- Safetags Solution Sdn. Bhd.	**-**	-	**4,000,000**	-
- Epoch Property Sdn. Bhd.	**-**	-	**-**	37,500,000
Related party				
Billing to/back charge of construction costs				
- Amakmur Development Sdn. Bhd.	**1,350,058**	3,000,797	**-**	-

Significant outstanding balances with related parties at the end of the reporting date are as disclosed in Notes 11 and 19.

(c) Compensation of key management personnel

	Group	
	2021 RM	2020 RM
Included in staff costs were remunerations for key management personnel other than directors		
- Short-term employee benefits	**1,021,561**	2,160,593
- Defined contribution plan	**115,589**	309,696
	1,137,150	2,470,289

Other key management personnel comprise persons other than the directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

Notes to the Financial Statements
(CONTINUED)

32. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Short-term employee benefits	**9,880,619**	11,853,437	**337,670**	465,870
Defined contribution plans	**1,096,398**	1,287,302	**-**	-
	10,977,017	13,140,739	**337,670**	465,870

Included in employee benefits expenses are:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors of the Company				
Executive directors				
- Fees	**87,640**	212,840	**87,640**	212,840
- Other emoluments	**1,888,001**	2,168,272	**-**	-
Non-executive directors				
- Fees	**184,030**	195,530	**184,030**	195,530
- Other emoluments	**66,000**	57,500	**66,000**	57,500
	2,225,671	2,634,142	**337,670**	465,870

The monetary value of benefits-in-kind (which were not included in the above directors' remuneration) of the Group received by certain directors of the Company amounted to RM150,336 (2020: RM191,124).

The number of the directors whose total remuneration during the financial year falls within the following bands is analysed below:

	Number of directors	
	2021	2020
Executive Directors:		
RM50,001 - RM100,000	**1**	-
RM550,001 - RM600,000	**1**	-
RM600,001 - RM650,000	**1**	-
RM650,001 - RM700,000	**1**	1
RM700,001 - RM750,000	**-**	-
RM750,001 - RM800,000	**-**	1
RM800,001 - RM850,000	**-**	-
RM850,001 - RM900,000	**-**	-
RM900,001 - RM950,000	**-**	1
Non-executive Directors:		
RM1 - RM50,000	**3**	4
RM50,001 - RM100,000	**2**	2

33. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group Managing Director for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	**Products and services**
Property development	Development of housing and commercial units for sales
Investment holding and others	Investment holding and others

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as the Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment asset is measured based on all assets (excluding investment in associates, deferred tax assets and current tax assets) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

Segment liabilities

The total of segment liabilities are measured based on all liabilities (excluding deferred tax liabilities and current tax liabilities) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

Notes to the Financial Statements

(CONTINUED)

33. SEGMENT INFORMATION (continued)

Group	Note	Property development RM	Investment holding and others RM	Adjustment and eliminations RM	Consolidation RM
2021					
Revenue					
Revenue from external customers		253,380,541	1,105,054	(879,025)	253,606,570
Inter-segment revenue	A	41,758,365	11,324,903	(53,083,268)	-
Total revenue		295,138,906	12,429,957	(53,962,293)	253,606,570
Results					
Segment results		50,255,003	(735,710)	(27,931,823)	21,587,470
Finance income		1,251,938	38,785	-	1,290,723
Finance costs		(3,341,665)	(6,546,644)	(244,794)	(10,133,103)
Share of results of associate		-	-	(85,873)	(85,873)
Profit/(Loss) before tax	B	48,165,276	(7,243,569)	(28,262,490)	12,659,217
Income tax expense		(20,277,178)	(615,171)	601,285	(20,291,064)
Net profit/(loss) for the financial year	B	27,888,098	(7,858,740)	(27,661,205)	(7,631,847)
Assets					
Segment assets		2,596,445,600	1,590,081,696	(1,748,084,852)	2,438,442,444
Investment in associates		95,000	404,000	(139,422)	359,578
Goodwill on consolidation		-	-	2,062,677	2,062,677
Deferred tax assets		3,857,355	-	-	3,857,355
Current tax assets		18,374,796	151,897	-	18,526,693
Total assets	C			(1,746,161,597)	2,463,248,747
Liabilities					
Segment liabilities		1,679,129,340	339,823,349	(741,371,409)	1,277,581,280
Current tax liabilities		3,958,232	39,587	-	3,997,819
Deferred tax liabilities		4,070,302	69,438	29,893,292	34,033,032
Total liabilities	D			(711,478,117)	1,315,612,131
Other segment information					
Acquisition of property, plant and equipment		4,031	2,250	-	6,281
Addition to investment properties		-	10,423,250	4,480,311	14,903,561
Depreciation of investment properties		92,973	-	-	92,973
Depreciation of property, plant and equipment		97,369	1,410,206	(661,745)	845,830
Expenses relating to short-term leases		120,150	-	-	120,150
Expenses relating to low value assets		17,839	42,038		59,877
Finance costs		3,341,665	6,546,644	244,794	10,133,103
Finance income		(1,251,938)	(38,785)	-	(1,290,723)
Gain on reversal of an investment property		-	(1,989,796)	-	(1,989,796)
Gain on disposal of property, plant and equipment		(3,480)	-	-	(3,480)
Impairment loss on:					
- amount owing by an associate		-	4,542,962	-	4,542,962
Inventories written down		20,381,459	-	4,783,267	25,164,726
Loss on disposal of investment in an associate		-	40	-	40
Loss on disposal of investment properties		-	10,152	-	10,152
Net loss on Class A shares classified as financial liabilities at amortised cost		1,116,172	-	-	1,116,172
Net gain on RPS classified as financial liabilities at amortised cost		(7,393,758)	-	7,393,758	-
Reversal of impairment loss on:					
- amount owing by an associate		-	(3,000,000)	-	(3,000,000)
- investment in an associate		-	(40)	-	(40)
Reversal of liquidated and ascertained damages income		428,000	-	-	428,000
Written off of:					
- other receivables		878,544	190	-	878,734
- property, plant and equipment		-	5	-	5

