

TITIJAYA LAND BERHAD (“TLB” OR “THE COMPANY”)

PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN NPO BUILDERS SDN BHD AND FULL SETTLEMENT OF ADVANCES FOR A TOTAL PURCHASE CONSIDERATION OF RM115,612,302 (“PURCHASE CONSIDERATION”) TO BE SATISFIED VIA THE ISSUANCE OF 79,732,622 NEW ORDINARY SHARES OF RM0.50 EACH IN TLB (“TLB SHARES”) AT AN ISSUE PRICE OF RM1.45 PER TLB SHARE (“CONSIDERATION SHARES”)

1. INTRODUCTION

On behalf of the Board of Directors of TLB (“**Board**”), TA Securities Holdings Berhad (“**TA Securities**”) wishes to announce that the Company had, on 30 September 2016, entered into three (3) separate conditional share sale agreements (“**SSAs**”) with Titi Kaya Sdn Bhd (“**TKSB**”), Lee Eng Wah (“**LEW**”) and Lim Wen Yeh (“**LWY**”) (collectively referred to as the “**Vendors**”), for the proposed acquisition of 2,040,816 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital of NPO Builders Sdn Bhd (“**NPOB**”) (“**Sale Shares**”) (of RM85,043,780) and full settlement of Advances (as defined in Section 2.7 of this announcement) (of RM30,568,522) for the total Purchase Consideration (of RM115,612,302) to be satisfied via the issuance of 79,732,622 Consideration Shares, upon the terms and conditions as stipulated in the SSAs (“**Proposed Acquisition**”).

Upon completion of the Proposed Acquisition, NPOB shall become a wholly-owned subsidiary of TLB. Further details of the Proposed Acquisition are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on NPOB

NPOB is a private limited company incorporated in Malaysia on 18 December 1993 under the Companies Act, 1965 (“**Act**”).

NPOB is principally engaged in property development and is the registered owner of a residential land (“**Land 1**”) and a commercial land (“**Land 2**”) (collectively referred as the “**Lands**”) located at Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan. The details of the Lands are set out in Section 2.5 of this announcement.

As at 29 September 2016, being the latest practicable date of this announcement (“**LPD**”), the authorised share capital of NPOB is RM3,000,000 comprising 3,000,000 ordinary shares of RM1.00 each in NPOB (“**NPOB Shares**”), of which RM2,040,816 comprising 2,040,816 NPOB Shares have been issued and fully paid-up.

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As at the LPD, the directors and shareholders of NPOB and their respective shareholdings in NPOB are as follows:

	Direct shareholdings		Indirect shareholdings	
	No. of NPOB Shares	%	No. of NPOB Shares	%
<u>Directors</u>				
Tan Sri Dato' Khoo Chai Kaa	-	-	1,040,816 ⁽¹⁾	51.00
Lim Kee Leay	-	-	-	-
Low Yew Hwa	-	-	-	-
LEW	500,000	24.50	-	-
<u>Shareholders</u>				
Brem Holding Berhad (“BHB”)	-	-	1,040,816 ⁽¹⁾	51.00
TKSB	1,040,816	51.00	-	-
LEW	500,000	24.50	-	-
LWY	500,000	24.50	-	-

Note:

- (1) Deemed interested pursuant to Section 6A of the Act by virtue of NPOB Shares held by TKS B.

As at the LPD, NPOB does not have any subsidiary nor associated companies.

2.1.1 Financial information of NPOB

Based on the latest audited financial statements of NPOB for the financial year ended (“FYE”) 31 March 2016, NPOB recorded a net loss after taxation of RM8,032 and net assets (“NA”) of RM1,960,980.

Based on the latest management accounts of NPOB for the three (3)-month financial period ended 30 June 2016, NPOB recorded a net loss after taxation of RM559 and NA of RM1,960,421. As set out in Section 2.6 – Salient terms of the SSAs, TLB (being the purchaser) and the Vendors have agreed that 30 June 2016 shall be the agreed cut-off date for the Proposed Acquisition (“Cut-Off Date”).

2.2 Information on TKS B

TKSB is a private limited company incorporated in Malaysia on 22 November 1986 under the Act.

TKSB is principally engaged in property development and investment holding.

As at the LPD, the authorised share capital of TKS B is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each in TKS B (“TKSB Shares”), of which RM5,145,000 comprising 5,145,000 TKS B Shares have been issued and fully paid-up.

As at the LPD, the directors and shareholders of TKS B and their respective shareholdings in TKS B are as follows:

	Direct shareholdings		Indirect shareholdings	
	No. of TKS B Shares	%	No. of TKS B Shares	%
<u>Directors</u>				
Teh Kim Teck	-	-	-	-
Teng Mee Yoong	-	-	-	-
Tan Sri Dato' Khoo Chai Kaa	-	-	2,486,000 ⁽¹⁾	48.32
Low Yew Hwa	-	-	-	-
<u>Shareholders</u>				
BHB	2,486,000	48.32	-	-
Arena Semasa Sdn Bhd	603,750	11.73	-	-
Kepong Haemodialysis Sdn Bhd	1,830,000	35.57	-	-
Miwa Sdn Bhd	225,250	4.38	-	-

Note:

(1) Deemed interested pursuant to Section 6A of the Act by virtue of TKS B Shares held by BHB.

2.3 Information on LEW

LEW, 50 years old, is a director and shareholder of NPOB who currently owns 24.50% equity interest in NPOB.

2.4 Information on LWY

LWY, 48 years old, is a shareholder of NPOB who currently owns 24.50% equity interest in NPOB.

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2.5 Details of the Lands

2.5.1 Details of Land 1

Postal address and identification	:	Lot 85722, held under Title No. Geran 314518, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan
Title land area	:	Measuring approximately 13.44 hectares (33.21 acres)
Land tenure	:	Interest in perpetuity / Freehold
Audited net book value (“NBV”) as at 31 March 2016	:	RM23,491,276 ⁽¹⁾
Category of land use	:	Building
Express condition	:	Residential
Restriction in interests	:	Nil
Encumbrance / Charge	:	Nil
Existing use	:	The Valuer (as defined in Section 2.5.3 of this announcement) noted as at the date of inspection on 23 September 2016, parts of Lot 85722 and most of Lot 85723 were occupied with several semi-permanent and permanent buildings. Based on the survey plan provided to the Valuer, there are less than 50 occupiers on the site.
Proposed use	:	Residential / Mixed development Please refer to Section 2.5.4 of this announcement for further details.

2.5.2 Details of Land 2

Postal address and identification	:	Lot 85723, held under Title No. Geran 314519, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan
Title land area	:	Measuring approximately 5.257 hectares (12.99 acres)
Land tenure	:	Interest in perpetuity / Freehold
Audited NBV as at 31 March 2016	:	RM9,188,515 ⁽¹⁾
Category of land use	:	Building
Express condition	:	Commercial
Restriction in interests	:	Nil

Encumbrance / Charge	:	Nil
Existing use	:	The Valuer (as defined in Section 2.5.3 of this announcement) noted as at the date of inspection on 23 September 2016, parts of Lot 85722 and most of Lot 85723 were occupied with several semi-permanent and permanent buildings. Based on the survey plan provided to the Valuer, there are less than 50 occupiers on the site.
Proposed use	:	Commercial development Please refer to Section 2.5.4 of this announcement for further details.

