TITIJAYA LAND BERHAD
BUILT TO INSPIRE

ANNUAL REPORT 2019
EMPOWERING BEYOND

OUR VISION

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

OUR MISSION

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

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CORPORATE PROFILE

Titijaya Land Berhad, listed on the main market of Bursa Malaysia Securities Berhad, is a renowned property developer in its own right and has been developing properties and building homes in Malaysia for over twenty years.

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

TITIJAYA has a proven track record as a leading property developer, winning awards such as the Property Insight Prestigious Developer Awards (PIPDA) Top 10 Developer and The Edge Property Excellence Awards 2018. They have also received the High Achievement Qlassic Awards 2018 for the quality of workmanship in some of its development projects.

Recognised by the industry for its outstanding product offerings, the Group is highly regarded for its brand presence, achievements, as well as the many successful developments in the most sought-after growth areas. The Group is also renowned for understanding changes in the market, introducing new types of projects that fit the customers' needs.

" Titijaya Group's mission is to build properties that people will buy, appreciate and want to buy again. "

The properties developed by the Group are aesthetically conceptualised with beautiful landscaping, inspired and based on modern contemporary lifestyle. These efforts put into the details of every project continue to be manifested in Titijaya's on-going and upcoming properties.

2019 PERFORMANCE AT A GLANCE

RM313 MILLION
Revenue

RM1.17 BILLION
Shareholders' Fund

Gross Development Value
RM3.7 BILLION
Properties Delivered

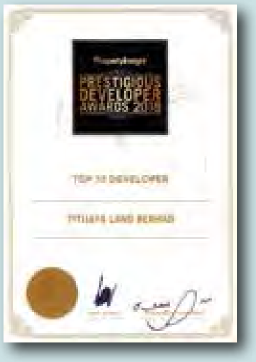
Net Profit
RM36 MILLION
for FYE 2019

155 ACRES
Strategic Land Bank

RM476 MILLION
Unbilled Sales

ACHIEVEMENTS

THE EDGE MALAYSIA
Property Excellence
Awards 2018



CIDB MALAYSIA
QLASSIC

Quality Achievement
QLASSIC AWARD
EMERY @ Aman Kemensah

PROJECT HIGHLIGHTS

TOTAL GDV 9.84 BILLION

AREC
PENANG
MIXED DEVELOPMENT

DAMAISURIA
SUBANG
TOWNSHIP

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

Park RESIDENCY CHERAS
3-STOREY RESIDENCES

KLANG SERVICED SENTRAL APARTMENT
SERVICED APARTMENTS

EMPORIA
SHAH ALAM
MIXED DEVELOPMENT

PROJECT HIGHLIGHTS
(CONTINUED)

RIVERIA CITY
– KL SENTRAL –
OFFICE SUITES,
SERVICED APARTMENTS &
RETAILS

THE RESIDENCY
SABAH
RESIDENTIAL DEVELOPMENT

第一棕城
FIRST PALM CITY CENTRE
LAHAD DATU
COMMERCIAL CENTRE &
TRANSPORTATION HUB

THE SHORE
KOTA KINABALU
SERVICE SUITES & RETAIL MALL

DEON
Residency
KUALA LUMPUR
MIXED DEVELOPMENT

3RD NVENUE
EMBASSY ROW
EMBASSY ROW, KUALA LUMPUR
OFFICE SUITES,
SERVICED APARTMENTS & RETAILS

COMPANY EVENTS AND ACTIVITIES HIGHLIGHTS

1 JULY 2018 – 30 JUNE 2019

2018

JULY

AUGUST

SEPTEMBER

Private Preview of Seiring Residensi for potential buyers

Community Day by Ministry Of Housing and Local Government

Mizu - Feng Shui Talk

Seri Residensi - Gathering for house owners and friends

The Shore - How To Manage Airbnb

Completion and hand over of school toilet to SK Taman Bukit Maluri

COMPANY EVENTS AND ACTIVITIES (CONTINUED)

Contribute of a community hub for PPR Seri Aman, Kepong

Riveria City - SPA Signing Day

Riveria City - Property Investment Talk

OCTOBER | 2019 | JANUARY | MARCH | MAY

DECEMBER | FEBRUARY | APRIL | JUNE

Synergistic collaboration with Feruni

Chinese New Year Open House

3rdNvenue - Roadshow at shopping mall

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

TAN SRI DATO' LIM SOON PENG
Group Managing Director

LIM POH YIT
Deputy Group Managing Director

LIM PUAY FUNG
Executive Director

CHIN KIM CHUNG
Non-Independent Non-Executive Director

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

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

DATUK NOZIRAH BINTI BAHARI
Independent
Non-Executive Director

AUDIT COMMITTEE

DATUK NOZIRAH BINTI BAHARI
Chairman

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

DATUK SERI CH'NG TOH ENG

CHIN KIM CHUNG

NOMINATION COMMITTEE

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

TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR

DATUK SERI CH'NG TOH ENG

REMUNERATION COMMITTEE

DATUK SERI CH'NG TOH ENG
Chairman

TAN SRI DATO' LIM SOON PENG

CHIN KIM CHUNG

BOARD RISK MANAGEMENT COMMITTEE

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

DATUK NOZIRAH BINTI BAHARI

DATUK SERI CH'NG TOH ENG

CHIN KIM CHUNG

LIM POH YIT

COMPANY SECRETARIES

CHUA SIEW CHUAN
(MAICSA 0777689)

TAN LEY THENG
(MAICSA 7030358)

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
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50490 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 2084 9000
Fax : (603) 2094 9940

PRINCIPAL PLACE OF BUSINESS

N-16-01, Penthouse, Level 16
First Subang, Jalan SS15/4G
47500 Subang Jaya
Selangor Darul Ehsan
Tel : (603) 8022 9999
Fax : (603) 8022 9888
Email : ir@titijaya.com.my
www.titijaya.com.my

The Shore Sales Gallery
Tel : (6088) 258 708 / 1 300 22 9898
HP : 6010 943 8888

3rdNvenue Sales Gallery
Tel : (603) 4266 2299 / 1 300 22 9898
HP : 6012 249 9880

Park Residency Cheras Sales Gallery
Tel : 1 300 22 9898
HP : 6012 293 1033

Taman Seri Residensi Sales Gallery
Tel : 1 300 22 9898
HP : 6013 340 2868

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
(Formerly known as Symphony Share Registrars Sdn. Bhd.)
(Company No. 378993-D)

11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.
Tel : (603) 7890 4700
Fax : (603) 7890 4670

AUDITORS

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

Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 2297 1000
Fax : (603) 2282 9980

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Bank Islam Malaysia Berhad
OCBC Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Sector : Property
Sub Sector : Property
Stock Code : 5239
5239PA
Stock Name : Titijya
Titijya-PA

CORPORATE STRUCTURE

AS AT 1 OCTOBER 2019

TITIJAYA LAND BERHAD
BUILT TO INSPIRE

- 100% **AMAN KEMENSAH SDN. BHD.** (429811-K)
- 100% **CITY MERIDIAN DEVELOPMENT SDN. BHD.** (934265-V)
- 100% **EPOCH PROPERTY SDN. BHD.** (955473-D)
- 100% **HIGH SPLENDOUR SDN. BHD.** (1155662-T)
- 100% **NPO BUILDERS SDN. BHD.** (284572-T)
- 100% **NPO DEVELOPMENT SDN. BHD.** (434271-A)
  - 100% **NEU ESTATES SDN. BHD.** (348591-M) *(formerly known as NPO Land Sdn. Bhd.)*
  - 100% **ZEN ESTATES SDN. BHD.** (650372-W) *(formerly known as Sendi Bangga Development Sdn. Bhd.)*
- 100% **PIN HWA PROPERTIES SDN. BHD.** (568176-V)
- 100% **PREMSDALE DEVELOPMENT SDN. BHD.** (1121985-U)
- 100% **PROSPEROUS HECTARES SDN. BHD.** (1034984-H)
- 100% **SAFETAGS SOLUTION SDN. BHD.** (755016-A)
- 100% **SHAH ALAM CITY CENTRE SDN. BHD.** (221568-X)
- 100% **SRI KOMAKMUR DEVELOPMENT SDN. BHD.** (90489-M)
  - 100% **BLU WATERFRONT DEVELOPMENT SDN. BHD.** (820786-P)
    - 100% **LAKSANA WAWASAN SDN. BHD.** (1185173-A)
  - 100% **RENOFAJAR SDN. BHD.** (650349-H)
- 100% **TAMARIND HEIGHTS SDN. BHD.** (1173659-X)
- 100% **TERBIT KELANA DEVELOPMENT SDN. BHD.** (594783-M)
- 100% **TITIJAYA CAPITAL SDN. BHD.** (934400-D)
- 100% **TITIJAYA DEVELOPMENT (PULAU PINANG) SDN. BHD.** (1165342-V)
- 100% **TITIJAYA PMC SDN. BHD.** (1047442-P)
- 100% **TITIJAYA RESOURCES SDN. BHD.** (1078020-X)
  - 100% **AMAN DUTA SDN. BHD.** (1239174-X)
  - 70% **TENANG SEMPURNA SDN. BHD.** (956004-W)
  - 70% **AMPANG AVENUE DEVELOPMENT SDN. BHD.** (826917-X)
    - 100% **NIPAH VALLEY SDN. BHD.** (901712-H)
- 100% **TULUS LAGENDA SDN. BHD.** (1040584-D)
- 70% **RIVERIA CITY SDN. BHD.** (645395-X)

CHAIRMAN'S STATEMENT

INTRODUCTION

On behalf of the Board of Directors of Titijaya Land Berhad ("Titijaya") or ("the Group"), I am pleased to present the Annual Report and Audited Financial Statements for the financial year ended 30 June 2019 ("FYE 2019").

Globally, the economic environment has turned more challenging in the years of 2018 and 2019 as a result of several developments such as increasing trade protectionism, concerns on slowing economic growth, commodity prices volatility and global geopolitical instabilities such as Brexit. Economic growth performance across advanced and developing economies have moderated in 2018 and experts have projected a further slowdown in global growth in 2019.

Being an export-reliant economy, Malaysia is significantly exposed to external vulnerabilities. However, the country's diversified economy has ensured that a resilient growth is maintained. In 2018, the Malaysian economy grew 4.7% although this marked a sharp slowdown from 5.9% in the previous year. As for 2019, Bank Negara anticipates the growth to moderate further, ranging between 4.3% and 4.8%.

At Titijaya, amid the ongoing economic conditions, we have continued to witness a resilient and encouraging performance. The Group is well-positioned to weather any unwarranted impact in the economy and the property market on the back of our landbank, stellar financials and forward-looking growth strategies. Titijaya remains committed to competitively-priced properties for the residential and commercial segments, without compromising the quality for our buyers.

ISSUES AND CHALLENGES

Several structural issues and challenges have continued to affect the domestic property market. After several years of strong property sector performance in Malaysia, the market has been witnessing increasing property overhang even as the number of new launches has declined in 2018. Based on the data by the National Property Information Centre, unsold completed residential units in the country have increased from 10,285 units in 2015 to 32,313 units in 2018, valued at about RM19.8 billion.

