2014 ANNUAL REPORT

TITIJAYA LAND BERHAD
BUILT TO INSPIRE
(1009114-M)

BUILT TO INSPIRE


H2O RESIDENCES
@ Ara Damansara
GDV
RM750 MILLION

CONTENTS

ABOUT TITIJAYA LAND BERHAD

TITIJAYA LAND BERHAD
BUILT TO INSPIRE

TITIJAYA, the name synonymous with the development of quality and innovative properties, is a leading property developer in Malaysia and is poised for greater growth after more than two decades in the property industry.

Founded by the Group Managing Director, Y. Bhg. Tan Sri Dato' Lim Soon Peng and with the incorporation of NPO Development Sdn Bhd in 1997, the Group has grown significantly to date.

With its tagline – ***Built To Inspire*** – and armed with a proven track record, Titijaya is highly regarded as an innovative, resourceful and reputable property developer with a portfolio of successfully completed developments within the Klang Valley.

Titijaya continues to strive for quality and excellence in all areas of its operations.

Its property development projects are aesthetically conceptualized with impressive landscaping and architecture to cater for a modern and contemporary lifestyle.

Titijaya was successfully listed on the Main Board of Bursa Malaysia Securities Berhad on 27 November 2013. Since then, the Group has successfully delivered stellar financial performance, increased its land bank through strategic acquisitions and collaborations and doubled its gross development value through ongoing and upcoming projects.

With the leadership of Y. Bhg. Tan Sri Dato' Lim Soon Peng and supported by a high-calibre management team, the Group aspires to expand its footprint in Malaysia and continue to build inspirational properties for the market.

VISION

ASPIRE TO BE THE BEST, GROW RAPIDLY, MOULD AN EXCELLENT TEAM AND WINNING CULTURE.

MISSION

TO BUILD PROPERTIES THAT PEOPLE WILL BUY, APPRECIATE AND WANT TO BUY AGAIN.

CORE VALUES

HEBAT

HONESTY

Open and honest communication among employees and maintaining the highest integrity to the company.

EXCELLENCE

WOW!
Beyond Expectations.

BOLD

Move out of the comfort zone.
Make it Happen!

AGILITY

Everyone is an entrepreneur.
Be flexible.

TEAMWORK

We work as one.

UPCOMING

trio
@ Montfort

GDV
RM1.5 BILLION

Batu Maung
@ Penang

GDV
RM2.6 BILLION

Riveria
@ Sentral

GDV
RM1.4 BILLION

SELECTED PROJECT HIGHLIGHTS

ONGOING

Emery
KEMENSAH

@ Kemensah

GDV
RM128.6 MILLION

Zone Innovation Park
@ Klang

GDV
RM228.7 MILLION

3elements
One address. Triple the vivacity.

@ Puchong South

GDV
RM358.8 MILLION

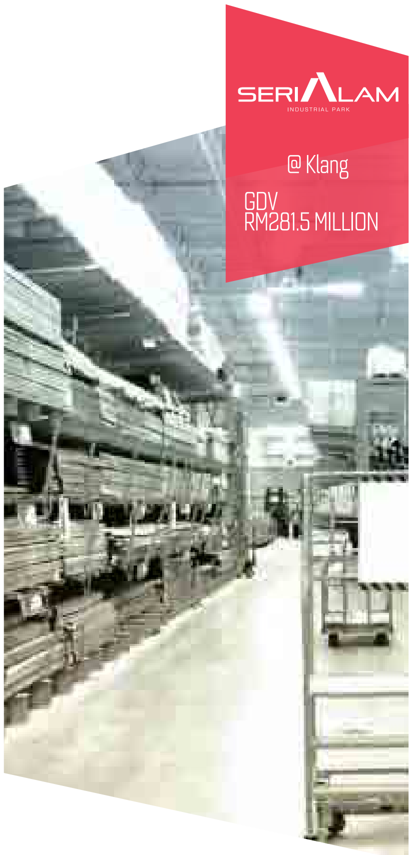
RM8.2 BILLION

IN GROSS DEVELOPMENT VALUE

For more details, please contact us.

Sales personnel contact:
+6019 587 6888
+6017 382 1117
+6012 293 1033
Email: sales@titijaya.com.my

WWW.TITIJAYA.COM.MY



KEY MILESTONES

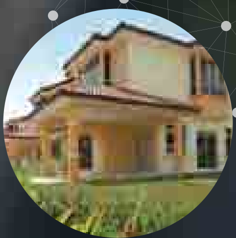
HEBAT

1997

Incorporation of NPO Development Sdn Bhd.

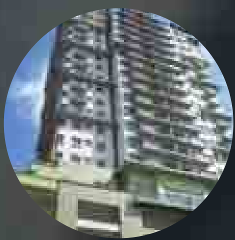
Founder: Y. Bhg. Tan Sri Dato' Lim Soon Peng

2001



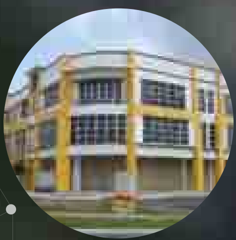
Mutiara Bukit Raja, Klang – double-storey terrace houses, residential lots and low-cost apartments.

2004

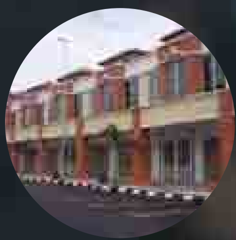


First high rise residential development project, **E-Tiara Serviced Apartments**, Subang Jaya.

First integrated commercial development, **Klang Sentral Commercial Centre**, Klang.

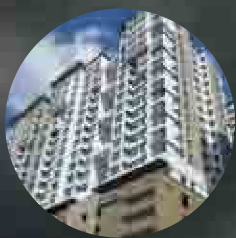


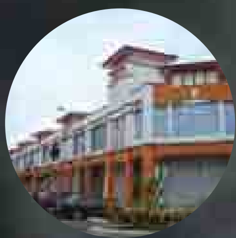
2005



First commercial development project, **Mutiara Point Business Park**, Klang.

Casa Tiara Serviced Suites, Subang Jaya and **Tiara Square Business Centre** in UEP Subang Jaya.





2007

First high rise commercial development project, **First Subang**, Subang Jaya – office suites and retail mall.

NPO Development Sdn Bhd received the **Keris Honesty Enterprise Award 2006** from the Entrepreneur Development Association (Malaysia).

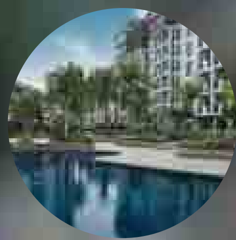
2008

First mixed development, **One SOHO**, Subang Jaya.

Awarded the **Silver Award for the Residential Interior Category** by MSID.

MSID ida INTERIOR DESIGN AWARDS

2009

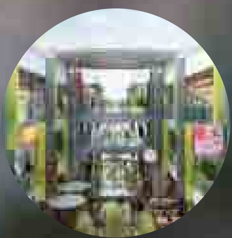


First exclusive, low rise and low density condominiums, **Subang Parkhomes** (Phase 1), Subang Jaya.

2010

First industrial development, **Zone Innovation Park** @ Sungai Kapar Indah, Klang.

Awarded **Best Mixed Use Development**, Malaysia at the Bloomberg Television Asia Pacific International Property Award 2010.



The Galleria, Klang Sentral.

2011

3Elements, Puchong South – comprising of 4-storey and 6-storey shop offices with lifts.

Subang Parkhomes – Awarded the Highly Commended Apartment Malaysia at the International Property Awards in association with Bloomberg Television.

First Subang – Awarded the **Highly Commended Office Development Malaysia** at the International Property Awards in association with Bloomberg Television.

2012

Launch of **3Elements** comprising of SoFo Suites and Serviced Apartments.

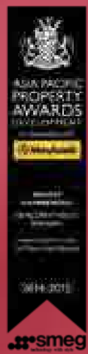
2013

Listed on the Main Market of **Bursa Malaysia Securities Berhad.**

Awarded **The Brand Laureate** at 2013 Asia Pacific Brands Foundation, the World's SMEs Best Brands (Non-PLC).

2014

Awarded **Highly Commended Developer Website Malaysia** at the Asia Pacific Property Awards 2014-2015.



Awarded **Highly Commended Best Mid-Range Condo Development (Central Malaysia)** at 2014 South East Asia Property Awards for H2O @ Ara Damansara.

Proposed JV for a mixed development project near KL Sentral.

Certified with **ISO 9001:2008 / MS ISO 9001:2008.**

Proposed acquisition of a land in "Pulau Pinang" for a cash consideration of RM126 million.

Proposed acquisition of Tenang Sempurna Sdn Bhd – Received a provisional award to enter into a Joint Development.

Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir appointed as Non-Independent Non-Executive Director.

Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor (Retired) appointed as Independent Non-Executive Chairman.

Mr. Adrian Cheok Eu Gene appointed as the Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir.

Mr. Lim Poh Yit appointed as Deputy Group Managing Director.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor *(Retired)*
Chairman
Independent Non-Executive Director

Y. Bhg. Tan Sri Dato' Lim Soon Peng
Group Managing Director

Mr. Lim Poh Yit
Deputy Group Managing Director

Ms. Lim Puay Fung, Charmaine
Executive Director

Mr. Chin Kim Chung
Independent Non-Executive Director

Y. Bhg. Dato' Ch'ng Toh Eng
Independent Non-Executive Director

Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir
Non-*Independent Non-Executive Director*

Mr. Adrian Cheok Eu Gene
(Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir)

AUDIT COMMITTEE

Mr. Chin Kim Chung
Chairman

Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor *(Retired)*

Y. Bhg. Dato' Ch'ng Toh Eng

NOMINATION COMMITTEE

Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor *(Retired) Chairman*

Mr. Chin Kim Chung

Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir

REMUNERATION COMMITTEE

Y. Bhg. Dato' Ch'ng Toh Eng
Chairman

Y. Bhg. Tan Sri Dato' Lim Soon Peng

Mr. Chin Kim Chung

COMPANY SECRETARIES

Mr. Ireneaus Bay Nutt Soo
(LS 002519)

Ms. Chua Siew Chuan
(MAICSA 0777689)

REGISTERED OFFICE

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

Tel : 603 2084 9000
Fax : 603 2094 9940

PRINCIPAL PLACE OF BUSINESS

N-16-01, Penthouse
Level 16, First Subang
Jalan SS 15/4G
47500 Subang Jaya
Selangor Darul Ehsan

Tel : 603 8022 9999
Fax : 603 8022 9888
Email : ir@titijaya.com.my

www.titijaya.com.my

H2O Sales Gallery
Tel : 603 7734 5022
HP : 6019 587 6888
: 6017 382 1117
: 6012 293 1033

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
(Company No. 378993-D)
Level 6, Symphony House
Block D13
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 603 7841 8000
Fax : 603 7841 8008

AUDITORS

Baker Tilly Monteiro Heng (AF 0117)
Chartered Accountants
Baker Tilly MH Tower
Level 10, Tower 1
Avenue 5
Bangsar South City
59200 Kuala Lumpur

Tel : 603 2297 1000
Fax : 603 2282 9980

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad

HSBC Bank Malaysia Bhd

OCBC Bank (Malaysia) Berhad

United Overseas Bank (Malaysia) Berhad

PRINCIPAL SOLICITORS

Amir, Lim & Partners

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Sector : **Property**
Stock Code : **5239**
Stock Name : **Titijya**

FINANCIAL HIGHLIGHTS

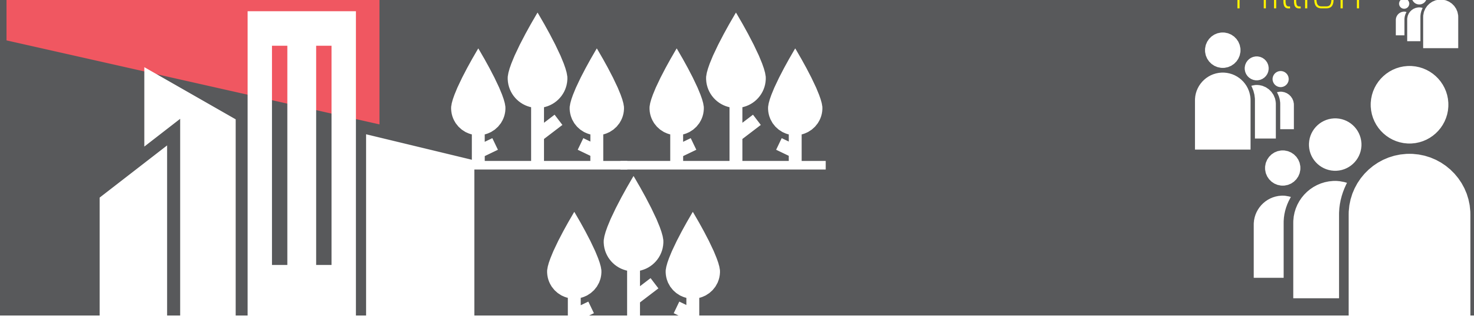
RM8.2 BILLION IN GROSS DEVELOPMENT VALUE

ADDED RM4 Billion IN GDV SINCE OUR IPO

NET PROFIT
RM71.3 Million
(5-year CAGR of 21.3%)

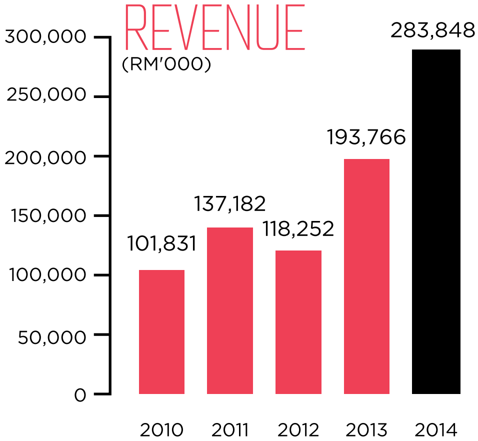
NET REVENUE
RM283.8 Million
(5-year CAGR of 22.8%)

SHAREHOLDERS FUND
RM392.1 Million

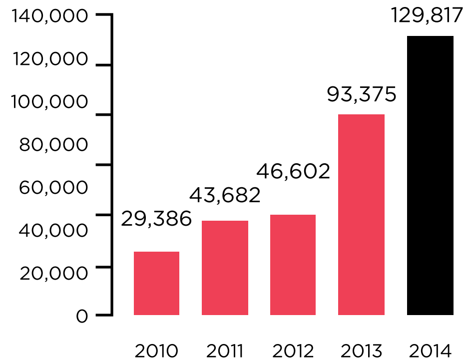


TRACK RECORD OF FINANCIAL PERFORMANCE

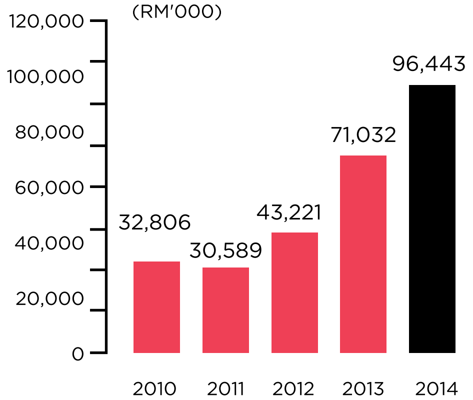
REVENUE
(RM'000)



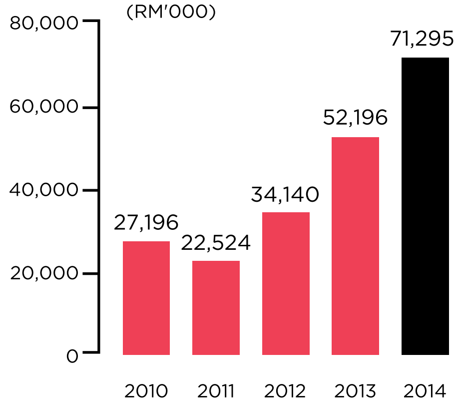
GROSS PROFIT
(RM'000)



PROFIT BEFORE TAX
(RM'000)



PROFIT AFTER TAX
(RM'000)



The financial results for 2010 to 2013 are based on the proforma financial results disclosed in the Company's prospectus issued on 11 November 2013 for the initial public offering. The financial results for 2014 are based on the audited financial statements. The Company was listed on Bursa Malaysia Securities Berhad on 27 November 2013.

BOARD OF DIRECTORS

Y. BHG. ADMIRAL TAN SRI DATO' SRI MOHD ANWAR BIN HAJI MOHD NOR (RETIRED)
MALAYSIAN

Independent Non-Executive Chairman
(Appointed on 31 July 2014)

Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Haji Mohd Nor, aged 64, was appointed as the Independent Non-Executive Chairman of the Company on 31 July 2014. He is also the Chairman of the Nomination Committee and a member of the Audit Committee of the Company.

Y. Bhg. Admiral Tan Sri Dato' Sri 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 masters degree in Engineering Business Management from University of Warwick, United Kingdom and was conferred an Honorary Doctorate of Doctor of Management by the Universiti Terengganu Malaysia.

He served the Royal Malaysian Navy for thirty-eight and a half (38.5) years, commanded six (6) ships and also several Shore 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 in April 2005 until 2007.

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

Y. Bhg. Admiral Tan Sri Dato' Sri 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).

Currently, he holds the position of Non-Executive Chairman in Lembaga Tabung Angkatan Tentera (Armed Forces Fund Board), a position he has held since his retirement from the Armed Forces in 2007. He is also the Chairman of National Defence University Board, Chairman of Asian Broadcasting Network and Chairman of Central Management Catalogue Agency Sdn Bhd.

Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences for the past ten (10) years.

Y. BHG. TAN SRI DATO' LIM SOON PENG

MALAYSIAN

Group Managing Director
(Appointed on 24 September 2012)

Y. Bhg. Tan Sri Dato' Lim Soon Peng, aged 59, is the Group Managing Director and was appointed to the Board on 24 September 2012. Tan Sri Dato' Lim is a member of the Remuneration Committee of the Company.

Y. Bhg. Tan Sri Dato' Lim left primary school in 1967 and assisted his family who owned a petty trading business until 1972. He subsequently formed a partnership, Chan Yik Enterprise, to venture into the construction industry in 1972 until 1980.

In 1980, he set up his privately owned company, Soon Engineering & Construction Sdn Bhd, to undertake construction and engineering activities. In 1983, he established Titijaya (M) Sdn Bhd and, in subsequent years, he established the subsidiaries in the Group, to undertake property development activities. He is the Group's founder and has been primarily responsible for the growth and development since inception. Under Titijaya Development Sdn Bhd, he successfully developed his first project comprising holiday apartments in Fraser's Hills in a joint-venture with the then Malaysian General Investment Corporation Berhad.

Subsequently, he spearheaded the development of Mutiara Bukit Raja as well as the Klang Sentral Commercial Centre which comprises a bus and taxi terminal and shop offices.

In 2004, he successfully led NPO Development Sdn Bhd towards its first venture into high rise residential projects with the development of the E-Tiara Serviced Apartments in Subang Jaya. This successful project paved the way for further residential and commercial development projects including Casa Tiara Serviced Suites, First Subang, One SOHO and Subang Parkhomes.

Y. Bhg. Tan Sri Dato' Lim has accumulated approximately 40 years of invaluable experience in the property development industry and is responsible for the overall business strategy.

He is the father to Mr. Lim Poh Yit, the Deputy Group Managing Director and substantial shareholder of the Company and Ms. Lim Puay Fung, Charmaine, the Executive Director and substantial shareholder of the Company.

He does not hold any directorship in other public companies. Currently, he holds directorships in the Malaysian Chinese Women Entrepreneurs Foundation and several other private limited companies.

He has no conflict of interest with the Company. He has not been convicted of any offences for the past ten (10) years.

Y. Bhg. Tan Sri Dato' Lim attended all the Four (4) Board Meetings of the Company held during the financial year ended 30 June 2014.

MR. LIM POH YIT

MALAYSIAN

Deputy Group Managing Director
(Appointed on 28 August 2012)

Mr. Lim Poh Yit, aged 31, is the Deputy Group Managing Director and was appointed to the Board on 28 August 2012. Mr. Lim was promoted to Deputy Group Managing Director on 31 July 2014.

Mr. Lim graduated with a Bachelor of Computing degree from Monash University, Australia in 2003.

He started his career when he joined the Group in 2004 as Business Development Executive. His role in this position included undertaking project development feasibility studies, identifying suitable land banks and was also the personal assistant to Y. Bhg. Tan Sri Dato' Lim Soon Peng in the day-to-day management of the Group. During his tenure as the Group's Business Development Executive, he supervised the development of Mutiara Bukit Raja project, undertook the feasibility studies for E-Tiara Serviced Apartment project, Klang Sentral Commercial Centre as well as Mutiara Point Business Park (Phase 1) project. He was subsequently promoted to the position of Chief Operating Officer in 2005. He has also implemented and managed the Group's completed and existing projects such as Klang Sentral Commercial Centre, Tiara Square Business Centre, E-Tiara Serviced Apartments, Mutiara Point Business Park, Casa Tiara Serviced Suites, One SOHO, First Subang and Subang Parkhomes.

During his nine (9) years in the property development industry, he has been responsible for 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.

Mr. Lim is the son of Y. Bhg. Tan Sri Dato' Lim Soon Peng, the Group Managing Director and substantial shareholder of the Company and the brother to Ms. Lim Puay Fung, Charmaine, an Executive Director and substantial shareholder of the Company.

He does not hold any directorship in other public companies. Currently, he also holds several directorships in a number of private limited companies.

He has no conflict of interest with the Company. He has not been convicted of any offences for the past ten (10) years.

Mr. Lim attended all the Four (4) Board Meetings of the Company held during the financial year ended 30 June 2014.

MS. LIM PUAY FUNG, CHARMAINE
MALAYSIAN

Executive Director
(Appointed on 24 September 2012)

Ms. Lim Puay Fung, Charmaine, aged 34, is an Executive Director of the Company and was appointed to the Board on 24 September 2012.

Charmaine graduated with a Bachelor of Commerce (Corporate Finance) from the University of Adelaide, Australia in 2002.