Note:

- (1) *The NBV of the respective land is derived from the aggregate NBV of the Lands based on the respective land size.*

2.5.3 Independent valuation on the Lands

Cheston International (KL) Sdn Bhd (“**Valuer**”) has been appointed to conduct an independent valuation on the Lands for internal management purposes. Based on the valuation letter dated 23 September 2016 (“**Valuation Letter**”), taking into consideration the type and nature of the subject properties (i.e., the Lands), the valuation methodologies adopted were the Comparison Method and the Residual Method.

Under the Comparison Method, an estimate of the market value is derived by comparing the property under valuation with other properties of similar size, quality and location that had been sold in the recent past. In determination of value by this method, a survey was made of property sales that have occurred in this or similar areas within the recent past. These comparable sale prices are then adjusted for comparability to reflect differences in time, location, size and shape, and other material factors to render the sold properties as similar as possible with the Lands.

The Residual Method which is based on the premise that the price which a purchaser can pay for a property is the surplus after he has met out of the proceeds for the sales of the finished development his full cost of development and profit.

In respect of the Lands, the Valuer noted as at the date of inspection on 23 September 2016, parts of Lot 85722 and most of Lot 85723 were occupied with several semi-permanent and permanent buildings. Based on the survey plan provided to the Valuer, there are less than 50 occupiers on the site. The Valuer also noted from a sale and purchase agreement dated 27 December 2004 made between the previous vendor and the existing land owner (i.e., NPOB being the purchaser then) on the obligation by the purchaser to get vacant procession of both lots.

Premised on the above, the market value* of the Lands is RM142,000,000 after taken into consideration the above and the fair compensation payable to get vacant possession for the Lands .

No allowances are made in the valuation for any expenses of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. The Lands are considered as free and clear of all charges, liens, caveats and all other encumbrances which may be secured thereon. The Lands are also assumed to be free of statutory notices and outgoing.

Note:

* *Market value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*

2.5.4 Proposed development on the Lands

The proposed development of the Lands will comprise of commercial shops, serviced apartments and affordable homes (“**Proposed Development**”), whereby the number of units for the building categories will be finalised in due course.

The details on the Proposed Development are as follows:

Total estimated gross development value	:	RM2.4 billion
Total estimated gross development cost	:	RM1.8 billion
Total estimated gross development profit	:	RM0.6 billion
Expected commencement date of the Proposed Development	:	Second (2 nd) half of 2017
Expected completion date of the Proposed Development	:	Second (2 nd) half of 2027
Stage of the Proposed Development	:	<u>Land 1:</u> As at the LPD, NPOB intends to submit a proposal for the Proposed Development involving Land 1. <u>Land 2:</u> A development order dated 18 May 2016 has been obtained for Land 2.

The Proposed Development is expected to be funded through a combination of internally generated funds of TLB and its subsidiaries (“**TLB Group**” or “**Group**”), fund raising exercises and/or bank borrowings. The exact mix of the sources of funding for the Proposed Development has not been finalised at this juncture.

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2.6 Salient terms of the SSAs

The salient terms of the SSAs are as follows:

2.6.1 The Purchase Consideration

2.6.1.1 TKSB

- (a) The purchase consideration for TKSB's 51.00% equity interest in NPOB comprising 1,040,816 Sale Shares is RM45,181,874.00 only.
- (b) Manner of payment of purchase consideration is in the form of the issued and paid-up ordinary shares of TLB that is to be credited into the Central Depository System ("CDS") account of TKSB or its nominee(s) ("**Payment Shares 1**").
- (c) Valuation of the Payment Shares 1 is agreed at RM1.45 only per Consideration Share.
- (d) The number of the Payment Shares 1 to be paid as the purchase consideration is agreed as 31,159,913 Consideration Shares.
- (e) The payment terms: On the Completion Date (as defined in Section 2.6.4(a)), Extended Completion Date (as defined in Section 2.6.4(a)) or any extension thereof as may be agreed between the parties hereto.
- (f) In the event that TLB is unable to secure the necessary approvals to issue the Payment Shares 1, TLB shall have the option to settle the purchase consideration in the form of cash.

2.6.1.2 LEW

- (a) The purchase consideration for LEW's 24.50% equity interest in NPOB comprising 500,000 Sale Shares is RM19,930,953.00 only.
- (b) Manner of payment of purchase consideration is in the form of the issued and paid-up ordinary shares of TLB that is to be credited into the CDS account of LEW or his nominee(s) ("**Payment Shares 2**").
- (c) Valuation of the Payment Shares 2 is agreed at RM1.45 only per Consideration Share.
- (d) The number of the Payment Shares 2 to be paid as the purchase consideration is agreed as 13,745,485 Consideration Shares.
- (e) The payment terms: On the Completion Date (as defined in Section 2.6.4(a)), Extended Completion Date (as defined in Section 2.6.4(a)) or any extension thereof as may be agreed between the parties hereto.

- (f) In the event that TLB is unable to secure the necessary approvals to issue the Payment Shares 2, TLB shall have the option to settle the purchase consideration in the form of cash.

2.6.1.3 LWY

- (a) The Purchase Consideration for LWY's 24.50% equity interest in NPOB comprising 500,000 Sale Shares is RM19,930,953.00 only.
- (b) Manner of payment of purchase consideration is in the form of the issued and paid shares of TLB that is to be credited into the CDS account of LWY or his nominee(s) ("**Payment Shares 3**").
- (c) Valuation of the Payment Shares 3 is agreed at RM1.45 only per Consideration Share.
- (d) The number of the Payment Shares 3 to be paid as the purchase consideration is agreed as 13,745,485 Consideration Shares.
- (e) The payment terms: On the Completion Date (as defined in Section 2.6.4(a)), Extended Completion Date (as defined in Section 2.6.4(a)) or any extension thereof as may be agreed between the parties hereto.
- (f) In the event that TLB is unable to secure the necessary approvals to issue the Payment Shares 3, TLB shall have the option to settle the purchase consideration in the form of cash.

2.6.2 Security Deposit

- (a) As security for payment of the Purchase Consideration as provided in the above, TLB shall pay to the Vendors the following:
 - (i) A cash payment equivalent to 5% of the Purchase Consideration upon execution of the SSAs; and
 - (ii) A second cash payment equivalent to 5% of the Purchase Consideration within thirty (30) days from the date of the SSAs(collectively referred to as "**Security Deposit**").
- (b) Provided always that TLB having paid the Purchase Consideration to the Vendors as provided in the above wherein the Consideration Shares have been duly credited in the Vendors' CDS account, the Vendors shall refund the Security Deposit, free from any interest, within three (3) working days of the complete payment of the Purchase Consideration or any date as may be agreed between the parties.

2.6.3 Payment to the creditors

Creditors	Amount owing by NPOB ⁽¹⁾ (RM)	No. of Consideration Shares to be issued as settlement
TKSB	24,948,054	17,205,554
LEW	2,340,743	1,614,306
LWY	3,279,725	2,261,879

Note:

- (1) The amount owing by NPOB amounting to RM30,568,522 are the Advances (as defined in Section 2.7 of this announcement).