33. SEGMENT INFORMATION (continued)

Group	Note	Property development RM	Investment holding and others RM	Adjustment and eliminations RM	Consolidation RM
2020					
Revenue					
Revenue from external customers		164,552,947	758,090	-	165,311,037
Inter-segment revenue	A	24,891,722	81,199,038	(106,090,760)	-
Total revenue		**189,444,669**	**81,957,128**	**(106,090,760)**	**165,311,037**
Results					
Segment results		54,939,266	59,368,848	(93,569,051)	20,739,063
Finance income		3,044,026	1,077,639	-	4,121,665
Finance costs		(16,056,952)	(5,584,953)	12,997,627	(8,644,278)
Share of results of associate		-	-	(3,843)	(3,843)
Profit before tax	B	41,926,340	54,861,534	(80,575,267)	16,212,607
Income tax expense		(13,796,490)	(351,023)	108,149	(14,039,364)
Net profit for the financial year	B	**28,129,850**	**54,510,511**	**(80,467,118)**	**2,173,243**
Assets					
Segment assets		2,501,451,994	1,612,163,905	(1,769,085,651)	2,344,530,248
Investment in associates		95,000	404,000	(53,549)	445,451
Goodwill on consolidation		-	-	2,062,677	2,062,677
Deferred tax assets		3,017,746	-	-	3,017,746
Current tax assets		12,051,714	111,177	-	12,162,891
Total assets	C			**(1,767,076,523)**	**2,362,219,013**
Liabilities					
Segment liabilities		1,581,871,306	358,007,858	(775,519,467)	1,164,359,697
Current tax liabilities		2,189,347	68,081	-	2,257,428
Deferred tax liabilities		370,695	69,438	29,893,292	30,333,425
Total liabilities	D			**(745,626,175)**	**1,196,950,550**
Other segment information					
Acquisition of property, plant and equipment		94,139	32,181	-	126,320
Additions to investment properties		-	17,156,763	2,583,037	19,739,800
Credit losses on revocation of sales		3,452,501	-	-	3,452,501
Depreciation of investment properties		92,972	663,265	-	756,237
Depreciation of property, plant and equipment		108,312	781,786	-	890,098
Expenses relating to short-term leases		163,900	-	-	163,900
Expenses relating to low value assets		68,724	1,186,889	(1,158,452)	97,161
Finance costs		16,056,952	5,584,953	(12,997,627)	8,644,278
Finance income		(3,044,026)	(1,077,639)	-	(4,121,665)
Impairment loss on:					
- amount owing by subsidiaries		-	80,424	(80,424)	-
- investment in associates		-	40	-	40
- investment in subsidiaries		-	2,000,006	(2,000,006)	-
Inventories written down		5,487,127	-	236,687	5,723,814
Net gain on capital reduction of Class A shares		(13,018,136)	-	-	(13,018,136)
Net gain on Class A shares classified as financial liabilities at amortised cost		(7,813,203)	-	-	(7,813,203)
Net gain on RPS classified as financial liabilities at amortised cost		(14,613,674)	-	14,613,674	-
Reversal of impairment loss on trade receivables		(58,270)	-	-	(58,270)
Written off of:					
- contract assets		9,402	-	-	9,402
- deposits		-	100	-	100
- other receivables		93,886	350,000	-	443,886
- prepayments		6,345	-	-	6,345

Notes to the Financial Statements
(CONTINUED)

33. SEGMENT INFORMATION (continued)

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items are as follows:

A Inter-segment revenue
Inter-segment revenue are eliminated on consolidation.

B Reconciliation of profit or loss
(Loss)/Profit from other segment transactions are eliminated on consolidation.

C Reconciliation of assets

	2021 RM	2020 RM
Amount due from holding company	**(126,089,394)**	(101,674,543)
Amount due from subsidiaries	**(561,314,360)**	(726,133,101)
Investment in subsidiaries	**(1,232,201,362)**	(1,201,743,247)
Intra group transactions	**173,443,519**	262,527,917
Sharing of losses for investment in an associate	**-**	(53,549)
	(1,746,161,597)	(1,767,076,523)

D Reconciliation of liabilities

	2021 RM	2020 RM
Amount due to holding company	**(252,756)**	(203,267)
Amount due to subsidiaries	**(687,354,264)**	(743,807,653)
Intra group transactions	**(23,871,097)**	(1,615,255)
	(711,478,117)	(745,626,175)

Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group and the Company classify their financial assets and liabilities at amortised cost. The following table analyses the financial instruments in the statements of financial position:

	Carrying amount RM	Amortised cost RM
At 30 June 2021		
Financial assets:		
Group		
Trade and other receivables (excluding GST refundable and prepayments)	**511,197,868**	**511,197,868**
Cash and short-term deposits	**173,081,838**	**173,081,838**
Total financial assets	**684,279,706**	**684,279,706**
Company		
Trade and other receivables (excluding GST refundable and prepayments)	**6,796,953**	**6,796,953**
Cash and short-term deposits	**15,931,426**	**15,931,426**
Total financial assets	**22,728,379**	**22,728,379**
Financial liabilities:		
Group		
Trade and other payables (excluding GST payable)	**(495,487,945)**	**(495,487,945)**
Loans and borrowings	**(509,020,489)**	**(509,020,489)**
Total financial liabilities	**(1,004,508,434)**	**(1,004,508,434)**
Company		
Trade and other payables	**(126,502,474)**	**(126,502,474)**
Loans and borrowings	**(123,870,856)**	**(123,870,856)**
Total financial liabilities	**(250,373,330)**	**(250,373,330)**

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

The Group and the Company classify their financial assets and liabilities at amortised cost. The following table analyses the financial instruments in the statements of financial position (continued):

	Carrying amount RM	Amortised cost RM
At 30 June 2020		
Financial assets:		
Group		
Trade and other receivables (excluding GST refundable and prepayments)	424,174,840	424,174,840
Cash and short-term deposits	160,385,329	160,385,329
Total financial assets	584,560,169	584,560,169
Company		
Trade and other receivables (excluding GST refundable and prepayments)	6,755,075	6,755,075
Cash and short-term deposits	10,209,804	10,209,804
Total financial assets	16,964,879	16,964,879
Financial liabilities:		
Group		
Trade and other payables (excluding GST payable)	(515,252,511)	(515,252,511)
Loans and borrowings	(488,961,227)	(488,961,227)
Total financial liabilities	(1,004,213,738)	(1,004,213,738)
Company		
Trade and other payables	(102,107,616)	(102,107,616)
Loans and borrowings	(111,200,000)	(111,200,000)
Total financial liabilities	(213,307,616)	(213,307,616)