She started her career when she joined the property development industry in 2003 as Marketing Executive in Titijaya Group. In 2007, when she was promoted as the Group's Sales and Marketing Director, she successfully managed the marketing, advertising and promotional activities for Klang Sentral Commercial Centre, Tiara Square Business Centre, E-Tiara Serviced Apartments, Mutiara Point Business Park (Phase 1), Casa Tiara Serviced Suites, One SOHO, First Subang and Subang Parkhomes.

During her ten (10) years in the property development industry, she led our sales and marketing division and was responsible for the marketing and promotional activities for ongoing and new development projects.

Charmaine is the daughter to Tan Sri Dato' Lim Soon Peng, the Group Managing Director and sister to Mr. Lim Poh Yit, the Deputy Group Managing Director, both of them are substantial shareholders of the Company.

She does not hold any directorship in other public companies. Currently, she holds several directorships in a number of private limited companies.

She has no conflict of interest with the Company. She has not been convicted of any offences for the past ten (10) years.

Charmaine attended all of the Four (4) Board Meetings of the Company held during the financial year ended 30 June 2014.

Y. BHG. DATO' CH'NG TOH ENG
MALAYSIAN

Independent Non-Executive Director
(Appointed on 24 September 2012)

Y. Bhg. Dato' Ch'ng Toh Eng, aged 57, is an Independent Non-Executive Director and was appointed to the Board on 24 September 2012. Y. Bhg. Dato' Ch'ng is the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company.

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

Y. Bhg. Dato' Ch'ng Toh Eng 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 to become 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 eighteen (18) years in both federal and state government administrations, he has accumulated various experiences in the areas of administration of environment, information communication technology and state planning.

He does not hold any directorship in other public companies.

He has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences for the past ten (10) years.

Y. Bhg. Dato' Ch'ng attended all the Four (4) Board Meetings of the Company held during the financial year ended 30 June 2014.

MR. CHIN KIM CHUNG
MALAYSIAN

Independent Non-Executive Director
(Appointed on 24 September 2012)

Mr. Chin Kim Chung, aged 50, is an Independent Non-Executive Director and was appointed to the Board on 24 September 2012. Mr. Chin is the Chairman of the Audit Committee, and a member of the Nomination and Remuneration Committees of the Company.

He is currently a Chartered Accountant with the Malaysian Institute of Accountants, an Associate of the Malaysian Institute of Taxation and a fellow of the Association of Chartered Certified Accountants. He is also a licensed auditor and liquidator and authorised tax agent and GST tax agent.

Mr. Chin started his career in the audit profession in 1992 with Deloitte Malaysia. In 2003, he co-founded a professional partnership firm, which provides professional services in external and internal 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 finance related services.

With more than two 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 finance related services.

Currently, Mr. Chin holds the position as a board member in several private limited companies. He also holds directorship in the Malaysian Chinese Women Entrepreneurs Foundation.

Mr. Chin has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences for the past ten (10) years.

Mr. Chin attended all the Four (4) Board Meetings of the Company held during the financial year ended 30 June 2014.

Y.A.D. TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR
MALAYSIAN

Non-Independent Non-Executive Director
(Appointed on 3 October 2014)

Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir, aged 66, is a Non-Independent Non-Executive Director and was appointed to the Board on 3 October 2014. Y.A.D. Tan Sri Syed is a member of the Nomination Committee of the Company.

Y.A.D. 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, Y.A.D. Tan Sri Syed is Chairman of YLI Holdings Berhad, a company listed on Bursa Malaysia Securities Berhad.

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

Y. A.D. Tan Sri Syed has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences for the past ten (10) years.

MR. ADRIAN CHEOK EU GENE
MALAYSIAN

Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir
(Appointed on 3 October 2014)

Mr. Adrian Cheok Eu Gene, aged 56, is the Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir, and was appointed on 3 October 2014.

Mr. Cheok graduated from Monash University in Melbourne, Australia, with a Bachelor of Economics degree and he also obtained a post-graduate qualification in Company Law from RMIT, Melbourne, Australia.

Mr. Cheok's career began in 1982 as Head of General and Marine Insurance Claims in QBE Supreme Insurance. Subsequently, he left to join Malayan United Bank as a Foreign Exchange and Money Market Dealer before joining Bumiputera Merchant Bankers as a Fund Manager. He was later appointed Head of Investment at Prudential Assurance Berhad before joining Vickers Ballas Research (M) Sdn Bhd as Managing Director. Over the years, he has accumulated vast experience in investment banking and capital market. He has served on the Board of various public listed companies in Malaysia and Hong Kong.

Currently, he is on the Board of Rockwills Trustee Berhad and various private limited companies.

Mr. Cheok has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences for the past ten (10) years.

Y. BHG. ADMIRAL TAN SRI DATO' SRI MOHD ANWAR BIN HJ MOHD NOR (RETIRED)

CHAIRMAN'S STATEMENT

INDEPENDENT NON-EXECUTIVE DIRECTOR

DEAR VALUED SHAREHOLDERS

On behalf of the board, I am pleased to present to you the first Annual Report of Titijaya Land Berhad ("Titijaya" or the "Group") since our listing for the Financial Year Ended 30 June 2014 ("FYE2014"). On 27 November 2013, the Group was successfully listed on the Main Market of Bursa Malaysia Securities Berhad. Since our IPO debut, the Group has doubled its total ongoing and upcoming project Gross Development Value ("GDV") to RM8.2 billion.

Thus far it has been a promising start of a much anticipated journey ahead for the Group.

INDUSTRY

Last year, the Government announced several cooling measures to address the overheating property market. The Government increased the Real Property Gains Tax ("RPGT") maximum rate to 30% to discourage speculation in the property market. In addition, property developers are also prohibited from providing the Developer Interest Bearing Scheme ("DIBS") to customers.

Throughout the year we have also seen the interest rate hiked by Bank Negara Malaysia. We foresee that this will potentially impact the affordability and demand on property.

We believe that these measures will ensure that only genuine homeowners and investors will purchase properties within their affordability.

FINANCIAL PERFORMANCE

Although it has been a challenging year, the Group delivered record property sales worth RM450 million for FYE2014. We recorded a total revenue of RM283.8 million and delivered a net profit after tax ("PAT") of RM71.3 million for FYE2014. If we compare our financial results for FYE2014 to that of the financial year ended 30 June 2013 (prior to our listing on Bursa Malaysia), we have delivered a 46.5% and 36.6% increase in revenue and earnings respectively.

The Group's balance sheet as at 30 June 2014 is robust with total net cash of RM18.1 million and shareholders' equity of RM392.1 million.

NEW PROJECTS OVERVIEW

The Group has built a strong portfolio of property developments within the Klang Valley. The Group's land banking strategy has worked well and we will continue to embark on replenishing our land bank, which currently can last until 2023. During the FYE2014, the Group announced two new upcoming projects with a combined GDV of RM4.0 billion.

Riveria @ Sentral

On 18 April 2014, the Group entered into a Joint Venture Agreement for a proposed mixed development which will include serviced apartment units, SOHO units, and a commercial area with an estimated GDV of RM1.4 billion and should be completed by 2020.

Batu Maung, Penang

On 21 May 2014, the Group announced a proposed acquisition of a 20.3 acre parcel of land on Penang Island. The Group is proposing to carry out a mixed development that will generate an estimated GDV of RM2.6 billion and expected to be completed by 2023. This is the Group's first acquisition and development outside of the Klang Valley.

PROSPECTS AND STRATEGY

In addition to the two upcoming and exciting projects mentioned above, the Group has an estimated GDV of RM745.5 million for project launches slated for the financial year ending 30 June 2015. These include Block B of H20 in Ara Damansara, Emery Kemensah in Ulu Kelang, Phase 3 of Zone Innovation in Klang, Mutiara Residence in Klang, Seri Alam Residence in Klang and the widely expected TRIO Montfort project in Shah Alam.

Going forward, our strategy will be focused on acquiring more strategic land banks and exploring lucrative joint venture opportunities. The Group plans to continue to build more affordable homes focusing on the younger and upcoming generation.

DIVIDEND

My dear shareholders, your Board has recommended subject to your approval, a single-tier final dividend of 4.0 sen per ordinary share for FYE2014. This translates to approximately 20% of PAT for the financial year.

APPRECIATION

The Board has accepted the resignation of Y. Bhg. Tan Sri Dato' Hashim bin Meon who has decided to focus on non-governmental organisations that he is involved in. Our well wishes go out to him in his future endeavours and we thank him for his contribution during his tenure.

In addition, the Board has also accepted the resignation of Y. Bhg. Datuk Wan Ahmad Fauzi bin Hashim. On behalf of the Board, I would like to thank him for his contribution and dedication during his tenure and wish him the very best in his future endeavours.

Titijaya has also recently strengthened our Board of Directors with the appointment of Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir as our new Non-Independent Non-Executive Director and Nomination Committee Member. We also appointed Mr. Adrian Cheok Eu Gene as the Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof. On behalf of the Board, I would like to take this opportunity to welcome both of them to our Board.

Finally, I would like to thank my fellow Board of Directors, dedicated management and staff for all their hard work to make the financial year a success. I would also like to thank all our valued business partners, customers and shareholders for your continued support to the Group.

Y. BHG. ADMIRAL TAN SRI DATO' SRI MOHD ANWAR BIN HJ MOHD NOR (RETIRED)
Chairman

Y. BHG. TAN SRI DATO' LIM SOON PENG

GROUP MANAGING DIRECTOR'S REPORT

MY FELLOW SHAREHOLDERS

This is my first report to you as the Group Managing Director and I am proud to deliver Titijaya's very first Annual Report for the financial year ended 30 June 2014 since our debut listing on Bursa Malaysia in November 2013.

Throughout this report, there will be many "First" time encounters that the Group has achieved. For that, I am very excited to share with you the milestones that we have achieved during the financial year ended 30 June 2014 ("FYE2014").

A REVIEW OF THE FINANCIAL YEAR

On the 27 November 2013, Titijaya Land Berhad was successfully listed on Bursa Malaysia. Titijaya's shares were listed on Bursa Securities at the initial public offering ("IPO") price of RM1.50 per ordinary share. The enlarged number of shares after the listing was 340 million ordinary shares. As mentioned in our prospectus for the IPO, our total gross development value ("GDV") of on-going and upcoming property development projects was RM4.2 billion. Our debut on Bursa Malaysia was soon after the Government announced the Budget for 2014 which included several measures to cool the overheating property market and the implementation of the long anticipated Goods & Services Tax ("GST"). Despite the lacklustre outlook for the property market, we proceeded to launch Block A of our H20 project in Ara Damansara in July 2014, and I am proud to report that it has been fully taken up.

On 18 April 2014, we announced the Joint Venture ("JV") agreement for the proposed mixed development comprising of serviced apartments, SoHos and commercial units in Brickfields, Kuala Lumpur, with an estimated GDV of RM1.4 billion. The 11.2 acre land, is very accessible via public transportation since it is within the vicinity of a monorail station and KL Sentral. This is Titijaya's first foray into a transport oriented development project and I believe, with the upcoming extensive rail networks and improving public transportation within the Klang Valley, we can explore further opportunities in this area in order to serve the consumer demand.

On 21 May 2014, we announced our first proposed land acquisition outside of the Klang Valley, of a 20.3 acre land located at Batu Maung, Penang for a total cash consideration of RM126 million. Titijaya plans to carry out a mixed development on this prime land with an estimated GDV of RM2.6 billion. The land is strategically located in a well-developed area on the south-east of Penang Island, and accessible via the newly completed Sultan Abdul Halim Mua'dzam Shah Bridge which was opened to the public on 1 March 2014. This proposed acquisition is tantamount to the Group's land banking strategy in capitalising on available opportunities to replenish our existing land bank.

In terms of our financial performance for FYE2014, the Group has achieved total revenue of RM283.8 million. This is thus far the highest revenue base that the Group has achieved over the years since our inception in 1997, with an increase of 46.4% compared to pre-IPO FYE2013.

As a result of the increased revenue, I am proud to report that our net profit after tax ("PAT") also increased by 36.6% to RM71.3 million compared to pre-IPO FYE2013. Total property sales achieved for FYE2014 was RM450 million and unbilled sales as at 30 June 2014 was RM579 million.

The Group is currently at a healthy financial position with a strong balance sheet and a net cash position of RM18.1 million as at 30 June 2014.

With regards to our on-going projects, I am proud to report that we have achieved a satisfactory take up rate. Our Phase 2 of Subang Parkhomes development in Subang Jaya is more than 80% sold. In the meantime, Phases 1 and 2 of our Seri Alam Industrial Park are more than 95% and 65% taken up respectively. Another of our industrial development project, Phases 1 and 2 of Zone Innovation Park located at Sungai Kapar Indah, Klang, are more than 80% sold. In addition, the 3Elements apartment and SoHo units located at Seri Kembangan, have achieved a take up rate in excess of 90% and 70% respectively.

FUTURE PROJECT HIGHLIGHTS

I am excited to report to you about our upcoming developments with a total estimated GDV of RM6.9 billion.

TRIO, Shah Alam

The Group plans to carry out a mixed development comprising of a shopping mall, SOHOs and serviced apartments with a total estimated GDV of RM1.5 billion. TRIO is located in Shah Alam with a total land area of 701,953 sq ft. It is well accessible via the Guthrie Corridor Expressway ("GCE") and the New Klang Valley Expressway ("NKVE").

H20, Ara Damansara

The Group plans to build a total of 4 blocks which comprise of SOHOs and serviced apartments with a total estimated GDV of RM750 million. This is the Group's first project located in Ara Damansara with a total land area of 263,059 sq ft. H20 is strategically located within the vicinity of many convenient amenities such as TESCO, a hospital, shopping malls, 2 LRT stations, hotels and the Subang Airport.

RIVERIA @ SENTRAL

The Group plans to carry out a mixed development comprising of retail units, SOHOs and serviced apartments with a total estimated GDV of RM1.4 billion. This is the Group's first project located in Kuala Lumpur with a total land area of 200,376 sq ft. Located in a prime location, it is well accessible via major roads and public transportation, and within the vicinity of the KL Sentral railway station, shopping malls and offices.

PENANG

The Group plans to carry out a mixed development comprising of commercial units and SOHOs with a total estimated GDV of RM2.6 billion, the biggest project to be undertaken by the Group thus far. This is the Group's first project outside of the Klang Valley with a total land area of 889,530 sq ft. It is located just a short distance from Penang's new second link bridge with stunning water front views.

In addition to the above upcoming projects, I must also highlight that on 14 July 2014, the Group has also announced our proposed acquisition of an additional 46.67% equity stake in Tenang Sempurna Sdn Bhd ("TSSB"), resulting in a total equity stake of 70% in TSSB. TSSB had received a provisional award to enter into a Joint Development Agreement to undertake the development of a prime piece of land located in the KLCC area. We will make the necessary announcements with further details on this future development in due time.

OUTLOOK

As mentioned above, our first financial year since our IPO coincides with the 2014 budget announcement, and the abolishment of DIBS, the increase of RPGT and the more stringent borrowing guidelines issued by Bank Negara Malaysia.

With the cooling measures in place, there was indeed a slowdown in the property market. However, I must highlight that Titijaya has purposely designed and packaged our property development projects to target the younger working class population, genuine homeowners and long term property investors. I believe that the measures taken by the Government to cool the overheating property prices was the right move to curb speculations in the property market.

In April 2015, the GST will be implemented to broaden the country's tax revenues. In my humble opinion, the residential property market will not be severely impacted by the GST and any temporary effects on property prices will stabilise sooner than expected.

Moving forward, Titijaya will continue with our proven land banking strategy. We will continue to build to inspire. We will tailor our products to suit the needs of the younger and upcoming generation who will ultimately lead the nation towards Vision 2020. We have delivered excellent earnings and increased shareholders' equity for FYE2014, and we will continue to do our best to deliver and maximise our shareholders' wealth, while ensuring that we contribute to society and the community we are operating in. In this competitive business environment, especially in property development, we have to continue to examine our internal processes and maintain our competitive edge. Our team in Titijaya is continuously looking at areas to increase our efficiency levels and strategise in order to improve our margins and earnings. At the same time, we have also launched our Qlassic Program to ensure that our quality control is excellent. I am also proud to inform that Titijaya is now ISO certified under ISO 9001 : 2008 / MS ISO 9001 : 2008.

With the support of our committed and dynamic team here at Titijaya, I believe that the future is bright for Titijaya and for Malaysia as a nation.

APPRECIATION

As the Group continues to carve more milestones in the foreseeable future, I would like to take this opportunity to convey my appreciation to the Group's Chairman and Board of Directors, management team, staff, shareholders, relevant government authorities and business partners for your continued and unrelenting support for Titijaya Land Berhad.

Thank you,

Y. BHG. TAN SRI
DATO' LIM SOON PENG
Group Managing Director

CORPORATE STRUCTURE

TITIJAYA LAND BERHAD (1009114-M) owns the following entities 100%

- TITIJAYA RESOURCES SDN BHD (formerly known as Exquisite Acres Sdn Bhd) (1078020-X)
- NPO DEVELOPMENT SDN BHD (434271-A)
  - NPO LAND SDN BHD 100% (348519-M)
  - SENDI BANGGA DEVELOPMENT SDN BHD 100% (650372-W)
- LIBERTY PARK DEVELOPMENT SDN BHD (934400-D)
- TERBIT KELANA DEVELOPMENT SDN BHD (594783-M)
- SHAH ALAM CITY CENTRE SDN BHD (221568-X)
- CITY MERIDIAN DEVELOPMENT SDN BHD (934265-V)
- EPOCH PROPERTY SDN BHD (955473-D)
- PIN HWA PROPERTIES SDN BHD (568176-V)
- AMAN KEMENSAH SDN BHD (429811-K)
- SAFETAGS SOLUTION SDN BHD (755016-A)
- TITIJAYA PMC SDN BHD (1047442-P)
- PROSPEROUS HECTARES SDN BHD (1034984-H)

CONTENTS

AUDIT COMMITTEE REPORT

COMPOSITION

MEMBERS OF THE AUDIT COMMITTEE

Chairman

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

Members

Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor (Retired)
(Independent Non-Executive Director)

Y. Bhg. Dato' Ch'ng Toh Eng
(Independent Non-Executive Director)

TERMS OF REFERENCE

COMPOSITION AND MEMBERSHIP OF THE AUDIT COMMITTEE

1. The Audit Committee shall be appointed by the Board of Directors from amongst their number and shall consist of not less than three (3) members and at least one (1) member of the Committee:-
   i. must be a member of the Malaysian Institute of Accountants; or
   ii. if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
      a. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
      b. he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
   iii. fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

1. All the Audit Committee members must be Non-Executive Directors, with a majority of the Committee members being Independent Directors.
2. No alternate director is to be appointed as a member of the Committee.
3. The members of the Committee shall elect a chairman from among their number who shall be an Independent Director.
4. The Company Secretary or such other person(s) authorised by the Board of Directors shall act as the Secretary to the Committee.
5. The term of office and performance of the Committee and each of its members shall be reviewed by the Board of Directors at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.
6. If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result of the number of members being reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new member(s) as may be required to make up the minimum number of three (3) members.

AUTHORITY

1. The Committee is authorised by the Board of Directors to investigate any matter within its terms of reference.
2. The Committee is authorised to seek any information it requires with unrestricted access, for the discharge of its duties, from the external auditors and internal auditors as well as any employee of the Group and any other persons (if applicable) and all employees are directed to co-operate with any request made by the Committee.
3. The Committee shall have the resources which are required to perform its duties, at the Company's expense, where appropriate.
4. The Committee is authorised to obtain legal or independent professional advice or other expert advice if it considers necessary at the Company's expense, where appropriate.
5. The Committee shall have direct communication channels with the external auditors and internal auditors.

AUDIT COMMITTEE REPORT (Continued)

TERMS OF REFERENCE (Continued)

AUTHORITY (Continued)

6. The Committee shall be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary, in order to enable the Committee and the external auditors or the internal auditors or both, to discuss problems and reservations and any other matter the external auditors or internal auditors may wish to bring up to the attention and consideration of the Committee.

FUNCTIONS AND DUTIES

The functions and duties of the Committee shall be:-

i. To review the following and report the same to the Board of Directors:-

   a. with the external auditors, the audit plan;

   b. with the external auditors, their evaluation of the system of internal controls;

   c. with the external auditors, their audit report and audit findings;

   d. the assistance given by the employees of the Company to the external auditors;

   e. the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

   f. the internal audit plan, processes, the results of the internal audit assessment, financial and operational controls, including risk management; or investigation undertaken (if any) and whether or not appropriate action is taken on the recommendations of the internal auditors;

   g. the quarterly results and year end's financial statements prior to the approval by the Board of Directors, focusing particularly on:-

      - changes in or implementation of significant accounting policies;
      - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Company and the Group;
      - significant and unusual events;
      - compliance with applicable accounting standards and other regulatory or legal requirements;
      - compliance with the Main Market Listing Requirements ("MMLR") of Bursa Securities;
      - significant adjustments to the financial statements arising from the external audit;
      - material fluctuations in the financial position and results as reflected in the financial statements;
      - the going concern assumption; and
      - major judgmental areas.

   h. any related party transaction and conflict of interest situation that may arise within the Company or any subsidiary within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

   i. external auditors' management letter or report and management's response thereto; and

   j. any letter of resignation from the external auditors of the Company.

ii. To consider the major findings of internal investigations (if any) and management's response thereto;

iii. To consider the suitability of the external auditors for re-appointment, their audit fees and any question of resignation or dismissal;

iv. To recommend the nomination of a person or persons for appointment as external auditors or internal auditors;

v. To ensure the internal audit function of the Company reports directly to the Committee;

AUDIT COMMITTEE REPORT (Continued)

TERMS OF REFERENCE (Continued)

FUNCTIONS AND DUTIES (Continued)

vi. To consider and approve the non-audit service(s) to be provided by the external auditors subject to the confirmation from the external auditors, that such non-audit services(s) pose no threat to the independence of the external auditors;

vii. Promptly report to Bursa Securities on any matter reported by it to the Board of Directors which has not been satisfactorily resolved resulting in a breach of the MMLR of Bursa Securities;

viii. To perform any other functions or duties as may be agreed to by the Committee and the Board of Directors;

ix. To provide an objective view on the effectiveness of Enterprise Risk Management ("ERM") and internal control as a whole to the Board, reviews and approves internal and external audit plans and monitors risk reporting;

x. Act as an advisor, educator and change catalyst in risk and control areas in the organisation;

xi. To provide an independent view on specific risk and control issues, the state of internal control, trends and events; and

xii. Actively requests and challenges risk information from business.