2.6.4 Completion of Agreement

- (a) The sale and purchase herein shall be completed pursuant to the completion date of the SSAs, being 180 days from the date of the SSAs (“**Initial Completion Date**”) with an automatic extension of another 90 days or any extension of time as may be mutually agreed between the parties hereto (“**Extended Completion Date**”). The Extended Completion Date will be subjected to a late payment interest of 6% per annum tabulated on daily basis (“**Completion Date**”).
- (b) On completion of the SSAs, the parties shall comply with the relevant requirements pertaining to each party as set out in Section 2.6.4(c) to effect the completion of the sale and purchase hereby agreed.
- (c) The Vendors shall:-
- (i) deliver to TLB duly executed transfer forms in favour of TLB (or as it may direct) of the Sale Shares and the original share certificate for such Sale Shares;
 - (ii) deliver to TLB such waivers or consents as TLB may require enabling TLB or its nominee or nominees to be registered as the holders of the Sale Shares;
 - (iii) procure the due registration by the Vendors of the transfer of the Sale Shares (subject to the same being duly stamped) and of any duly renounced letters of allotment;
 - (iv) cause to be delivered to TLB, where relevant and is in the possession of the Vendor the following:-
 - the common seal and certificate of incorporation of the Vendors, the Memorandum and Articles of Association and Form 24 and Form 49 are true complete and accurate;
 - the statutory books, books of account, cheque books and other financial and legal records and documents of the Vendors,
 - the appropriate forms and authorizations to amend the mandates given by the Vendors to its respective bankers to reflect the wishes of TLB;

- all keys for premises, gates, doors, safes, strong boxes, strong rooms, desks and other locked places or items (if any) and all the fixed current assets; and
 - duly executed resignation letters/ form of the current directors that is presently appointed as a director of the Vendor, company secretaries, other paid officials or employees of the Vendor and the removal of the Vendor's directors as cheque signatories for NPOB.
- (d) cause such directors as TLB shall require to resign from their directorship in and all offices of profits under NPOB without any payment and deliver to TLB their written resignations with an acknowledgement signed by each of them that he has no claim against NPOB for compensation for loss of office or otherwise howsoever (except only for any accrued remuneration and expenses remaining to be reimbursed details of which have been supplied to TLB) together also with the written resignations of the secretary of NPOB containing an acknowledgement in the terms aforesaid;
- (e) procure the resignation without compensation of any nature of the auditors of NPOB together with a written statement that there are no circumstances connected with their resignation which they consider should be brought to the notice of the members or creditors of NPOB or any of the subsidiaries;
- (f) surrender any other documentation relating to NPOB to TLB and assist in whatever necessary process(es) to effectively vest control and any other right title interest benefit in TLB as the new owner of NPOB; and
- (g) seek consent from the creditors (both the directors and shareholders, if applicable) to receive the new shares issued by TLB as settlement.

2.6.5 Condition Precedent

- (a) Without limitation to Section 2.6.4(b), all the provisions of the SSAs are **STRICTLY** subjected to and conditional upon:-
- (i) a certified copy of the Vendors' or NPOB's Board Resolution and shareholders' resolution passed in accordance with its Articles of Association approving the transfer of the Sale Shares;
 - (ii) the approval of any other relevant authorities (if any);
 - (iii) the approvals of the board of directors and shareholders of TLB (where applicable).
- All of which approvals and conditions shall hereinafter be collectively referred to as the "Approvals";
- (iv) that the Vendors shall execute the appropriate letter of resignation as director and the appropriate forms to effect to transfer all the shares of NPOB whether in its present name or future to be altered name to TLB.

2.6.6 Covenant to Obtain Approvals

- (a) TLB shall:-
 - (i) cause its board of directors and shareholders to pass the resolution to approve the issuance of the Payment Shares 1, Payment Shares 2 and Payment Shares 3 (collectively referred to as “**Payment Shares**”) for the purchase of the Sale Shares and the SSAs;
 - (ii) submit the necessary application to the relevant authorities for approval pursuant to the issuance of the Payment Shares for the purchase of the Sale Shares (if any).
- (b) The Vendors shall:
 - (i) cause the board of directors and shareholders of NPOB to pass the resolution in accordance with its Articles of Association to approve the sale and transfer of the Sale Shares and the SSAs;
- (c) The Vendors shall whenever required by TLB supply and provide all necessary information and particulars regarding NPOB to enable TLB to make the necessary applications under Section 2.6.5(a).
- (d) If the conditions set out in Section 2.6.5(a) shall not have been fulfilled within thirty (30) days from the date of the SSAs or such extended period as may be mutually agreed by the Vendors and TLB, the SSAs shall be deemed to be terminated and the parties hereto shall have no claim whatsoever against the other on any matter arising out of the SSAs.

2.6.7 Warranties and Representations

- (a) The Vendors hereby represent to and warrant to TLB that save as otherwise disclosed in writing by the Vendors to TLB:-
 - (i) the Vendors have good and impeccable title to the Sale Shares, currently registered in their names as recorded in the NPOB’s register and have the legal capacity to execute the transfers thereto to TLB in accordance with the SSAs;
 - (ii) all documents required by the Act to be filed with the Registrar of Companies / Companies Commission of Malaysia in respect of NPOB have been duly filed and compliance has been made with all other legal requirements in connection with the formation of NPOB and with all issues and allotments of its shares;
 - (iii) no breach of any of the provisions of the Act has been committed by NPOB in relation to NPOB;
 - (iv) no winding-up proceedings under the Act is pending against NPOB as at the date hereof. As at the date hereof, the Vendors, to the best of their knowledge, is not aware of any imminent winding-up proceedings against NPOB;
 - (v) all the registers and record of NPOB contain true and accurate records of the matters purporting to be contained therein or dealt with thereby;

- (vi) the accounts comply with the requirements of the Act, are true and accurate in all material respects and give a true and fair view of the financial position of NPOB as at 30th June 2016 (“**Last Account Date**”) and the accounts have been prepared on a basis consistent with that adopted in previous years and in a form and manner appropriate to the businesses of NPOB;
- (vii) the financial books and records of NPOB accurately present and reflect in accordance with generally accepted accounting principles and standards of all the transactions entered into by NPOB or to which NPOB has been a party and NPOB will maintain such books and records in manner aforesaid until the Completion Date as the case may be;
- (viii) save as disclosed in writing, NPOB is not engaged in litigation (civil or criminal) or arbitration or any proceedings or enquires before any governmental municipal or other official commission board tribunal or other administrative judicial or quasi judicial agency and having made all reasonable enquiries the Vendors do not know of any fact which is likely to give rise to the same;
- (ix) all licenses, contracts, permits and agreements and the like required by NPOB for the purpose of or in connection with owing, using or dealing with its properties or with carrying on its businesses as they are now carried on are in full force and effect and all the terms and conditions of such licenses, permits and agreements and the like have been complied with and no act has been done or suffered to be done or omitted to be done which would entitle any person or authority to cancel, forfeit or modify any such license, permit, agreement or the like which would render it likely that any person or authority would do so;
- (x) NPOB has not done or omitted to do anything whereby any policy or insurance effected by it has or may become void or voidable and NPOB will keep and maintain all adequate insurance cover in respect of all its assets;
- (xi) NPOB is duly qualified as a legal person in all jurisdiction in which its transacts business requiring such qualification and has the right to own property and transact business therein a manner in which the business is conducted and the company has conducted its business in accordance with all relevant laws and regulations of all such jurisdictions;
- (xii) all payments by NPOB liable to be made under deduction of tax have been so made and NPOB has accounted to the Inland Revenue Board of Malaysia as required by law in respect of such payments;
- (xiii) NPOB has not since the Last Account Date entered into any abnormal transaction prejudicial to NPOB nor has NPOB in any way departed from the normal course of its day-to-day business whether as regards to the nature, scope or manner of conducting the same;