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Group and the Company operate within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Group Managing Director and does not trade in derivative financial instruments. Financial risk management is carried through internal control systems and adherence to Group's and the Company's financial risk management policies.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are follows:

	2021 RM	2020 RM
Group		
Trade receivables:		
Property development	**151,174,729**	56,063,950
Contract assets:		
Property development	**-**	784,133

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's and Company's trade receivables and contract assets using provision matrix are as follows:

		Trade receivables				
	Contract assets	Current	1-30 days past due	31-75 days past due	>75 days past due	Total
At 30 June 2021						
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Gross carrying amount at default	**-**	**124,622,326**	**8,560,563**	**3,562,219**	**16,659,522**	**153,404,630**
At 30 June 2020						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	784,133	17,766,537	5,605,219	5,440,625	29,481,470	58,293,851

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Some intercompany loans between entities within the Group is repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.11(a) for the Company's other accounting policies for impairment of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meets its liabilities when they fall due.

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
Group	**Carrying amount RM**	**On demand or within 1 year RM**	**Between 1 and 5 years RM**	**More than 5 years RM**	**Total RM**
At 30 June 2021					
Financial liabilities:					
Trade and other payables (excluding GST payable)	**495,487,945**	**434,796,662**	**64,988,314**	**2,400,000**	**502,184,976**
Lease liabilities	**783,128**	**303,919**	**540,269**	**-**	**844,188**
Loans and borrowings	**508,237,361**	**194,793,772**	**261,294,613**	**102,127,626**	**558,216,011**
	1,004,508,434	**629,894,353**	**326,823,196**	**104,527,626**	**1,061,245,175**
At 30 June 2020					
Financial liabilities:					
Trade and other payables (excluding GST payable)	515,252,511	463,702,794	41,962,920	17,400,000	523,065,714
Finance lease liabilities	1,030,103	311,741	816,145	3,670	1,131,556
Loans and borrowings	487,931,124	185,900,309	297,379,589	62,585,722	545,865,620
	1,004,213,738	649,914,844	340,158,654	79,989,392	1,070,062,890

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows (continued):

		Contractual cash flows			
Company	**Carrying amount RM**	**On demand or within 1 year RM**	**Between 1 and 5 years RM**	**More than 5 years RM**	**Total RM**
At 30 June 2021					
Financial liabilities:					
Trade and other payables	**126,502,474**	**126,502,474**	**-**	**-**	**126,502,474**
Loans and borrowings	**123,870,856**	**116,927,314**	**8,076,412**	**-**	**125,003,726**
Financial guarantee contracts	**-**	**384,624,605**	**-**	**-**	**384,624,605**
	250,373,330	**628,054,393**	**8,076,412**	**-**	**636,130,805**
At 30 June 2020					
Financial liabilities:					
Trade and other payables	102,107,616	102,107,616	-	-	102,107,616
Loans and borrowings	111,200,000	111,606,278	-	-	111,606,278
Financial guarantee contracts	-	376,771,124	-	-	376,771,124
	213,307,616	590,485,018	-	-	590,485,018

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings and short-term deposits placed with the financial institutions. Most of the Group's loans and borrowings are charged a fixed spread above the financial institutions' base lending rate or cost of fund per annum. The spread rate is reviewed annually. Whilst, the base lending rate and cost of fund used by the financial institutions vary according to the rates set by Bank Negara Malaysia. Meanwhile, interest rates charged on hire purchase are fixed at the inception of the hire purchase arrangements. For interest income from cash deposits, the Group managed the interest rate risks by placing cash deposits with reputable financial institutions with varying maturities and interest rate terms.

Notes to the Financial Statements
(CONTINUED)

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and (loss)/profit for the financial year.

Group:	Change in basis point	Effect on (loss)/profit for the financial year RM	Effect on equity RM
At 30 June 2021	**+50**	**(1,931,302)**	**(1,931,302)**
	-50	**1,931,302**	**1,931,302**
At 30 June 2020	+50	(1,854,138)	(1,854,138)
	-50	1,854,138	1,854,138

Company:			
At 30 June 2021	**+50**	**(470,709)**	**(470,709)**
	-50	**470,709**	**470,709**
At 30 June 2020	+50	(422,560)	(422,560)
	-50	422,560	422,560

(c) Fair values measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the financial year (2020: no transfer in either directions).

34. FINANCIAL INSTRUMENTS (continued)

(c) Fair values measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

	Carrying amount RM	Fair value of financial instruments not carried at fair value — Fair Value: Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
At 30 June 2021					
Financial liabilities					
Borrowings:					
- Revolving credits	**44,200,000**	**-**	**-**	**44,200,000**	**44,200,000**
- Islamic commercial paper	**70,000,000**	**-**	**-**	**70,000,000**	**70,000,000**
- Bridging loans	**50,000,000**	**-**	**-**	**50,000,000**	**50,000,000**
- Term loans	**344,033,171**	**-**	**-**	**344,033,171**	**344,033,171**
- Bank overdraft	**4,190**	**-**	**-**	**4,190**	**4,190**
Lease liabilities	**783,128**	**-**	**-**	**783,128**	**783,128**
At 30 June 2020					
Financial liabilities					
Borrowings:					
- Revolving credits	41,200,000	-	-	41,200,000	41,200,000
- Islamic commercial paper	70,000,000	-	-	70,000,000	70,000,000
- Bridging loans	50,044,080	-	-	50,044,080	50,044,080
- Term loans	326,687,044	-	-	326,687,044	326,687,044
Lease liabilities	1,030,103	-	-	1,030,103	1,030,103
Company					
At 30 June 2021					
Financial liabilities					
Borrowings:					
- Revolving credits	**44,200,000**	**-**	**-**	**44,200,000**	**44,200,000**
- Islamic commercial paper	**70,000,000**	**-**	**-**	**70,000,000**	**70,000,000**
- Term loans	**9,666,666**	**-**	**-**	**9,666,666**	**9,666,666**
- Bank overdraft	**4,190**	**-**	**-**	**4,190**	**4,190**
At 30 June 2020					
Financial liabilities					
Borrowings:					
- Revolving credits	41,200,000	-	-	41,200,000	41,200,000
- Islamic commercial paper	70,000,000	-	-	70,000,000	70,000,000

Notes to the Financial Statements
(CONTINUED)

35. COMMITMENTS

(a) Lease commitments - as lessee

The Group has a lease contract that have not yet commenced as at 30 June 2021. The future lease payments for these non-cancellable lease contracts are RM241,020 within one year, RM1,359,152 within five years and RM442,874 thereafter.