QUORUM AND ATTENDANCE AT MEETINGS

1. A quorum shall be two (2) members and the majority of members present must be independent directors.
2. The head of the finance department, the internal and external auditors shall normally attend meetings. Other Board members, employees or external professional advisers, consultants or legal advisers may attend meetings upon invitation of the Committee.
3. The Chairman of the Audit Committee may call a meeting whenever he deems it necessary.

FREQUENCY OF MEETINGS AND MINUTES

1. Meetings shall be held not less than four (4) times in a financial year, although additional meetings may be called at any time at the Committee Chairman's discretion.
2. The Committee shall report to the Board of Directors on its recommendations and decisions. The minutes of the Committee are to be tabled and noted by the Board of Directors.
3. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office or the principal office of the Company, and shall be open for inspection by any member of the Committee and the Board of Directors.
4. A circular resolution in writing signed by the members of the Committee who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the Committee.
5. Any member of the Committee may participate in any meeting of the Committee via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

AUDIT COMMITTEE REPORT (Continued)

TERMS OF REFERENCE (Continued)

NUMBER OF MEETINGS AND DETAILS OF ATTENDANCE

Two (2) Audit Committee Meetings were held during the financial year ended 30 June 2014. The attendance record of each member is as follows:-

Audit Committee Members	Total number of meetings	Number of meetings attended
Chin Kim Chung	2	2
Dato' Ch'ng Toh Eng	2	2
Tan Sri Dato' Hashim bin Meon (Resigned on 31 July 2014)	2	1

Two (2) Audit Committee Meetings were held subsequent to the financial year end to the date of Directors' Report. The attendance record of each member is as follows:-

Audit Committee Members	Total number of meetings	Number of meetings attended
Chin Kim Chung	2	2
Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor (Retired) (Appointed on 31 July 2014)	2	1
Dato' Ch'ng Toh Eng	2	2

ACTIVITIES

The Committee met two (2) times during the financial year to review the Company's and its subsidiaries' quarterly and annual financial statements prior to their approval by the Board. The Committee also acts as a forum for discussion on internal control issues and contributes to the Board's review of the Group's internal control and risk management systems.

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year includes the following:-

1. Reviewed the internal audit reports.
2. Reviewed the External Auditors' scope of work and their audit plan and fees structure.
3. Reviewed the External Auditors' findings, recommendations, management letter on the results of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.
4. Reviewed the draft Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2014 before it was tabled to the Board.
5. Reviewed all the unaudited Quarterly Results for the entire financial year ended 30 June 2014 before tabling at the Board Meeting for release to the Bursa Securities and Securities Commission.
6. Reviewed the internal audit plan and job scope of the Internal Auditors for the Group for year 2014.
7. Reviewed and endorsed the preliminary audit plan and job scope of External Auditors for the Group for year 2014.
8. Reviewed and discussed on any related party transactions that may arise to ensure compliance with the relevant regulatory requirements.
9. Attended meetings with the Internal and External Auditors without the presence of the Management.
10. Reviewed the ERM reports submitted by the Management or external consultant.

INTERNAL AUDIT FUNCTION

The Audit Committee has appointed an independent advisory firm to carry out internal audit assessment for the Group.

During the financial year under review, the internal auditors had completed two (2) cycles of internal audit in accordance with the approved internal audit plan.

The internal audit function was outsourced to Columbus Advisory Sdn Bhd. The total costs incurred for the internal audit function of the Group for the financial year under reviewed amounted to RM40,000.

STATEMENT ON CORPORATE GOVERNANCE

The Statement on Corporate Governance by the Board of Directors has been set out in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements of Bursa Securities").

The Board of Directors recognises the importance of practising the high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

The Board is pleased to report on the application of the principles of Corporate Governance contained in the Malaysian Code of Corporate Governance 2012 ("the Code") and the extent of compliance with the best practices of the Code by the Company.

In preparing this report, the Board has considered the manner in which it has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

SECTION A - BOARD OF DIRECTORS

THE BOARD

The Board comprises seven (7) Directors of whom three (3) are Independent Non-Executive Directors, one (1) is a Non-Independent Non-Executive Director and three (3) are Executive Directors.

DUTIES AND RESPONSIBILITIES OF THE BOARD

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 being properly managed;
- Identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks;
- Appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Succession planning;
- Developing and implementing investor relations programme 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 application laws, regulations, rules, directives and guidelines; and
- Responsible for the preparation of the Company's financial statements.

The Board has delegated certain responsibilities to several Board Committees such as the Audit Committee, Nomination Committee and Remuneration Committee which operate within clearly defined terms of reference.

BOARD BALANCE & INDEPENDENCE OF DIRECTORS

The Board's composition is well balanced with three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Executive Directors. The size of Independent Non-Executive Directors forms three over seven (3/7) of the entire Board structure which is more than one-third (1/3) of the membership of the Board. The Board composition is appropriate in terms of membership and size with a good mix of skills and core competencies and is well represented by individuals with diverse range of knowledge, experiences and ability to make independent judgements. The Chairman is responsible for ensuring the Board effectiveness and conduct whilst the Group Managing Director has an overall responsibility over the operating units, organizational effectiveness and implementation of the Board's policies and decisions.

The Chairman of the Company is an Independent Non-Executive Director. The roles of the Chairman and the Group Managing Director are separately held 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 there is an appropriate balance of roles, responsibilities and accountability at the Board level.

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 particular group dominates the Board.

All members of the Board comply with the limitation of directorship requirements under the Listing Requirements of Bursa Securities.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

BOARD BALANCE & INDEPENDENCE OF DIRECTORS (Continued)

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

In line with the recommendations of the Code, the Nomination Committee had performed an annual review on the independence of the Independent Directors and there are no Independent Directors whose tenure exceeds a cumulative term of nine (9) years in the Company.

DIRECTORS' CODE OF CONDUCT

The Directors observe a code of ethics in accordance with the code of conduct expected of them in the Company Directors' Code of Conduct established by the Companies Commission of Malaysia.

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 its environmental, social and governance impact when developing the corporate strategy.

The Group is committed to providing a safe workplace for its employees and conducting its business in a way that is environmentally sound. The Group is also committed to protecting 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 optimise the use of natural resources.

BOARD MEETINGS

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be convened between the scheduled meetings.

During the financial year, the Board met on four (4) occasions, 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.

The details of attendance of each Director for the financial year ended 30 June 2014 are as follows:-

No.	Directors	Number of meetings attended
(i)	Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor (Retired) (Appointed w.e.f. 31 July 2014)	N/A
(ii)	Y. Bhg. Tan Sri Dato' Hashim bin Meon (Resigned w.e.f. 31 July 2014)	4/4
(iii)	Y. Bhg. Tan Sri Dato' Lim Soon Peng	4/4
(iv)	Mr. Lim Poh Yit	4/4
(v)	Ms. Lim Puay Fung, Charmaine	4/4
(vi)	Mr. Chin Kim Chung	4/4
(vii)	Y. Bhg. Dato' Ch'ng Toh Eng	4/4
(viii)	Y. Bhg. Datuk Wan Ahmad Fauzi bin Hashim @ Wan Husain (Resigned w.e.f. 3 October 2014)	3/4
(ix)	Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir (Alternate Director: Mr. Adrian Cheok Eu Gene) (Appointed w.e.f. 3 October 2014)	N/A

STATEMENT ON CORPORATE GOVERNANCE (Continued)

SUPPLY OF INFORMATION

To ensure effective conduct of Board meetings, a structured formal agenda and Board meeting papers relating to the agenda include 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 to make informed decisions.

Where a potential conflict arises in the Group's investment, 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.

Senior Management are invited to attend Board meetings to furnish additional details or clarification on matters tabled for the Board's consideration. Advisers and professionals appointed by the Company in relation to corporate exercises may also be invited to attend the Board meetings to provide explanations or clarifications and advice to the Directors.

All Directors have access to all information within the Company whether as a full Board or in their individual capacity, in furtherance of their duties.

COMPANY SECRETARIES

The Board appointed qualified Company Secretaries to support the Board in carrying out its roles and responsibilities and may seek independent advice should the need arises. The Company Secretary attends all Board meetings as well as Board Committee meetings and ensures that accurate and proper records of the proceedings of such meetings are kept. Nevertheless the Board does not have any agreed procedure for Directors whether as a full 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 CHARTER

The primary objective of the Company's Board Charter is to set out the roles and responsibilities of the Board, the division of authority and responsibilities of the Board and Management, terms of reference and composition of board committees, and other administrative policies and procedures in relation to the operation of the Board. The Board Charter is available at our website at www.titijaya.com.my.

BOARD COMMITTEES

The Board had established various Board Committees to assist with the discharging of duties and responsibilities, in which the Board Committees operate within clearly defined terms of reference. The Board will then receive the reports of their proceedings and deliberations in its scheduled Board meetings. There are three (3) Board Committees established to assist the Board in the discharge of its duties namely Audit Committee, Nomination Committee and Remuneration Committee.

(i) AUDIT COMMITTEE

The Audit Committee is made up of three (3) members comprising entirely of Independent Non-Executive Directors appointed by the Board of Directors and it has written terms of reference clearly setting out its authority and duties. The terms of reference and Report of the Audit Committee are also provided in this Annual Report.

The Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily reviewing the quarterly and annual financial statements of the Group prior to their submission to the Board for approval, focusing particularly on accounting policies and compliance; reviewing the scope of external audit and audit process; and reviewing the Group's system of internal control and risk management.

The Audit Committee meets at least four (4) times annually and additional meetings may be called at any time at the Committee Chairman's discretion. The Head of Finance, Representatives of Internal Auditors and External Auditors are invited to attend the meetings. The Committee may also invite other Board Members, employees or external professional advisers, consultants or legal adviser to attend any of its meetings to assist in resolving and clarifying matters raised when necessary. The Company Secretaries act as secretaries to the Committee. The details of activities carried out by the Audit Committee during the financial year are set out in the Audit Committee Report provided in this Annual Report.

The Audit Committee is chaired by Mr. Chin Kim Chung and its member are Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor (Retired) and Y. Bhg. Dato' Ch'ng Toh Eng.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

BOARD COMMITTEES (Continued)

(ii) NOMINATION COMMITTEE

The Nomination Committee is responsible for considering the appointment of Directors, for identifying and selecting potential new Directors and for proposing to the Board, the appointment of new Directors. The Nomination Committee is composed exclusively of Non-Executive Directors, a majority of whom are independent and chaired by Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor (Retired) and its members are Mr. Chin Kim Chung and Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir.

The Committee identifies and reviews all nominations for appointments to the Board. It critically reviews the set of criteria for appointments to the Board to ensure that only capable individuals with the appropriate expertise and experience, and who are able to independently discharge their responsibilities are appointed to the Board.

1. Duties and Responsibilities of the Nomination Committee are as follows:

i. Recommend to the Board, based on criteria set by the Board, candidate(s) for directorships including the post of the chief executive officer, chief operating officer or chief financial officer proposed by senior management and, within the bounds of practicability, by any other director or shareholder(s) of the Company, where applicable.

ii. Recommend to the Board, directors to fill seats on Board Committees.

iii. Recommend to the Board, candidate(s) for key management positions as proposed by senior management, where appropriate.

iv. Annually assess the effectiveness of the Board as a whole, Board Committees and the contributions of each individual Director, taking into consideration the required mix of skills, expertise, experience, performance, commitment and other requisite qualities including core competencies of the Directors.

v. Formulate, develop, maintain and review criteria to be used for recruitment process, annual assessment of Directors including assessment of independence.

vi. Ensure new directors are orientated and educated as to the nature of the business, current issues within the Company and Group as well as the corporate strategy, objectives, goals and the expectations of the Company from such directors relating to the general responsibilities and duties as directors.

vii. Determine appropriate training for Directors and review the fulfillment of such training requirements, where applicable.

viii. Review succession plans for the Board and senior management, where appropriate.

ix. Consider other matters as referred to the Committee by the Board.

2. Reporting Procedures

i. The final decisions as to who shall be nominated to the Board as Director or chief executive officer, chief operating officer or chief financial officer, where applicable, or to Board Committees or to fill key management positions, should be the responsibility of the full Board after considering the recommendations of the Committee.

ii. The Committee reports to the full Board from time to time its recommendations and decisions for Board's consideration and implementation.

(iii) REMUNERATION COMMITTEE

1. Directors' Remuneration

i. Level and make-up of remuneration

The Remuneration Committee determines the remuneration of each Director. The remuneration of each Director reflects the level of responsibility and commitment, which goes with Board membership. It is the Committee's duty to ensure that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. The Executive Director plays no part in deciding his own remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.

Fees payable to Non-Executive Directors are determined by the Board and will be tabled to the Company's shareholders for approval at the Company's Annual General Meeting prior to payment to the Directors.

The Remuneration Committee comprises mainly Non-Executive Directors and is chaired by Y. Bhg. Dato' Ch'ng Toh Eng and its member are Y. Bhg. Tan Sri Dato' Lim Soon Peng and Mr. Chin Kim Chung.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

BOARD COMMITTEES (Continued)

(iii) REMUNERATION COMMITTEE (Continued)

1. Directors' Remuneration (Continued)

ii. Procedure

The Remuneration Committee meets as and when required, has responsibility for determining all aspects of remuneration and terms and conditions of service of all the Directors.

The Remuneration Committee reviews and recommends the remuneration package for the Executive Directors in all its forms, drawing from outside advice whenever necessary prior to making the relevant recommendation to the Board such that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. In case of Independent Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned and is determined by the Board.

The policy of the Remuneration Committee is in line with the Group's overall practice on compensation and benefits. The Group operates a bonus and incentive scheme for all employees, including the Executive Directors. The criteria for the scheme are dependent on the financial performance of the Group based on an established formula.

iii. Disclosure of remuneration

The remuneration for Executive Directors and Non-Executive Directors of the Company are described below:-

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Executive Directors				
Fees	108,000	-	108,000	-
Salaries and other emoluments	1,743,416	1,433,741	7,000	-
	1,851,416	**1,433,741**	**115,000**	**-**
Non-Executive Directors				
Fees	186,000	-	186,000	-
Salaries and other emoluments	12,500	-	12,500	-
	198,500	**-**	**198,500**	**-**

The remuneration for Executive Directors and Non-Executive Directors of the Company by category and in the bands of RM50,000 are as set out below:-

Range (RM)	No. of Executive Directors	No. of Non-Executive Directors
0 – 50,000	-	2
50,001 - 100,000	-	2
550,001 - 600,000	1	-
600,001 - 650,000	2	-
TOTAL	3	4

STATEMENT ON CORPORATE GOVERNANCE (Continued)

APPOINTMENTS AND RE-ELECTIONS TO THE BOARD

The Nomination Committee is responsible for making recommendations for any appointments to the Board. In making these recommendations, the Nomination Committee considers the required mix of skills and experience which the Directors should bring to the Board.

In line with the recommendations of the Code, the Board takes cognizance of gender diversity in the boardroom as recommended by the Code to promote the representation of women in the composition of the Board. Presently, there is one (1) female Director on the Board of the Company.

The Directors also observe the recommendation of the Code that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting. The Articles also provide that at least one third (1/3) of the Directors is subject to re-election by rotation at each Annual General Meeting, 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.

DIRECTORS TRAINING

All the Directors of the Company have attended the Mandatory Accreditation Programme ("MAP") except for Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor (Retired) who was appointed on 31 July 2014. 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 Board of Directors will evaluate and determine the training needs of its Directors. Directors will undergo relevant training programmes to further enhance their knowledge on a continuous basis in compliance with the Listing Requirements of Bursa Securities.

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

STATEMENT ON CORPORATE GOVERNANCE (Continued)

DIRECTORS TRAINING (Continued)

No.	Directors	Title of training programmes
i.	Mr. Lim Poh Yit	Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers Risk Management & Internal Control: Workshops For Audit Committee
ii.	Ms. Lim Puay Fung, Charmaine	Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers Risk Management & Internal Control: Workshops for Audit Committee Building Great Brands with Content Marketing
iii.	Y. Bhg. Dato' Ch'ng Toh Eng	Risk Management & Internal Control: Workshops for Audit Committee Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers Enhancing Internal Audit Practice
iv.	Mr. Chin Kim Chung	Understanding the New Control Model for Consolidation and Joint Venture Accounting Public Practitioners Forum 2013 – Embracing Sustainability, Upholding Professionalism, Expanding Horizons Workshop Retreat 2013 (Audit) Members' Technical Round Table Discussion Enforcement Updates by Suruhanjaya Syarikat Malaysia Sectoral Dialogue on Auditing and Financial Reporting Issues 2014 Malaysian Budget Proposals Budget 2014 Updates Firm's Audit Quality Control – Group B GST Awareness Session MFRS/FRS Updated 2013/2014 Seminar IFRS Convergence Workshop For Property Development Industry GST Training Course Nos. From 2/2014 To 2/2024 Latest Developments On Real Property Gain Tax In 2014 Tax Audit And Investigation Framework – A Legal And Practical Perspective National Tax Conference 2014
v.	Y. Bhg. Datuk Wan Ahmad Fauzi bin Hashim @ Wan Husain	Advocacy Sessions on Corporate Disclosure for Directors of Listed Issuers

STATEMENT ON CORPORATE GOVERNANCE (Continued)

SECTION B – SHAREHOLDERS

DIALOGUE BETWEEN THE COMPANY AND SHAREHOLDERS

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 include 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 Annual General Meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting and annual reports are sent out to shareholders at least twenty-one (21) days before the date of the meeting. At the meeting, the Chairman makes a presentation on the year's financial results and business activities.

At each Annual General Meeting, the Board encourages shareholders to participate in the question and answer session whereby the Directors are available to discuss 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.

Recommendation 8.2 of the Code recommends that the Board should encourage poll voting for substantive resolutions. In line with this recommendation, the Chairman will inform the shareholders of their right to demand a poll vote at the commencement of the general meeting.

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

SECTION D – ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

The Company's financial statements are prepared in accordance with the requirements of the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The Board is responsible to ensure that the financial statements of the Company present a balanced and understandable assessment of the state of affairs of the Company. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group's internal audit function is outsourced to an independent consulting firm, Columbus Advisory Sdn Bhd 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 internal control 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.

The information on the Group's risk management and internal control is presented in the Statement of Risk Management and Internal Control as set out on Pages 35 to 36 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

SECTION D – ACCOUNTABILITY AND AUDIT (Continued)

EXTERNAL AUDIT

The Group's independent External Auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of these financial statements.

The External Auditors have an obligation to bring any significant defects in the Group's system of control and compliance to the attention of the Management; and if necessary, to the Audit Committee and the Board. This includes the communication of fraud.

RELATIONSHIP WITH EXTERNAL AUDITORS

The role of the Audit Committee in relation to the External Auditors is set out in the Audit Committee Report on Pages 21 to 24 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 accounting standards in Malaysia.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

The Board will continuously review its principles and practices in corporate governance in achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

The gross proceeds raised by the Company from the initial public issue ("IPO") during the financial year amounted to RM122.558 million. The status of the utilisation of the proceeds raised from the IPO as at 30 June 2014 is as follows:

	Purposes	Proposed utilisation	Actual utilisation	Balance	Deviation
		RM'000	RM'000	RM'000	%
(i)	Working capital	49,458	49,458	-	-
(ii)	Repayment of bank borrowings	15,000	15,000	-	-
(iii)	Repayment of advances from the previous shareholders of Epoch Property Sdn Bhd	24,300	24,300	-	-
(iv)	Purchase of land bank	30,000	-	30,000	-
(v)	Estimate listing expenses	3,800	3,581	(219)	(5.76)
	TOTAL	**122,558**	**92,339**		

Actual listing expenses incurred were less than the estimated listing expenses by RM0.219 million mainly due to lower than expected underwriting commission, placement fee and brokerage fee incurred in conjunction with the listing exercise. In accordance to the Prospectus dated 11 November 2013, the excess has been utilised for working capital purposes.

STATEMENT ON CORPORATE GOVERNANCE (Continued)

ADDITIONAL COMPLIANCE INFORMATION (Continued)

SHARE BUYBACKS

The Company did not enter into any share buyback transactions during the financial year.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options or warrants exercised during the financial year except the conversion of 40,000,000 Redeemable Convertible Preference Shares of RM0.50 each ("RCPS") into 13,333,333 ordinary shares of RM0.50 each on 16 July 2014.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the financial year.

IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

NON-AUDIT FEE

The amount of non-audit fee payable by the Company and its subsidiaries to the external auditors, Messrs. Baker Tilly Monteiro Heng for the financial year ended 30 June 2014 has been reflected under Note 26 to the Financial Statements.

VARIANCE IN RESULTS

There was no variation between the audited results and unaudited results previously announced for the quarter ended 30 June 2014.

PROFIT GUARANTEES

There were no profit guarantees given by the Company during the financial year under review.

MATERIAL CONTRACTS

During the financial year there were no material contracts (not being contracts entered into in the ordinary course of business) entered by the Company or its subsidiaries involving the interests of the Directors and major shareholders except as disclosed under Note 30 to the Financial Statements.

CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company in respect of the material contracts involving Directors and major shareholders during the financial year.

REVALUATION OF LANDED PROPERTIES

The Company's policy is to revalue landed properties as and when the Directors deem necessary. No revaluation has been carried out on the landed properties during the financial year.

This statement is made in accordance with a resolution of the Board of Directors dated 16 October 2014.