- (xiv) NPOB is not under any obligation to increase the rates or remuneration or to pay any bonus to any of its directors or employees at any future date whether with or without retrospective effect;
- (xv) no power attorney of whatever nature has been given by NPOB to any person body or corporation; and
- (xvi) there is no agreement, arrangement or share option between the Vendors and other person/persons as regards to the Sale Shares.

PROVIDED ALWAYS that the Vendors shall not be liable for non-disclosure of any fact or information which is not within their knowledge or which could only be obtained from documents or sources, which are not within their control.

- (b) The Vendors hereby warrant to TLB that the warranties and representations hereinbefore set out will be true as if given immediately prior to the Completion Date with reference to the facts then existing as well as at the date hereof.
- (c) In the event that any of the warranties and representations in Section 2.6.7(a) hereof is not accurate or not fulfilled whether wholly or in part, the Vendors shall forthwith upon discovery thereof or upon notification in writing by TLB, as the case may be, take all necessary actions to rectify the same and if necessary, to pay to NPOB the amount by which the net worth and/ or the net profit of NPOB are thereby diminished, failing which TLB shall be entitled to bring legal actions against the Vendors in the name of NPOB and/or TLB for breach of warranties/representations and/ or to recover such amount of diminution in the net worth and/or net profit of NPOB as aforesaid.

2.6.8 Undertakings by the Vendors

- (a) The Vendors hereby undertake with TLB that as from the date hereof and pending completion of the Sale Shares in accordance with Section 2.6.5 hereof, the Vendors shall do all such acts or things or execute all such documents as may be necessary or refrain from doing such acts or things in order that NPOB shall:-
 - (i) continue to conduct its present trade until completion according to its present practice and in usual course of business;
 - (ii) not pass any resolution by NPOB in general meeting to make any alteration to the provisions of NPOB's Memorandum and Articles of Association;
 - (iii) not in any way sell or dispose of the assets and undertakings of NPOB;
 - (iv) not create or change or lien over the assets of NPOB;
 - (v) not incur any new borrowing or indebtedness;

- (vi) not give indemnities or enter into any guarantee sureties or contracts whatsoever with any person, body or corporation or on behalf of any person, body or corporation save for those effected in the normal course of business of NPOB and duly informed to TLB;
- (vii) not create or issue or agree to create or issue any share or loan capital or give or agree to give any option in respect of any share or loan capital;
- (viii) not pay or agree to pay to any of the directors or officers of NPOB any remuneration or other emoluments or benefits whatsoever other than those which have been disclosed to and agreed by TLB;
- (ix) not knowingly permit any of its normal insurance to lapse or do anything which will make any policy or policies of insurance void or voidable;
- (x) not do or suffer anything to be done whereby NPOB's financial position shall be rendered less favourable than as at the Last Account Date;
- (xi) pay all quit rent, assessments and all other lawful outgoings payable in respect of the assets belonging to NPOB up to the Completion Date; and
- (xii) co-operate on the due diligence to be carried out on NPOB.

2.6.9 Indemnity

The Vendors hereby declare, agree and covenant in favour of TLB that without prejudice to the other remedies and rights of TLB hereunder, the Vendors shall indemnify TLB and keep TLB indemnified against any and all liabilities whatsoever occurring to TLB arising from the breach of any and all liabilities of the company up to the Completion Date whatever the same is pending and/or discovered subsequent to the Completion Date, which is not disclosed by the Vendors to TLB as at the date hereof.

2.6.10 Default by TLB

In the event that TLB shall fail to observe and perform any material term and condition on its part to be observed and performed including its failure to pay any part of the Purchase Consideration, the Vendors shall be entitled to determine the SSAs by written notice and shall be entitled to summarily forfeit the Security Deposit and the SSAs shall become null and void and no further effect and neither party shall have any claim whatsoever against the other under or in respect of the SSAs.

2.6.11 Default by the Vendors

In the event of any breach by the Vendors of any the provisions of the SSAs and/or in the event that the Vendors fail to complete this transaction, TLB shall be entitled to the remedy of specific performance or to determine the SSAs at any time thereafter by giving notice of such termination to the Vendors and upon such termination the Vendors shall refund or cause to be refunded all monies paid by TLB hereunder free from any interest.

2.7 Basis and justification in arriving at the Purchase Consideration

The Purchase Consideration was arrived at on a “willing buyer-willing seller” basis, after taking into consideration of, amongst others, the following:

	RM
(i) the unaudited NA of NPOB as at the Cut-Off Date (i.e., 30 June 2016)	1,960,421
(ii) Add: Net revaluation surplus ⁽¹⁾	83,083,359
Adjusted unaudited NA of NPOB as at the Cut-Off Date	<u>85,043,780</u>
Agreed purchase price for the Sale Shares	85,043,780
(iii) Add: Advances ⁽²⁾	30,568,522
Total Purchase Consideration	<u><u>115,612,302</u></u>

Notes:

(1) *The net revaluation surplus was arrived at as follows:*

	RM
<i>Market value of the Lands based on the Valuation Letter</i>	<i>142,000,000</i>
<i>Less: NBV of the Lands as at the Cut-Off Date</i>	<i>(32,679,791)</i>
<i>Revaluation surplus</i>	<i>109,320,209</i>
<i>Less: Deferred tax liabilities (at 24%)</i>	<i>(26,236,850)</i>
<i>Net revaluation surplus</i>	<i><u><u>83,083,359</u></u></i>

(2) *The advances comprise the following parties as the Cut-Off Date:*

- <i>TKSB</i>	<i>24,948,054</i>
- <i>LEW</i>	<i>2,340,743</i>
- <i>LWY</i>	<i>3,279,725</i>
	<u><u>30,568,522</u></u>

The advances from TKSB, LEW and LWY as set out above are collectively referred to as “Advances”.

The Advances of approximately RM30.57 million mainly comprised of part payment for the cost of acquisition of the Lands and development cost incurred in relation to the Lands.

Premised on the above, the Board is of the view that the Purchase Consideration is justifiable.

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2.8 Basis and justification of the issue price of Consideration Share

The issue price of RM1.45 per Consideration Share, representing a discount of RM0.0135 or 0.92% to the five (5)-day volume-weighted average market price (“**5D-VWAP**”) of TLB Shares up to the LPD of RM1.4635 was derived after taking into consideration that the Proposed Acquisition shall be satisfied via the issuance of the Consideration Shares thus enabling the TLB Group to conserve its cash resources.