However, despite the higher unsold residential properties, the demand for affordable housing remained strong, exceeding the existing supply in the market. Realising the unmatched demand for affordable properties, the Government has introduced several measures in recent years to spur the development of affordable housing. In spite of the measures, the market continues to see an increasing need for residential properties in the affordable segment.

On the other hand, the strict lending requirements for property purchases and the high rejection rate for housing loan approvals have also affected the demand for new property purchases in Malaysia. Many property developers have found that their prospective buyers have experienced difficulties in securing financing for their home purchases.

Titijaya is aware of these challenges and the uncertainties ahead in the operating environment. However, in line with our commitment to build affordable properties for our customers, we have undertaken a slew of strategic measures to reduce construction costs while maintaining our standards. The Group also emphasises on the need to position our property products at strategic locations, with good connectivity to and integration with public amenities. We are continuously exploring ways to improve our property offerings and to spur the demand from our prospective customers. With the support of its growth strategies and prudent financial management, Titijaya is confident of continuing its momentum and building more quality properties for Malaysians.

DIVIDEND

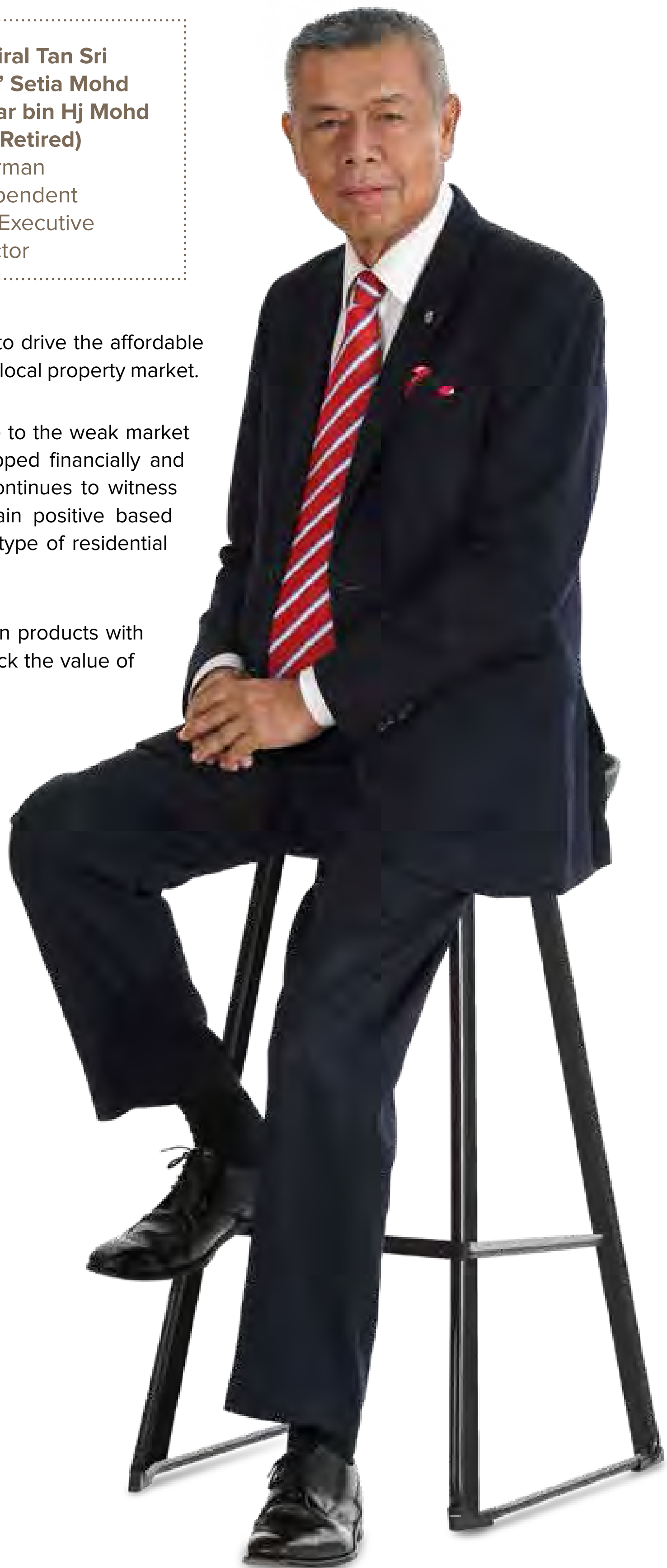
For FYE 2019, the Board has recommended a final single-tier dividend of 0.15 sen per ordinary share to be approved by shareholders at the forthcoming Annual General Meeting.

OUTLOOK

The challenges in the economic and business environment domestically are expected to continue in 2019 and 2020, as the external vulnerabilities, the decline in business sentiment and the slowdown in economic activities are likely to affect growth. The World Bank has projected the Malaysian economy to moderate to 4.7% in 2019 and 4.6% in 2020.

Although the overall property market has been adversely affected by the rising unsold property units and the decline in business sentiment, the outlook is expected to stabilise in 2019 according to the Valuation and Property Services Department in its Property Market Report 2018.

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



Following the increase in volume and value of total property transactions in 2018, the momentum is expected to continue in 2019. The reduction in the benchmark Overnight Policy Rate by Bank Negara Malaysia in May 2019 and the government's continued approach to drive the affordable housing agenda are key catalysts that will boost the demand in the local property market.

Overall, the Group expects the outlook to remain challenging due to the weak market sentiment. Despite the ongoing challenges, Titijaya is well-equipped financially and operationally to sustain positively even if the property market continues to witness a slowdown in activities. Our long-term growth prospects remain positive based on a strong competitive position and consistent demand for the type of residential properties the Group has been offering.

Moving forward, the Group will continue to focus on market-driven products with attractive price offering scheme to attract potential sales and unlock the value of its strategic landbank across the Klang Valley.

APPRECIATION

Representing the Board, I would like to thank all the shareholders and stakeholders of Titijaya for your continued support and loyalty to the Group. To our management team and employees, I would like to convey my sincere gratitude for your faith in Titijaya's prospects and your commitment in building the Group towards becoming Malaysia's leading property developer, despite the continued challenges in the economy and the property segment.

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

MANAGING DIRECTOR'S STATEMENT

Titijaya ("the Group") remains on the right track towards a resilient performance and a positive long-term growth in the Malaysian property development market. We look forward to continuing our sales momentum in FYE 2020, similar to our success in surpassing our sales target of RM400 million in FYE 2019. This will likely be accomplished on the back of our ongoing and upcoming projects. Over the next two years, the Group aims to launch property projects namely Newton @ 3rdNvenue (GDV: RM427 million), and Aster & Adam (GDV: RM 37.5 million). Currently, the Group has a few projects in hand namely The Shore @ Kota Kinabalu, Neu Suites @ 3rdNvenue, The Riv @ Riveria City, Park Residensi @ Cheras and Seiring (Phase 1) @ Damaisuria.

The Group focuses mainly on affordable properties and those priced below RM600,000, making our product offerings attractive for young buyers and first-time home purchasers. In 2019, we have launched the first phase of our Damaisuria project in Bukit Subang, Shah Alam, namely the four-tower Seiring Residences. The first out of four towers, the 34-storey Tower A, has received an overwhelming response from our buyers, with nearly 40% of the apartment units booked even before our first launch. The tower will comprise 370 units in total.

We are proud to announce that Damaisuria is one of our largest townships to date. Slated for completion in 2034, the mixed development township will be delivered in four stages and is expected to have a GDV of RM677 million.

In FYE 2019, the Group has continued its profitability although its bottom line was affected by market slowdown. The Group recorded a profit after tax of RM36 million in the 12-month period on the back of lower revenue. However, the impact was contained by the Group's cost-optimisation measures which have reduced the Group's administrative costs and other expenses, among others. It is also worth taking note that the Group's net operating cash flow has turned positive in FYE 2019 at RM117 million as compared to a negative net operating cash flow of RM393 million in FYE 2018.

The Group's track record in delivering quality properties has been again recognised by reputable organisations in FYE 2019. The Group has won several awards and accolades in the financial year under review namely The Edge Property Excellence Awards 2018, High Achievement QLASSIC Award 2018 and Property Insight Prestigious Developer Awards 2018 – Top 10 Developers. The awards are a testament to the Group's long-built experience and excellence in the Malaysian property development scene.

STRATEGIC REVIEW

1) Leveraging on Strategic Partnerships

The Group has benefited significantly from its strategic partnerships with leading international property players namely Japan-based Tokyu Land Corporation and CREC Development (M) Sdn Bhd, a subsidiary of China Railway Engineering Corporation. These collaborations have enabled the Group to further strengthen its capabilities with cross border experience, and subsequently benefit the customers with product offerings of a higher quality and better niche.

The Group entered into a partnership with CREC Development (M) Sdn Bhd, in 2016 and has collaborated in developing the RM2 billion 3rdNvenue property project at the prestigious Embassy Row of Jalan Ampang. Sitting on a piece of land measuring 6.06 acres, 3rdNvenue will have a total of four towers comprising lifestyle office suites, serviced apartments and retail lots.

Meanwhile, the Group's partnership with Japan-based Tokyu Land Corporation was formed in 2018. Both parties have worked together to develop Mizu Residences. The serviced apartments feature a 15-floor block of 300 units with a GDV of RM256 million.

Moving forward, the Group eyes to explore more business opportunities to work with its strategic partners by focusing on the affordable range of properties in Malaysia. The Group is also looking into forming new tie-ups with other potential partners both domestically and internationally for our new launches in the future. These efforts are expected to further enhance the Group's expertise and earnings visibility of the Group, apart from creating higher value for our shareholders.

2) Better management of business operations

The Group is currently focused on reducing its inventory (unsold properties) especially from the long-standing projects. The effort to cut inventory has been ongoing with the aim to enhance the Group's revenue and to reduce our holding costs. As at 30 June 2019, the Group's inventories (completed properties) stood at RM202 million as compared to RM125 million a year earlier. We will continuously engage in tactical revision of pricing for our inventories, offer special discounts and attach additional sales packages such as renovation or furnishing to make our inventories more attractive.

The focus on reducing inventories does not mean that the Group has pushed aside plans for new launches. While the Group is generally cautious about new launches, we intend to introduce new property projects based on our detailed analysis about the market demand. Our product offerings, which will be focused on the affordable price range, will be tailored towards the type of residential and commercial properties that are highly sought after by prospective buyers. The Group's first launch for FYE 2020 is Seiring Residensi, Phase 1 of Damaisuria, a mixed development township in Bukit Subang, Shah Alam.

In addition, the Group will also continue to cut unnecessary operational costs and make our operations more effective and efficient. The cost-savings will be channelled to operational segments where funds are more necessary and could yield higher multiplier effects such as digital advertisement expenditure.