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") and in accordance with the Principles and Best Practices provisions relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance 2012 ("Code"). This Statement is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

The Board recognises and affirms its overall responsibility for the Group's system of internal controls, which includes the establishment of an appropriate risk and control framework as well as the review of its effectiveness, adequacy and integrity. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against any 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.

The Board is assisted by Senior Management in implementing the Board approved policies and procedures on risk and control by identifying and analysing risk information; designing, operating suitable internal controls to manage and control these risks; and monitoring effectiveness of risk management and control activities.

The key features of the risk management and internal control systems are described below.

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Group has in place a database of risks and controls information captured in the format of risk registers. Key risks of major business units are identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence. Risk profiles for the major operating business units are presented to the Audit Committee and Board for deliberation and approval for adoption. Action plans to address key risks were developed and their status of implementation will be reported to the Audit Committee and Board of Directors.

The risk profiles of the major operating business units of the Group are being monitored by its respective operating department. The risks identified for the Group were considered in formulating the strategies and plans that were approved and adopted by the Board. The strategies and plans are monitored and revised as the need arises.

INTERNAL CONTROL

The Board receives and reviews regular reports from the Management on key financial data, performance indicators and regulatory matters. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis. The Board approves appropriate responses or amendments to the Group's policy. Besides, the results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner.

There is a comprehensive budgeting system that requires preparation of the annual budget by all departments. The annual budget which contains financial, operating targets and performance indicators are reviewed and approved by the Deputy Group Managing Director together with the Senior Management before being presented to the Board for final review and approval.

Issues relating to the business operations are highlighted to the Board's attention during Board meetings. Further independent assurance is provided by the Group internal audit function and the Audit Committee. The Audit Committee reviews internal control matters and update the Board on significant control gaps for the Board's attention and action.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

INTERNAL CONTROL (Continued)

The other salient features of the Group's systems of internal controls are as follows:-

- Quarterly review of the financial performance of the Group by the Board and the Audit Committee;
- Defined organisation structure and delegation of responsibilities;
- Limit of Authority that clearly outlines Senior Management limits and approval authority across various key processes;
- Operations review meetings are held by the respective departments to monitor the progress of business operations, deliberate significant issues and formulate corrective measures;
- Adoption of whistle blowing policies; and
- Code of conduct was communicated to all employees of the Group.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to an independent professional services provider firm, as part of its efforts in ensuring that the Group's systems of internal controls and Enterprise Risk Management ("ERM") policy are adequate and effective. The internal audit activities of the Group are carried out according to an annual audit plan approved by the Audit Committee. The internal audit function adopts a risk-based approach and prepares its audit plans based on significant risks identified. 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 results of the internal audit assessments are reported periodically to the Audit Committee.

The internal audit reports are reviewed by the Audit Committee and forwarded to the Senior Management so that recommended corrective actions could be implemented. The Senior Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame.

The internal audit function is outsourced to Columbus Advisory Sdn Bhd. The total costs incurred for the internal audit function for the financial year under review amounted to RM40,000.

REVIEW BY BOARD

The Board considered the adequacy and effectiveness of the risk management and internal control process in the Group during the financial year.

The Board's review of risk management and internal control effectiveness is based on information from:

- Senior Management within the organisation responsible for the development and maintenance of the risk management and internal control framework;
- Self-assessment of each department and functional controls by respective Senior Management to complement the above input in providing a holistic view of the Group risk and control framework effectiveness; and
- The work by the internal audit function which submits reports to the Audit Committee together with recommendations for improvement.

The Board also received assurance from the Deputy Group Managing Director and the Head of Finance (Financial Controller) 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.

The Board considers the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business and operating environment. The Board and Management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

For the financial year under review and up to the date of this report, the Board is satisfied that the system of internal controls was satisfactory and has not resulted in any material loss, contingency or uncertainty.

The above statement is made in accordance with a resolution of the Board dated 16 October 2014 and has been duly reviewed by the external auditors pursuant to paragraph 15.26(b) of the MMLR of Bursa Malaysia Securities Berhad.

CORPORATE SOCIAL RESPONSIBILITY

Titijaya believes that Corporate Social Responsibility ("CSR") is essential to the long term sustainability of our environment and community around us. The Group is committed to ensure that our actions will have long lasting positive impact and benefit to our shareholders, employees, society, communities and the environment.

THE ENVIRONMENT

The Group strongly respects and values the environment, and we are committed to strive for a greener future. Over the years, the Group has taken preventive measures to reduce environmental impact and carbon footprint from various initiatives such as:-

- Minimising the usage of paper; and
- Minimising energy and fuel consumption.

We reinforce our environmental policy by consistent communication and education to all levels of employees, ensuring that everyone is working towards the same goal for a greener and environmentally friendly future.

In addition, we strive to embark on property development projects that are designed and built with green technology and environmentally friendly building materials and resources.

THE EMPLOYEES

We believe that our employees are the most valuable assets. We acknowledge their invaluable contributions and dedication to the Group. The Group aims to be an employer of choice by offering competitive compensation, benefits and also a rewarding career with a clear and unwavering direction for professional growth and development. Long-term sustainability of any company depends on the ability to attract and retain talented and dedicated employees. The Group also strongly believes that a challenging working environment will encourage healthy competition to bring the best out of our employees and continue to promote continuous growth in order to expand and break out of their individual comfort zones.

HEALTH AND SAFETY

The Group takes responsibility to provide the highest health and safety standards to ensure a safe and healthy working environment for our employees. It is our policy to ensure that this is one of the highest priority of internal controls which cannot be compromised. Therefore, the Group consistently takes all reasonably practicable safety measures to prevent any mishaps at the workplace.

HEALTHY LIFESTYLE AND WORK-LIFE BALANCE

To promote a healthy lifestyle and work-life balance, the Group regularly organises and sponsors various sports activities for our employees. Despite the demanding work schedules and tight deadlines, the Group strongly encourages all employees to participate in the activities in order to achieve a balanced and healthy lifestyle.

COMMUNITY

The Group believes that contributing to the local community is not just something out of choice but is actually a vital part of our corporate existence. The Group plays an active role in contributing to the community and society through direct financial support, gifts in kind and voluntary work. We strongly believe in giving back and improve the well being of our society through impactful initiatives.

This statement is made in accordance with a resolution of the Board of Directors dated 16 October 2014.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

As required under the Companies Act, 1965 ("Act"), the Directors of Titijaya Land Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company for the financial year ended 30 June 2014.

In preparing the financial statements for the financial year ended 30 June 2014, the Directors have:

ADOPTED suitable accounting policies and practices to ensure that they were consistently applied throughout the year;

MADE JUDGEMENTS and estimates that are prudent and reasonable;

ENSURED all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and

PREPARED THE FINANCIAL STATEMENTS on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Additionally, the Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board of Directors dated 16 October 2014.

REPORTS & FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2014

CONTENTS

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 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are stated in Note 6 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group	Company
	RM	RM
Net profit for the financial year, representing total comprehensive income for the financial year	71,295,406	16,777,445

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial period.

The directors propose a final single-tier dividend of 4.0 sen per ordinary share in respect of the current financial year, subject to the shareholders' approval at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, 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 adequate allowance had been made for doubtful debts.

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

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that 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.

DIRECTORS' REPORT (Continued)

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 that has arisen since the end of the financial year which secures the liabilities of any other person; or

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

No contingent liabilities or other liabilities of the Group and 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, in the opinion of the directors, will or may substantially affect the ability of the Group and 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 that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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

On 25 November 2013, the Company increased its issued and paid-up ordinary share capital from RM129,147,500/- to RM170,000,000/- by way of issuance of 81,705,000 of ordinary shares of RM0.50 each at an issue price of RM1.50 per ordinary share pursuant to the Initial Public Offering in conjunction with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad.

The Group and the Company did not issue any debentures during the financial year.

SHARE OPTION

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

DIRECTORS

The directors in office since the date of the last report are:-

Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor	Appointed on 31 July 2014
Tan Sri Dato' Lim Soon Peng	
Lim Poh Yit	
Lim Puay Fung	
Chin Kim Chung	
Dato' Ch'ng Toh Eng	
Tan Sri Syed Mohd Yusof bin Tun Syed Nasir (Alternate Director: Adrian Cheok Eu Gene)	Appointed on 3 October 2014
Tan Sri Dato' Hashim bin Meon	Resigned on 31 July 2014
Datuk Wan Ahmad Fauzi bin Hashim @ Wan Husain	Resigned on 3 October 2014

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 30 June 2014 are as follows:-

	Ordinary Shares of RM0.50 each			
	At 1.7.2013	Bought	Sold	At 30.6.2014
The Company				
Direct interest				
Tan Sri Dato' Lim Soon Peng	-	300,000	-	300,000
Lim Poh Yit	-	355,000	-	355,000
Lim Puay Fung	-	245,000	-	245,000
Chin Kim Chung	-	360,000	-	360,000
Dato' Ch'ng Toh Eng	-	230,000	-	230,000
Indirect interest				
Tan Sri Dato' Lim Soon Peng * #	258,295,000	700,000	(49,500,000)	209,495,000
Lim Poh Yit #	258,295,000	-	(49,500,000)	208,795,000
Lim Puay Fung #	258,295,000	-	(49,500,000)	208,795,000

	Redeemable Convertible Preference Shares of RM0.50 each			
	At 1.7.2013	Bought	Sold	At 30.6.2014
Indirect interest				
Tan Sri Dato' Lim Soon Peng #	100,000,000	-	-	100,000,000
Lim Poh Yit #	100,000,000	-	-	100,000,000
Lim Puay Fung #	100,000,000	-	-	100,000,000

	Ordinary Shares of RM1.00 each			
	At 1.7.2013	Bought	Sold	At 30.6.2014
The Holding Company				
Titijaya Group Sdn Bhd				
Direct interest				
Tan Sri Dato' Lim Soon Peng	1,500,000	-	-	1,500,000
Lim Poh Yit	2,550,000	-	-	2,550,000
Lim Puay Fung	950,000	-	-	950,000

* Deemed interested by virtue of Section 134(12)(c) of the Companies Act, 1965 in Malaysia.

Deemed interested by virtue of Section 6A of the Companies Act, 1965 in Malaysia.

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

DIRECTORS' REPORT (Continued)

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as shown in notes 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 except for benefit which may be deemed to be arisen by virtue of transactions as disclosed in Note 31.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was 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.

HOLDING COMPANY

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

AUDITORS

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

On behalf of the Board,

TAN SRI DATO' LIM SOON PENG	**LIM POH YIT**
Director	Director

Kuala Lumpur

Date: 16 October 2014

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	4,465,406	4,326,497	-	-
Land held for property development	5(a)	114,288,799	165,144,597	-	-
Investments in subsidiary companies	6	-	-	183,507,500	181,747,496
Investments in an associate	7	35,000	-	-	-
Investment properties	8	76,413,220	76,506,192	-	-
Goodwill on consolidation	9	1,595,888	1,595,888	-	-
Other investments	10	5,517	5,475	-	-
Total non-current assets		**196,803,830**	**247,578,649**	**183,507,500**	**181,747,496**
Current assets					
Property development costs	5(b)	343,828,142	158,707,775	-	-
Inventories	11	21,227,307	14,146,361	-	-
Trade and other receivables	12	95,196,371	61,903,056	108,656,163	-
Accrued billings in respect of property development costs		10,800,374	78,807,379	-	-
Tax recoverable		1,383,951	2,589,473	-	-
Fixed deposits placed with licensed banks	13	50,541,756	3,697,801	30,145,640	-
Cash and bank balances	14	94,091,384	26,434,979	365,109	11,827
Total current assets		**617,069,285**	**346,286,824**	**139,166,912**	**11,827**
TOTAL ASSETS		**813,873,115**	**593,865,473**	**322,674,412**	**181,759,323**

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014 (Continued)

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to the owner of the Company					
Share capital	15	170,000,000	129,147,500	170,000,000	129,147,500
RCPS - equity component	15	12,387,689	12,387,689	12,387,689	12,387,689
Share premium	16	78,839,917	-	78,839,917	-
Reserve arising from reverse acquisition	17	(47,425,855)	(47,425,855)	-	-
Retained earnings/(accumulated losses)		178,308,639	107,013,233	15,573,747	(1,203,698)
Total equity		**392,110,390**	**201,122,567**	**276,801,353**	**140,331,491**
Non-current liabilities					
Hire purchase payables	18	387,237	313,072	-	-
Bank borrowings	19	104,610,950	43,915,323	-	-
RCPS - liability component	20	36,278,919	33,483,082	36,278,919	33,483,082
Deferred tax liabilities	21	38,658,227	39,498,220	3,293,059	4,129,229
Total non-current liabilities		**179,935,333**	**117,209,697**	**39,571,978**	**37,612,311**
Current liabilities					
Trade and other payables	22	132,746,414	150,818,158	6,171,996	3,815,521
Progress billings in respect of property development costs		81,555,348	89,460,489	-	-
Hire purchase payables	18	215,712	158,408	-	-
Bank borrowings	19	21,282,159	29,338,852	-	-
Tax payables		6,027,759	5,757,302	129,085	-
Total current liabilities		**241,827,392**	**275,533,209**	**6,301,081**	**3,815,521**
Total liabilities		**421,762,725**	**392,742,906**	**45,873,059**	**41,427,832**
TOTAL EQUITY AND LIABILITIES		**813,873,115**	**593,865,473**	**322,674,412**	**181,759,323**

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

		Group		Company	
		1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	Note	RM	RM	RM	RM
Revenue	23	283,847,715	186,204,177	20,000,000	-
Cost of sales	24	(154,039,800)	(99,285,104)	-	-
Gross profit		129,807,915	86,919,073	20,000,000	-
Other income		3,358,365	8,446,002	543,514	-
Selling and distribution expenses		(17,808,843)	(9,624,659)	-	-
Administrative expenses		(13,936,285)	(7,692,414)	(3,374,230)	(75,325)
Other expenses		(3,621,136)	(3,393,836)	(1,098,924)	(1,128,373)
Operating profit/(loss)		97,800,016	74,654,166	16,070,360	(1,203,698)
Finance costs	25	(1,356,929)	(1,158,103)	-	-
Profit/(loss) before taxation	26	96,443,087	73,496,063	16,070,360	(1,203,698)
Income tax expense	27	(25,147,681)	(17,933,344)	707,085	-
Net profit/(loss) for the financial year/period representing total comprehensive income/(loss) for the financial year/period		71,295,406	55,562,719	16,777,445	(1,203,698)
Attributable to:-					
Owners of the Company		71,295,406	55,562,719	16,777,445	(1,203,698)
Non-controlling interest		-	-	-	-
		71,295,406	55,562,719	16,777,445	(1,203,698)
Earnings per ordinary share attributable to Owners of the Company (sen)					
- Basic	28	23	N/A		
- Diluted	28	21	N/A		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Attributable to owners of the Company					
	Non-Distributable				Distributable	
	Share Capital	Share Premium	RCPS - Equity Component	Reserve Arising from Reverse Acquisition	Retained Earnings	Total Equity
	RM	RM	RM	RM	RM	RM
Group						
At 9 July 2012 (date of incorporation)	2	-	-	-	-	2
Issuance of shares	129,147,498	-	-	-	-	129,147,498
Issuance of RCPS	-	-	12,387,689	-	-	12,387,689
Arising from reverse acquisition	-	-	-	(47,425,855)	51,450,514	4,024,659
Total comprehensive income for the financial period	-	-	-	-	55,562,719	55,562,719
At 30 June 2013	129,147,500	-	12,387,689	(47,425,855)	107,013,233	201,122,567
Issuance of shares	40,852,500	78,839,917	-	-	-	119,692,417
Total comprehensive income for the financial year	-	-	-	-	71,295,406	71,295,406
At 30 June 2014	**170,000,000**	**78,839,917**	**12,387,689**	**(47,425,855)**	**178,308,639**	**392,110,390**

	Attributable to owners of the Company				
	Non-Distributable			Distributable	
	Share Capital	Share Premium	RCPS - Equity Component	(Accumulated Losses)/ Retained Earnings	Total Equity
	RM	RM	RM	RM	RM
Company					
At 9 July 2012 (date of incorporation)	2	-	-	-	2
Issuance of shares	129,147,498	-	-	-	129,147,498
Issuance of RCPS	-	-	12,387,689	-	12,387,689
Total comprehensive loss for the financial period	-	-	-	(1,203,698)	(1,203,698)
At 30 June 2013	129,147,500	-	12,387,689	(1,203,698)	140,331,491
Issuance of shares	40,852,500	78,839,917	-	-	119,692,417
Total comprehensive income for the financial year	-	-	-	16,777,445	16,777,445
At 30 June 2014	**170,000,000**	**78,839,917**	**12,387,689**	**15,573,747**	**276,801,353**

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Group		Company	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:				
Profit/(loss) before taxation	96,443,087	73,496,063	16,070,360	(1,203,698)
Adjustments for:-				
Accretion of interest on RCPS	2,795,837	-	2,795,837	-
Depreciation of investment properties	92,972	79,540	-	-
Depreciation of property, plant and equipment	397,059	283,690	-	-
Development expenditure written off	-	24,937	-	-
Dividend income	(85)	(142)	(20,000,000)	-
Gain on bargain purchase	-	(6,007,759)	-	-
Interest expense	1,356,929	1,158,103	-	-
Interest income	(1,863,626)	(374,631)	(543,514)	-
Interest income from compulsory acquisition of land	-	(847,002)	-	-
Waiver of interest income	-	45,191	-	-
Operating profit/(loss) before working capital changes	99,222,173	67,857,990	(1,677,317)	(1,203,698)
Changes In Working Capital				
Inventories	8,747,180	1,825,258	-	-
Receivables	26,828,243	(73,213,555)	(1,004,500)	-
Payables	(9,314,049)	9,700,700	279,000	835,570
Property development costs	(130,129,320)	(1,441,225)	-	-
Net cash (used in)/generated from operations	(4,645,773)	4,729,168	(2,402,817)	(368,128)
Income tax paid	(26,964,786)	(16,222,524)	-	-
Income tax refunded	2,453,091	348,262	-	-
Interests paid	(490,180)	(366,056)	-	-
Interests received	1,863,626	374,631	543,514	-
Net Operating Cash Flows	**(27,784,022)**	**(11,136,519)**	**(1,859,303)**	**(368,128)**

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (Continued)

	Group		Company	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:				
Acquisition of subsidiary companies (Note B)	-	-	(6)	(100,000)
Additional investment in a subsidiary company	-	-	(1,759,998)	(2,499,998)
Investment in an associate	(35,000)	-	-	-
Deposit paid for acquisition of land held for property development	-	(5,287,770)	-	-
Dividend received	43	122	20,000,000	-
Interest received from compulsory acquisition of land	-	847,002	-	-
Land held for property development costs incurred	(19,963,375)	(947,757)	-	-
Net cash inflow from reverse acquisition (Note A)	-	2	-	-
Net cash inflow from acquisitions of subsidiary companies (Note B)	-	3,467,082	-	-
Purchase of property, plant and equipment (Note C)	(226,168)	(51,477)	-	-
Net Investing Cash Flows	**(20,224,500)**	**(1,972,796)**	**18,239,996**	**(2,599,998)**
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:				
Fixed deposits pledged as security values	(609,619)	(592,605)	-	-
Interests paid	(866,749)	(3,827,242)	-	-
Net changes in amount due from/to related parties	(8,777,389)	32,724,650	(105,574,188)	2,979,951
Drawdown of bank borrowings	91,700,000	6,880,075	-	-
Proceeds from issuance of shares	119,692,417	-	119,692,417	-
Net repayment of bank borrowings	(31,528,619)	(16,353,829)	-	-
Repayment of hire purchase payables	(178,331)	(149,788)	-	-
Net Financing Cash Flows	**169,431,710**	**18,681,261**	**14,118,229**	**2,979,951**

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (Continued)

	Group		Company	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM	RM	RM
NET CHANGE IN CASH AND CASH EQUIVALENTS	121,423,188	5,571,946	30,498,922	11,825
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/PERIOD	12,046,435	6,474,489	11,827	2
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/PERIOD	133,469,623	12,046,435	30,510,749	11,827
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Cash and bank balances	94,091,384	26,434,979	365,109	11,827
Fixed deposits placed with licensed banks	50,541,756	3,697,801	30,145,640	-
Bank overdrafts	(6,856,097)	(14,388,544)	-	-
	137,777,043	15,744,236	30,510,749	11,827
Less: Fixed deposits held as security values	(4,307,420)	(3,697,801)	-	-
	133,469,623	**12,046,435**	**30,510,749**	**11,827**

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (Continued)

A. EFFECTS ON REVERSE ACQUISITION

GROUP

Effects on acquisition of NPO Development Sdn Bhd ("NPO Development") under the reverse acquisition accounting:-

On 27 September 2012, the Company entered into a conditional shares sale agreement with Titijaya Group Sdn Bhd (Company No. 579358 – P) ("TGSB") to acquire the entire issued and paid-up share capital in NPO Development comprising 2,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM48,414,867/- satisfied by the issuance of 94,116,000 ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 each and 2,713,733 RCPS of RM0.50 each in the Company at an issue price of RM0.50 each. This acquisition was completed on 29 March 2013 and NPO Development becomes a wholly-owned subsidiary company of the Company.

The fair values and carrying amounts of the identifiable assets and liabilities of the Company as at the date of acquisition were as below:-

	Group 2013 RM
Cash and bank balances	2
Other payables	(1,010,990)
Net identifiable liabilities	(1,010,988)
Reserve arising from reverse acquisition	47,425,855
Issued equity of NPO Development	2,000,000
	48,414,867
Less:	
Purchase consideration settled via the issuance of 94,116,000 ordinary shares of RM0.50 each	(47,058,000)
Purchase consideration settled via the issuance of 2,713,733 RCPS of RM0.50 each	(1,356,867)
	-
Less: Cash and cash equivalents of the Company	(2)
Cash inflow from reverse acquisition	(2)

From the date of acquisition, the Company incurred a net loss of RM192,709/- for the financial period from 9 July 2012 (date of incorporation) to 30 June 2013.