(b) Operating lease commitments - as lessor

The Group leases several of its properties which have remaining lease term between one to four years.

The maturity analysis of the Group's lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	Group	
	2021	2020
	RM	RM
- Not later than one year	**2,638,715**	1,507,528
- One to two years	**2,245,171**	48,484
- Two to three years	**810,541**	-
- Three to four years	**14,850**	-
	5,709,277	1,556,012

36. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to build and maintain a strong capital base so as to maintain healthy capital ratios and at the same time be able to leverage on the capital to provide the funds to fund their expansion and growth.

The Group and the Company manage their capital structure, and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares, raise new debts and reduce existing debts.

The Group and the Company monitor the level of dividends to be paid to shareholders. The Group's and the Company's objective is to pay out regular dividends to the shareholders based on the level of the Group's and the Company's profitability and cash flows.

The capital structure of the Group and the Company consists of equity attributable to the owner of the Group and of the Company, comprising share capital, retained earnings and total liabilities.

36. CAPITAL MANAGEMENT (continued)

The debt-to-equity ratio is as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Total liabilities	**1,315,612,131**	1,196,950,550	**250,373,330**	213,375,081
Equity attributable to the owners of the Company	**1,131,096,210**	1,145,048,356	**976,462,536**	977,183,342
Debt-to-equity ratio	**116%**	105%	**26%**	22%

The Group and the Company are in compliance with all externally imposed capital requirements.

There were no changes in the Group's and in the Company's approach to capital management during the financial year.

37. DIVIDENDS

	Group and Company RM
In respect of financial year ended 30 June 2020	
- Single tier final dividend for the financial year ended 30 June 2019: RM0.00015 per irredeemable convertible preference share, paid on 26 December 2019	125,558
- Single tier final dividend for the financial year ended 30 June 2019: RM0.0015 per ordinary share, paid on 26 December 2019	1,895,990
	2,021,548

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 12 August 2020, Titijaya Medicare Sdn. Bhd. ("TMSB") had entered into a Collaboration and Distribution Agreement with Rubberex Corporation (M) Berhad to collaborate, distribute, export and sell gloves to the China market via Sinopharm Medical Equipment Quan Zhou Co. Ltd. ("Sinopharm") and also to collaborate, distribute, import and sell the personal protection equipment and medical products from Sinopharm and any other corporations, bodies or entities based on the salient terms and conditions agreed.

Notes to the Financial Statements
(CONTINUED)

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)

(b) On 12 August 2020, the Company proposed to undertake a diversification of the existing principal activities of Titijaya Group to include sales, trading, distribution, production and development of medical and hospital equipment, devices and products, personal protective equipment, and medical related real estate ("Proposed Diversification"). On 25 February 2021, the Proposed Diversification has approved by shareholders of the Company at an Extraordinary General Meeting.

(c) COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 18 March 2020, the Malaysian Government imposed the Movement Control Order ("MCO") to curb the spread of COVID-19 pandemic in Malaysia. When the number of daily new infections began to fall, the MCO was lifted on 12 May 2020 and was replaced with less restrictive forms of MCO. On 13 January 2021, following the start of a third wave of infections in Malaysia, the Government re-imposed the MCO in certain states until 5 March 2021, followed by Conditional MCO thereafter. On 1 June 2021, the Full MCO was imposed in Malaysia as a result of the significant increases on the number of daily new infections. The COVID-19 pandemic also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries.

The Group and the Company have performed assessments on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the financial statements for the financial year ended 30 June 2021.

Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 30 June 2022 to be disclosed in the financial statements as impact assessment of COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

Statement by Directors

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, **LIM POH YIT** and **LIM PUAY FUNG** being two of the directors of Titijaya Land Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 83 to 166 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

LIM POH YIT
Director

LIM PUAY FUNG
Director

Kuala Lumpur
Date: 14 October 2021

Statutory Declaration

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **TAN CHEE LENG**, being the officer primarily responsible for the financial management of Titijaya Land Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on page 83 to 166 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAN CHEE LENG
(MIA Membership No. 30007)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 14 October 2021.

Before me,

HADINUR MOHD SYARIF (No. W76)
Commissioner for Oaths

Independent Auditors' Report

TO THE MEMBERS OF TITIJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Titijaya Land Berhad, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 83 to 166.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Revenue and corresponding costs recognition for property development activities [Notes 4(a), 4(b), 10, 12, 13, 19(d), 22 and 23 to the financial statements]

The amount of revenue and corresponding costs of the Group's property development activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to the proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development costs.

Independent Auditors' Report

TO THE MEMBERS OF TITIJAYA LAND BERHAD (INCORPORATED IN MALAYSIA) (CONTINUED)

KEY AUDIT MATTERS (continued)

Group (continued)

Revenue and corresponding costs recognition for property development activities [Notes 4(a), 4(b), 10, 12, 13, 19(d), 22 and 23 to the financial statements] (continued)

Our response:

Our audit procedures on the selected samples of major projects included, among others:

- reading the terms and conditions of the agreements with customers;
- understanding the Group's process in preparing project budgets and the calculation of the progress towards complete satisfaction of performance obligations;
- comparing the Group's major assumptions to contractual terms and discussing with the project manager on the changes in the assumptions from the previous financial year;
- comparing the computed progress towards complete satisfaction of performance obligation for identified projects against architect or consultant certificates;
- checking the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year; and
- comparing the Group's assessment on the potential reduction to revenue arising from liquidated and ascertained damages against the contractual delivery dates and estimated delivery dates, progress reports, interview of relevant project personnel and correspondence from solicitors.

Company

Investment in subsidiaries [Notes 4(c), and 6 to the financial statements]

The Company performs impairment review on the investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investment in subsidiaries may not be recoverable in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investments in subsidiaries.