3) Enlarging market share in Klang Valley, Sabah and Penang

Moving into FYE 2020, the Group will focus on its main markets in the Klang Valley, Sabah and Penang, with any new launches to be located in these regions. Our products will be market demand-driven at affordable prices and stellar quality. The Group hopes to further increase its market share in the Klang Valley, Sabah and Penang and position itself as a leading property player in these locations.

Tan Sri Dato' Lim Soon Peng
Group Managing Director

The Group's land bank in Klang Valley (78 acres) and Sabah (57 acres) are mostly prime lands strategically located near to notable local landmarks and public transportation hubs. The Group also holds 20 acres in Penang which will be developed and launched in the near future. Overall, we have approximately 155 acres of land which are expected to last us for the next 10 years. The potential GDV will be RM10 billion.

PROSPECTS FOR FYE 2020

The domestic property market will continue to brace challenges in FYE 2020, although some recoveries in terms of demand and property sales are expected by market experts. Despite the challenges, the industry will continue to see growth on the back of sustained household spending, the rise in population and the government's initiatives to boost home ownership in the country. The country's economy is expected to continue growing at a resilient rate amid, the USA-Chinese trade war, global growth slowdown and a weaker business sentiment. The World Bank forecasts the Malaysian economy to expand by 4.6% in 2019 and 2020. This will be positive for the property market as it will continue to spur demand among the population.

While the Group remains cautious of the current market conditions, we are confident to register a total sales value in excess of RM400 million in FYE 2020. The Group will remain focused on building properties that are affordable in nature as well as those priced below RM600,000. On top of this, our future developments will also depend on market response and data to help us navigate through the challenging property sector conditions. We will gradually develop our existing land bank of approximately 155 acres as the Group pursues to capture a bigger share in the local property development segment.

Supported by our strong competitive position and the consistent demand for the Group's residential properties, the long-term growth prospect remains positive. For FYE 2020, the Group will continue to focus on market-driven products with attractive price offering scheme to attract potential sales and unlock the value of its strategic landbank across the Klang Valley, Sabah and Penang.

APPRECIATION

The Group's success today and its reputation for high-quality properties were not built overnight. Instead it was the result of the commitment and support of all our stakeholders, both directly and indirectly. With such continued support, I am strongly confident that the Group will be able to weather the impacts from the property market slowdown and maintain its resilient performance. I would like to thank all clients, associates and shareholders of the Group for your unwavering faith and confidence in the Group. I would also wish to extend my appreciation to the Group's Board members, management team and all the employees for their strong and undivided commitment in creating a better direction for the Group. Moving forward into FYE 2020, the Group will strive to achieve a better performance amid the market challenges and continue to undertake good corporate governance and social responsibility.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE

The Financial Year Ended 30 June 2019 (FYE 2019) has marked a challenging operating environment for Malaysian businesses, especially in the property development scene. The slower pace of economic growth, weaker sentiment and the high unsold property units of many local property developers have posed headwinds on business performance. Amidst the challenges, Titijaya ("the Group") has managed to maintain a resilient financial and operational performance in FYE 2019. With the support of the management's strong leadership and business strategies, the Group has successfully surpassed its sales target of RM400 million for FYE 2019, amid the various ongoing challenges. This is also notably higher than the RM343 million sales recorded in the preceding year.

In FYE 2019, the Group recorded revenue of RM313 million mostly contributed by its property development segment, as compared to RM381 million in FYE 2018. The lower revenue was attributed to the completion of the H2O Project, the early stage of project progressive recognition for Neu Suites @ 3rdNvenue, The Shore @ Kota Kinabalu, The Riv @ Riveria City and the sales of inventories – completed properties mainly from Zone Innovation Park @ Klang. The property development segment alone contributed 99.7% or RM312 million in revenue to the Group.

The Group's other business segment namely other operations, which comprises rental collection, posted a revenue of RM827,000 in FYE 2019 as compared to RM1.04 million in the preceding financial year.

As for the Group's bottom line, the profit after tax was RM36 million in FYE 2019, a reduction of 50.68% year-on-year (y-o-y) from RM73 million in the previous financial year. This was mainly attributed to the decrease in other income, which was the one-time compensation received from the compulsory acquisition and temporary occupation of land.

The Group's gross profit margin continues to be at a healthy level of 31.40% in FYE 2019.

In order to maintain a resilient performance despite the challenges affecting the industry, the Group has embarked on some notable prudent cost-management initiatives in FYE 2019. As a result, the Group's administrative expenses declined by 14.84% y-o-y to RM25 million and other expenses of the business were reduced by 44.73% y-o-y to RM17 million in the 12-month period.

The Group continues to be supported by its sizeable land bank of 155 acres across Klang Valley, Sabah and Penang worth an estimated gross development value (GDV) of RM10 billion, expected to be developed within the next 10 years. Moving forward, the Group aims to develop more market-driven products with attractive pricing to unlock the value of its landbank. The Group also enjoys a healthy total unbilled sales of RM476 million as at end-June 2019, providing a good earnings visibility.

The Group's healthy cash and cash equivalent for FYE 2019 stood at RM137 million, contributed by the collections received from project progress.

Meanwhile, looking at the financial position, the Group's balance sheet remains sturdy on the back of an increase in net assets. The Group's current ratio also remains healthy at 1.84 times as at end-June 2019.

REVIEW OF BUSINESS AND OPERATIONS

The domestic property sector continued to see an increase in market vulnerabilities despite the high demand for properties, particularly in the affordable range segment. For context, despite fewer property launches in 2018, the level of residential property overhang in the country continued to rise. Nevertheless, the property segment continues to hold huge potential amid the ongoing challenges. Developers will be able to tap into the potentials in the industry by offering the right kind of property products at affordable prices, good quality and strategic locations that are highly-integrated to public transportation and amenities.

The property market slowdown has been further exacerbated by the difficulties faced by buyers to secure end-financing due to strict lending requirements by the Malaysian banks. In July 2019, Deputy Housing and Local Government Minister Raja Kamarul Bahrin Shah told the Parliament that the home loan rejection rates in Malaysia stand between 60% and 70%. This has hampered the ability of many Malaysians to buy properties despite the strong demand, especially among the young generation.

The impact of the market slowdown has affected all major developers across the board including the Group. However, the Group has been able to navigate through the challenging market conditions and was able to exceed its sales target of RM400 million in FYE 2019 thanks to its well-targeted product offerings.

The government's measures to drive home ownership among Malaysians have been instrumental in spurring the demand for the Group's properties. One such example is the Home Ownership Campaign, which has been extended up till December 31, 2019. The Group has witnessed an uptick in property purchases during the campaign period and expects to see continued interest from buyers led by the government's housing initiatives.

In FYE 2019, the Group has also benefited from its strategic partnerships, aimed at further increasing the Group's ability to position its products better in the market. The Group has collaborated with Japan-based Tokyu Land Corporation in developing the final block in H2O Residences, namely Mizu Residences. The serviced apartment project which has since been handed-over, features a 15-floor block of 300 units with a GDV of RM256 million. Moving forward, following the success of Titijaya-Tokyu Land partnership in Mizu Residences, the Group eyes to work together with Tokyu Land for our new projects.

In addition, the Group's successful alliance with CREC Development (M) Sdn Bhd, a subsidiary of China Railway Engineering Corporation, is also imperative in the ongoing development of 3rdNvenue at Jalan Ampang. The collaboration will allow the Group to leverage on CREC's long-built experience in the construction industry to enhance quality and project implementation as well as exchange knowledge and expertise in the real estate industry. The Group also expects to explore new opportunities to work together with CREC for future projects.

BUSINESS REVIEW BY PROJECTS

The Group's property offerings have continued to receive encouraging interest from our buyers and the public largely due to the strategic locations, innovations and unique design. At the Group, we remain focused on offering the dream homes of many Malaysians at attractive and affordable prices. In FYE 2019, the Group launched a project with a GDV of RM359 million namely The Riv @ Riveria City.

As for FYE 2020, the Group is set to launch property projects namely Newton @ 3rdNvenue (GDV: RM427million) and Aster & Adam (GDV: RM 37.5million) amid the challenging market conditions. The Group will be more cautious on new property launches over the 12-month period and will continue to focus on market-driven products with affordable pricing. The Group's first launch for FYE 2020 was the Tower A of Seiring Residensi, which is Phase 1 of Damaisuria.

The Damaisuria development, located at Subang, with total GDV of RM677 million comprises four towers of serviced apartments designed for an affluent and elegant lifestyle. Phase One, Seiring Residential, Tower A was launched in July 2019 with a GDV of RM214 million, offers a total of 370 residential units.

H20 RESIDENCES

The construction of the 6.04 acres H2O Residences project, in its totality, was completed in FYE 2019 and has received strong interest from buyers since its launch. It has a GDV of RM934 million offering 1,370 units across 4 blocks (Blocks A, C & D and Mizu). Block A, C & D has been 91% sold already.

H2O RESIDENCES

MIZU RESIDENCES

Meticulously designed to be an abode for the urban population, H20 Residences is just a short drive from the Kuala Lumpur city centre and neighbours many prominent townships such as Tropicana, Bandar Utama, Subang and Kota Damansara, among others.

The development is complemented by many facilities including sizable swimming pool with marine life display, wide spaces for exercise and other recreational activities as well as its green surroundings of gardens which have been thoughtfully landscaped to enhance the development. This is strengthened by active design, involving the mechanical and electrical components such as ventilation system, lift and light fittings to name a few. Situated amongst many leasehold properties in this premium locality and high-end neighbourhood, a freehold project like H2O Residences is certainly desirable and valuable. H20 Residences is a testament of the Group's commitment to offer a greater value proposition to its buyers.

3RDNVENUE

The unique H2O Residences in Ara Damansara is developed amid unprecedented aquatic environment and surrounded by unlimited urban amenities. Mizu, which is the final block of H20 Residences, comprises a 15-floor block of 300 units, with a gross development value of RM256 million. The Group had worked with Tokyu Land Corporation for the design, planning, construction, and promotional events of the development.

3RDNVENUE

The integrated mixed development project, has an estimated GDV of RM2 billion and is being developed in collaboration between the Group and its joint venture partner, CREC Development (M) Sdn Bhd. Sitting on a piece of land measuring 6.06 acres in the heart of the business and lifestyle district of Kuala Lumpur's City Centre, 3rdNvenue will have a total of four towers comprising 2,676 lifestyle office suites, serviced apartments and retail lots.

The idea behind 3rdNvenue was conceived as the Group was seeking to address the supply-demand gap for affordable housing for the young generation and the urban population of Kuala Lumpur. Targeting young professionals, entrepreneurs, and social high-flyers, 3rdNvenue fits the needs of the new generation, with its modern lifestyle units at affordable pricing. In essence, 3rdNvenue represents a unique benchmark of affordability.

3rdNvenue is easily accessed via AKLEH, Jalan Ampang, MRR2 and Jalan Tun Razak. Being only 4 stations away from KLCC (Golden Triangle) via Jelatek LRT Station & Dato Keramat LRT Station, it is a development which offers great connectivity and convenience.