If the satisfaction of the Proposed Acquisition is via cash, the Group may be required to undertake borrowings to finance the Proposed Acquisition and there would be interest costs to be incurred. Alternatively, if TLB were to raise funds via an issuance new TLB Shares by way of a private placement of new shares to partly finance the Proposed Acquisition, the said TLB Shares may be priced at a discount of not more than ten percent (10%) to the 5D-VWAP immediately before the price fixing.

Premised on the above, the Board is of the view that the issue price and discount as set out above are justifiable.

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2.9 Mode of satisfaction of the Purchase Consideration

The satisfaction of the Purchase Consideration among the Vendors via the issuance of Consideration Shares is as follows:

	TKSB	LEW	LWY	Total
Equity interest in NPOB to be acquired from the Vendors	51.00%	24.50%	24.50%	100.00%
Adjusted unaudited NA of NPOB as at the Cut-Off Date based on the Vendors' respective equity interest	43,372,328	20,835,726	20,835,726	85,043,780
Add / (Less): Adjustment made in accordance with the internal arrangement between the Vendors	1,809,546	(904,773)	(904,773)	-
Agreed purchase price for the Sale Shares	45,181,874	19,930,953	19,930,953	85,043,780
Add: Full settlement of the Advances	24,948,054	2,340,743	3,279,725	30,568,522
Total Purchase Consideration	70,129,928	22,271,696	23,210,678	115,612,302
Number of Consideration Shares to be issued	48,365,467	15,359,791	16,007,364	79,732,622

2.10 Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing TLB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions that are declared, made or paid prior to the date of allotment thereof.

An application will be made to Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities.

2.11 Liabilities to be assumed

There are no other liabilities, contingent liabilities or guarantees to be assumed by TLB arising from the Proposed Acquisition.

2.12 Additional financial commitment required

Save for the future development costs to be incurred for the Proposed Development (as set out in Section 2.5.4 of this announcement) which would be in the ordinary course of business of NPOB, there is no other additional financial commitment required by TLB arising from the Proposed Acquisition.

2.13 Source of funding

The Purchase Consideration of RM115,612,302 will be fully satisfied via the issuance of the Consideration Shares.

However, as set out in Sections 2.6.1.1(f), 2.6.1.2(f) and 2.6.1.3(f) of this announcement, in the event that TLB is unable to secure the necessary approvals for the issuance of the Consideration Shares, the total Purchase Consideration is expected to be satisfied via cash which is expected to be generated from internally-generated funds of TLB Group, fund raising exercise and/or bank borrowings.

3. RATIONALE FOR THE PROPOSED ACQUISITION

In line with the nature of its business, the TLB Group will continue to identify suitable land banks for development and conduct internal assessments on the viability on potential land banks, with a focus on those that are located within the Klang Valley.

The Lands are located in a strategic area with significant infrastructural improvements undertaken over the past years which have provided spill over effects to the Sungai Buloh localities and significantly boosted developments. The surrounding areas of the Lands have been developed with self-contained large townships comprising Bukit Jelutong, Sunway Kayangan, Kayangan Heights, Denai Alam, Subang Bestari, Cahaya SPK, Sunway Alam Suria, Bandar Nusa Rhu, Alam Budiman, Bandar Setia Alam, Puncak Perdana, Kota Damansara and Saujana Utama, which can be accessible easily from different directions through many major highways like Guthrie Corridor Expressway (“**GCE**”) and KL-Kuala Selangor Expressway (“**LATAR**”).

The Proposed Acquisition will enable TLB to acquire the Lands and to undertake and implement the Proposed Development which is expected to have good saleability considering the Lands are located in a strategic area with significant infrastructure improvements undertaken over the past years as mentioned above.

In addition, the Board is of the view that the Lands have good development potential and prospects and the Proposed Acquisition is in line with TLB Group's strategic growth and future expansion plans to strengthen its position and market presence in property development in Greater Kuala Lumpur as well as to ensure earnings sustainability for the Group moving forward.

Furthermore, the issuance of the Consideration Shares as settlement for the Proposed Acquisition will enable TLB to conserve its cash resources for the enlarged Group's operations whilst minimising the potential impact on its gearing.

Premised on the above and taking into consideration the strategic location of the Lands as well as the development prospects for residential and commercial purposes, the Proposed Acquisition is expected to enhance the future revenue stream of the TLB Group and contribute positively to the Group's financial performance in the future when the benefits are realised.

4. PROSPECTS OF THE LANDS

The Lands are located along the eastern (left) side of Jalan Batu Tiga/ Sungai Buloh main road travelling from Pekan Subang Baru towards Kampung Baru Subang/ Bukit Jelutong and off the eastern (left) side of GCE travelling from Denai Alam towards Bukit Jelutong. The nearest commercial centre of Pusat Perdagangan Subang Permai is located about 1.5 km to the south of the Lands and is mainly comprising of three storey terraced shops and offices. Industrial areas located in the neighbourhood include Kampung Baru Subang Industrial Area, Subang International Light Industrial Park and Kampung Bunga Raya Industrial Area.

The Lands are easily accessible from the GCE, and are about 15.0 km to Shah Alam town, the state's capital and administrative centre of Selangor Darul Ehsan. Kuala Lumpur city centre is located about 30.0 kilometres to the east of the Lands. In addition, the proposed Damansara-Shah Alam Elevated Expressway ("DASH"), with twelve (12) interchanges to be built along the alignment, is expected to support rapid developments along the alignment covering U10 Shah Alam, Subang, Kota Damansara, Sungai Buloh and Damansara areas. The DASH will link with the GCE at Taman Subang Interchange, which is located about 1.5 km to the north-west of the Lands.

In addition, the location of the Lands is considered as the new growth area in the Klang Valley with the construction of more infrastructure and highways. The GCE, DASH, LATAR and Shah Alam-Batu Arang Highway are expected to spur growth in this area. The abovementioned highways have become the corridor and contributed significantly to the establishment of housing schemes, self-contained townships and satellite towns. Hence, the location of the Lands, with availability of well-planned networks of highways and infrastructure, render it as one of the prominent and well-sought areas.

The under construction first (1st) Klang Valley MRT line is the 51 km Sungai Buloh-Kajang MRT Line from Sungai Buloh and runs through the city centre of Kuala Lumpur and ends in Kajang. The line will have 31 stations of which seven will be underground. The MRT line is expected to support rapid developments along the alignment covering Kota Damansara, Sungai Buloh and Damansara areas. The nearest proposed Taman Industri Sungai Buloh MRT Station is located about 6.0 km to the north-west of the Lands.

Skypark Subang Terminal (“SST”) and Sultan Abdul Aziz Shah Airport are located about 5.0km to the south-east of the Lands. Sultan Abdul Aziz Shah Airport is currently being used as a cargo and domestic airline. SST is an aviation hub fully equipped with state-of-the-art facilities and services for a seamless and enjoyable travelling experience. Montere Golf and Country Club is also located about 2.0 km to the south-west of the Lands.