Our response:

Our audit procedures included, among others:

- evaluating the cash flow projections and the Company's forecasting procedures;
- comparing the Company's assumptions to our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key assumptions.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditors' Report

TO THE MEMBERS OF TITIJAYA LAND BERHAD (INCORPORATED IN MALAYSIA) (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Kenny Yeoh Khi Khen
No. 03229/09/2022 J
Chartered Accountant

Kuala Lumpur
Date: 14 October 2021

Analysis of Shareholdings

AS AT 1 OCTOBER 2021

Total Number of Issued Shares	:	(i) 1,359,640,210 Ordinary Shares (inclusive treasury shares) (ii) 712,870,798 Irredeemable Convertible Preference Shares
Class of Shares	:	Ordinary Shares Irredeemable Convertible Preference Shares
Voting Rights	:	(i) One vote per Ordinary Share held (ii) The Irredeemable Convertible Preference Share does not carry any voting right except in circumstances set out in the Company's Constitution
Treasury Shares held as at 1 October 2021	:	83,572,100 ordinary shares

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
Less than 100	14	0.53	325	0.00
100 – 1,000	206	7.84	119,401	0.01
1,001 – 10,000	1,185	45.09	7,146,706	0.56
10,001 – 100,000	990	37.67	34,958,800	2.74
100,001 – 63,803,404 *(less than 5% of the issued shares)*	228	8.68	722,593,450	56.63
63,803,405 and above *(5% and above issued shares)*	5	0.19	511,249,428	40.06
Total	**2,628**	**100.00**	**1,276,068,110**	**100.00**

DISTRIBUTION OF SHAREHOLDINGS IN IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

Size of Shareholdings	No. of ICPS Holder	%	No. of ICPS	%
Less than 100	1	0.17	98	0.00
100 – 1,000	15	2.56	6,300	0.00
1,001 – 10,000	87	14.87	489,300	0.07
10,001 – 100,000	312	53.34	15,088,500	2.12
100,001 – 35,643,538 *(Less than 5% of the issued shares)*	166	28.38	231,433,800	32.46
35,643,539 and above *(5% and above issued shares)*	4	0.68	465,852,800	65.35
Total	**585**	**100.00**	**712,870,798**	**100.00**

Analysis of Shareholdings
(CONTINUED)

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES
(based on the Register of Directors' Shareholdings)

Name of Directors	Direct Shareholdings	% *	Indirect Shareholdings	% *
Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor *(Retired)*	-	-	-	-
Lim Poh Yit	64,235,628	5.03	721,218,494 [(a)]	56.52
Lim Puay Fung	490,000	0.04	721,218,494 [(a)]	56.52
Dato' Faizal Bin Abdullah	3,000,000	0.24	-	-
Chin Kim Chung	720,000	0.06	-	-
Datuk Seri Ch'ng Toh Eng	500,000	0.04	-	-
Tan Sri Syed Mohd Yusof bin Tun Syed Nasir	-	-	800,000 [(b)]	0.06
Dato' Mohd Ibrahim Bin Mohd Nor	-	-	-	-

Notes:-

* Calculated based on the total number of issued shares as at 1 October 2021 after deducting 83,572,100 ordinary shares bought back by the Company and held as Treasury Shares as at 1 October 2021 amounted to 1,276,068,110 Ordinary Shares.

(a) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 ("**Act**") by virtue of his/her substantial shareholdings in Titijaya Group Sdn. Bhd. ("**TGSB**").

(b) Deemed interested pursuant to Section 8(4) of the Act by virtue of the shares held by ISY Holdings Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS IN ICPS
(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct Shareholdings	% *	Indirect Shareholdings	% *
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	-	-	-	-
Lim Poh Yit	-	-	159,462,800 [(1)]	22.37
Lim Puay Fung	-	-	159,462,800 [(1)]	22.37
Dato' Faizal Bin Abdullah	-	-	-	-
Chin Kim Chung	-	-	-	-
Datuk Seri Ch'ng Toh Eng	-	-	-	-
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	350,000	0.05	1,200,000 [(2)]	0.17
Dato' Mohd Ibrahim Bin Mohd Nor	-	-	-	-

Notes:-

* Calculated based on 712,870,798 ICPS

(1) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

(2) Deemed interested pursuant to Section 8(4) of the Act by virtue of the shares held by ISY Holdings Sdn. Bhd.

SUBSTANTIAL ORDINARY SHAREHOLDERS

(Based on the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Shareholdings	%*	Indirect Shareholdings	% *
Tan Sri Dato' Khoo Chai Kaa	-	-	69,230,934 (a)	5.43
Brem Properties Sdn. Bhd.	-	-	69,230,934 (a)	5.43
Brem Holding Berhad	-	-	69,230,934 (a)	5.43
Titi Kaya Sdn. Bhd.	69,230,934	5.43	-	-
Lim Poh Yit	64,235,628	5.03	721,218,494 (b)	56.52
Lim Puay Fung	490,000	0.04	721,218,494 (b)	56.52
Titijaya Group Sdn. Bhd.	721,218,494	56.52	-	-

Notes:-

* Calculated based on the total number of issued shares as at 1 October 2021 after deducting 83,572,100 ordinary shares bought back by the Company and held as Treasury Shares as at 1 October 2021 amounted to 1,276,068,110 Ordinary Shares.

(a) Deemed interested pursuant to Section 8(4) of the Act by virtue of the shares held by Titi Kaya Sdn. Bhd.