Phase 1 of 3rdNvenue is Neu Suites consisting of lifestyle office suites, residential and lifestyle retail. Priced from RM300,000 for a 430 sq. ft unit, especially with a distance of only 3km from KLCC, buyers could choose between either 3-room suites and 2-room suites with a built-up of between 430 sq.ft. and 601 sq.ft.

Meanwhile, Phase 2 of 3rdNvenue is Newton Tower which consists of flexi layout serviced apartments. Situated close to a myriad of amenities such as hospitals, international schools, hotels and shopping malls, Newton Tower units come with a built-up of 701 sq.ft to 849 sq.ft. The tower has the conveniences for luxury living and a stylish abode, all nestled within just 3km from the central business district of Kuala Lumpur.

THE SHORE @ KOTA KINABALU

The Shore is a 1.82-acre luxury mixed-use commercial hub where home, office and resort suite are docked within a prime waterfront enclave of Kota Kinabalu. The development will be 25 storeys tall and comprises 627 units with built-ups ranging from 409 sq.ft. to 729 sq.ft, with prices starting from RM443,650. It will be the first full-fledged serviced residence in Kota Kinabalu.

The Ascott Ltd ("Ascott"), which is the world's largest international serviced residence owner-operator, will manage the serviced residence component of The Shore, known as Citadines Waterfront, for a contract period of 15 years. This also marks the vertical diversification of the Group in the hospitality and tourism segments.

Strategically located near to notable local landmarks such as the Bank Negara Building, Royal Malaysian Customs, Bukit Padang Hospital, Sabah Golf & Country Club, among others, The Shore is designed to create a new wave of lifestyle opportunities for the current multi-talented generation.

The nearby public transportation hub, i.e. Jesselton Point, offers ferry and speed boat services for the public and tourists to offshore locations such as Tunku Abdul Rahman Marine Park and Labuan. The recent increase in direct flights to Kota Kinabalu has created greater connectivity from various countries which promotes the tourism industry and ignites a vibrant business environment.

TAMAN SERI RESIDENSI @ KLANG

A stylish development located in the bustling suburb of North Klang, Taman Seri Residensi gives homeowners a choice of two-storey cluster villas in a gated and guarded compound, a two-storey link semi-D, or a single-story link semi-D in a landscaped community. With remaining GDV of RM198.5 million and located on a 21.78-acre land, the freehold development is prominently designed with a contemporary facade for a more authentically exclusive look. These light-filled homes offer comfort and ample space.

THE SHORE

TAMAN SERI RESIDENSI

This development comprises of 6 phases, where the first 4 phases are Fennel, Primrose, Roseville and Aster & Adam. To date, Fennel, Primrose and Roseville have been completed with a take up rate of 100%, 90% and 86% respectively. The 4th phase Aster & Adam is an upcoming launch and will consist of double-storey linked bungalows which are designed to enhance togetherness and quality living with its spacious concept.

RIVERIA CITY

PARK RESISENCY

Taman Seri Residensi is not only a family friendly neighbourhood that is well-connected by multiple upgraded highways, but it is also a safe and private enclave with a single entry and 24-hour security service. The residents can fully enjoy a life of privacy that is free from disturbance.

RIVERIA CITY @ KL SENTRAL

Riveria City is a joint development by the Group and Prasarana Integrated Development Sdn. Bhd., offering an exclusive urban work, home and lifestyle environment. The 11.2-acre mixed-development project with a GDV of RM1.5 billion is strategically located in KL Sentral in Kuala Lumpur and is easily accessible via roads and public transportation.

Riveria City will consist of retail shops, lifestyle office suites and serviced apartments, spread across 3 towers stretching as high as 54 storeys. Having direct access from Federal Highway as well as connected to 2 monorail stations, the development enjoys distinct advantage of being one of the best living and working address in the heart of the city.

It comprises one tower of office suites with a built-up area of 250 sq. ft. and 486 sq. ft. and two towers of serviced apartments. Construction of the first phase, namely The Riv, consisting of a 54-storey lifestyle office suite tower, has already begun in Q3 2018.

PARK RESIDENCY @ CHERAS

Located in Alam Damai, Cheras, the low density, gated and guarded Park Residency offers a total of 62 three-storey link-residences with each measuring 2,875 to 2,946 sq. ft. Surrounded by natural landscape in line with the Group's philosophy in preserving the natural environment, homes in Park Residency have three designs to choose from; with living room on the first floor to enjoy the spectacular views and well-ventilated living spaces.

The project, which is expected to be completed in the year 2021, sits on 5.25 acres of land with a total GDV of RM89.4 million. With a well thought out and luxurious layout, this development is just a short drive away from the various commercial, recreational, and educational amenities located in the southern fringe of Cheras. Residents of Park Residency will also enjoy great accessibility, with ease of connection to SILK Highway, Besraya and MRR2.

DAMAISURIA @ SUBANG

Set amid acres of lush greeneries and with its array of facilities, Damaisuria is an integrated township spread across 46 acres, where all the education, services, retail and entertainment needs are covered.

The development, which sits on a 46.2-acre land with an estimated GDV of RM948 million, offers exclusive properties at an affordable price range of RM380,000 and above. Damaisuria targets young urbanites who value nature and exclusivity. The mixed development township is designed with a concept of having a cheerful linear park in the heart of the development.

Seiring Residensi, which is Phase One of the Damaisuria development, was officially launched in July 2019. It comprises serviced apartments with four towers offering a selection of units with sizes ranging from 668 sq ft to 972 sq ft, with up to four bedrooms, with a GDV of RM677 million.

Well connected with major highways such as the Guthrie Corridor Expressway (GCE), North Klang Valley Expressway (NKVE) and the North-South Central Link, this freehold development offers exclusive yet affordable family living for those who are looking for urban living, modern leisure, workplace, and conveniences.

DAMAISURIA

SALES AND MARKETING INITIATIVES

Since 2015, the Group has unveiled a financing scheme called the HOPE programme to help the Group's loyal customers with their home loans. Under the scheme, the Group will help to provide a mortgage loan to purchasers to meet any financing gap in the home loan amount approved by banks. For example, if a bank approves a mortgage loan amounting to 70% to 90% of a house price, the Group's HOPE scheme will help to fund the remaining sum to purchasers. The repayment of the funding will take place before the completion of construction, so that the buyers will not be hampered by heavy loan repayment every month after handover of property.

In addition, the Group has ramped up its internal digitalisation initiatives in line with its aim to remain relevant in the current age of technology. The Group has turned its attention more on digital marketing avenues to attract young buyers and first-time home purchasers, apart from reaching a wider segment of target audience. On the back of its digital strategies, the Group's online or digital marketing is more than traditional marketing at a ratio of 70:30 as compared to only 50:50 before. As a result of this continued effort, it has been resulted an increase in online engagement from interested prospective buyers and members of the public.

The Group's various digital initiatives include the creation of a wider online or social media presence for customer discovery and searching of information, close monitoring or keeping checklist of buyers' required information and offering a handover system application with complaint/feedback function. Through the Group's upgraded mobile app 'PreSales Plus', the customers can further identify their preferred property packages such as furnishing styles and financing methods from a slew of choices - all done in the convenience of a smart phone in hand. The property buyers of the Group can access a variety of services via dedicated phone apps which are not offered by most Malaysian property developers.

RISK AND MANAGEMENT

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

PROSPECTS AND OUTLOOK

Moving into FYE 2020 and beyond, the Group is backed by unbilled sales of RM476 million which provide a good earnings visibility. The Group's growth is also supported by our sizeable land bank in strategic locations that will last us for the next 10 years. The potential GDV will be RM10 billion. Market experts have pointed out that the Malaysian property market has showed signs of bottoming out and is expected to improve from the second half of 2019 and onwards.

The domestic macroeconomic conditions are anticipated to remain resilient despite increasing concerns on recessionary threats. The Malaysian economic growth has surpassed market prediction in the first and second quarters of 2019 and is expected to continue growing at a similar momentum in the second half period. The World Bank has forecast the domestic gross domestic product to expand by 4.6% in 2019 and 2020 amid challenges from the US-China trade war, slower global growth and weaker sentiment.

Moving forward, while pockets of opportunities will continue to emerge in the market, the Group is in the opinion that FYE 2020 will remain challenging due to the weak market sentiment. However, the Group's long-term growth prospect remains positive based on a strong competitive position and consistent demand for the type of residential properties the Group has offered.

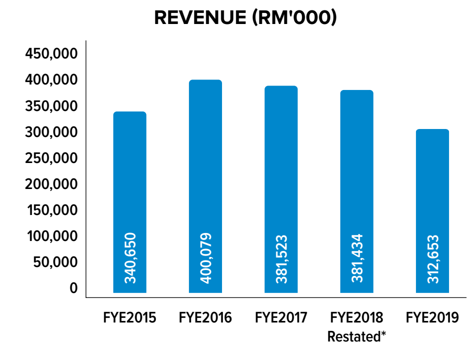
The Group will be more cautious in launching new properties for the financial year ending June 2020. The Group will also continue to focus on market-driven products with attractive price offering scheme to attract potential sales and unlock the value of its strategic landbank across the Klang Valley and Sabah. Our product offerings will always be focused on affordable units and those priced below RM600,000 as we strive to help more Malaysians achieve their hope to own their quality, dream home at an affordable price range.