Given the strategic location of the Lands which are located in an area with significant infrastructural improvements undertaken over the past years and significant developments, this would contribute to the successful development of the Lands. Prospective buyers of units in the Lands would be encouraged after considering the above.

In view of the above, the Board is of the view that the Lands have good development potential and prospects.

5. RISKS FACTORS

5.1 Investment risk

The Proposed Acquisition is being undertaken with a view to expand the TLB Group’s property development business. However, there is no guarantee that the anticipated benefits from the Proposed Acquisition will be realised, or that the Group will be able to generate sufficient returns from the Proposed Development to offset the associated costs of investment. As such, there is no assurance that the Proposed Acquisition will enhance the Group’s financial performance, or that the duration required for TLB to recoup its investment will be as anticipated.

Nevertheless, the Board has exercised due care in considering the potential risks and benefits associated with the Proposed Acquisition and believes that the Proposed Acquisition will be value-accretive to the enlarged Group. Moreover, the Board believes that its experience and expertise in property development will enable the Group to realise the expected benefits from the Proposed Acquisition.

5.2 Business risk

The Proposed Acquisition is subject to risks inherent in the property development industry. Such risks may include adverse changes in real estate market prices, changes in demand for types of residential and commercial properties, competition from other property developers, delays in completion of projects, performance of third-party sub-contractors, shortages in labour and raw materials and fluctuations in the costs thereof. Any occurrence of these events may have an adverse material effect on the enlarged Group’s performance.

Nevertheless, the Group is already subject to risks inherent in the property development industry through the Group’s other existing property development projects and will continue to mitigate such risks through, *inter alia*, careful planning and close monitoring of the progress of the development projects.

5.3 Financing risk

As disclosed in Section 2.5.4 of this announcement, the Proposed Development will be funded through a combination of internally generated funds of TLB Group, fund raising exercises and/or bank borrowings. If bank borrowings are secured to fund the development costs, the gearing level of the TLB Group will increase and any adverse movement in interest rates may have a significant impact on project costs which could adversely affect the Group’s financial performance in the future.

In mitigating such risk, the Group will actively review its debt portfolio taking into consideration the level and nature of borrowings and seek to adopt appropriate cost effective financing options. Furthermore, the management of TLB will continuously monitor and adjust its development and marketing strategies in response to changes in economic conditions and market demand and will ensure that the Proposed Development is carried out with due care and proper judgement.

5.4 Non-completion of the SSAs

The Proposed Acquisition is subject to the fulfilment of the respective obligations of the contracting pursuant to the terms and conditions as stipulated in the SSAs. In the event any of the Conditions Precedent is not fulfilled or waived, the Proposed Acquisition may be delayed or terminated, and the potential benefits arising thereon may not materialised. Notwithstanding the above, the TLB Group shall use its best endeavour to ensure that every effort is made to comply with the terms of the SSAs so that the Proposed Acquisition shall be completed in accordance with the terms and conditions of the SSAs.

5.5 Property overhang

Property overhang is inherent in any property development project and is, among others, caused by oversupply and low demand for properties, other factors contributing to property overhang include economic downturns and unfavourable financial conditions.

Any occurrence of property overhang at the time of completion of the Proposed Development will affect the sale of the TLB Group's properties, which in turn may affect the TLB Group's cash flow position and overall financial performance as unsold properties may remain illiquid even after completion of the Proposed Development. In the event the TLB Group is required to sell its unsold properties urgently, such illiquidity may have a negative effect on the selling prices of unsold units.

There can be no assurance that there will be favourable take-up rates for the properties to be developed on the Lands. However, TLB Group will continue to monitor market conditions of the property development industry as well as conduct feasibility studies / internal assessments prior to finalisation and construction of the properties to be developed.

5.6 Political, economic and environmental considerations

Adverse changes in political, economic and regulatory conditions in Malaysia could materially affect the financial performance and position of the Group as well as prospects of the Proposed Acquisition and Proposed Development. Amongst the political, economic and regulatory uncertainties are the changes in the risks of economic downturn, unfavourable monetary and fiscal policy changes, exchange control regulations or introduction of new rules or regulation, changes in interest rates, inflation and taxation and political leadership. In mitigating such risk, the TLB Group will continue to review its business development strategies in response to the changes in political and economic conditions.

6. EFFECTS OF THE PROPOSED ACQUISITION

6.1 Issued and paid-up share capital

The pro forma effects of the Proposed Acquisition on the issued and paid-up share capital of TLB as at the LPD are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of TLB Shares	RM	No. of TLB Shares	RM
Issued and paid-up share capital as at the LPD	403,333,267	201,666,634	403,333,267	201,666,634
Assuming full conversion of redeemable convertible preference shares of RM0.50 each in TLB (“RCPS”)	-	-	6,666,666	3,333,333
To be issued pursuant to the proposed renounceable rights issue of up to 614,999,899 new irredeemable convertible preference shares of RM0.05 each in TLB (“ICPS”) which was announced on 26 August 2016 (“Proposed Rights Issue of ICPS”) ⁽¹⁾	403,333,267	201,666,634	409,999,933	204,999,967
	-	-	-	-
To be issued pursuant to the Proposed Acquisition	403,333,267	201,666,634	409,999,933	204,999,967
	79,732,622	39,866,311	79,732,622	39,866,311
Enlarged issued and paid-up share capital	483,065,889	241,532,945	489,732,555	244,866,278

Note:

- (1) *The Proposed Rights Issue of ICPS will not have any impact on the issued and paid-up share capital of TLB until the conversion of the ICPS into new TLB Shares. The said corporate proposal is currently on-going.*

As disclosed in Section 2.13 of this announcement, in the event that TLB is unable to secure the necessary approvals for the issuance of the Consideration Shares, the total Purchase Consideration is expected to be satisfied via cash. In this regard, the Group intends to fund the Proposed Acquisition through internally generated funds, fund raising exercise and/or bank borrowings in which the exact mix has not been finalised. Hence, the effect of Proposed Acquisition on the issued and paid-up share capital of TLB to be satisfied via cash cannot be ascertained at this juncture.

6.2 NA and gearing

The pro forma effects of the Proposed Acquisition (via the issuance of Consideration Shares) on the NA and gearing of TLB Group based on TLB's audited consolidated financial statements as at 30 June 2015 are as follows:

Minimum Scenario

	(Audited) As at 30 June 2015 (RM)	(I) After subsequent events up to the LPD ⁽¹⁾ (RM)	(II) After (I) and the Proposed Rights Issue of ICPS (RM)	(III) After (II) and the Proposed Acquisition ⁽³⁾ (RM)
Share capital	176,666,666	201,666,634	201,666,634	241,532,945
Share premium	92,957,117	139,540,850	139,540,850	214,936,841
Treasury shares	(41,566)	-	-	-
Reserve arising from reverse acquisition	(47,425,855)	(47,425,855)	(47,425,855)	(47,425,855)
Equity component of RCPS	7,432,614	2,489,927	2,489,927	2,489,927
Equity component of ICPS	-	-	57,626,763 ⁽²⁾	57,626,763
Retained earnings	245,282,691	227,140,730	227,140,730	227,140,730
Shareholders' funds / NA	474,871,667	523,412,286	581,039,049	696,301,350
No. of TLB Shares in issue	353,311,333*	403,333,267	403,333,267	483,065,889
NA per TLB Share (RM)	1.34	1.30	1.44	1.44
Total borrowings (RM)	158,491,648	158,491,648	158,491,648	158,491,648
Gearing (times)	0.33	0.30	0.27	0.23

Notes:

* Excluding 22,000 treasury shares as at 30 June 2015.