B. EFFECTS ON ACQUISITIONS OF OTHER SUBSIDIARY COMPANIES

Effects on acquisitions of the following subsidiary companies:-

2014

(a) Prosperous Hectares Sdn Bhd ("Prosperous Hectares")

On 8 July 2013, the Company acquired 1 ordinary share of RM1.00 each from Lim Kok Heng and Lim Kok Shee (collectively referred to as "Prosperous Hectares Vendors") representing the entire issued and paid-up share capital in Prosperous Hectares for a total purchase consideration of RM2/- satisfied by cash. Prosperous Hectares is now a wholly-owned subsidiary company of the Company.

(b) Titijaya PMC Sdn Bhd

On 9 July 2013, the Company acquired 1 ordinary share of RM1.00 each from Lim Kok Heng and Lim Kok Shee (collectively referred to as "Titijaya PMC Vendors") representing the entire issued and paid-up share capital in Titijaya PMC for a total purchase consideration of RM2/- satisfied by cash. Titijaya PMC is now a wholly-owned subsidiary company of the Company.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (Continued)

B. EFFECTS ON ACQUISITIONS OF OTHER SUBSIDIARY COMPANIES (Continued)

(c) Titijaya Resources Sdn Bhd (formerly known as Exquisite Acres Sdn Bhd) ("Titijaya Resources")

On 17 March 2014, the Company acquired 1 ordinary share of RM1.00 each from Sumami Bt. Kiman and Saharuddin B. Abdullah (collectively referred to as "Titijaya Resources Vendors") representing the entire issued and paid-up share capital in Titijaya Resources for a total purchase consideration of RM2/- satisfied by cash. Titijaya Resources is now a wholly-owned subsidiary company of the Company.

On 8 May 2014, the Company has further subscribed additional 9,998 of new ordinary shares of RM1.00 each for a total consideration of RM9,998/- in Titijaya Resources.

(d) Liberty Park Development Sdn Bhd ("Liberty Park")

On 20 May 2014, the Company has further subscribed additional 1,750,000 of new ordinary shares of RM1.00 each for a total consideration of RM1,750,000/- in Liberty Park.

The fair values and carrying amounts of the identifiable assets and liabilities of the subsidiary companies as at the date of acquisitions are as follows:-

	Group 2014 Fair Value RM
Cash and bank balances	6
Net identifiable assets/ Total purchase consideration	6
Less: Cash and cash equivalents of subsidiary companies acquired	(6)
Cash inflow on acquisitions	**-**

From the dates of acquisitions, the above subsidiary companies have contributed a net loss of RM962,575/- to the Group's net profit for the financial year ended 30 June 2014.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (Continued)

B. EFFECTS ON ACQUISITIONS OF OTHER SUBSIDIARY COMPANIES (Continued)

2013

In the previous financial year, the Company acquired Shah Alam City Centre Sdn Bhd, City Meridian Development Sdn Bhd, Liberty Park Development Sdn Bhd, Safetags Solution Sdn Bhd, Aman Kemensah Sdn Bhd, Terbit Kelana Development Sdn Bhd, Pin Hwa Properties Sdn Bhd and Epoch Property Sdn Bhd for a total consideration of RM130,832,632/-.

The fair values and carrying amounts of the identifiable assets and liabilities of the subsidiary companies as at the date of acquisitions are as follows:-

	Group	
	2013	
	Carrying Amount	Fair Value
	RM	RM
Investment properties	8,359,868	71,380,000
Land held for property development	74,111,118	152,500,000
Property development costs	39,269,846	39,269,846
Trade and other receivables	60,358,693	60,358,693
Cash and bank balances	3,567,082	3,567,082
Trade and other payables	(86,460,394)	(86,460,394)
Progress billings in respect of property development costs	(33,045,726)	(33,045,726)
Provision for taxation	(501,529)	(501,529)
Bank borrowings	(36,471,216)	(36,471,216)
Deferred tax liabilities	-	(35,352,253)
Net identifiable assets	**29,187,742**	**135,244,503**
Add: Goodwill on consolidation (Note 9)		1,595,888
Less: Gain on bargain purchase		(6,007,759)
Total purchase consideration		130,832,632
Less:		
Purchase consideration settled via the issuance of 164,178,996 ordinary shares of RM0.50 each		(82,089,498)
Purchase consideration settled via the issuance of 97,286,287 RCPS of RM0.50 each		(48,643,134)
		100,000
Less: Cash and cash equivalents of subsidiary companies acquired		(3,567,082)
Cash inflow on acquisitions		**(3,467,082)**

From the dates of acquisitions, the above subsidiary companies have contributed a net profit of RM1,728,963/- to the Group's net profit for the financial period from 9 July 2012 (date of incorporation) to 30 June 2013.

C. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM535,968/- (2013: RM51,477/-), of which RM309,800/- (2013: Nil) were acquired by means of finance lease.

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and 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 immediate and ultimate holding company.

The financial statements are expressed in Ringgit Malaysia ("RM").

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 October 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3.

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment 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, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs")

(a) Adoption of New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

New FRSs	
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
Revised FRSs	
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

(a) Adoption of New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Continued)

The Group and the Company had adopted the following new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year (Continued):-

Amendments/Improvements to FRSs	
FRS 1	First-time Adoption of Financial Reporting Standards
FRS 7	Financial Instruments: Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment

Amendments/Improvements to FRSs	
FRS 132	Financial Instruments: Presentation
FRS 134	Interim Financial Reporting
New IC Int	
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to IC Int	
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments

The adoption of the above new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

FRS 10 Consolidated Financial Statements

The Group adopted FRS 10 in the current financial year. The adoption of FRS10 has no significant impact to the financial statements of the Group.

FRS 11 Joint Arrangements

FRS 11 supersedes the former FRS 131 Interests in Joint Ventures. Under FRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venturer recognises its interest in the joint venture as an investment and account for it using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

The Group adopted FRS 11 in the current financial year. The adoption of FRS11 has no significant impact to the financial statements of the Group.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a single disclosure standard for interests in subsidiaries, jointly controlled entities, associates and unconsolidated structured entities. The disclosure requirements in this FRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows. The requirements in FRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

(a) Adoption of New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Continued)

FRS 13 Fair Value Measurement

FRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is 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. As a result of the guidance in FRS 13, the Group reassessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair values measurement of liabilities.

Application of FRS13 has not materially impacted the fair value measurements of the Group. FRS 13 requires more extensive disclosures. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

Amendments to FRS 101 Presentation of Financial Statements

The amendments to FRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified to profit or loss at future point in time have to be presented separately from items that will not be reclassified.

These amendments also clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position.

The amendments also introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'.

The above amendments affect presentation only and have no impact on the Group's financial position or performance.

FRS 128 Investments in Associates and Joint Ventures (Revised)

FRS 128 (Revised) incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associates, as the equity method was applicable for both investments in joint ventures and associates. However, the revised standard exempts the investor from applying equity accounting where the investment in the associate or joint venture is held indirectly via venture capital organisations or mutual funds, unit trusts and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with FRS 139 *Financial Instruments: Recognition and Measurement*.

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 7 addresses disclosures to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Amendment to FRS 116 Property, Plant and Equipment

Amendment to FRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

(a) Adoption of New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int (Continued)

Amendments to FRS 10 Consolidated Financial Statements, FRS 11 Joint Arrangements and FRS 12 Disclosure of Interests in Other Entities

Amendments to FRS 10 clarifies that the date of initial application is the beginning of the annual reporting period for which this FRS is applied for the first time. Consequently, an entity is not required to make adjustments to the previous accounting if the consolidation conclusion reached upon the application of FRS 10 is the same as previous accounting or the entity had disposed of its interests in investees during a comparative period. When applying FRS10, these amendments also limit the requirement to present quantitative information required by Paragraph 28(f) of FRS108 *Accounting Policies, Changes in Accounting Estimates and Errors* to the annual period immediately preceding the date of initial application. A similar relief is also provided in FRS 11 and FRS 12. Additionally, entities would no longer be required to provide disclosures for unconsolidated structure entities in periods prior to the first annual period that FRS 12 is applied.

If, upon applying FRS 10, an entity conclude that it shall consolidate an investee that was not previously consolidated and that control was obtained before the effective date of the revised versions of these standards issued by the Malaysian Accounting Standards Board in November 2011, these amendments also clarify that an entity can apply the earlier versions of FRS 3 *Business Combinations* and FRS 127.

These amendments are not expected to have any significant impact on the financial results and position of the Group and the Company.

Amendment to FRS 132 Financial Instruments: Presentation

Amendment to FRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with FRS 112 *Income Taxes*.

Amendment to FRS 134 Interim Financial Reporting

To be consistent with the requirements in FRS 8 *Operating Segments*, the amendment to FRS 134 clarifies that an entity shall disclose the total assets and liabilities for a particular reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

Amendment to IC Int. 2 Members' Shares in Co-operative Entities and Similar Instruments

Amendment to IC Int 2 clarifies that distributions to holders of equity instruments are recognised directly in equity, gross of any income tax benefits.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

(b) New FRS, Amendments/Improvements to FRSs and New IC Int that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new FRS, amendments/improvements to FRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	To be announced by the MASB
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments/Improvements to FRSs		
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2014
FRS 2	Share-based Payment	1 July 2014
FRS 3	Business Combinations	1 July 2014
FRS 7	Financial Instruments: Disclosures	Applies when FRS 9 is applied
FRS 8	Operating Segments	1 July 2014
FRS 9	Financial Instruments	To be announced by the MASB
FRS 10	Consolidated Financial Statements	1 January 2014
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosure of Interests in Other Entities	1 January 2014
FRS 13	Fair Value Measurement	1 July 2014
FRS 116	Property, Plant and Equipment	1 July 2014
FRS 119	Employee Benefits	1 July 2014
FRS 124	Related Party Disclosures	1 July 2014
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2014
FRS 136	Impairment of Assets	1 January 2014
FRS 138	Intangible Assets	1 July 2014/1 January 2016
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
FRS 139	Financial Instruments: Recognition and Measurement	Applies when FRS 9 is applied
FRS 140	Investment Property	1 July 2014
New IC Int		
IC Int 21	Levies	1 January 2014

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

(b) New FRS, Amendments/Improvements to FRSs and New IC Int that are issued, but not yet effective and have not been early adopted (Continued)

A brief discussion on the above significant new FRS, amendments/improvements to FRSs and new IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments

FRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former FRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

FRS 9 Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139)

The new hedge accounting model represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The most significant improvements apply to those that hedge non-financial risk, and they are expected to be of particular interest to non-financial institutions. As a result of these changes, users of the financial statements will be provided with better information about risk management and about the effect of hedge accounting on the financial statements. The FRS 9 hedge accounting model, if adopted, applies prospectively with limited exceptions.

As part of the Amendments, an entity is now allowed to change the accounting for liabilities that it has elected to measure at fair value, before applying any of the other requirements in FRS 9. This change in accounting would mean that gains caused by a worsening in the entity's own credit risk on such liabilities are no longer recognised in profit or loss. The Amendments will facilitate earlier application of this long-awaited improvement to financial reporting.

The Amendments also remove the mandatory effective date from FRS 9.

FRS 14 Regulatory Deferral Accounts

FRS 14 permits first-time adopters of FRSs to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt FRSs. An entity that already presents FRSs financial statements is not eligible to apply this Standard.

As regulatory deferral account balances were not recognised in the FRS financial statements, the principles specified in FRS 14 would have no impact to the Malaysian entities.

Amendments to FRS 2 Share-based Payment

Amendments to FRS 2 clarify the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

Amendments to FRS 3 Business Combinations

Amendments to FRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to FRS 132 *Financial Instruments*: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to FRS 3 clarifies that FRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in FRS 11 *Joint Arrangements*) in the financial statements of the joint arrangement itself.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

(b) New FRS, Amendments/Improvements to FRSs and New IC Int that are issued, but not yet effective and have not been early adopted (Continued)

Amendments to FRS 8 Operating Segments

Amendments to FRS 8 require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosure of Interests in Other Entities and FRS 127 Separate Financial Statements

Amendments to FRS 10 introduce an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value thorough profit or loss in accordance with FRS 139 *Financial Instruments*: *Recognition and Measurement* instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to FRS 12 and FRS 127.

In addition, amendments to FRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of FRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with FRS139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to FRS 11 Joint Arrangements

Amendments to FRS 11 clarifies that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in FRS 3 *Business Combinations*, it shall apply the relevant principles on business combinations accounting in FRS 3, and other FRSs, that do not conflict with FRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The Amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

Amendments to FRS 13 Fair Value Measurement

Amendments to FRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendments also clarifies that the scope of the portfolio exception of FRS 13 includes all contracts accounted for within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* or FRS 9 *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in FRS 132 *Financial Instruments: Presentation*.

Amendments to FRS 116 Property, Plant and Equipment and FRS 138 Intangible Assets

Amendments to FRS 116 and FRS 138 clarify the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation / amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

(b) New FRS, Amendments/Improvements to FRSs and New IC Int that are issued, but not yet effective and have not been early adopted (Continued)

Amendments to FRS 119 Employee Benefits

Amendments to FRS 119 provide a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by FRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

Amendments to FRS 124 Related Party Disclosures

Amendments to FRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 132 do not change the current offsetting model in FRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria.

Amendments to FRS 136 Impairment of Assets

Amendments to FRS 136 clarifies that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to FRS 138 Intangible Assets

Amendments to FRS 138 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the Amendments to FRS 116). This presumption can be overcome only in the limited circumstances:-

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

Amendments to FRS 140 Investment Property

Amendments to FRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in FRS 3 and investment property as defined in FRS 140 requires the separate application of both Standards independently of each other.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

(b) New FRS, Amendments/Improvements to FRSs and New IC Int that are issued, but not yet effective and have not been early adopted (Continued)

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached.

(c) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreements for the Construction of Real Estate* ("Transitioning Entities"). The Transitioning Entities are given an option to defer adoption of the MFRSs framework, and continue to adopt the existing FRSs framework until the MFRSs framework is mandated by the MASB. Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework when the MFRSs framework is mandated by the MASB.

As at 30 June 2014, all FRSs issued under the existing FRSs framework are equivalent to the MFRSs issued under MFRSs framework except for differences in relation to the transitional provisions, the adoption of MFRS 141 *Agriculture* and IC Int 15 *Agreements for the Construction of Real Estate* as well as differences in effective dates contained in certain of the existing FRSs. As such, other than those as discussed below, the main effects arising from the transition to the MFRSs Framework has been discussed in Note 2.2(b). The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effect may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs. The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New and Revised FRSs, Amendments/Improvements to FRSs, New IC Interpretations ("IC Int"), Amendments to IC Int and New Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards, Malaysian Financial Reporting Standards ("MFRSs") (Continued)

(c) MASB Approved Accounting Standards, MFRSs (Continued)

MFRS 15 Revenue from Contracts with Customers (Continued)

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently assessing the impact of the adoption of this standard.

2.3 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group adopted FRS 10, Consolidated Financial Statements in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, controls exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial year, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider *de facto* power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transition provision of FRS 10. The adoption of FRS 10 has no significant impact to the financial statements of the Group.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transactions costs.

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether it measures the 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

(iii) Acquisition of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and other components of equity related to the former subsidiary from consolidated statement of financial position. Any surplus or deficit 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 equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. 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.

(vi) Joint arrangements

Joint arrangements are arrangement of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

The Group adopted FRS 11 *Joint Arrangements* in the current financial year. As a result, joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

In the previous financial years, joint arrangements were classified and accounted for as follows:

- For jointly controlled entity, the Group accounted for its interest using the equity method.
- For jointly controlled asset or jointly controlled operation, the Group and the Company accounted for each its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of FRS 11. The adoption of FRS 11 has no significant impact to the Group.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

(vii) Non-controlling interest

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interest have a deficit balances.

(viii) Transactions eliminated on consolidation

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

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

(ix) Goodwill

Goodwill arises on business combinations are measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted associates.

(x) Reverse acquisition

On 27 September 2012, the Company entered into a conditional shares sale agreement with TGSB to acquire the entire issued and paid-up share capital in NPO Development comprising 2,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM48,414,867 satisfied by the issuance of 94,116,000 ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 each and 2,713,733 RCPS of RM0.50 each in the Company at an issue price of RM0.50 each. This acquisition was completed on 29 March 2013 and NPO Development becomes a wholly-owned subsidiary company of the Company.

The directors of the Company have made a significant judgment that the business combination has been accounted for as a reverse acquisition using the purchase method of accounting under *Financial Reporting Standard 3 Business Combinations* ("FRS 3") as in substance, NPO Development is the accounting acquirer. Under the reverse acquisition accounting, although legally the Company is regarded as the legal parent and NPO Development is regarded as the legal subsidiary company, NPO Development should be identified as the acquirer in accordance with FRS 3 as it has the power to govern the financial and operating policies of the Company so as to obtain benefits from its activities.

Accordingly, the consolidated financial statements of the Group prepared following a reverse acquisition represent a continuation of the financial statements of NPO Development (the legal subsidiary company and the acquirer for accounting purposes). Under the reverse acquisition accounting:-

(i) the assets and liabilities of the accounting acquirer, NPO Development, is recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;

(ii) the retained earnings and other equity balances of NPO Development immediately before the business combination are those of the Group; and

(iii) the equity structure, however, reflects the equity structure of the Company, including the equity instruments issued to effect the business combination.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(b) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing 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 the Company 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.

Property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. The annual rates used for this purpose are as follows:-

Freehold building	2%
Computers	20%
Office equipment	20%
Furniture and fittings	20%
Motor vehicles	20%
Renovation	20%
Cabins	20%

No depreciation is provided on freehold land.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date. The effects of any revisions of the residual values and useful lives are included in the profit or loss for the financial period in which the changes arise.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

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 included in the profit or loss in the financial period the asset is derecognised.

(c) Investment Properties

Investment properties are investment in lands and buildings that are held for long term rental yields and/or for capital appreciation. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Investment in freehold land is stated at cost and is not depreciated as it has an indefinite life. Investment property under construction is not depreciated until the assets are ready for its intended use.

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%.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated) from the statements of financial position. The difference between the net disposal proceeds and its carrying amount is charged or credited to the profit or loss in the financial period of the retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(d) Property Development Activities

(i) Land Held for Property Development

Land held for property development consists of development costs on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses, if any.

Cost comprises the cost of land and all related costs incurred on activities necessary to prepare the land for its intended use.

Land held for property development is transferred to property development costs and included under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property Development Costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion of property development costs incurred for the work performed up to the reporting date over the estimated total property development costs to completion. Under this method, profits are recognised as the property development activity progresses.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any foreseeable loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately in the profit or loss.

Property development costs not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net realisable value. Upon the completion of development, the unsold completed development properties are transferred to inventories.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings under current assets and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings under current liabilities.

(e) Financial Assets

Financial assets 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.

When financial assets recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(e) Financial Assets (Continued)

(ii) Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

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

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-Maturity Investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

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

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(iv) Available-for-Sale Financial Assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

(f) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, 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. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(f) Financial Liabilities (Continued)

(i) Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit and loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other Financial Liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction cost incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Financial Guarantee Contract

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.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to the financial guarantee contract when it is due and the Group and the Company, as the issuer, are required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(h) Impairment of Assets

(i) Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

- **Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost**

  To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

  If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(h) Impairment of Assets (Continued)

(i) Financial Assets (Continued)

- **Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost (Continued)**

  The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

  If in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

- **Unquoted Equity Securities Carried at Cost**

  If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, profitability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets difference between the asset's carrying amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

- **Available-for-sale Financial Assets**

  Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

  If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

  Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(ii) Non-Financial Assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated 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 are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the specific identification basis for completed units of unsold developed properties.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(j) Provisions for Liabilities

Provisions for liabilities 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.

Provision 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. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Leases

(i) Finance Lease

Assets financed by finance leases arrangements which transfer substantially all the risks and rewards of ownership to the Group and the Company are capitalised as property, plant and equipment, and the corresponding obligations are treated as liabilities. The assets so capitalised are depreciated in accordance with the accounting policy on property, plant and equipment.

Assets acquired by way of finance lease are stated at an amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses, if any. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's and the Company's incremental borrowing rate is used. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance cost, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

(l) Contingent Liabilities

A contingent liability is a possible obligation that arises from past event and whose existence will only be confirm by the occurrence of one or more uncertain future events not wholly within the control of the Group and the Company. It can also be a present obligation arisng from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(m) Equity Intruments

(i) Ordinary Shares

Ordinary shares are recorded at the nominal value and the consideration in excess of nominal value of shares issued, if any, is accounted for as share premium. Both ordinary shares and shares premium are classified as equity.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the financial year end. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, if any, otherwise it is charged to the profit or loss. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(ii) Redeemable Cumulative Preference Shares (“RCPS”)

The RCPS are regarded as compound instruments, consisting of a liability component and an equity component. The component of RCPS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. On issuance of the RCPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability.

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder’s equity, net of transaction costs.

Transaction costs are apportioned between the liability and equity components of the RCPS based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

(n) Borrowing Costs

Borrowing costs directly attributable to the acquisition and construction of land held for property development, investment properties and other properties are capitalised as part of the costs of those assets, until such time the assets are substantially ready for their intended use or sale. Borrowing cost incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs will be suspended when the assets are completed or during the period in which development and constructions are stalled. The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawdown from that borrowing facility.

All other borrowing costs are recognised as an expense in the profit or loss in the period in which they are incurred.

(o) Taxation

(i) Current Tax

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

(ii) Deferred Tax

Deferred tax is provided for, using the liability method, on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(o) Taxation (Continued)

(ii) Deferred Tax (Continued)

The carrying amount of deferred tax assets, if any, 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 all or part of the asset to be recovered.

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 that have been enacted or substantively enacted at the reporting date.

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 when 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 and the Group and the Company intend to settle its current tax assets and current tax liabilities on a net basis.