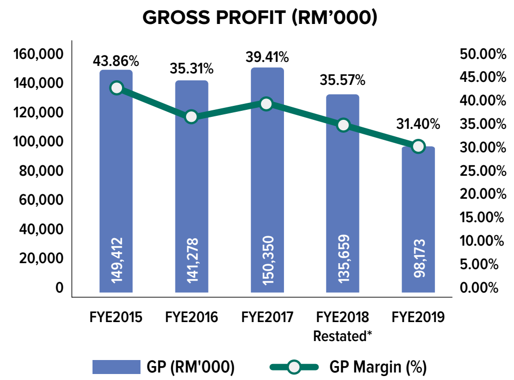
FINANCIAL HIGHLIGHTS

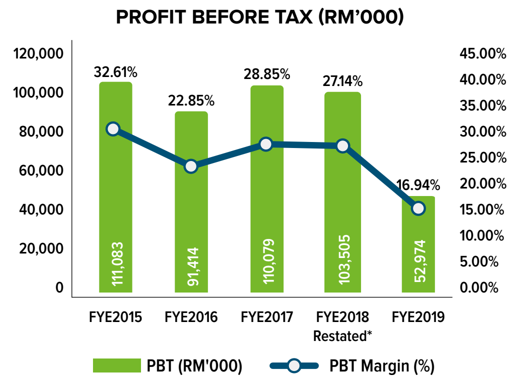
OUR FINANCIAL PERFORMANCE

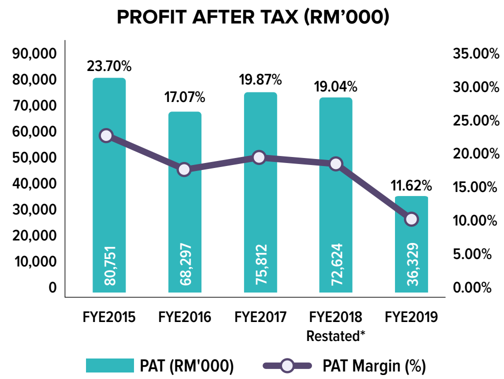
ANNUAL FINANCIAL RESULTS

	FYE 2015	FYE 2016	FYE 2017	FYE 2018 Restated	FYE 2019
Revenue (RM'000)	340,650	400,079	381,523	381,434	312,653
GP (RM'000)	149,412	141,278	150,350	135,659	98,173
PBT (RM'000)	111,083	91,414	110,079	103,505	52,974
PAT (RM'000)	80,751	68,297	75,812	72,624	36,329
GP Margin	43.86%	35.31%	39.41%	35.57%	31.40%
PBT Margin	32.61%	22.85%	28.85%	27.14%	16.94%
PAT Margin	23.70%	17.07%	19.87%	19.04%	11.62%
Net EPS (RM)	0.23	0.19	0.20	0.05	0.03









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

BOARD OF DIRECTORS

Datuk Nozirah Binti Bahari
Independent Non-Executive Director

Chin Kim Chung
Non-Independent Non-Executive Director

Lim Poh Yit
Deputy Group Managing Director

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

BOARD OF DIRECTORS
(CONTINUED)

Lim Puay Fung
Executive Director

Tan Sri Dato' Lim Soon Peng
Group Managing Director

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

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
Non-Independent Non-Executive Director

DIRECTORS' PROFILES

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

Chairman
Independent Non-Executive Director

Malaysian

Male

69 Age

Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired) ("Tan Sri Dato' Setia Mohd Anwar") (male) (Malaysian) aged 69, was appointed as the Chairman and Independent Non-Executive Director of the Company on 31 July 2014. He is also the Chairman of the Nomination Committee and Board Risk Management Committee of the Company. Besides that, he is a member of the Audit Committee of the Company.

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

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

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

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

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

Tan Sri Dato' Setia Mohd Anwar attended five (5) out of six (6) Board Meetings of the Company held during the financial year ended 30 June 2019.

TAN SRI DATO' LIM SOON PENG

Group Managing Director

Malaysian

Male

Age 64

Tan Sri Dato' Lim Soon Peng ("Tan Sri Dato' Lim") (male) (Malaysian) aged 64, is the Group Managing Director and was appointed to the Board on 24 September 2012. He is a member of the Remuneration Committee of the Company.

Tan Sri Dato' Lim left primary school in 1967 to assist in his family's trading business and after a few years, he ventured into construction and engineering activities.

In 1983, Tan Sri Dato' Lim started his property development business through Titijaya (M) Sdn. Bhd. and, in subsequent years, he progressively established the subsidiaries under the Titijaya Land Berhad to undertake new property development projects. As Founder and Group Managing Director of the Titijaya Land Berhad, Tan Sri Dato' Lim has been primarily responsible for its expansion and growth to where it is now.

Tan Sri Dato' Lim has accumulated more than forty (40) years of invaluable experience in the property development industry. He has received numerous personal and industry awards for his contributions and entrepreneurship as per the following:-

- 50 Hokkien Model Award & Excellence Award by The Federation of Hokkien Associations of Malaysia;
- 100 Prominent Outstanding Chinese Leaders by The Associated Chinese Chamber of Commerce & Industry (China);
- Malaysia Power Brand 2011 by Asia Entrepreneur Alliance Worldwide;
- The World's SMEs Best Brands (Non PLC) by Asia Pacific Brands Foundation;
- Certificate of Peace Korea Medal; and
- The Premier Brand ICON Leadership by Asia Pacific Brands Foundation.

Currently, he held several positions in numerous organisations as per the following:-

- President and Executive Advisor of World Lin Chamber of Commerce;
- Honorary President of Malaysia – China Chamber of Commerce;
- Permanent Honorary Advisor of The Federation of Chinese Associations Malaysia;
- Honorary Advisor of the Federation of Malaysian Surname Association;
- Executive Advisor of The Malaysia Tong Ann, Kinmen & Xiamen Association;
- President of Kuala Lumpur Basketball Association;
- Founder, Executive Advisor and Trustee of Malaysian Chinese Women Entrepreneurs Foundation;
- Founder and Trustee of Titijaya Foundation;
- Founder and President of Love & Care Charitable Association; and
- several other private limited companies.

Tan Sri Dato' Lim is the father of Lim Poh Yit, the Deputy Group Managing Director and substantial shareholder of the Company and Lim Puay Fung, the Executive Director and substantial shareholder of the Company.

Tan Sri Dato' Lim attended all six (6) Board Meetings of the Company held during the financial year ended 30 June 2019.

LIM POH YIT

Deputy Group Managing Director

Malaysian

Male

36 Age

Lim Poh Yit ("Mr. Lim") (male) (Malaysian) aged 36, is the Deputy Group Managing Director since 31 July 2014, and was appointed to the Board on 28 August 2012. Mr. Lim is also a member of the Board Risk Management Committee of the Company.

Upon graduating with a Bachelor of Computing Degree from Monash University, Australia in 2003, Mr. Lim joined the Group in 2004 as Business Development Executive undertaking project development feasibility studies, identifying suitable land banks and was also the personal assistant to Tan Sri Dato' Lim in the day-to-day management of the Group.

Mr. Lim has more than 15 years of experience in the property development industry. As the Deputy Group Managing Director, he is 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 Tan Sri Dato' Lim Soon Peng, the Group Managing Director and substantial shareholder of the Company and the brother to Lim Puay Fung, the Executive Director and substantial shareholder of the Company.

Currently, he is a commitee member of Real Estate Housing Developers' Association ("**REHDA**") Selangor and he holds directorships in Titijaya Foundation and a number of private limited companies.

Mr. Lim attended all six (6) Board Meetings of the Company held during the financial year ended 30 June 2019.

LIM PUAY FUNG

Executive Director

Malaysian

Female

Age 39

Lim Puay Fung ("Charmaine Lim") (female) (Malaysian) aged 39, is the Executive Director of the Company and was appointed to the Board on 24 September 2012.

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

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

In more than 15 years of experience in the property industry, Charmaine Lim has created and executed marketing campaigns for numerous projects. As the Executive Director, she is responsible for the Group's Sales & Marketing, Property Management & Leasing Division. She has received an award for her entrepreneurship, e.g. The 100 Most Influential Young Entrepreneurs 2016.

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

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

Charmaine Lim attended all six (6) Board Meetings of the Company held during the financial year ended 30 June 2019.

DATUK SERI CH'NG TOH ENG

Independent Non-Executive Director

Malaysian

Male

62 Age

Datuk Seri Ch'ng Toh Eng ("Datuk Seri Ch'ng") (male) (Malaysian) aged 62, is an Independent Non-Executive Director of the Company and was appointed to the Board on 24 September 2012. Datuk Seri Ch'ng is the Chairman of the Remuneration Committee and a member of the Audit Committee, Nomination Committee and Board Risk Management Committee of the Company.

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

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

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

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

Datuk Seri Ch'ng attended all six (6) Board Meetings of the Company held during the financial year ended 30 June 2019.

DATUK NOZIRAH BINTI BAHARI

Independent Non-Executive Director

Malaysian

Female

Age 63

Datuk Nozirah Binti Bahari ("Datuk Nozirah") (female) (Malaysian) aged 63, is an Independent Non-Executive Director of the Company and was appointed to the Board on 25 September 2017. She is also the Chairman of the Audit Committee and a member of the Board Risk Management Committee of the Company.

Datuk Nozirah holds a Bachelor's Degree in Social Science (Hons) in Urban Studies from University of Science Malaysia and a Diploma in Public Administration from the Institute of Public Administration (INTAN). She has also attended several management programmes such as the Advanced Management Programme in Harvard Business School and the Global Leadership Development Programme organised by the International Centre for Leadership in Finance.

She started her career as an Assistant Secretary in the Finance Division in the Ministry of Finance Malaysia. Over the years, she has served in various other ministries including the Ministry of Health, Ministry of Agriculture and the Prime Minister's Department (MAMPU Branch Office in Sabah). Datuk Nozirah was the Deputy Secretary General (Management) of the Ministry of Finance Malaysia before she was appointed as the Chairman of Cradle Fund Sdn. Bhd., an agency under the Ministry of Finance that manages the Cradle Investment Programme which offers funding for development and commercialisation of technology ideas. She was also on the Board of Private Pension Administrator, a body approved by the Securities Commission Malaysia to oversee and promote the growth of the industry, create general awareness and educating the public on Private Retirement Schemes (PRS) as well as protecting members' interests.

Currently, Datuk Nozirah holds directorship in Bintulu Port Holdings Berhad and MyWin Academy Berhad.

Datuk Nozirah attended five (5) out of six (6) Board Meetings of the Company held during the financial year ended 30 June 2019.

TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR

Non-Independent Non-Executive Director

Malaysian

Male

71 Age

Tan Sri Syed Mohd Yusof bin Tun Syed Nasir ("Tan Sri Syed") (male) (Malaysian) aged 71, is a Non-Independent Non-Executive Director of the Company and was appointed to the Board on 3 October 2014. Tan Sri Syed is a member of the Nomination Committee of the Company.

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

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

Currently, Tan Sri Syed is the Chairman of YLI Holdings Berhad, a company listed on Bursa Securities.

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

Tan Sri Syed attended five (5) out of six (6) Board Meetings of the Company held during the financial year ended 30 June 2019.

CHIN KIM CHUNG

Non-Independent Non-Executive Director

Malaysian

Male

Age 55

Chin Kim Chung ("Mr. Chin") (male) (Malaysian) aged 55, is a Non-Independent Non-Executive Director of the Company. Mr. Chin was appointed to the Board on 24 September 2012.

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

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

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

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

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

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

Mr. Chin attended all six (6) Board Meetings of the Company held during the financial year ended 30 June 2019.

Notes:-

Save as disclosed, none of the Directors has:-

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

SENIOR MANAGEMENT TEAM PROFILES

1 **Tan Kian Whoo**
Group Chief Financial Officer

2 **Teh Kian Joo**
Senior General Manager of Property Development and Project Department

3 **Chong Swee Hoe**
General Manager of Property Development and Project Department

4 **Ng Che Chin**
Assistant General Manager of Contracts and Administration Department

5 **Yap Lay Ching**
Assistant General Manager of Marketing and Sales Department

TAN KIAN WHOO

Group Chief Financial Officer

Malaysian

Male

43 Age

Tan Kian Whoo ("Edmund") (male) (Malaysian) aged 43, is the Group Chief Financial Officer and was appointed by the Company on 1 September 2014. He is responsible for developing the Company's financial strategy, treasury planning, risk management operation and ensuring prudent financial reporting for the Company. He is also involved in the Company business strategy and structural planning.