(b) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% *
1	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	194,700,000	15.26
2	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	89,000,000	6.97
3	TITIJAYA GROUP SDN. BHD.	86,318,494	6.76
4	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE BANK AG SINGAPORE FOR TITIJAYA GROUP SDN. BHD. (MAYBANK SG)	72,000,000	5.64
5	TITI KAYA SDN. BHD.	69,230,934	5.43
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (6000103)	62,380,000	4.89
7	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KGI SECURITIES (SINGAPORE) PTE. LTD. (66589 T CL)	51,700,000	4.05
8	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	49,708,350	3.90
9	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TITIJAYA GROUP SDN. BHD.	46,300,000	3.63

Analysis of Shareholdings
(CONTINUED)

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	% *
10	TOKYU LAND ASIA PTE. LTD.	39,655,172	3.11
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM POH YIT	38,130,000	2.99
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	34,020,000	2.67
13	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	34,000,000	2.66
14	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	34,000,000	2.66
15	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	32,000,000	2.51
16	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	30,940,100	2.42
17	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	23,500,000	1.84
18	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NEO CHING YUEN	19,200,000	1.50
19	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT-AMBANK (M) BERHAD FOR SUTERA BANGSA SDN. BHD. (SMART)	18,363,000	1.44
20	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SOON PENG	16,500,000	1.29
21	OOI CHIENG SIM	13,900,000	1.09
22	LIM POH YIT	13,397,028	1.05
23	TITIJAYA GROUP SDN. BHD.	13,000,000	1.02
24	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	12,667,100	0.99
25	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SOON PENG	11,996,300	0.94
26	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM POH YIT	9,147,000	0.72
27	LEW ASSETS SDN. BHD.	7,500,000	0.59
28	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	6,400,000	0.50
29	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	6,131,400	0.48
30	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG SUEANG SUEANG	5,000,000	0.39
	TOTAL	**1,140,784,878**	**89.39**

Notes:-

* Calculated based on 1,276,068,110 Ordinary Shares.

LIST OF THIRTY (30) LARGEST ICPS HOLDERS

No.	Name of Shareholders	No. of Shares	% *
1	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TITIJAYA GROUP SDN. BHD.	155,000,000	21.74
2	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	139,375,000	19.55
3	PARK AVENUE CONSTRUCTION SDN. BHD.	120,000,000	16.83
4	PROGEREX SDN. BHD.	51,477,800	7.22
5	OOI CHIENG SIM	29,267,600	4.11
6	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH SWEE HENG (MM1118)	21,914,300	3.07
7	LAGENDA PERDANA SDN. BHD.	15,000,000	2.10
8	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	14,776,900	2.07
9	LOW LAY PING	13,335,500	1.87
10	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	10,446,000	1.47
11	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SOON PENG	9,250,000	1.30
12	KUAN MIN HUEY	8,500,000	1.19
13	LAO CHOK KEANG	8,000,000	1.12
14	LEE SING GEE	6,650,000	0.93
15	HLS PROPERTIES SDN. BHD.	6,187,800	0.87
16	NG SOW TENG	5,000,000	0.70
17	LEE SOON MUI	4,500,000	0.63
18	TITIJAYA GROUP SDN. BHD.	4,462,800	0.63
19	KWONG MING MEAN	4,282,600	0.60
20	LEOU THIAM LAI	4,000,000	0.56
21	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA FAMILY TAKAFUL BERHAD (SHAREHOLDERS)	2,514,000	0.35
22	LEE AH BENG	1,949,700	0.27
23	JEZILEE BIN MOHAMAD RAMLI	1,750,000	0.25

Analysis of Shareholdings
(CONTINUED)

LIST OF THIRTY (30) LARGEST ICPS HOLDERS (continued)

No.	Name of Shareholders	No. of Shares	% *
24	NG CHIN NAM	1,485,600	0.21
25	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	1,331,800	0.19
26	FOONG WAI CHEE	1,268,900	0.18
27	GOH KAR HWANG	1,200,000	0.17
28	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ISY HOLDINGS SDN. BHD.	1,200,000	0.17
29	TEH HENG GNOI @ TEH HENG GNAI	1,150,000	0.16
30	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HUE YUEN KEONG (MY0859)	1,000,000	0.14
	TOTAL	**646,276,300**	**90.65**

Notes:-
* Calculated based on 712,870,798 ICPS.

List of Top 10 Properties

No.	Location	Usage	Tenure	Land Area (sq. ft)	NBV RM	Age of the building (years)	Date of Acquisition/ revaluation
1	Lot 104 Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur	On Going Development Project Neu Suites, Newton Future Development Future Project	99 year lease expiring on 20 May 2113	263,974	359,080,476	-	08/11/2016
2	Lot 1233 (PT 110), Section 69, Jalan Sultan Abdul Samad, Brickfields, Kuala Lumpur	On Going Development Project Riveria Future Development Future Project	99 year lease expiring on Sunday, 11 March 2114	132,640	331,181,875	-	21/03/2018
3	Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang	Land Future Development	99 year lease expiring on Saturday, 2 April 2095	889,530	187,579,686	-	22/09/2021
4	Town Lease 017526475, Jalan Fuad Stephens District of Kota Kinabalu, Sabah	On Going Mix-Development Project The Shore	99 year lease expiring on 31 December 2071	79,323	147,427,242	-	23/11/2017
5	Lot No. PT 2562 Section 13, Bandar Shah Alam, Petaling, Selangor	Commercial Land, Monfort, TRIO Agriculture Land, Monfort, TRIO	Freehold	701,979	54,646,346	-	29/01/2021
6	Lot 85722, 85723, Mukim Bukit Raja, District Petaling	On Going Development Project Seiring Future Development Future Project	Freehold	1,810,354	42,498,787	-	18/12/2017
7	Town Lease 117508684, Jalan Pantai, District of Lahat Datu, Sabah	Future Development Project FPCC	99 year lease expiring on 31 December 2087	1,048,489	26,712,225	-	23/11/2017
8	Lot PT 18223, Mukim Ulu Kelang, District of Gombak, Selangor	Future Development Project Embun @ Kemensah	Freehold	641,152	26,270,642	-	03/07/2007
9	LOT 11979 Mukim Ampang Negeri Wilayah Persekutuan Kuala Lumpur	Residential Future Development	99 year lease expiring on 14 August 2113	296,546	19,571,152	-	28/09/2017
10	Lebuh Sungai Kapar Indah, Sungai Kapar Indah 2, Mukim of Kapar, Klang, Selangor Darul Ehsan	Future Development Seri Residensi	Freehold	1,032,938	19,565,757	-	20/01/2017