(p) Currencies

Functional and Presentation Currency

The financial statements of in the Group and the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The financial statements are presented in RM, which is the Group's and the Company's functional currency and presentation currency.

(q) Revenue Recognition

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Property Development

Revenue from property development projects is recognised progressively as the project activity progresses and is in respect of sales when the agreements have been finalised. The recognition of revenue is based on the percentage of completion method, net of discount, and is consistent with the method adopted for profit recognition. Provision for foreseeable losses is made when estimated future revenue realisable is lower than the carrying amount of the project.

Interest income from late payments by house buyers and forfeiture income are recognised on an accrual basis unless the collectability is in doubt in which recognition will be on a receipt basis.

(ii) Interest Income

Interest income other than late payment interest income by house buyers and other trade receivables are recognised on an accrual basis.

(iii) Rental Income

Rental income is recognised on an accrual basis.

(iv) Dividend Income

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(r) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, bonuses, social security contribution and non-monetary benefits are recognised as an expense in the financial year in which the associated services are rendered by the employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave and maternity leave are recognised when absences occur.

(ii) Post-Employment Benefits

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to profit or loss in the period to which they are related. Once the contributions have been paid, the Group has no further payment obligations.

(s) Cash and Cash Equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances and fixed deposits placed with licensed banks that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, net of fixed deposits pledged with licensed banks and bank overdrafts.

(t) Segment Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(u) Fair value measurements

From 1 July 2013, the Group adopted FRS 13, Fair Value Measurement which prescribed that 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 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.

In accordance with the transitional provision of FRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of FRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

(v) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basics 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, which comprise convertible notes and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Judgements in Applying the Group's and the Company's Accounting Policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements except for the matter discussed below:-

(i) Revenue Recognition on Property Development Projects

The Group recognises property development projects in the profit or loss by using the percentage of completion method, which is the standard for similar industries.

The percentage of completion is determined by the proportion that property development and contract costs incurred for work performed to date bear to the estimated total property development and contract costs. Estimated losses are recognised in full when determined. Property development projects and expenses estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

Significant judgement is required in determining the percentage of completion, the extent of the property development projects incurred, the estimated total property development and contract revenue and costs as well as the recoverability of the project undertaken. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a contract is completed, but would recognise a loss as soon as the loss becomes evident.

Adjustments based on the percentage of completion method are reflected in property development and contract revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development and contract revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as stated below:

(i) Impairment of Investments in Subsidiary Companies and Recoverability of Amount Owing by Subsidiary Companies

The Company tests investments in subsidiary companies for impairment annually 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 subsidiary companies affects the result of the impairment test. Costs of investments in subsidiary companies which have ceased operations were impaired up to net assets of the subsidiary companies. The impairment made on investment in subsidiary companies entails an allowance for doubtful debts to be made to the amount owing by these subsidiary companies.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiary companies, 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 subsidiary companies.

(ii) Impairment of Non-current Assets and Current Assets

The Group and the Company review the carrying amount of its non-current assets and current assets, which include property, plant and equipment, land held for property development, property development costs and investment properties to determine whether there is an indication that those assets have suffered an impairment loss in accordance with relevant accounting policies on the respective category of non-current assets and current assets. Independent professional valuations to determine the carrying amount of these assets will be procured when the need arise.

As at the end of the financial year under review, the directors are of the view that there is no indication of impairment to these assets and therefore no independent professional valuation was procured by the Group and the Company during the financial year to determine the carrying amount of these assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land and Building	Computers	Office Equipment	Furniture and Fittings	Motor Vehicles	Renovation	Cabins	Total
Group	RM	RM	RM	RM	RM	RM	RM	RM
Cost								
At 9 July 2012 (date of incorporation)	-	-	-	-	-	-	-	-
Arising from reverse acquisition	3,539,965	204,773	97,721	286,767	1,870,180	75,061	22,460	6,096,927
Additions	7,611	25,835	4,754	13,277	-	-	-	51,477
At 30 June 2013	3,547,576	230,608	102,475	300,044	1,870,180	75,061	22,460	6,148,404
Additions	16,635	132,923	6,566	30,399	349,445	-	-	535,968
At 30 June 2014	3,564,211	363,531	109,041	330,443	2,219,625	75,061	22,460	6,684,372
Accumulated Depreciation								
At 9 July 2012 (date of incorporation)	-	-	-	-	-	-	-	-
Arising from reverse acquisition	-	136,645	94,488	123,958	1,108,876	51,791	22,459	1,538,217
Depreciation for the financial period	-	20,464	2,531	40,733	214,620	5,342	-	283,690
At 30 June 2013	-	157,109	97,019	164,691	1,323,496	57,133	22,459	1,821,907
Depreciation for the financial year	71,284	29,576	1,625	40,863	248,369	5,342	-	397,059
At 30 June 2014	71,284	186,685	98,644	205,554	1,571,865	62,475	22,459	2,218,966
Net Carrying Amounts								
At 30 June 2014	3,492,927	176,846	10,397	124,889	647,760	12,586	1	4,465,406
At 30 June 2013	3,547,576	73,499	5,456	135,353	546,684	17,928	1	4,326,497

Motor vehicles with a total carrying amount of RM647,756/- (2013: RM564,684/-) were acquired under hire purchase arrangements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

	Freehold land	Development costs	Total
	RM	RM	RM
Group			
At 9 July 2012 (date of incorporation)	-	-	-
Arising from reverse acquisition	10,100,579	1,111,641	11,212,220
Acquisition of subsidiary companies	130,569,247	21,930,753	152,500,000
Additions during the financial period	-	1,457,314	1,457,314
Written off during the financial period	-	(24,937)	(24,937)
At 30 June 2013	140,669,826	24,474,771	165,144,597
Additions during the financial year	-	19,963,375	19,963,375
Transfer to property development costs (Note 5(b))	(62,227,382)	(8,591,791)	(70,819,173)
At 30 June 2014	78,442,444	35,846,355	114,288,799

Land held for property development have been pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 19 to the financial statements.

Included in the land held for property development costs of the Group are RM1,097,660/- (2013: RM509,557/-) being interest expense capitalised during the financial year.

(b) Property Development Costs

	Freehold land	Leasehold land	Development costs	Total
Group	RM	RM	RM	RM
Cumulative Property Development Costs				
At 9 July 2012 (date of incorporation)	-	-	-	-
Arising from reverse acquisition	74,641,797	-	102,414,131	177,055,928
Acquisition of subsidiary companies	2,373,323	18,800,000	28,388,980	49,562,303
Costs incurred during the financial period	18,000	-	97,001,695	97,019,695
Reversal of completed projects	(8,565,716)	-	(115,230,170)	(123,795,886)
Unsold units transferred to inventories	(723,537)	-	(9,733,373)	(10,456,910)
At 30 June 2013	67,743,867	18,800,000	102,841,263	189,385,130
Cost incurred during the financial year	137,383,263	-	138,018,510	275,401,773
Transfer from land held for property development (Note 5(a)	62,227,382	-	8,591,791	70,819,173
Reversal of completed projects	(333,140)	-	(3,507,458)	(3,840,598)
Unsold units transferred to inventories	(1,372,959)	-	(14,455,167)	(15,828,126)
At 30 June 2014	265,648,413	18,800,000	231,488,939	515,937,352

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (Continued)

(b) Property Development Costs (Continued)

	Freehold land	Leasehold land	Development costs	Total
Group	RM	RM	RM	RM
Cumulative Costs Recognised in Profit or Loss				
At 9 July 2012 (date of incorporation)	-	-	-	-
Arising from reverse acquisition	(3,182,910)	-	(47,947,042)	(51,129,952)
Acquisition of subsidiary companies	(402,735)	(905,032)	(8,984,690)	(10,292,457)
Recognised during the financial period	(6,017,708)	(266,742)	(86,766,382)	(93,050,832)
Reversal of completed projects	8,565,716	-	115,230,170	123,795,886
At 30 June 2013	(1,037,637)	(1,171,774)	(28,467,944)	(30,677,355)
Recognised during the financial year	(18,515,585)	(2,995,768)	(123,761,100)	(145,272,453)
Reversal of completed projects	333,140	-	3,507,458	3,840,598
At 30 June 2014	(19,220,082)	(4,167,542)	(148,721,586)	(172,109,210)
Property Development Costs				
At 30 June 2014	246,428,331	14,632,458	82,767,353	343,828,142
At 30 June 2013	66,706,230	17,628,226	74,373,319	158,707,775

Included in the property development costs of the Group are RM910,587/- (2013: RM2,525,638/-) being interest expense capitalised during the financial year.

The freehold and leasehold land under property development costs have been pledged to financial institutions to secure credit facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2014	2013
	RM	RM
Unquoted shares - at cost	183,507,500	181,747,496

The details of the subsidiary companies are as follows:

Name of entity	Country of Incorporation	Effective Equity Interest 2014	Effective Equity Interest 2013	Principal Activities
Direct subsidaries				
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
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
City Meridian Development Sdn Bhd	Malaysia	100%	100%	Dormant
Liberty Park Development Sdn Bhd	Malaysia	100%	100%	Dormant
Prosperous Hectares Sdn Bhd	Malaysia	100%	-	Property development
Titijaya PMC Sdn Bhd	Malaysia	100%	-	Providing management services
Titijaya Resources Sdn Bhd *(formerly known as Exquisite Acres Sdn Bhd)*	Malaysia	100%	-	Investment holding
Indirect subsidaries				
Subsidairies of NPO Development Sdn Bhd:				
NPO Land Sdn Bhd	Malaysia	100%	100%	Property development
Sendi Bangga Development Sdn Bhd	Malaysia	100%	100%	Property development

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INVESTMENTS IN AN ASSOCIATE

	Group	
	2014	2013
	RM	RM
Unquoted shares - at cost	35,000	-

The details of the associate company are as follows:

Name of entity	Country of Incorporation	Effective Equity Interest 2014	Effective Equity Interest 2013	Principal Activities
Associate of Titijaya Resources Sdn Bhd:				
Tenang Sempurna Sdn Bhd *	Malaysia	23%	-	Inactive

** Not audited by Baker Tilly Monteiro Heng.*

The summarised financial statements of the associate are as follows:-

	Group	
	2014	2013
	RM	RM
Assets and liabilities		
Total assets	100,000	-
Total liabilities	66,831	-
Results		
Expenses	66,831	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. INVESTMENT PROPERTIES

	Freehold land	Buildings	Total
Group	RM	RM	RM
Costs			
At 9 July 2012 (date of incorporation)	-	-	-
Arising from reverse acquisition	609,369	870,834	1,480,203
Acquisition of subsidiary companies	71,380,000	-	71,380,000
Transfer from inventories	-	3,777,779	3,777,779
At 30 June 2013	71,989,369	4,648,613	76,637,982
Addition	-	-	-
At 30 June 2014	71,989,369	4,648,613	76,637,982
Accumulated Depreciation			
At 9 July 2012 (date of incorporation)	-	-	-
Arising from reverse acquisition	-	52,250	52,250
Depreciation for the financial period	-	79,540	79,540
At 30 June 2013	-	131,790	131,790
Depreciation for the financial year	-	92,972	92,972
At 30 June 2014	-	224,762	224,762
Net Carrying Amount			
At 30 June 2014	71,989,369	4,423,851	76,413,220
At 30 June 2013	71,989,369	4,516,823	76,506,192
Fair value of investment properties			80,173,120
Rental income generated			1,238,634
Direct operating expenses arising from investment properties			8,670

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. INVESTMENT PROPERTIES (Continued)

(a) Fair value information

The fair value of investment properties of approximately RM80,173,120/- (2013: RM76,380,000/-) is determined based on the valuation performed by the independent professional valuers with recent experience in the location and categories of land being valued. The fair value of investment properties is measured at Level 2 hierarchy.

Included in buildings is a self-constructed food court with a total carrying amount of RM1,393,120/- (2013: RM1,410,536/-) which was completed on 28 August 2006 and located at Taman Bukit Raja, Jalan Meru, Klang, Selangor. The directors are of the opinion that the fair value of investment properties is approximately their net carrying amount.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active market for identical properties that the entity can access at the measurement date.

Level 2 fair value

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.

Transfer between level 1 and level 2 fair values

There is no transfer between level 1 and 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the land and buildings.

(b) The investment properties amounting to RM50,980,000/- (2013: RM52,228,413/-) have been pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. GOODWILL ON CONSOLIDATION

	Group	
	2014	2013
	RM	RM
At the beginning of the financial year/date of incorporation	1,595,888	-
Acquisition of subsidiary companies	-	1,595,888
At the end of the financial year/period	1,595,888	1,595,888

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 tests goodwill annually for impairment 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. The key assumptions for the value in use calculation are those regarding the discount rate, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for next three years and extrapolates cash flows for the next three years based on minimal growth rate. A discount rate factor of 8.35% has been applied in arriving at the present value of future cash flows.

10. OTHER INVESTMENTS

	2014	2013
	RM	RM
Held for trading investments, at carrying amount		
Unit trust funds	5,517	5,475
Market value of quoted investment	5,517	5,515

11. INVENTORIES

	Group	
	2014	2013
	RM	RM
Completed properties held for sale, at cost	21,227,307	14,146,361

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Trade receivables	80,705,216	28,171,588	-	-
Amount due from:				
holding company	2,000	-	-	-
subsidiary companies	-	-	107,651,663	-
related companies	17,694	-	-	-
Other receivables	11,250,457	1,470,844	1,000,000	-
Deposits	3,167,725	32,260,624	4,500	-
Prepayments	53,279	-	-	-
	14,491,155	33,731,468	108,656,163	-
Total trade and other receivables	**95,196,371**	**61,903,056**	**108,656,163**	**-**

(a) Trade receivables

The Group's normal trade credit terms ranges from 14 days to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Ageing analysis of trade receivables are as follows:-

	Group	
	2014	2013
	RM	RM
Neither past due nor impaired	60,204,616	21,906,809
1 to 30 days past due not impaired	16,263,900	761,446
31 to 75 days past due not impaired	586,307	1,000,559
More than 75 days past due but not impaired	3,650,393	4,502,774
	80,705,216	28,171,588

Receivables that are neither past due nor impaired

The directors of the Group are of the opinion that no impairment loss is necessary in respect of these not past due trade receivables.

Receivables that are past due but not impaired

The balance of trade receivables that are past due but not impaired, representing approximately 25% (2013: 22%) of the Group's trade receivables are unsecured in nature.

Based on the management experience, no receivables past due were written off as a result of irrecoverability. The management has a credit procedure in place to monitor and minimise the exposure of default. The directors of the Group are of the opinion that no impairment loss is necessary in respect of these past due trade receivables.

(b) Amounts due from related companies

The amounts due from related companies are unsecured, interest free and receivable upon demand.

(c) Other receivables

Included in the other receivables of the Group is an amount of RM7,770,615/- (2013: Nil) deposited with a lawyer as stakeholders' sum from house buyers and RM1,000,000/- (2013: Nil) deposited with a lawyer as deposits for the proposed acquisition of a parcel of leasehold land for cash consideration of RM126,000,000/- (2013: Nil) from the holding company. The balance of the purchase considerations are disclosed as capital commitment in Note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. TRADE AND OTHER RECEIVABLES (Continued)

(d) Deposits

Included in deposits of the Group is an amount totalling RM1,031,505/- (2013: RM30,625,912/-) in relation to the deposits paid for the purchase of land held for property development for a total consideration of RM5,570,080/- (2013: RM127,103,624/-). The balance of the purchase considerations are disclosed as capital commitment in Note 30 to the financial statements.

13. FIXED DEPOSITS PLACED WITH LICENSED BANKS

Group

Fixed deposits placed with licensed banks have maturity dates of one (1) month which bear interests rates ranging from 2.75% to 3.00% (2013: 2.75% to 2.80%) per annum for the financial year.

Fixed deposits of RM4,307,420/- (2013: RM3,697,801/-) placed with licensed banks have been pledged to the licensed banks to secure credit facilities granted to the Group.

Company

Fixed deposits placed with licensed banks have maturity dates of one (1) month which bear interests rates at 3.00% (2013: Nil) per annum for the financial year.

14. CASH AND BANK BALANCES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Short term funds	505,483	5,406	-	-
Cash in hand	7,713	7,613	2	2
Housing development accounts	57,368,223	6,681,238	-	-
Cash at banks	36,209,965	19,740,722	365,107	11,825
	94,091,384	26,434,979	365,109	11,827

The housing development accounts which held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, comprise monies received from purchasers, are for the payment of property development expenditure incurred and are restricted from use in other operations. The surplus monies, if any, will be released to the subsidiary companies upon the completion of the property development projects and after all property development expenditure have been fully settled.

The short term funds represent investment in fixed income trust funds which can be redeemed within a period of less than 30 days with tax exempt interest at the rates ranging from 2.00% to 2.23% (2013: 2.00% to 2.23%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. SHARE CAPITAL

	Group and Company			
	2014		2013	
	Number of Shares		Number of Shares	
	Unit	RM	Unit	RM
Authorised				
Ordinary Shares of RM0.50 each				
At the beginning of the financial year/date of incorporation	500,000,000	250,000,000	100,000	100,000
Subdivided during the financial year/period	-	-	100,000	-
Created during the financial year/period	-	-	499,800,000	249,900,000
At the end of the financial year/period	500,000,000	250,000,000	500,000,000	250,000,000
Redeemable Convertible Preference Shares ("RCPS") of RM0.50 each				
At the beginning of the financial year/date of incorporation	100,000,000	50,000,000	-	-
Created during the financial year/period	-	-	100,000,000	50,000,000
At the end of the financial year/period	100,000,000	50,000,000	100,000,000	50,000,000
Issued and fully paid				
Ordinary Shares of RM0.50 each				
At the beginning of the financial year/date of incorporation	258,295,000	129,147,500	2	2
Subdivided during the financial year/period	-	-	2	-
Issued during the financial year/period	81,705,000	40,852,500	258,294,996	129,147,498
At the end of the financial year/period	340,000,000	170,000,000	258,295,000	129,147,500
RCPS of RM0.50 each				
At the beginning of the financial year/date of incorporation	100,000,000	50,000,000	-	-
Issued during the financial year/period	-	-	100,000,000	50,000,000
At the end of the financial year/period	100,000,000	50,000,000	100,000,000	50,000,000

On 25 November 2013, the Company increased its issued and paid-up ordinary share capital from RM129,147,500/- to RM170,000,000/- by way of issuance of 81,705,000 of ordinary shares of RM0.50 each at a subscription price of RM1.50 per ordinary share pursuant to the Initial Public Offering in conjunction with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. SHARE CAPITAL (Continued)

The Company had issued 100,000,000 5-years RCPS of RM0.50 each at the nominal amount of RM0.50 as partial settlement of the purchase consideration for the acquisitions of certain subsidiary companies. These RCPS were segregated into equity and liability components as follows:-

	Group and Company	
	2014	2013
	RM	RM
RCPS - equity component	12,387,689	12,387,689
RCPS - liability component (Note 20)	36,278,919	33,483,082
Deferred tax liability arising from issuance of RCPS (Note 21)	3,293,059	4,129,229
At the end of the financial year/period	51,959,667	50,000,000

16. SHARE PREMIUM

	Group and Company	
	2014	2013
	RM	RM
At the beginning of the financial year/ date of incorporation	-	-
Issuance of shares	81,705,000	-
Share issuance expenses	(2,865,083)	-
At the end of the financial year/period	78,839,917	-

Share premium comprises the premium paid on subscription of shares of the Company over and above the par value of the shares.

17. RESERVE ARISING FROM REVERSE ACQUISITION

The reserve arising from reverse acquisition is arising from the acquisition of NPO Development Sdn Bhd.

18. HIRE PURCHASE PAYABLES

	Group	
	2014	2013
	RM	RM
Minimum hire purchase payments		
- within twelve months	238,624	178,044
- more than twelve months	419,298	331,231
	657,922	509,275
Less: Future interest charges	(54,973)	(37,795)
Present value of hire purchase payables	602,949	471,480
Analysis of present value of hire purchase payables		
- not later than one year	215,712	158,408
- later than one year and not later than five years	387,237	313,072
	602,949	471,480

The hire purchase payables bear interest at the effective interest rates ranging from 2.93% to 6.08% (2013: 2.99% to 4.69%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. BANK BORROWINGS

	Group	
	2014	2013
	RM	RM
Short term bank borrowings - secured		
Bank overdrafts	6,856,097	14,388,544
Term loans	14,426,062	14,950,308
	21,282,159	29,338,852
Long term bank borrowings - secured		
Term loans	104,610,950	42,242,213
Bridging loan	-	1,673,110
	104,610,950	43,915,323
Total bank borrowings	125,893,109	73,254,175
Comprising portion repayable		
Within one year	21,282,159	29,338,852
More than one year but less than two years	24,290,899	22,152,538
More than two years but less than five years	73,930,155	12,542,523
More than five years	6,389,896	9,220,262
	125,893,109	73,254,175

The bank borrowings are secured by the following:-

(a) First and third party legal charges over the development properties;

(b) Fixed legal charges over the land held for property development;

(c) First legal charge over an investment property;

(d) Specific and supplementary debentures over the present and future assets on the property development land;

(e) Specific debenture by a third party company, incorporating a fixed charge for all monies owing or payable under the banking facilities over the development properties;

(f) Facility agreements between certain subsidiary companies and the financial institutions;

(g) Assignment of all rights, title and interest in respect of the rental proceeds for a property from the tenant in favour of the lender;

(h) Deed of assignment over the property, plant and equipment and all the sale proceeds arising from the property development projects and monies in the project accounts maintained with the licensed banks granting the facilities;

(i) Assignment and supplementary assignment of housing development accounts and project accounts of the development project;

(j) Pledged of fixed deposits together with interests accrued thereon;

(k) Corporate guarantee granted by the holding company and a subsidiary company;

(l) Jointly and severally guarantee by certain directors of the Company; and

(m) Deed of undertaking from holding company, a subsidiary company and certain directors of the Company.