Edmund graduated from University of Technology Sydney, Australia with a Bachelor of Business Degree in Accounting and Finance. He holds a professional qualification as Certified Practising Accountant, Australia (CPA) and is also a member of the Malaysian Institute of Accountants (MIA).

Edmund started his career in 2000 as an Auditor in Ernst & Young and subsequently ventured into the property development industry in 2006. He has been previously employed by a number of public listed companies in Malaysia including MK Land Berhad, Nam Fatt Corporation Berhad and Glomac Berhad.

Edmund has over nineteen (19) years of accounting and finance experience in the property development industry.

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

Edmund had on 11 October 2019 relinquished his position as Group Chief Financial Officer of Titijaya Land Berhad to pursue other career opportunity. His position has been replaced by Mr. Tan Chee Leng (male) (Malaysian), aged 52, who has more than thirty (30) years of experience in auditing, accounting and finance.

TEH KIAN JOO

Senior General Manager of Property Development and Project Department

Malaysian

Male

54 Age

Teh Kian Joo ("Mr. Teh") (male) (Malaysian) aged 54, was appointed as the General Manager of the Property Development and Project Department on 1 June 2015 and was promoted to the post of Senior General Manager on 1 December 2017. After graduating with a Bachelor of Science (Building) from the University of Newcastle, Australia, he then obtained the Master of Business Administration in Construction Management from Warnborough University, United Kingdom.

Mr. Teh has more than thirty (30) years of working experience in Low-rise to High-rise residential and commercial building in the property development industry. He has served at various companies, with Masalam Sdn. Bhd., MBF Property Services Sdn. Bhd., SunwayMas Sdn. Bhd., Nam Fatt Corporation Berhad and Glomac Berhad.

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

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

CHONG SWEE HOE

General Manager of Property Development and Project Department

Malaysian

Male

44 Age

Chong Swee Hoe ("Shawn") (male) (Malaysian) aged 44, is the General Manager for Property Development and Project Department. He began his tenure with the Group on 1 November 2016. He holds a Bachelor of Planning and Design from University of Melbourne and a Bachelor of Architecture from University of Melbourne. He is a corporate member of the Pertubuhan Akitek Malaysia and a registered Architect of the Board of Architects Malaysia.

Shawn has more than nineteen (19) years of working experience in several industries namely, designing, property development and construction. Before joining the Group, he served in various job segments such as architectural design and consultancy and project management in ArchiCentre Sdn. Bhd. from 2001 to 2003 and in Garis Architects Sdn. Bhd. from 2003 to 2007. Later, from 2007 to 2016, he worked with Modular Construction Technology Sdn Bhd (now known as MCT Bhd), a property development company, where he has overseen various projects for planning and managing the development.

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

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

NG CHE CHIN

Assistant General Manager of Contracts and Administration Department

Malaysian

Female

43 Age

Ng Che Chin ("Ms. Ng") (female) (Malaysian) aged 43, is the Assistant General Manager for the Contracts and Administration Department. She has been with the Group since 2 August 2004. She holds a Bachelor of Science in Construction Management from Heriot-Watt University, United Kingdom.

Ms. Ng has more than twenty two (22) years of working experience in the construction industry. Before joining the Company, she served as an Assistant Quantity Surveyor in Pembinaan Mitrajaya Sdn. Bhd., a wholly owned subsidiary of Mitrajaya Holdings Berhad and as a Quantity Surveyor in Titijaya Construction Sdn. Bhd..

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

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

YAP LAY CHING

Assistant General Manager of Marketing and Sales Department

Malaysian

Female

41 Age

Yap Lay Ching ("Regine") (female) (Malaysian) aged 41, is the Assistant General Manager for Marketing and Sales Department. She has been with the Group since 24 April 2006. She holds an Advanced Diploma in Business Studies from Sepang Institute of Technology, Malaysia and a Graduate Diploma in Management Studies from the Institute of Commercial Management, England.

Regine has more than eighteen (18) years of working experience in planning, organising, preparing, and arranging sales, as well as implementing marketing strategies. Prior to working with the Group, she served as a Senior Marketing Executive in both WCT Land Sdn. Bhd., a wholly owned subsidiary of WCT Holdings Berhad and Mah Sing Group Berhad. She has been involved in the planning of a few major township projects namely Bandar Bukit Tinggi 1 and 2 and Bandar Parklands by WCT Land Sdn. Bhd. and Aman Perdana, Klang by Mah Sing Group Berhad.

Regine is responsible for overseeing the marketing and sales departments in the Company.

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

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

SUSTAINABILITY STATEMENT [102-1]

This statement presents Titijaya Land Berhad's ("Titijaya" or "the Group") approach and progress towards achieving sustainability in our business operations, together with key highlights and achievements in the financial year 2019 ("FY2019"). We provide both qualitative and quantitative information on the Group's governance, economic, environmental and social performances that represent our commitment to sustainable development.

SCOPE AND BOUNDARY [102-2, 102-3, 102-4, 102-46, 102-50]

The scope of this statement covers Titijaya headquarters in Subang Jaya, Selangor and its development projects:

The four development projects selected showcase our sustainability performance at different stages of our project life cycle, i.e. pre-development (newly launched project), during development (ongoing projects) and post-development (completed project) and thus provide our stakeholders a perspective on how sustainability is embedded into our operations.

All information provided in this statement is applicable for the period from 1 July 2018 until 30 June 2019, unless specified otherwise.

REPORTING FORMAT

This statement was prepared in reference to the Bursa Malaysia Securities Berhad ("Bursa") Main Market Listing Requirement relating to Sustainability Statements and Bursa Sustainability Reporting Guide 2nd Edition ("the Guide"). The contents of this statement are in line with the Global Reporting Initiative ("GRI") Standards – Core Option. Where applicable, the GRI indicator numbers, denoted in parenthesis next to the main titles throughout the statement, reference the specific disclosure of the standards.

LIVING OUR VALUES FOR SUSTAINABILITY

The mark of Titijaya's commitment to sustainability is the development of a dedicated policy for sustainability. Our Sustainability Policy ("Policy") forms the guiding principles that will enable us to enhance our sustainability performance. The Policy is in alignment with the Group's Vision, Mission and Core Values which are at the heart of our business.

102-1: Name of the organization
102-2: Activities, brands, products and services
102-3: Location of headquarters
102-4: Location of operations
102-46: Defining report content and topic boundaries
102-50: Reporting period

We are strongly committed to:

- Continuously engage with relevant stakeholders to address and manage their concerns and expectations of the Company;
- Deliver sustainable economic growth and returns to our investors and enrich the local economy;
- Deliver products and services of the best quality to meet or exceed customers' expectation;
- Minimise environmental impacts to areas within and adjacent to our developmental areas;
- Comply with applicable laws and regulations;
- Provide a safe and healthy workplace for all of our employees, including those who are directly employed by the Company as well as those who work in any of our premises and construction sites;
- Develop knowledge, skills and abilities of our employees to increase awareness and understanding of local industry;
- Ensure fair treatment to all of our employees regardless of gender, age, ethnicity, nationality and religion; and
- Contribute to local communities and assist them in improving and enhancing their socio-economic status.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Megatrends like climate change, urbanisation, demographic change, globalisation and digitalisation are stimulating change in our world, all of which need to be driven toward a more sustainable future. The aim is to improve the peace, prosperity and quality of life of all people without compromising the planet. To globally strive towards sustainable development, 193 UN member states adopted the Agenda 2030 and its 17 Sustainable Development Goals (SDGs), which came into effect in January 2016.

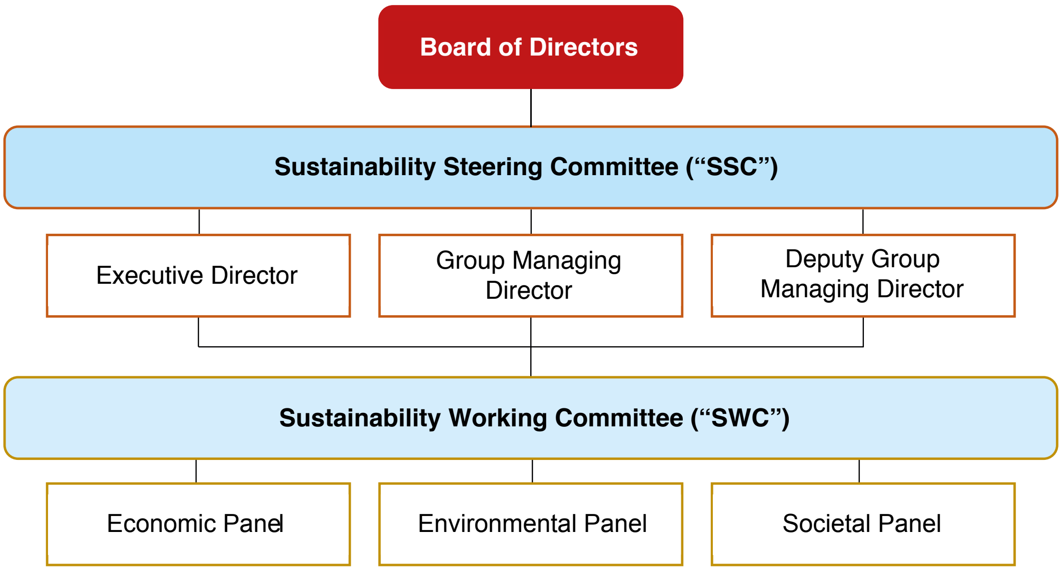
Malaysia has adopted Agenda 2030 and the 17 SDGs. As a corporate citizen, it is our responsibility to contribute to the agenda by aligning our initiatives with SDGs that are most relevant to our operations.

OUR SUSTAINABILITY GOVERNANCE [102-18]

Strong governance structures and clear lines of accountability enable us to deliver our commitment towards sustainable development. To this end, we have established a three-tier sustainability governance structure in order to steer sustainability journey across the Group.

102-18: Governance structure

Our Board of Directors ("BOD") head the Sustainability Governance structure and they are supported by Management Sustainabilty Committee which consists of Sustainability Steering Committee ("SSC"). The SSC, comprising senior management including the Executive Director, Group Managing Director and Deputy Group Managing Director, is responsible for reporting to the BOD on the progress of initiatives put in place, identifying risks and recommending sustainability approaches to the Group. The SSC is assisted by the Sustainability Working Committee ("SWC") which comprises three panels representing the pillars of sustainability which are Economic, Environmental and Societal. The SWC plays a vital role in the operationalization and execution of sustainability strategies and initiatives and reporting of progress to the SSC.