Notice of the Ninth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting ("**AGM**") of TITIJAYA LAND BERHAD ("**Company**") will be held on a virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities provided by SS E Solutions Sdn. Bhd. at the Broadcast Venue at Multi-Purpose Hall, S-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 25 November 2021 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and Auditors Reports thereon. **[Please refer to Explanatory Note (a)]**
2. To approve the payment of Directors' fees amounting to RM271,670.00 for the financial year ended 30 June 2021. **Ordinary Resolution 1**
3. To approve the payment of Directors' benefits up to an amount of RM100,000.00 from 26 November 2021 until the next AGM of the Company in year 2022. **Ordinary Resolution 2**
4. To re-elect the following Directors who retire pursuant to Clause 122 of the Company's Constitution and being eligible, have offered themselves for re-election:-
   (i) Ms. Lim Puay Fung **Ordinary Resolution 3**
   (ii) Datuk Seri Ch'ng Toh Eng **Ordinary Resolution 4**
   (iii) Mr. Chin Kim Chung **Ordinary Resolution 5**
5. To re-elect Dato' Faizal Bin Abdullah who retire pursuant to Clause 121 of the Company's Constitution and being eligible, has offered himself for re-election. **Ordinary Resolution 6**
6. To re-appoint Baker Tilly Monteiro Heng PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration. **Ordinary Resolution 7**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following Ordinary Resolutions:-

7. **ORDINARY RESOLUTION**
   Authority to Issue Shares pursuant to the Companies Act 2016 **Ordinary Resolution 8**

   "**THAT**, subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Companies Act 2016, to issue and allot shares in the capital of the Company from time to time at such price and to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being to be utilised until 31 December 2021 as empowered by Bursa Securities pursuant to its letter dated 16 April 2020 to grant additional temporary relief measures to the listed issuers and thereafter, ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being as stipulated under Paragraph 6.03(1) of Bursa Securities Main Market Listing Requirements to be utilised before the conclusion of the next Annual General Meeting of the Company after such approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier ("hereinafter referred to as the "**General Mandate**");

   AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued pursuant to the General Mandate on Bursa Securities;

   AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

8. **ORDINARY RESOLUTION**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate") **Ordinary Resolution 9**

"**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**Titijaya Group**") to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Part A, Section 2.5 of the Circular to Shareholders dated 27 October 2021, provided that such transactions are:-

(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the day-to-day operations;
(iii) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
(iv) are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;-.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

9. **ORDINARY RESOLUTION**
Proposed Renewal of Authority for the Company to Purchase its Own Shares ("Proposed Renewal of Share Buy-Back") **Ordinary Resolution 10**

"**THAT** subject to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:-

(i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

Notice of the Ninth Annual General Meeting
(CONTINUED)

9. **ORDINARY RESOLUTION (continued)**
Proposed Renewal of Authority for the Company to Purchase its Own Shares ("Proposed Renewal of Share Buy-Back") (continued) **Ordinary Resolution 10**

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

(i) cancel all the shares so purchased; and/or

(ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or

(iii) retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

AND THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

(c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;-.

AND FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

10. **ORDINARY RESOLUTION**
Retention of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director **Ordinary Resolution 11**

"**THAT** subject to the passing of Ordinary Resolution 4, Datuk Seri Ch'ng Toh Eng who has served as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance."

11. To transact any other ordinary business for which due notice has been given.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (SSM PC No.: 201908002648) (MAICSA 0777689)
TAN LEY THENG (SSM PC No.: 201908001685) (MAICSA 7030358)
Company Secretaries

Kuala Lumpur
27 October 2021

Notes:-

1. As part of the initiatives to curb the spread of COVID-19, the Meeting will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.

2. The Broadcast Venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 81 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

   With the RPV Facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

   As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.

3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 November 2021 ("**General Meeting Record of Depositors**") shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.

4. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised.

8. The instrument appointing a proxy must be deposited at the office of SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit the Form of Proxy electronically via Securities Services e-Portal at https://sshsb.net.my/login.aspx not later than forty-eight (48) hours before the time set for holding the meeting. The lodging of the Form of Proxy does not preclude you from attending and voting remotely at the Meeting should you subsequently wish to do so, provided you register for RPV by 23 November 2021.

   * *Please refer to the Administrative Guide for the Ninth AGM of the Company that is available for download at https://titijaya.com.my/investor-relations/annual-general-meetings.html for further details.*

EXPLANATORY NOTE (a)

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:-

(a) Ordinary Resolution 1 – Directors' Fees

Payment of the Directors' fees for the financial year ended 30 June 2021 amounting to RM271,670.00 will be made by the Company if the proposed Ordinary Resolution 1 is passed at the Ninth AGM of the Company.

Notice of the Ninth Annual General Meeting
(CONTINUED)

For the financial year ended 30 June 2021, the Directors offered a 30% reduction in their fees as that of previous financial year ended 30 June 2020, upon taking into consideration the current economic situation and performance of the Company.

The Directors' fees had been reduced to RM271,670.00 in the financial year ended 30 June 2020 (30% reduction) when compared to the amount of RM388,100.00 approved at the Seventh AGM held on 28 November 2019.

At the Eight AGM held on 26 November 2020, the amount of up to RM271,670.00 comprising the Directors' fees for the financial year ended 30 June 2020, was also duly approved by the shareholders.

(b) Ordinary Resolution 2 – Benefits of Directors

The proposed Ordinary Resolution 2, if passed, will authorise the payment of the Directors' benefits to the Non-Executive Directors up to an amount of RM100,000.00 with effect from 26 November 2021 until the next AGM of the Company in year 2022 ("**Period**"). The Directors' benefits payable for the Period comprise the following:-

Description	Non-Executive Director	Remarks
Meeting Allowance		The meeting allowance shall only be paid whenever meetings are called during the Period
(a) Board Meeting	RM1,000 per meeting	
(b) Board Committee Meeting	RM500 per meeting	
(c) General Meeting	RM1,000 per meeting	
(d) Ad-hoc/special/emergency Meeting, if any	RM500 per meeting	
Insurance Allowance	RM2,000 per year	-

(c) Ordinary Resolution 8

Authority to Issue Shares Pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the Ninth AGM of the Company. The Company had been granted a general mandate by its shareholders at the Eighth AGM of the Company held on 26 November 2020 (hereinafter referred to as the "**Previous Mandate**").

The Previous Mandate granted by the shareholders had not been utilised and hence, no proceeds were raised therefrom.

As part of the initiative from Bursa Malaysia Securities Berhad ("**Bursa Securities**") to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 pandemic and the Movement Control Order imposed by the Government, Bursa Securities had on 16 April 2020 introduced the 20% general mandate as an interim relief measure to allow a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities of not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) for issue of securities ("**20% General Mandate**").