The bank borrowings bear interests at rates which are on a floating rate basis ranging from 5.10% to 8.35% (2013: 5.10% to 8.35%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. RCPS – LIABILITY COMPONENT

	Group and Company	
	2014	2013
	RM	RM
At the beginning of the financial year/date of incorporation	33,483,082	-
Pursuant to issuance of RCPS (Note 15)	-	33,483,082
Accretion- amortised cost	2,795,837	-
At the end of the financial year/period	36,278,919	33,483,082

The RCPS was segregated into equity and liability components at inception. The liability component was computed applying the prevailing market interest rate of 8.35% to the estimated future cash flows up till the date of redemption.

The principal terms of the RCPS are as follows:-

(a) The RCPS has a par value of RM0.50 each and bears zero dividend rate.

(b) The RCPS has a maturity period of five (5) years from the date of issuance. Redemption of the RCPS by the Company at 100% of its nominal value is only allowed at the sole option of the Company at any time during the tenure of the RCPS. Any RCPS not redeemed or converted shall, on maturity date, be automatically redeemed by the Company at 100% of its nominal value.

(c) The registered holder will have the right to convert the RCPS on the basis of one (1) new Company's ordinary share of RM0.50 each for every three (3) RCPS held at any time from the issuance date until the maturity, subject to the maximum amount of conversion as stipulated at each conversion period.

(d) The RCPS shall carry no right to vote at any general meetings of the Company except with regards to any proposal on the followings:-

  (i) any proposal to wind up the Company;

  (ii) during the winding up of the Company;

  (iii) on any proposal directly or indirectly varies or affects the rights, privileges or conditions attached to the RCPS, or the exercise of any those rights, privileges or conditions;

  (iv) on a proposal to reduce the Company's share capital;

  (v) on a proposal for the disposal of the whole of the Company's property, business and undertaking; or

  (vi) when the dividend or part of the dividend on the RCPS is in arrears for more than six (6) months (if any).

(e) In any such case, the RCPS holders shall be entitled to vote together with the holders of ordinary shares and to one (1) vote for each RCPS held.

(f) The RCPS will not be listed. However, the new shares to be issued upon conversion of the RCPS will be listed on the Main Market of Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. DEFERRED TAX LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Deferred tax liabilities				
At the beginning of the financial year/date of incorporation	39,498,220	-	4,129,229	-
Arising from reverse acquisition	-	12,385	-	-
Recognised in profit or loss during the financial year/period	(839,993)	4,353	(836,170)	-
Fair value adjustments arising from business combination	-	35,352,253	-	-
Pursuant to the issuance of RCPS (Note 20)	-	4,129,229	-	4,129,229
At the end of the financial year/ period	38,658,227	39,498,220	3,293,059	4,129,229

The deferred tax liabilities comprise the following:-

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Tax effects on temporary differences arising from:-				
Property, plant and equipment	12,915	16,738	-	-
Investment properties	15,755,033	15,755,033	-	-
Land held for property development	19,597,220	19,597,220	-	-
RCPS	3,293,059	4,129,229	3,293,059	4,129,229
	38,658,227	39,498,220	3,293,059	4,129,229

Details of deferred tax assets pertaining to certain subsidiary companies which have not been recognised in the financial statements due to uncertainty of realisation are as follow:-

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Deferred tax assets				
Unutilised tax losses	2,993,303	3,352,709	-	-
Potential deferred tax benefit at 24% (2013: 25%)	718,393	838,178	-	-

The unutilised tax losses are available for offset again future taxable profits of the subsidiary companies, subject to the agreement by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Trade payables	34,666,745	22,739,284	-	-
Amount due to:				
Holding company	944,552	944,552	-	-
Subsidiary companies	-	-	5,001,176	2,979,951
Directors	6,312,389	6,335,908	-	-
Related companies	31,728,442	38,710,314	-	-
Companies in which persons connected to certain directors have interests	84,172	48,965	-	-
Companies in which certain directors have interests	3,482,729	5,270,240	56,250	-
Other payables	20,165,524	39,163,068	829,570	829,570
Accruals	29,173,049	27,583,324	285,000	6,000
Deposits	6,188,812	10,022,503	-	-
	98,079,669	128,078,874	6,171,996	3,815,521
Total trade and other payables	132,746,414	150,818,158	6,171,996	3,815,521

(a) Trade payables

The normal trade credit terms granted to the Group ranges from 30 days to 90 days.

(b) Amounts due to related companies

The amounts due to related companies are unsecured, interest free and repayable on demand.

(c) Accruals

Included in accruals are an amount totalling RM28,260,069/- (2013: RM26,987,488/-) which represents costs accrued for the development projects undertaken by the Group.

(d) Deposits

Included in deposits are in relation to partial payments towards the sales of development properties. Included herein is an amount of RM Nil (2013: RM1,750,500/-) being deposits received from a person connected to certain directors of the Company in relation to the sales of development properties.

23. REVENUE

	Group		Company	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM	RM	RM
Property development revenue	282,609,081	185,890,669	-	-
Rental income	1,238,634	313,508	-	-
Dividend income	-	-	20,000,000	-
	283,847,715	186,204,177	20,000,000	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. COST OF SALES

	Group	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM
Property development costs	154,031,130	94,851,022
Profit shared by landowner via joint venture development	-	4,415,834
Direct operating expenses arising from investment properties	8,670	18,248
	154,039,800	99,285,104

25. FINANCE COSTS

	Group	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM
Interest expense on:		
Hire purchase	25,625	28,096
Bank overdrafts	490,180	366,056
Term loans	841,124	763,951
	1,356,929	1,158,103

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM	RM	RM
After charging:-				
Accretion of interest on RCPS	2,795,837	-	-	-
Auditors' remuneration:				
- statutory audit				
- current financial year/period	185,000	104,620	30,000	6,000
- under provision in prior year	9,880	11,600	9,000	-
- non-statutory	91,000	106,872	91,000	106,872
Depreciation of investment properties	92,972	79,540	-	-
Depreciation of property, plant and equipment	397,059	283,690	-	-
Development expenditure written off	-	24,937	-	-
Directors' remuneration (Note 31(c))	2,049,916	1,433,741	313,500	-
Listing expenses	636,565	1,021,502	636,565	1,021,502
Rental of sales office	384,200	24,000	-	-
Rental of equipment	12,250	900	-	-
Salaries, allowances and bonuses	5,332,728	4,189,904	-	-
Defined contribution plan	629,120	505,010	-	-
Other staff related expenses	447,101	479,036	-	-
And crediting:-				
Bank interest income	725,897	243,200	-	-
Dividend income from other investments	85	142	-	-
Fixed deposit interest income	648,175	92,717	543,514	-
Interest received from compulsary acquisition of land	-	847,002	-	-
Other interest income	489,554	38,714	-	-
Rental income	529,544	515,646	-	-
Gain on bargain purchase from acquisitions of subsidiary companies	-	6,007,759	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. INCOME TAX EXPENSE

	Group		Company	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM	RM	RM
Income tax				
- current financial year/period	26,197,011	17,834,871	129,085	-
- (over)/under provision in prior year	(209,337)	94,120	-	-
	25,987,674	17,928,991	129,085	-
Deferred taxation (Note 21)				
- current financial year/period	(680,219)	3,430	(671,001)	-
- (over)/under provision in prior year	(159,774)	923	(165,169)	-
	25,147,681	17,933,344	(707,085)	-

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the financial year/period.

The reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:-

	Group		Company	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM	RM	RM
Profit / (loss) before taxation	96,443,087	73,496,063	16,070,360	(1,203,698)
Taxation at applicable statutory tax rate of 25%	24,110,772	18,374,016	4,017,590	(300,925)
Tax effect arising from:-				
- Expenses not deductible for tax purposes	1,496,410	718,221	440,494	300,925
- Income not subject to tax	-	(1,788,838)	(5,000,000)	-
- Deemed disposal on withdrawal of inventories	-	375,555	-	-
- SME tax savings	-	(1,458)	-	-
- Deferred tax recognised in different tax rate	29,395	-	-	-
- Reversal of deferred tax assets not recognised	(119,785)	160,805	-	-
- (Over)/under accrual of tax in prior year	(209,337)	94,120	(165,169)	-
- (Over)/under provision of deferred tax in prior year	(159,774)	923	-	-
Tax expense for the financial year/period	25,147,681	17,933,344	(707,085)	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per share are calculated by dividing the Group's net profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
Net profit attributable to owners of the Company (RM)	71,295,406	N/A
Weighted average number of ordinary shares (units)	306,870,301	N/A
Basic earnings per share for the financial year (sen)	23	N/A

(b) Diluted

Diluted earnings per share are calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares from exercise of RCPS into ordinary shares.

	Group	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
Profit attributable to owners of the Company (RM)	71,295,406	N/A
Weighted average number of ordinary shares (units)	306,870,301	N/A
Effect of dilution for:		
Conversion of RCPS	33,333,333	N/A
Adjusted weighted average number of ordinary shares in issue and issuable	340,203,634	N/A
Diluted earnings per share (sen)	21	N/A

29. CONTINGENT LIABILITIES

(a) Corporate guarantees

Corporate guarantees for credit facilities granted to subsidiary companies

Group	
2014	2013
RM	RM
145,302,000	55,932,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

29. CONTINGENT LIABILITIES (Continued)

(b) Legal suits

(i) XL Wood Floors Sdn Bhd vs Sendi Bangga Development Sdn Bhd

On 22 August 2013, a subsidiary company, Sendi Bangga Development Sdn Bhd ("Sendi Bangga"), received from a writ of summon and statement of claim from a nominated sub-contractor of Sendi Bangga's trade payable for a breach of collateral contract. The sub-contractor alleged that it has suffered loss and damage and thereby claims against Sendi Bangga.

Sendi Bangga filed its defence and striking out application on 19 September 2013. The trial has been conducted on 13 August 2014. The court has fixed 22 September 2014 for parties to file and exchange submission and submission in reply by 29 September 2014. The court has fixed a case management on 17 October 2014 for parties to fix the clarification date for the case.

The management is of the opinion that the claim is not valid as the nominated sub-contractor has no contractual relationship with Sendi Bangga. Accordingly, no provision for liabilities was made.

30. COMMITMENTS

(a) Capital commitments as at the reporting date:

	Group	
	2014	2013
	RM	RM
Approved and contracted but not provided for:-		
- Land held for property development		
Purchase considerations	131,570,080	127,103,264
Less: Deposits paid *	(2,031,505)	(30,625,912)
Capital commitments	129,538,575	96,477,352

* Included in deposit paid is an amount of RM1,000,000/- (2013: Nil) paid for the proposed acquisition of a parcel of leasehold land for cash consideration of RM126,000,000/- (2013: Nil) from the holding company which has been disclosed in Note 36(iii).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification of related parties

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with the Group and the Company or that has an interest in the Group and the Company that gives it significant influence over the Group's and the Company's financial operating policies. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence for which significant voting power in the Group and the Company reside with, directly or indirectly.

The nature of relationship with the related parties is as follows:

Name of Related Parties	Nature of Relationship
Titijaya Group Sdn Bhd	Immediate and ultimate holding company
Titijaya PMC Sdn Bhd	Direct subsidiary
NPO Development Sdn Bhd	Direct subsidiary
Pin Hwa Properties Sdn Bhd	Direct subsidiary
Safetags Solution Sdn Bhd	Direct subsidiary
NPO Trading Sdn Bhd	A related company which is a wholly-owned subsidiary company of Titijaya Group Sdn Bhd

(b) Significant related party transactions

Significant transactions between the Group and its related parties during the financial year/period are as follows:-

	Group		Company	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM	RM	RM
Titijaya PMC Sdn Bhd				
- Project management fee	-	-	72,000	-
NPO Development Sdn Bhd				
- Dividend income	-	-	20,000,000	-
Pin Hwa Properties Sdn Bhd				
- Project Management fee	-	274,774	-	-
- Revenue from joint venture development	-	4,415,834	-	-
Titijaya Group Sdn Bhd				
- Deposit paid for proposed acquisition of land	1,000,000	-	-	-
Safetags Solution Sdn Bhd				
- Project management fee	-	201,090	-	-
NPO Trading Sdn Bhd				
- Supply of building materials	-	191,267	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31. SIGNIFICANT RELATED PARTY DISCLOSURES (Continued)

(c) Directors' remuneration

	Group		Company	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM	RM	RM
Executive Directors:				
Salaries, allowance and bonus	1,497,500	1,227,019	7,000	-
Other emoluments	245,916	206,722	-	-
Directors' fees	108,000	-	108,000	-
	1,851,416	1,433,741	115,000	-
Non-Executive Directors:				
Salaries, allowance and bonus	12,500	-	12,500	-
Directors' fees	186,000	-	186,000	-
	198,500	-	198,500	-
Total directors' remuneration	2,049,916	1,433,741	313,500	-

The number of the directors whose total remuneration during the financial year fall within the following bands is analysed below:

	Number of directors	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM
Executive Directors:		
Below RM550,000	-	3
RM550,001 - RM600,000	1	-
RM600,001 - RM650,000	2	-
Non-executive Directors:		
RM1 - RM50,000	2	-
RM50,001 - RM100,000	2	-

(d) Key management personnel compensation

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.

	Group	
	1.7.2013 to 30.6.2014	9.7.2012 to 30.6.2013
	RM	RM
Included in staff costs were remunerations for key management personnel other than directors		
- Salaries, bonuses and allowances	723,300	603,740
- Defined contribution plan	74,796	72,300
	798,096	676,040

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. SEGMENT INFORMATION

FRS 8 requires the identification of operating segments on the basis on internal reports that are regularly reviewed by the management in order to allocate resources to the segments and assess their performance.

For management purpose, the Group is organised into the following operating divisions:-

(i) Property development

(ii) Investment holding

Group	Property development	Investment holding	Total
2014	RM	RM	RM
Segment profit/(loss)	**101,303,526**	**15,139,561**	**116,443,087**
Included in the measure of segment profit/(loss) are:			
Revenue from external customers	283,709,115	138,600	283,847,715
Inter-segment revenue	22,533,836	29,220,045	51,753,881
Finance income	1,314,551	549,075	1,863,626
Finance cost	1,350,940	5,989	1,356,929
Depreciation	397,059	92,972	490,031
Accertion of interest on RCPS	-	2,795,837	2,795,837
Not included in the measure of segment profit but provided to the Management:			
Tax expenses	25,854,967	(707,286)	25,147,681
Segment assets	**774,435,524**	**339,833,594**	**1,114,269,118**
Included in the measure of segment assets are:			
Investment in associates	-	35,000	35,000
Additions to non-current assets other than financial instruments and deferred tax assets	493,134	42,834	535,968
Segment liabilities	**581,728,221**	**59,987,205**	**641,715,426**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. SEGMENT INFORMATION (Continued)

Group 2013	Property development RM	Investment holding RM	Total RM
Segment profit/(loss)	**67,745,570**	**(257,266)**	**67,488,304**
Included in the measure of segment profit/(loss) are:			
Revenue from external customers	186,165,677	38,500	186,204,177
Inter-segment revenue	2,504,121	-	2,504,121
Finance income	1,220,794	839	1,221,633
Gain on bargain purchase from acquisitions of subsidiary companies	6,007,759	-	6,007,759
Finance cost	1,158,103	-	1,158,103
Depreciation	283,690	79,540	363,230
Development expenditure written off	24,937	-	24,937
Not included in the measure of segment profit but provided to the Management:			
Tax expenses	17,931,144	2,200	17,933,344
Segment assets	**537,202,053**	**191,402,635**	**728,604,688**
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	51,477	-	51,477
Segment liabilities	**401,703,309**	**47,095,512**	**448,798,821**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment revenues, profit or loss, assets and other material items.

	Group	
	2014	2013
	RM	RM
Total revenue for reportable segments	335,601,596	188,708,298
Elimination of inter-segment revenue	(51,753,881)	(2,504,121)
Consolidated total	283,847,715	186,204,177
Total profit or loss for reportable segments	116,443,087	67,488,304
Elimination of inter-segment profits	(20,000,000)	6,007,759
Consolidated profit before taxation	96,443,087	73,496,063
Total reportable segments assets	1,114,269,118	728,604,688
Elimination of inter-segment transactions or balances	(300,396,003)	(134,739,215)
Consolidated total	813,873,115	593,865,473
Total reportable segments liabilities	641,715,426	448,798,821
Elimination of inter-segment transactions or balances	(219,952,701)	(56,055,915)
Consolidated total	421,762,725	392,742,906

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	Loans and receivables	Available for sale	Other financial liabilities	Total
2014	RM	RM	RM	RM
Financial assets:				
Other investments	-	5,517	-	5,517
Trade and other receivables (exclude deposits and prepayments)	91,975,367	-	-	91,975,367
Fixed deposits placed with licensed banks	50,541,756	-	-	50,541,756
Cash and bank balances	94,091,384	-	-	94,091,384
Total financial assets	236,608,507	5,517	-	236,614,024
Financial liabilities:				
Trade and other payables (exclude deposits and accruals)	-	-	100,707,583	100,707,583
Hire purchase payables	-	-	602,949	602,949
Bank borrowings	-	-	125,893,109	125,893,109
RCPS - liability component	-	-	36,278,919	36,278,919
Total financial liabilities	-	-	263,482,560	263,482,560
2013				
Financial assets:				
Other investments	-	5,475	-	5,475
Trade and other receivables (exclude deposits and prepayments)	29,642,432	-	-	29,642,432
Fixed deposits placed with licensed banks	3,697,801	-	-	3,697,801
Cash and bank balances	26,434,979	-	-	26,434,979
Total financial assets	59,775,212	5,475	-	59,780,687

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. FINANCIAL INSTRUMENTS (Continued)

(a) Classification of Financial Instruments (Continued)

Group	Loans and receivables	Available for sale	Other financial liabilities	Total
2013	RM	RM	RM	RM
Financial liabilities:				
Trade and other payables (exclude deposits and accruals)	-	-	113,212,331	113,212,331
Hire purchase payables	-	-	471,480	471,480
Bank borrowings	-	-	73,254,175	73,254,175
RCPS - liability component	-	-	33,483,082	33,483,082
Total financial liabilities	-	-	220,421,068	220,421,068
Company				
2014				
Financial assets:				
Trade and other receivables (exclude				
deposits and prepayments)	108,651,663	-	-	108,651,663
Fixed deposits placed with				
licensed banks	30,145,640	-	-	30,145,640
Cash and bank balances	365,109	-	-	365,109
Total financial assets	139,162,412	-	-	139,162,412
Financial liabilities:				
Trade and other payables (exclude deposits and accruals)	-	-	5,886,996	5,886,996
RCPS - liability component	-	-	36,278,919	36,278,919
Total financial liabilities	-	-	42,165,915	42,165,915
2013				
Financial assets:				
Cash and bank balances	11,827	-	-	11,827
Total financial assets	11,827	-	-	11,827
Financial liabilities:				
Trade and other payables (exclude deposits and accruals)	-	-	3,809,521	3,809,521
RCPS - liability component	-	-	33,483,082	33,483,082
Total financial liabilities	-	-	37,292,603	37,292,603

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. FINANCIAL INSTRUMENTS (Continued)

(b) Fair Values

(i) Recognised Financial Instruments

The fair values of financial assets and financial liabilities of the Group and the Company approximate their carrying values on the statements of financial position of the Group and of the Company.

(ii) Unrecognised Financial Instruments

Fair value of other investments is determined directly by reference to their published market closing price at the reporting date.

The Group's financial instruments carried at fair value by level of fair value hierarchy in which the different levels have been defined as follows:

Level 1	:	Unadjusted quoted prices in active markets for identical financial instrument
Level 2	:	Inputs other than quoted prices included within Level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3	:	Inputs for the financial instrument that are not based on observable market data

The other investments of the Group is measured at Level 1 hierarchy.

The Group does not have any financial assets or financial liabilities measured at Levels 2 and 3 hierarchy.

Fair value of corporate guarantee has not been recognised since the fair value on initial recognition was not material as the corporate guarantee provided by the Company did not contribute towards credit enhancement of the subsidiary's borrowings in view of the securities pledged by subsidiary.

There were no other unrecognised financial instruments as at 30 June 2014 that are required to be disclosed.

34. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Group is exposed to 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 directors of the Company review and agree policies and procedures for the management of these risks.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables.

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.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to the credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding exposure to credit risk for trade and other receivables is disclosed in Note 12 to the financial statements.

Receivables that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 12 to the financial statements.

Receivables that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 12 to the financial statements.

Credit risk concentration profile

At the reporting date, there was no significant concentration of credit risk in the Group.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (Continued)

(b) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds, the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

		Contractual undiscounted cash flows			
2014	Carrying amount	On demand or within 1 year	1 - 5 Years	> 5 years	Total
Group	RM	RM	RM	RM	RM
Financial liabilities:					
Trade and other payables	132,746,414	132,746,414	-	-	132,746,414
Hire purchase payables	602,949	238,624	419,298	-	657,922
Bank borrowings	125,893,109	27,751,691	111,083,186	7,755,620	146,590,497
RCPS - liability component	36,278,919	-	36,278,919	-	36,278,919
	295,521,391	160,736,729	147,781,403	7,755,620	316,273,752
Company					
Financial liabilities:					
Trade and other payables	6,171,996	6,171,996	-	-	6,171,996
RCPS - liability component	36,278,919	-	36,278,919	-	36,278,919
	42,450,915	6,171,996	36,278,919	-	42,450,915
2013					
Group					
Financial liabilities:					
Trade and other payables	150,818,158	150,818,158	-	-	150,818,158
Hire purchase payables	471,480	178,044	331,231	-	509,275
Bank borrowings	73,254,175	31,698,844	37,809,481	10,978,114	80,486,439
RCPS - liability component	33,483,082	-	33,483,082	-	33,483,082
	258,026,895	182,695,046	71,623,794	10,978,114	265,296,954
2013					
Company					
Financial liabilities:					
Trade and other payables	3,815,521	3,815,521	-	-	3,815,521
RCPS - liability component	33,483,082	-	33,483,082	-	33,483,082
	37,298,603	3,815,521	33,483,082	-	37,298,603

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (Continued)

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings and cash 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.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit after tax:-

	Carrying amount	Movement in basis point	Effect on profit after tax
2014	RM		RM
Group			
Fixed deposits placed with licensed banks	50,541,756	0.50%	189,532
Bank borrowings	125,893,109	0.50%	(472,099)
Net effect			**(282,567)**
Company			
Fixed deposits placed with licensed banks	30,145,640	0.50%	113,046
Net effect			**113,046**
2013			
Group			
Fixed deposits placed with licensed banks	3,697,801	0.50%	13,867
Bank borrowings	73,254,175	0.50%	(274,703)
Net effect			**(260,836)**

The profit after tax will be higher/lower when the interest rates decrease/increase.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. CAPITAL MANAGEMENT

The primary objective of the Group's and of 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 are to pay out regular dividends to the shareholders based on the level of the Group's profitability and cash flows.