Board of Directors

- Provides direction on sustainability agenda for the Group
- Oversees overall sustainability strategies and initiatives implementation by the SSC and SWC
- Provides approval for matters pertaining to sustainability such as strategies, policies, sustainability statement

SSC

- Reports overall sustainability progress to the BOD
- Seeks approval from the BOD for implementation of sustainability initiatives as recommended by the SWC
- Monitors progress of sustainability initiatives implemented by the SWC
- Advises on matters pertaining to implementation of sustainability initiatives

SWC

- Identifies material sustainability matters relevant to the Group
- Implements sustainability initiatives
- Monitors and reports the overall sustainability progress to the SSC
- Recommends potential sustainability initiatives for implementation
- Highlights achievement, challenges and limitations in implementation of sustainability initiatives

ENGAGING OUR STAKEHOLDERS [102-42, 102-43, 102-44]

We believe that sustainability is not only focusing on achieving profitable and stable business, but it is also about reaching out to stakeholders who have interests and concerns about the Group. In achieving sustainability for the Group, we keep constant communication with all of our stakeholders, to ensure that any changes are communicated and, challenges raised are addressed and resolved.

Therefore, we have identified our stakeholders, their areas of interest, how we engage with them, how frequent the engagement takes place and how we address their concerns in order to assist us in meeting and exceeding our stakeholders' expectations towards the Group.

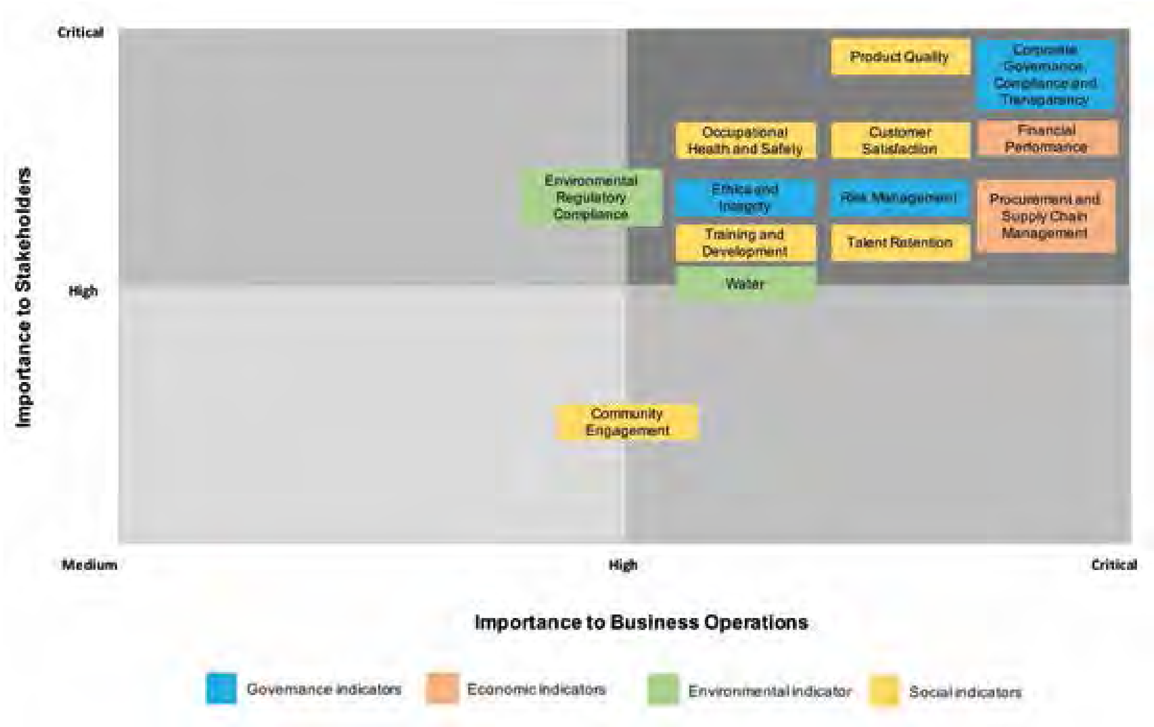
Stakeholder	Areas of Interest	Methods of Engagement	Frequency of Engagement	How we address the issues (Material Sustainability Matters)
INVESTORS	• Financial performance • Business strategy • Stable income distribution	• Investor seminars • Annual General Meetings • Annual reports • Bursa and Website Announcement	• Quarterly • Annually • Annually • As and when required	• Financial Performance • Risk Management
CUSTOMERS	• Efficient complaints resolution • Customer-company relations • Safety and security • Product quality	• Customer appreciation and loyalty program • Newsletter and website • Feedback sessions and surveys • Community and networking events • Certification • Customer Care Portal	• As and when required • 3 times a year • Upon vacant possession • During festive season • As and when required • As and when required	• Customer Satisfaction • Community Engagement • Product Quality
EMPLOYEES	• Performance management • Learning and development • Ethics and integrity • Remuneration	• Staff appraisal • Training programmes • Circulation of internal policies • Staff survey and activities • Company's newsletter • Get together event	• Biannually • As and when required • As and when required • Annually • Biannually • Annually	• Talent Retention • Training and Development • Ethics and Integrity
SUPPLIERS, VENDORS, CONTRACTORS, SALES AGENTS	• Transparent procurement practices • Payment schedule • Pricing of services • Health, Safety and Environment (HSE) compliance • Timely completion and delivery	• Evaluation and performance reviews • Site inspection • Networking • Company's newsletter • Consultant / contractor Meeting • Sales Agency Meetings	• Annually • Monthly • As and when required • Biannually • Fortnightly • Monthly	• Procurement and Supply Chain Management • Occupational Health and Safety
REGULATORY BODIES	• Compliance and adherence • Security and safety issues • Transparency and accountability • Environment impacts • Public issues • Labor practices	• Site Inspection by local authority • Corporate Governance • Meetings with local regulators	• As and when required • Annually • Monthly	• Corporate Governance, Compliance and Transparency • Environmental Regulatory Compliance

102-42: Identifying and selecting stakeholders
102-43: Approach to stakeholder engagement
102-44: Key topics and concerns raised

MATERIAL SUSTAINABILITY MATTERS [102-47]

Material Sustainability Matters refer to economic, environmental and social ("EES") risks and opportunities which are important for both our business operations and our stakeholders. Sustainability matters for an organisation can be wide ranging, therefore identification and prioritisation of material sustainability matters relevant to the Group is needed. In identifying and prioritising the material sustainability matters for Titijaya, we conducted a materiality assessment in FY2018 with the SWC in the workshop mode. The key steps involved in the materiality assessment are summarised as below.

Using the materiality assessment process described above, the outcome was illustrated in the form of a matrix.



The material sustainability matters were then linked to our relevant stakeholders, the GRI indicators and SDG.

102-47: List of material topics

Ethical and Transparent Business Practices

We uphold the highest standards of ethical and transparent business practices in ensuring sustainable business journey.

Material Sustainability Matters
- Corporate Governance, Compliance and Transparency
- Risk Management
- Ethics and Integrity

Relevant GRI Indicators
General Disclosures

Relevant Stakeholders
Employees, Regulatory Bodies, Investors

Enriching Local Economy

We are committed towards ensuring good returns to investors and at the same time flourishing the local economic outlook by providing job opportunities to local societies.

Material Sustainability Matters
- Financial Performance
- Procurement and Supply Chain Management

Relevant GRI Indicators
Economic Performance, Procurement Practices

Relevant Stakeholders
Investors, Employees, Suppliers, Vendors, Contractors, Regulatory Bodies

Environmental Responsibility

We strive towards minimizing our business impacts on the environment by ensuring our compliance to regulations set by relevant regulatory bodies.

Material Sustainability Matters
- Water
- Environmental Regulatory Compliance

Relevant GRI Indicators
General Disclosures

Relevant Stakeholders
Employees, Regulatory Bodies, Investors

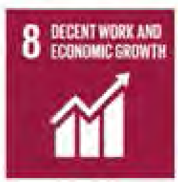
Strengthening Relationships

We aspire to building and maintaining close relationships with our customers, societies and employees.

Material Sustainability Matters
- Product Quality
- Customer Satisfaction
- Talent Retention
- Occupational Health and Safety
- Training and Development
- Community Engagement

Relevant GRI Indicators
General Disclosures, Occupational Health and Safety, Employment, Training and Education, Local Communities

Relevant Stakeholders
Customers,
Employees,
Contractors,
Regulatory Bodies,
Local Communities



ETHICAL AND TRANSPARENT BUSINESS PRACTICES

CORPORATE GOVERNANCE, COMPLIANCE AND TRANSPARENCY [102-26, 102-29, 102-32, 102-35, 419-1]

Our highest governance body, the BOD, takes into consideration of the environmental, social and governance impacts when developing Titijaya's corporate strategy. The Board also formally reviews and approves Titijaya's sustainability report to ensure that relevant material topics are covered.

We report our Corporate Governance Overview Statement from page 52 to 64 to perpetuate our value in upholding transparency. We have in place a Remuneration Framework and Policy ("Remuneration Policy") to provide an appropriate level of transparency to ensure the policy underlying Directors' and Senior Management's remuneration is understood by investors and shareholders. The Remuneration Policy consists of detailed remuneration components including fixed salary and fee, bonus and other benefits and allowances.

As a reputable property developer, Titijaya's governance entails us to adhere to various national regulations and standards in order to maintain our licence to operate, retain trust from stakeholders, and avoid adverse consequences.

We abide by the rules, guidelines and parameters set in the Real Estate and Housing Development Laws which include the National Land Code (Act 56) 1965, Malaysian Construction Industry Development Board Act 1994, Housing Development (Control and Licensing) Act 1966, Strata Titles Act 1985 and Strata Management Act 2013. We follow the regulations to a number of environmental compliances including Environmental Quality Act 1974 (and its Amendments) and social compliances like Employment Act 1955 and Occupational Safety and Health Act 1994. In FY2019, the Group recorded zero non-compliances.

RISK MANAGEMENT [102-30]

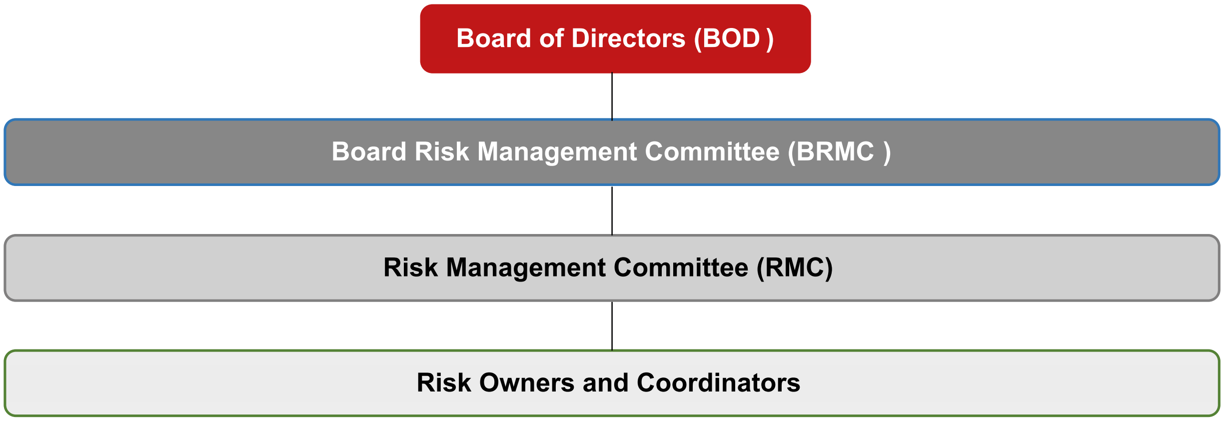
Risk management is a crucial component in a company in ensuring business sustainability. With uncertainties in economic market and unexpected events, businesses have renewed focus onto managing risk. Ability to manage business risk will help the company to stay robust when facing potential business challenges.