(1) Taking into consideration of the following:

(a) the conversion of 20,000,000 RCPS on 21 August 2015 and 3 August 2016 respectively;

(b) 3,126,800 TLB Shares bought back from open market for a total consideration of RM4,702,507 by TLB;

- (c) *disposal of 450,000 treasury shares, 1,500,000 treasury shares and 1,198,800 treasury shares at RM1.56, RM1.55 and RM1.56, respectively in the open market;*
 - (d) *final single-tier dividend of RM0.045 per TLB Share amounting to RM16,117,860 in respect of FYE 30 June 2015 paid on 15 December 2015; and*
 - (e) *arising from the issuance of 36,666,600 new TLB Shares at an issue price of RM1.35 each pursuant to the private placement which was approved by Bursa Securities on 27 June 2016 (“**Private Placement**”) and after deducting the estimated expenses of RM240,000 for the Private Placement.*
- (2) *Arising from the issuance of 353,192,500 ICPS at the indicative issue price RM0.165 each pursuant to the Proposed Rights Issue of ICPS and after deducting the estimated expenses of RM650,000 for the corporate proposals announced on 26 August 2016.*
 - (3) *Arising from the issuance of 79,732,622 new TLB Shares at issue price of RM1.45 each and after deducting the estimated expenses of RM350,000 for the Proposed Acquisition.*

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Maximum Scenario

	(Audited)	(I)	(II)	(III)	(IV)
	As at 30 June 2015 (RM)	After subsequent events up to the LPD ⁽¹⁾ (RM)	After (I) and assuming full conversion of the RCPS (RM)	After (II) and the Proposed Rights Issue of ICPS (RM)	After (III) and the Proposed Acquisition ⁽³⁾ (RM)
Share capital	176,666,666	201,666,634	204,999,967	204,999,967	244,866,278
Share premium	92,957,117	139,540,850	148,111,695	148,111,695	223,507,686
Treasury shares	(41,566)	-	-	-	-
Reserve arising from reverse acquisition	(47,425,855)	(47,425,855)	(47,425,855)	(47,425,855)	(47,425,855)
Equity component of redeemable convertible preference shares of RM0.50 each in TLB (“RCPS”)	7,432,614	2,489,927	-	-	-
Equity component of ICPS	-	-	-	100,824,983 ⁽²⁾	100,824,983
Retained earnings	245,282,691	227,140,730	227,140,730	227,140,730	227,140,730
Shareholders’ funds / NA	474,871,667	523,412,286	532,826,537	633,651,520	748,913,822
No. of TLB Shares in issue	353,311,333*	403,333,267	409,999,993	409,999,993	489,732,555
NA per TLB Share (RM)	1.34	1.30	1.30	1.55	1.53
Total borrowings (RM)	158,491,648	158,491,648	158,491,648	158,491,648	158,491,648
Gearing (times)	0.33	0.30	0.30	0.25	0.21

Notes:

* Excluding 22,000 treasury shares as at 30 June 2015.

(1) Taking into consideration of the following:

(a) the conversion of 20,000,000 RCPS on 21 August 2015 and 3 August 2016 respectively;

- (b) 3,126,800 TLB Shares bought back from open market for a total consideration of RM4,702,507 by TLB;
 - (c) disposal of 450,000 treasury shares, 1,500,000 treasury shares and 1,198,800 treasury shares at RM1.56, RM1.55 and RM1.56, respectively in the open market;
 - (d) final single-tier dividend of RM0.045 per TLB Share amounting to RM16,117,860 in respect of FYE 30 June 2015 paid on 15 December 2015; and
 - (e) arising from the issuance of 36,666,600 new TLB Shares at an issue price of RM1.35 each pursuant to the Private Placement and after deducting the estimated expenses of RM240,000 for the Private Placement.
- (2) Arising from the issuance of 614,999,899 ICPS at the indicative issue price RM0.165 each pursuant to the Proposed Rights Issue of ICPS and after deducting the estimated expenses of RM650,000 for the corporate proposals announced on 26 August 2016.
 - (3) Arising from the issuance of 79,732,622 new TLB Shares at issue price of RM1.45 each and after deducting the estimated expenses of RM350,000 for the Proposed Acquisition.

As disclosed in Section 2.13 of this announcement, in the event that TLB is unable to secure the necessary approvals for the issuance of the Consideration Shares, the total Purchase Consideration is expected to be satisfied via cash. In this regard, the Group intends to fund the Proposed Acquisition through internally generated funds, fund raising exercise and/or bank borrowings in which the exact mix has not been finalised. Hence, the effect of the Proposed Acquisition on the gearing of the Group cannot be ascertained at this juncture.

6.3 Earnings and earnings per share (“EPS”)

The Proposed Acquisition is not expected to have an immediate material effect on the consolidated earnings and EPS of TLB for the FYE 30 June 2016 and financial year ending 30 June 2017 as the Proposed Acquisition is only expected to be completed in the first (1st) quarter of 2017.

Nonetheless, the Proposed Acquisition is expected to contribute positively to TLB Group’s future earnings in the ensuing financial years when the benefits are realised from undertaking the Proposed Development.

However, it should be noted that the actual impact on the Group’s earnings and EPS in the future will depend on the actual gross development profit arising from the Proposed Development in accordance with the percentage of completion thereof. In addition, the EPS of TLB Group may be diluted as a result of the increase in the number of TLB Shares in issue arising from the issuance of the Consideration Shares.

6.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Acquisition on the shareholdings of substantial shareholders of TLB as at the LPD are as follows:

Minimum Scenario

Name	As at the LPD				(I) After the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%
Tan Sri Dato' Lim Soon Peng	300,000	0.07	235,461,667 ⁽¹⁾	58.38	300,000	0.06	235,461,667 ⁽¹⁾	48.74
Lim Poh Yit	780,800	0.19	235,461,667 ⁽¹⁾	58.38	780,800	0.16	235,461,667 ⁽¹⁾	48.74
Lim Puay Fung	245,000	0.06	235,461,667 ⁽¹⁾	58.38	245,000	0.05	235,461,667 ⁽¹⁾	48.74
Titijaya Group Sdn Bhd	235,461,667	58.38	-	-	235,461,667	48.74	-	-
AIA Berhad	24,029,800	5.96	500,200 ⁽²⁾	0.12	24,029,800	4.97	500,200 ⁽²⁾	0.10
AIA Company Limited	-	-	24,530,000 ⁽³⁾	6.08	-	-	24,530,000 ⁽³⁾	5.08
AIA Group Limited	-	-	24,530,000 ⁽³⁾	6.08	-	-	24,530,000 ⁽³⁾	5.08
Premium Policy Berhad	-	-	24,530,000 ⁽³⁾	6.08	-	-	24,530,000 ⁽³⁾	5.08
Orange Policy Sdn Bhd	-	-	24,530,000 ⁽³⁾	6.08	-	-	24,530,000 ⁽³⁾	5.08
TKSB	-	-	-	-	48,365,467	10.01	-	-
BHB	-	-	-	-	-	-	48,365,467 ⁽⁴⁾	10.01
LEW	-	-	-	-	15,359,791 ⁽⁵⁾	3.18	-	-
LWY	-	-	-	-	16,007,364 ⁽⁵⁾	3.31	-	-