The 20% General Mandate may be utilised to issue new securities until 31 December 2021, and thereafter, the ten per centum (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Securities shall apply ("**10% General Mandate**"). The 20% General Mandate and 10% General Mandate are sought to provide flexibility to the Company for allotment of shares without convening a general meeting, which may be both time and cost-consuming, if the need arises.

The Board, having considered the current and prospective financial position, and future financial needs of the Group, is of the opinion that the increase in general mandate limit for new issue of shares of up to 20% is in the best interest of the Company and its shareholders. These 20% General Mandate and 10% General Mandate would provide the Company with additional fundraising flexibility to undertake fundraising activities in an expeditious and efficient manner. The funds raised may be used for the purpose of funding investment(s), working capital and/or acquisitions(s).

(d) Ordinary Resolution 9

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This proposed Ordinary Resolution 9, if passed, will renew the authority given to the Company and/or its subsidiaries a mandate to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties in compliance with the Main Market Listing Requirements of Bursa Securities. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Detailed information of the Proposed Renewal of Shareholders' Mandate is set out in Part A of the Circular/Statement to Shareholders dated 27 October 2021 circulated together with this Annual Report.

(e) Ordinary Resolution 10

Proposed Renewal of Authority for the Company to Purchase its Own Shares

The proposed adoption of the Ordinary Resolution 10, if passed, will renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back is set out in Part B of the Circular/Statement to Shareholders dated 27 October 2021 circulated together with this Annual Report.

(f) Ordinary Resolution 11

Retention of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director

Datuk Seri Ch'ng Toh Eng was appointed as an Independent Non-Executive Director of the Company on 24 September 2012 and has served the Board in that capacity for a cumulative term of more than nine (9) years. Shareholders' approval had been sought at the Eighth AGM to allow Datuk Seri Ch'ng Toh Eng to continue in office as an Independent Non-Executive Director until the conclusion of the Ninth AGM.

The Board via the Nomination Committee, after having assessed of the independence of Datuk Seri Ch'ng Toh Eng, through the conduct of annual assessment on Director's Independence, regarded him to be independent. The Board, therefore, recommended that Datuk Seri Ch'ng Toh Eng should be retained as an Independent Non-Executive Director of the Company based on the following justifications:-

- he has met the criteria under the definition of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- he is able to exercise independent judgement and act in the best interests of the Company;
- there is no potential conflict of interest that he could have with the Company and/or its subsidiaries; and
- there are significant advantages to be gained from a long-serving Independent Director as he has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, and has provided invaluable contributions to the Board in his roles as an Independent Non-Executive Director.

Statement Accompanying Notice of Annual General Meeting Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

There are no Directors standing for election as Director of the Company at the Ninth Annual General Meeting.

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Form of Proxy

TITIJAYA LAND BERHAD
[Registration No. 201201024624 (1009114-M)]

*I/We,

Full Name (In Block):	CDS Account No.:	No. of Shares Held:
Address:	NRIC/Passport/Registration No.:	
	Contact No.:	Email Address:

being a *member / members of **TITIJAYA LAND BERHAD ("Company")**, do hereby appoint:

First Proxy "A"

Full Name (In Block):	NRIC/Passport No.:	Proportion of Shareholdings	
Address:	Email:	No. of Shares	%
	Contact:		

*AND

***Second Proxy "B"**

Full Name (In Block):	NRIC/Passport No.:	Proportion of Shareholdings	
Address:	Email:	No. of Shares	%
	Contact:		

*or failing him/her, the CHAIRMAN OF THE MEETING as * my/our proxy to vote for * me/us on * my/our behalf at the Ninth Annual General Meeting ("**AGM**") of the Company to be held on a virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities provided by SS E Solutions Sdn. Bhd. at the Broadcast Venue at Multi-Purpose Hall, S-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 25 November 2021 at 10:00 a.m. or at any adjournment thereof.

*strike out whichever not applicable

My / Our proxy(ies) is / are to vote as indicated below:-

ORDINARY RESOLUTION		FOR	AGAINST
1.	To approve the payment of Directors' fees amounting to RM271,670.00 for the financial year ended 30 June 2021.		
2.	To approve the payment of Directors' benefits up to an amount of RM100,000.00 from 26 November 2021 until the next AGM of the Company in year 2022.		
3.	To re-elect Ms. Lim Puay Fung who retires pursuant to Clause 122 of the Company's Constitution.		
4.	To re-elect Datuk Seri Ch'ng Toh Eng who retires pursuant to Clause 122 of the Company's Constitution.		
5.	To re-elect Mr. Chin Kim Chung who retires pursuant to Clause 122 of the Company's Constitution.		
6.	To re-elect Dato' Faizal Bin Abdullah who retires pursuant to Clause 121 of the Company's Constitution.		
7.	To re-appoint Baker Tilly Monteiro Heng PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration.		
8.	Authority to Issue Shares pursuant to the Companies Act 2016.		
9.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
10.	Proposed Renewal of Authority for the Company to Purchase its Own Shares.		
11	Retention of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director		

Please indicate with an "X" in the space provided on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this ________day of ____________________2021.

____
Signature of Member/Common Seal

Notes:-

1. As part of the initiatives to curb the spread of COVID-19, the Meeting will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my/login.aspx. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 81 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the Meeting.
   With the RPV Facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.
   As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.
3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 November 2021 ("**General Meeting Record of Depositors**") shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.
4. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy must be deposited at the office of SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit the Form of Proxy electronically via Securities Services e-Portal at https://sshsb.net.my/login.aspx not later than forty-eight (48) hours before the time set for holding the meeting. The lodging of the Form of Proxy does not preclude you from attending and voting remotely at the Meeting should you subsequently wish to do so, provided you register for RPV by 23 November 2021.

   * *Please refer to the Administrative Guide for the Ninth AGM of the Company that is available for download at https://titijaya.com.my/investor-relations/annual-general-meetings.html for further details.*

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Poll Administrator
TITIJAYA LAND BERHAD
[Registration No. 201201024624 (1009114-M)]

Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur, Wilayah Persekutuan

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1300 22 9898

www.titijaya.com.my

TITIJAYA LAND BERHAD Registration No. 201201024624 (1009114-M)

Head Office

N-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Fax: 03-8022 9888   Email: sales@titijaya.com.my