The capital structure of the Group and of the Company consists of equity attributable to the owners of the Group and of the Company, comprising share capital, retained earnings and total liabilities.

The debt-to-equity ratio is as follows:-

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total liabilities	421,762,725	392,742,906	45,873,059	41,427,832
Equity attributable to the owners of the Company	392,110,390	201,122,567	276,801,353	140,331,491
Debt-to-equity ratio	108%	195%	17%	30%

There were no changes in the Group's and in the Company's approach to capital management during the financial year.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 25 November 2013, the Company increased its issued and paid-up ordinary share capital from RM129,147,500/- to RM170,000,000/- by way of issuance of 81,705,000 of ordinary shares of RM0.50 each at an issue price of RM1.50 per ordinary share pursuant to the Initial Public Offering in conjunction with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad.

(ii) On 18 April 2014, the Company entered into a joint venture agreement with Bina Puri Construction Sdn Bhd, a wholly owned subsidiary of Bina Puri Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, to jointly participate in a mixed development project on a portion of the land held under H.S.(D) No. 103349, Lot PT110, Seksyen 69, Bandar Kuala Lumpur, Daerah and Negeri Wilayah Persekutuan Kuala Lumpur, situated at Brickfields.

(iii) On 21 May 2014, City Meridian Development Sdn Bhd, a wholly owned subsidiary of the Company entered into a sale and purchase agreement with Titijaya Group Sdn Bhd, the immediate and ultimate holding company of the Company for proposed acquisition of a parcel of leasehold land held under PN 4022, Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang for cash consideration of RM126,000,000/-.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37. SIGNIFICANT EVENTS AFTER THE REPORTING YEAR

(i) On 14 July 2014, Titijaya Resources Sdn Bhd ("TRSB") has further acquired 70,000 of new ordinary shares of RM1.00 each for a total consideration of RM70,000/- in Tenang Sempurna Sdn Bhd ("TSSB"). The acquisition has increased the total shareholding of TRSB in the capital of TSSB to 105,000 ordinary shares of RM1.00 each representing 70% of the equity interest in TSSB and subsequently TSSB becomes an indirect subsidiary of the Company.

(ii) On 16 July 2014, the Company increased its issued and paid-up ordinary share capital from RM170,000,000/- to RM176,666,667/- by way of issuance of 13,333,333 ordinary shares of RM0.50 each through a conversion of the 40,000,000 of RCPS into ordinary shares.

(iii) On 27 August 2014, the Company proposed a single-tier final dividend of 4.0 sen per ordinary share for the financial year ended 30 June 2014, subject to the shareholders' approval at the forthcoming Annual General Meeting.

38. COMPARATIVE FIGURES

The comparative figures for previous financial period were made up from 9 July 2012 to 30 June 2013.

SUPPLEMENTARY INFORMATION ON DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 30 June 2014 are as follows:-

	Group		**Company**	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total retained earnings/(accumulated losses):				
- Realised	120,863,281	49,571,697	15,573,747	(1,203,698)
- Unrealised	(12,916)	(16,738)	-	-
	120,850,365	49,554,959	15,573,747	(1,203,698)
Less: Consolidation adjustments	57,458,274	57,458,274	-	-
Total retained earnings/(accumulated losses) as per statements of financial position	178,308,639	107,013,233	15,573,747	(1,203,698)

The determination of realised and unrealised profits is complied based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

STATEMENT BY DIRECTORS

We, **TAN SRI DATO' LIM SOON PENG** and **LIM POH YIT** being two of the Directors of Titijaya Land Berhad, do hereby state that in the opinion of the Directors, the financial statements set out on pages 45 to 109 are properly drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2014 and of their financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out on page 110 have been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement*, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

TAN SRI DATO' LIM SOON PENG

Director

LIM POH YIT

Director

Kuala Lumpur

Date: 16 October 2014

STATUTORY DECLARATION

I, **WONG CHOW WON**, 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 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 in Malaysia.

WONG CHOW WON

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 16 October 2014.

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Titijaya Land Berhad, which comprise the statements of financial position as at 30 June 2014 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 a summary of significant accounting policies and other explanatory information, as set out on pages 45 to 110.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view 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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITIJAYA LAND BERHAD (CONTINUED)

(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out in page 110 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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

No. AF 0117

Chartered Accountants

NG BOON HIANG

No. 2916/03/16 (J)

Chartered Accountant

Kuala Lumpur

Date: 16 October 2014

ANALYSIS OF SHAREHOLDINGS
AS AT 30 SEPTEMBER 2014

Authorised Share Capital	**RM300,000,000.00**
Issued and Fully Paid-Up Capital	**RM176,666,666.50 comprising 353,333,333 Ordinary Shares of RM0.50 each**
Class of Shares	**Ordinary Share of RM0.50 each**
Voting Rights	**One Vote Per Ordinary Share Held**

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of ordinary Shares	% of Issued Share Capital
Less than 100	8	0.72	200	0.00
100 - 1,000	137	12.38	108,700	0.03
1,001 - 10,000	595	53.75	2,896,900	0.82
10,001 - 100,000	265	23.94	9,380,600	2.66
100,001 to less than 5% of issued shares	100	9.03	98,376,800	27.84
5% and above of issued shares	2	0.18	242,570,133	68.65

DIRECTORS' SHAREHOLDINGS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Shareholdings	%	Indirect Shareholdings	%
Tan Sri Dato' Lim Soon Peng	300,000	0.08	222,828,333 (1)	63.06
Lim Poh Yit	355,000	0.10	222,128,333 (2)	62.87
Lim Puay Fung	245,000	0.07	222,128,333 (3)	62.87
Chin Kim Chung	360,000	0.10	-	-
Dato' Ch'ng Toh Eng	230,000	0.07	-	-

Notes:

(1) Deemed interested pursuant to Section 6A of the Companies Act, 1965 ("the Act") by virtue of his substantial shareholding in Titijaya Group Sdn Bhd ("TGSB") and disclosure made pursuant to Section 134(12)(c) of the Act by virtue of his spouse's, son's and daughter's shareholdings in the Company.

(2) Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholding in TGSB.

(3) Deemed interested pursuant to Section 6A of the Act by virtue of her substantial shareholding in TGSB.

ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2014 (Continued)

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Directors	Direct Shareholdings	%	Indirect Shareholdings	%
Tan Sri Dato' Lim Soon Peng	300,000	0.08	222,128,333 (1)	62.87
Lim Poh Yit	355,000	0.10	222,128,333 (2)	62.87
Lim Puay Fung	245,000	0.07	222,128,333 (3)	62.87
Titijaya Group Sdn Bhd	222,128,333	62.87	-	-
AIA Bhd	20,441,800	5.79	390,500 (4)	0.11
AIA Company Limited	-	-	20,832,300 (5)	5.90
AIA Group Limited	-	-	20,832,300 (5)	5.90
Premium Policy Berhad	-	-	20,832,300 (6)	5.90
Orange Policy Sdn Bhd	-	-	20,832.300 (6)	5.90

Notes:

(1) Deemed interested pursuant to Section 6A of the Companies Act, 1965 ("the Act") by virtue of his substantial shareholding in Titijaya Group Sdn. Bhd. ("TGSB").

(2) Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholding in TGSB.

(3) Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholding in TGSB.

(4) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA PUBLIC Takaful Bhd. ("AIA PUBLIC") and AIA Pensions and Assets Management Sdn. Bhd. ("APAM") .

(5) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA Bhd.

(6) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA Bhd., AIA PUBLIC and APAM.

ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2014 (Continued)

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	TITIJAYA GROUP SDN BHD	222,128,333	62.87
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	20,441,800	5.79
3	LEMBAGA TABUNG HAJI	13,380,100	3.79
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB-PRINCIPAL EQUITY FUND 2	6,907,000	1.95
5	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR KUMPULAN SENTIASA CEMERLANG SDN BHD (TSTAC/CLNT)	4,776,500	1.35
6	HSBC NOMINEES (ASING) SDN BHD HSBC-FS FOR LEGG MASON WESTERN ASSET SOUTHEAST ASIA SPECIAL SITUATIONS TRUST (201061)	4,000,000	1.13
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	2,683,700	0.76
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA INSURANCE BERHAD (GROWTH FUND)	2,500,000	0.71
9	TA SECURITIES HOLDINGS BERHAD CLR (DIL) FOR LEMBAGA TABUNG HAJI	2,450,000	0.69
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR RHB-OSK CAPITAL FUND (200189)	2,280,100	0.65
11	LEMBAGA TABUNG ANGKATAN TENTERA	2,145,300	0.61
12	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MOHAMED NAZIM BIN ABDUL RAZAK (PB)	2,000,000	0.57
13	SANJUNG PUNCAK HOLDINGS SDN BHD	2,000,000	0.57
14	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD AMTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY THEME FUND	1,990,900	0.56
15	AMANAHRAYA TRUSTEES BERHAD CIMB ISLAMIC EQUITY AGGRESSIVE FUND	1,973,800	0.56
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	1,961,200	0.56
17	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	1,900,000	0.54
18	BEH ENG PAR	1,854,100	0.52
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	1,683,700	0.48
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB-PRINCIPAL BALANCED INCOME FUND	1,645,600	0.47
21	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD-AMB SMALLCAP TRUST FUND	1,550,000	0.44
22	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWANG SELECT ASIA (EX JAPAN) QUANTUM FUND (4579)	1,507,800	0.43
23	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED BCF)	1,500,000	0.42
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (RHB INV)	1,464,900	0.41
25	AMANAHRAYA TRUSTEES BERHAD AMB DANA AQEEL (CAPITAL PROTECTED) - SERIES 2	1,265,800	0.36
26	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD AMB UNIT TRUST FUND	1,230,000	0.35

ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2014 (Continued)

LIST OF THIRTY LARGEST SHAREHOLDERS (Continued)

No.	Name of Shareholders	No. of Shares	%
27	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AMB ETHICAL TRUST FUND (4256)	1,188,000	0.34
28	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PERTUBUHAN KESELAMATAN SOSIAL (UOB AMM6939-406)	1,188,000	0.34
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	1,187,500	0.34
30	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR GIBRALTAR BSN LIFE BERHAD (PAR FUND)	1,150,000	0.33
	TOTAL	**313,934,133**	**88.85**

ANALYSIS OF REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

AS AT 30 SEPTEMBER 2014

Authorised Share Capital	**RM50,000,000.00**
Issued and Fully Paid-Up	**RM30,000,000.00 comprising 60,000,000 RCPS of RM0.50 each**
Class of Shares	**RCPS of RM0.50 each**
No. of RCPS Holders	**1**

DISTRIBUTION OF RCPS HOLDERS

Size of Shareholdings	No. of RCPS Holders	No. of RCPS	% of Total RCPS Holdings
Less than 100	0	0	0
100 - 1,000	0	0	0
1,001 - 10,000	0	0	0
10,001 - 100,000	0	0	0
100,001 to less than 5% of issued RCPS	0	0	0
5% and above of issued RCPS	1	60,000,000	100

DIRECTORS' RCPS HOLDINGS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Holdings	%	Indirect Holdings	%
Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor (Retired)	0	0	0	0
Tan Sri Dato' Lim Soon Peng	0	0	60,000,000 (1)	100
Lim Poh Yit	0	0	60,000,000 (1)	100
Lim Puay Fung	0	0	60,000,000 (1)	100
Chin Kim Chung	0	0	0	0
Dato' Ch'ng Toh Eng	0	0	0	0
Datuk Wan Ahmad Fauzi bin Hashim @ Wan Husain	0	0	0	0

Notes:

(1) Deemed interested pursuant to Section 6A of the Companies Act, 1965 ("the Act") by virtue of his/her substantial shareholdings in Titijaya Group Sdn Bhd.

LIST OF RCPS HOLDERS AS AT 30 SEPTEMBER 2014

No.	Name of RCPS Holders	No. of RCPS	%
1	TITIJAYA GROUP SDN BHD	60,000,000	100

LIST OF TOP 10 PROPERTIES

No.	Registered owner	Location	Usage	Tenure	Land Area (sq. ft)	Net Book Value as at 30 June 2014 RM'000	Date of Acquisition MM/DD/YY
1	Epoch Property Sdn Bhd	Lot No. PT 1424, HSD 112756, Mukim Damansara, District Of Petaling, Selangor Darul Ehsan	On Going Development Project, H20	Freehold	263,059	135,080	8/30/12
2	NPO Land Sdn Bhd	Lot No. PT 43139 - PT 43485, PT 43510 - 43549, PT 43559 - PT 43870, PT 43876 - PT 44140, PT 44171 - PT 44465, PT 44475 - PT 44827, PT44865 - PT44922, PT44924 - PT45599, PT 45749 - PT 45782, PT 43486 - PT 43509, PT 44141 - PT 44164, PT 44828 - PT 44853, PT 44170, HSD 110336 - HSD 110682, HSD 110707 - HSD 110746, HSD 110747 - HSD 110958, HSD 110959 - HSD 111223, HSD 111249 - HSD 111543, HSD 111544 - HSD 111896, HSD 111923 - HSD 111980, HSD 111923 - HSD 111980, HSD 111981 - HSD 112766, HSD 112767 - HSD 112800, HSD 110683 - HSD 110706, HSD 111224 - HSD 111247, HSD 111897 - HSD 111922, HSD 111248 All in the Mukim Kapar, District Of Klang, State of Selangor Darul Ehsan	On Going Development Project, Seri Alam Industrial Park and subsequent phase	Freehold	15,758,830	63,741	06/30/06
3	Shah Alam City Centre Sdn Bhd	Lot 1204, 386-391, GRN 39772 , GM 44-49, Mukim Of Damansara Section U1, Shah Alam, Selangor Darul Ehsan	On Going Development Project, TRIO	Freehold	701,953	62,976	9/6/07
4	Aman Kemensah Sdn Bhd	Lot PT 18223, HSD 14774 Mukim Ulu Kelang, District of Gombak, Selangor Darul Ehsan	On Going Development Project, Embun @ Kemensah	Freehold	641,152	44,655	7/3/07
5	Safetags Solution Sdn Bhd	Lot 100010, PN 91580, Mukim Petaling Daerah Petaling, Selangor Darul Ehsan	On Going Development Project, 3Elements	99 year lease expiring on 20 July 2108	262,965	31,585	4/29/10
6	NPO Land Sdn Bhd	Lot 71175, GRN 301892, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan	On Going Development Project, Zone Innovation @ Sungai Kapar Indah	Freehold	1,821,107	18,955	12/27/04
7	Sendi Bangga Development Sdn Bhd	Lot No. 62011, GRN 298284, Pekan Country Heights, District of Petaling, Selangor Darul Ehsan	On Going Development Project, Parkhome (Phase 2)	Freehold	434,467	11,385	10/18/05
8	NPO Development Sdn Bhd	Lot No.PT 58898 -PT 58905, PT 58958 - PT 59010, HSD 122507 - HSD 122514 and HSD 122566 - HSD 122618 Mukin of Kapar, District of Klang, Selangor Darul Ehsan	On Going Development Project, Mutiara Residence	Freehold	99,301	10,261	12/15/03
9	Terbit Kelana Development Sdn Bhd	Lot No.PT 50364 -PT 50372 , PT 64317 -PT 64328, PT 64250 - PT 64265, PT 64305 - PT 64316, PT 64266 - PT 64324, PT 64330, HSD 113044 - HSD 113052, HSD 136015 - HSD 136022, HSD 135948 - HSD 135963, HSD 136003 - HSD 136014, HSD 135965 - HSD 136022, HSD 135964 All within Mukim of Kapar, District of Klang, Selangor Darul Ehsan	Commercial Land	Freehold	399,215	4,377	9/30/02
10	Pin Hwa Properties Sdn Bhd	Lot Nos. PT 65496 - PT 65561, PT 65563, HSD 137229 - HSD 137294, HSD 137296, Mukim Of Kapar, District of Klang, Selangor Darul Ehsan	Commercial Land	Freehold	188,133	3,983	2/11/03

TITIJAYA LAND BERHAD
BUILT TO INSPIRE
(COMPANY NO. 1009114-M)

NOTICE OF SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE SECOND ANNUAL GENERAL MEETING OF TITIJAYA LAND BERHAD WILL BE HELD AT CONCORDE II, LEVEL 2, CONCORDE HOTEL SHAH ALAM, 3, JALAN TENGKU AMPUAN ZABEDAH, 40100 SHAH ALAM, SELANGOR DARUL EHSAN ON THURSDAY, 27 NOVEMBER 2014 AT 10:00 A.M. TO TRANSACT THE FOLLOWING MATTERS:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2014 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note (a)]**
2. To approve the declaration of a single tier final dividend of 4.0 sen per ordinary share for the financial year ended 30 June 2014. **Resolution 1**
3. To approve the payment of Directors' fees amounting to RM294,000.00 in respect of the financial year ended 30 June 2014. **Resolution 2**
4. To re-elect the following Directors who retire pursuant to Article 81 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
   i. Mr. Lim Poh Yit **Resolution 3**
   ii. Y. Bhg. Dato' Ch'ng Toh Eng **Resolution 4**
5. To re-elect the following Directors who retire pursuant to Article 88 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
   i. Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor (Retired) **Resolution 5**
   ii. Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir **Resolution 6**
6. To re-appoint Messrs. Baker Tilly Monteiro Heng as the Company's Auditors for ensuing year and to authorise the Board of Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following ordinary resolution:-

7. ORDINARY RESOLUTION

   AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **Resolution 8**

   "**THAT** subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being; **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

8. To transact any other ordinary business for which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT a single tier final dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 June 2014 will be payable on **23 December 2014** to depositors whose names are registered in the Record of Depositors at the close of business on 3 December 2014 if approved by the members at the forthcoming Second Annual General Meeting on Thursday, 27 November 2014.

A Depositor shall qualify for entitlement only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4:00 p.m. on 3 December 2014 in respect of ordinary transfers; and

(b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

MR. IRENEAUS BAY NUTT SOO (LS 002519)
MS. CHUA SIEW CHUAN (MAICSA 0777689)

Company Secretaries

Kuala Lumpur
5 November 2014

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **20 November 2014** ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

2. A member entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.

3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.

6. Where a member appoints more than one (1) proxy [not more than two (2) proxies], the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

7. The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company at Symphony Share Registrars Sdn Bhd at Level 6, Block D13, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

8. Explanatory Notes on Special Business:

   a. **Item 1 of the Agenda**

   This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

   b. **Ordinary Resolution – Authority To Issue Shares**

   This is the renewal of mandate obtained from the Shareholders of the Company at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilized and accordingly no proceeds were raised.

   The proposed resolution, if passed, would provide flexibility to the Directors to undertake fund raising exercise, including but not limited to placement of shares for funding current and/or future projects, working capital, acquisition and/or for issuance of shares as settlement of purchase consideration by issuance of shares in the Company to such persons at any time as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

TITIJAYA LAND BERHAD BUILT TO INSPIRE

TITIJAYA LAND BERHAD
(Company No. 1009114-M)

NO. OF SHARES HELD
CDS ACCOUNT NO.

PROXY FORM

I/We ____
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

being a member of TITIJAYA LAND BERHAD, hereby appoint ____

____
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

or failing him/her ____
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Second Annual General Meeting of the Company to be held at Concorde II, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 27 November 2014 at 10:00 a.m. or at any adjournment thereof.

My/Our proxy(ies) is/are to vote as indicated below:-

Item	Agenda		FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2014 together with the Reports of the Directors and Auditors Reports thereon.			
2.	To approve the declaration of a single tier final dividend of 4.0 sen per ordinary share for the financial year ended 30 June 2014.	(Resolution 1)		
3.	To approve the payment of Directors' fees amounting to RM294,000.00 in respect of the financial year ended 30 June 2014.	(Resolution 2)		
4. i.	To re-elect Mr. Lim Poh Yit who retires in accordance with Article 81 of the Company's Articles of Association.	(Resolution 3)		
4. ii.	To re-elect Y. Bhg. Dato' Ch'ng Toh Eng who retires in accordance with Article 81 of the Company's Articles of Association.	(Resolution 4)		
5. i.	To re-elect Y. Bhg. Admiral Tan Sri Dato' Sri Mohd Anwar bin Hj Mohd Nor (Retired) who retires in accordance with Article 88 of the Company's Articles of Association.	(Resolution 5)		
5. ii.	To re-elect Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir who retires in accordance with Article 88 of the Company's Articles of Association.	(Resolution 6)		
6.	To re-appoint Messrs. Baker Tilly Monteiro Heng as the Company's Auditors for ensuing year and to authorise the Board of Directors to fix their remuneration.	(Resolution 7)		
	Special Business			
7.	**ORDINARY RESOLUTION** Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965.	(Resolution 8)		

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 ____________________ 2014.

____

Signature of Member/Common Seal

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **20 November 2014** ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
6. Where a member appoints more than one (1) proxy [not more than two (2) proxies], the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
7. The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company at Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

POSTAGE
STAMP

The Share Registrar
TITIJAYA LAND BERHAD
(Company No. 1009114-M)

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan


embun
KEMENSAH
@ Kemensah
GDV
RM85.7 MILLION

TITIJAYA LAND BERHAD
(1009114-M)

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