Notes:

- (1) Deemed interested pursuant to Section 6A of the Act by virtue of his/her substantial shareholdings in Titijaya Group Sdn Bhd.
- (2) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA PUBLIC Takaful Bhd and AIA Pensions and Assets Management Sdn Bhd.
- (3) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pensions and Assets Management Sdn Bhd.
- (4) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by TKS B.
- (5) For disclosure purposes only as they will not be substantial shareholders of TLB.

Maximum Scenario

Name	As at the LPD				(I) Assuming full conversion of RCPS			
	Direct		Indirect		Direct		Indirect	
	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%
Tan Sri Dato' Lim Soon Peng	300,000	0.07	235,461,667 ⁽¹⁾	58.38	300,000	0.07	242,128,333 ⁽¹⁾	59.06
Lim Poh Yit	780,800	0.19	235,461,667 ⁽¹⁾	58.38	780,800	0.19	242,128,333 ⁽¹⁾	59.06
Lim Puay Fung	245,000	0.06	235,461,667 ⁽¹⁾	58.38	245,000	0.06	242,128,333 ⁽¹⁾	59.06
Titijaya Group Sdn Bhd	235,461,667	58.38	-	-	242,128,333	59.06	-	-
AIA Berhad	24,029,800	5.96	500,200 ⁽²⁾	0.12	24,029,800	5.86	500,200 ⁽²⁾	0.12
AIA Company Limited	-	-	24,530,000 ⁽³⁾	6.08	-	-	24,530,000 ⁽³⁾	5.98
AIA Group Limited	-	-	24,530,000 ⁽³⁾	6.08	-	-	24,530,000 ⁽³⁾	5.98
Premium Policy Berhad	-	-	24,530,000 ⁽³⁾	6.08	-	-	24,530,000 ⁽³⁾	5.98
Orange Policy Sdn Bhd	-	-	24,530,000 ⁽³⁾	6.08	-	-	24,530,000 ⁽³⁾	5.98

Name	(II) After (I) and the Proposed Acquisition			
	Direct		Indirect	
	No. of TLB Shares	%	No. of TLB Shares	%
Tan Sri Dato' Lim Soon Peng	300,000	0.06	242,128,333 ⁽¹⁾	49.44
Lim Poh Yit	780,800	0.16	242,128,333 ⁽¹⁾	49.44
Lim Puay Fung	245,000	0.05	242,128,333 ⁽¹⁾	49.44
Titijaya Group Sdn Bhd	242,128,333	49.44	-	-
AIA Berhad	24,029,800	4.91	500,200 ⁽²⁾	0.10
AIA Company Limited	-	-	24,530,000 ⁽³⁾	5.01
AIA Group Limited	-	-	24,530,000 ⁽³⁾	5.01
Premium Policy Berhad	-	-	24,530,000 ⁽³⁾	5.01
Orange Policy Sdn Bhd	-	-	24,530,000 ⁽³⁾	5.01
TKSB	48,365,467	9.88	-	-
BHB	-	-	48,365,467 ⁽⁴⁾	9.88
LEW	15,359,791 ⁽⁵⁾	3.14	-	-
LWY	16,007,364 ⁽⁵⁾	3.27	-	-

Notes:

- (1) Deemed interested pursuant to Section 6A of the Act by virtue of his/her substantial shareholdings in Titijaya Group Sdn Bhd.*
- (2) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA PUBLIC Takaful Bhd and AIA Pensions and Assets Management Sdn Bhd.*
- (3) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pensions and Assets Management Sdn Bhd.*
- (4) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by TKSB.*
- (5) For disclosure purposes only as they will not be substantial shareholders of TLB.*

As disclosed in Section 2.13 of this announcement, in the event that TLB is unable to secure the necessary approvals for the issuance of the Consideration Shares, the total Purchase Consideration is expected to be satisfied via cash. In this regard, the Group intends to fund the Proposed Acquisition through internally generated funds, fund raising exercise and/or bank borrowings in which the exact mix has not been finalised. Hence, the effect of the Proposed Acquisition to be satisfied via cash on the substantial shareholders' shareholdings cannot be ascertained at this juncture.

For the avoidance of doubt, the issuance of ICPS pursuant to the Proposed Rights Issue of ICPS will not have any effect on the shareholdings of TLB's shareholders until the conversion of the ICPS into new TLB Shares.

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6.5 Convertible securities

As at the LPD, save for the 20,000,000 outstanding RCPS and ICPS to be issued pursuant to the Proposed Rights Issue of ICPS which are convertible into TLB Shares, TLB does not have any other existing convertible securities.

The Proposed Acquisition will not give rise to any adjustment to the exercise price and/or the number of outstanding RCPS and ICPS to be issued pursuant to the Proposed Rights Issue of ICPS.

7. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed in the first (1st) quarter of 2017.

For the avoidance of doubt, the issuance of Consideration Shares pursuant to the Proposed Acquisition will be after the completion of the Proposed Rights Issue of ICPS.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of TLB and/or persons connected with them have any interest, whether directly or indirectly, in the Proposed Acquisition.

9. PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities is approximately 24.35%, which is based on the aggregate value of the consideration given in relation to the Proposed Acquisition, compared with the latest audited consolidated NA of TLB for the FYE 31 June 2015.

10. APPROVALS REQUIRED

The Proposed Acquisition is not subject to the approval of the shareholders of TLB and/or approval from any other regulatory authority.

Notwithstanding the above, the issuance of Consideration Shares pursuant to the Proposed Acquisition is subject to approvals being obtained from the following:

- (i) Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities; and
- (ii) the shareholders of TLB at an extraordinary general meeting to be convened.

The Proposed Acquisition is not conditional upon any other corporate proposals undertaken by TLB.

11. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Acquisition including but not limited to the rationale, effects of the Proposed Acquisition and Valuation Letter from the Valuer, is of the opinion that the Proposed Acquisition is in the best interests of TLB.

12. ADVISER

TA Securities has been appointed as the Adviser for the issuance of the Consideration Shares.

13. APPLICATIONS TO THE RELEVANT AUTHORITIES

Applications to the relevant authorities in relation to the issuance of the Consideration Shares pursuant to the Proposed Acquisition are expected to be submitted within two (2) months from the date of this announcement.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SSAs and Valuation Letter from the Valuer are available for inspection during normal business hours from Mondays to Fridays (except public holidays) at the registered office of TLB at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, for a period of three (3) months from the date of this announcement.

This announcement is dated 30 September 2016.