Titijaya recognises various risks relevant to property development industry such as volatile economic condition, safety of workers, company resources and brand image, among others. Therefore, we have established our Board Risk Management Committee ("BRMC") to review and deliberate on the Company risks which are identified and assessed by the Risk Management Committee ("RMC").

The BRMC is assisted by the RMC which is established at the management level. The RMC is responsible for formulating a risk management policy, monitoring its implementation, ensure principle risks are identified with appropriate control measures in place, and periodically submit report to the BRMC. The RMC is assisted by Risk Coordinator ("RC") and Sub-committee ("SC") representing key departments in Titijaya. The RC is responsible for ensuring continuous communication and facilitating risk assessment and implementation, whereas SC is responsible for identification and management of risk.

The BRMC, RMC and RC meet and report to their respective committees, three times a year.

102-26: Role of highest governance body in setting purpose, values, and strategy
102-29: Identifying and managing economic, environmental, and social impacts
102-30: Effectiveness of risk management processes
102-32: Highest governance body's role in sustainability reporting
102-35: Remuneration policies
419-1: Non-compliance with laws and regulations in the social and economic area



ETHICS AND INTEGRITY [102-16, 102-17]

Titijaya upholds the highest standard of ethics and integrity from its employees, management and directors. We aspire to conduct businesses in an ethical, responsible and transparent manner. We believe that ethical behaviour is the foundation for a continuous positivity in a company which includes attracting and retaining talents and building and, maintaining brand reputation in the industry.

We take any unethical practices seriously and prohibit malpractices such as fraud, corruption, abuse of position, sexual harassment and conflict of interest, among others. If any improper conducts are witnessed, particular individual(s) are required to report via the whistleblowing platform.

Titijaya has established a Whistleblowing Policy which aims to allow employees, contractors, stakeholders or any individuals to report any malpractices on a confidential basis. This is important to ensure rights of the reporting parties are protected and corrective actions can be conducted fairly. We recorded zero request and/or reports on unethical behaviour during the reporting period.

On the other hand, we also provide an avenue for any grievances faced by our employees due to discontentment or dissatisfaction. Any grievances, wherever possible is to be resolved at employee and his immediate superior level, however, if no resolution is found, an employee may bring the matter to the attention of our Human Resources Department. Titijaya is committed towards providing fair treatment to all employees and ensures that the employee feels secure and safe in the workplace.

Policies, codes and mechanisms relating to ethical behaviour at the workplace are included in our Employee Handbook and communicated to employees in awareness and induction programmes.

102-16: Values, principles, standards, and norms of behaviour
102-17: Mechanism for advice and concerns about ethics

ENRICHING LOCAL ECONOMY

OUR FINANCIAL PERFORMANCE [201-1, 201-2]

Economic performance is a top priority at the Company, as well as for our stakeholders. To ensure that Titijaya is performing at optimized levels, a number of measures are taken to identify potential risks the Company may face. As such, the appropriate risk management plans and processes have been established to handle such sensitive issues. For a more comprehensive view of our economic performance, please refer to page 21 of this annual report.

With the rapid rise of climate change, we must be able to foresee the risks that will impose to our business operations. Being a property development company, we are directly involved in working with the environment on a daily basis. As such we must be well prepared and anticipate risks and changes regarding the environment in the current climate. Such risks include incidents of flash floods and landslides caused by severe thunderstorms and heavy rain. This will greatly affect the stability of natural and engineered slopes which as consequence can result in landslides.

Under such harsh environmental circumstances, our worksite operations will be unable to continue, until the weather permits appropriate working conditions. This impedes progress and requires us to put in additional resources, such as extra work hours with paid overtime, in order to meet the expected completion deadline. Operational revenue will be affected as more expenditure will be incurred in implementing the necessary corrective actions of these risks.

Our method in assessing risk and opportunities involves conducting client-consultant meetings to identify preventative measures to implement throughout the project period.

As we achieve economic success, we believe that the wealth of resources should be spread to our local communities to support their growth. It is through such efforts of inclusion can we achieve a sustainable environment where all are able to prosper. As such, we make donations to several of our local communities, organisations, and social programmes to foster a stronger community. Our contributions in FY2019 included 46 different organisations and communities which amounted to a total of RM1,218,094 in the form of cash donations.

PROCUREMENT & SUPPLY CHAIN MANAGEMENT [204-1]

A major aspect of sustainable management is identifying the types of impacts of our procurement practices and supply chain management. We recognise the importance of sourcing locally to benefit the economy and contribute to its stability. By procuring

204-1: Proportion of spending on local suppliers locally, we provide job opportunities to local suppliers and vendors and prevent environmental impacts of sourcing externally (e.g. increasing our carbon footprint).

To ensure that the acquisitions of our resources meet the appropriate standards, the tender procedures involve a thorough assessment of the potential contractors. The purpose of conducting a meticulous process is to ensure that the appointed contractors possess the necessary capabilities, and furthermore it ensures the selection of competitive tendered.

60%
of procurement budget spent on local suppliers

For all our projects, at least 60% of the procurement budget is spent on local suppliers as explicitly stated by the local council. We continue to seek opportunities for local procurement that reinforces our dedication to sustainability as well as bolstering efforts towards nation building.

ENVIRONMENTAL RESPONSIBILITY

COMPLYING TO ENVIRONMENTAL REGULATIONS [307-1]

Compliance to environmental regulations is one of the top priorities for both internal and external stakeholders of the Group. To meet these expectations, we comply to the necessary regulations to ensure that the required measures are taken to reduce our impacts to the environment. Listed are examples of the various mandatory regulations that we comply with.

Meeting compliance standards is non-negotiable and therefore we hold regular audits, inspections, and reporting to ensure that our business operations are within regulations. Furthermore, not complying to the outlined laws will incur serious consequences. This includes the Group being penalised by the relevant authorities. To prevent such incidents, we remain attentive in keeping abreast any changes made to regulations regarding the Group's business operations. Awareness and training is provided to staff if there have been any updates made to the required regulations.

WATER STEWARDSHIP

The Group does its best to monitor the consumption of scarce resources such as water by identifying different initiatives in reducing our impact. One of our contribution is to design our properties with sanitary flushing systems, such as the Duo-way sanitary system, that helps to reduce excessive water use. Such systems not only conserve water but also reduce the amount that owners need to pay for their water bills.

307-1: Non-compliance with environmental laws and regulations

STRENGTHENING RELATIONSHIPS

MEETING CUSTOMER EXPECTATIONS [102-43]

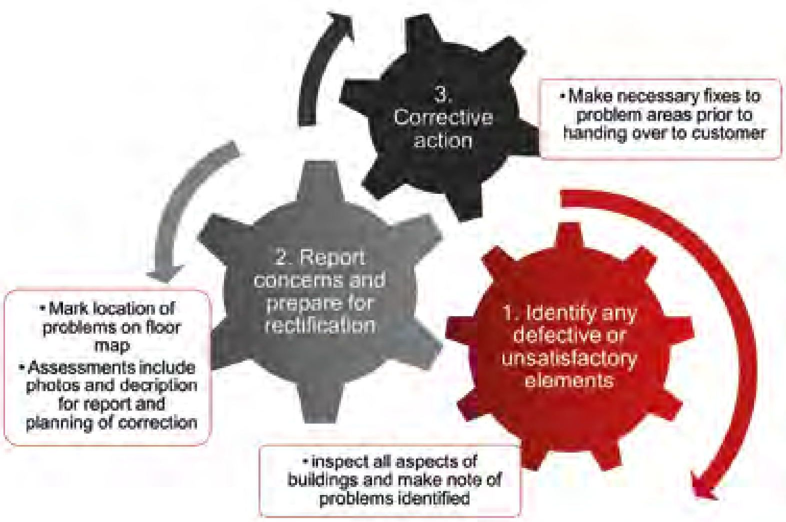
Customer satisfaction is imperative to the success of a business and therefore we encourage our customers to voice their opinions and to provide feedback so that we are able to further improve our products and meet stakeholder expectations. We believe that open communication can achieve effective relationship management and build our brand image and reputation within the industry. It is our goal to be the top trusted property developer and to have customers returning for future projects.

Customer complaints are dealt with through a process in which our team records and monitors the status of each complaint to ensure a timely response to the customer. We distribute a Defect Rectification Form (DRF) to purchasers during the handing over of units, to carry out defects inspection. The inspection areas cover external finishes such as apron and perimeter drain, car park and roof, and internal finishes which are floor, wall, ceiling, door, window and fixtures. We recorded the highest defects reports for the H2O Residences on the door and wall finishing. Nevertheless, we continuously strive to rectify the reported defects by ensuring timely response and proper rectification to meet our customer expectations.

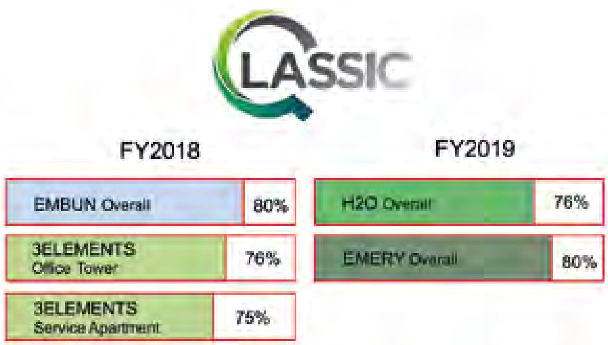
Moving forward, we plan on conducting customer satisfaction surveys in order to receive ample feedbacks and identify areas for improvement for our future properties. This will allow defects to be recorded onto the system in order to expedite rectification works during the defect liability period.

DELIVERING QUALITY PRODUCT

Titijaya takes pride in the construction of all its properties, ensuring that stakeholder expectations are met through quality assurance. To demonstrate the quality of our products, we adopt the use of examinations and certifications that determine the condition of our buildings. These methods include the Quality Assurance certification to highlight the quality and provide customers the confidence in our buildings. The conduct of pre-delivery inspections is standard at all property sites before handing them off. This enables the Group to thoroughly identify if any corrective measures are required so that the final product is up to standards.



In the construction industry, third-party quality assessments can be used in determining the overall condition of a building. QLASSIC is a quality assessment standard developed by the Technical Committee on Quality Assessment with the assistance of the Construction Industry Department (CIBD). The assessment uses sampling and statistical analysis to determine the score of the workmanship, based on the required standard i.e., Construction Industry Standard (CIS 7:2006). Listed are the QLASSIC scores for our buildings from 2018 and 2019.



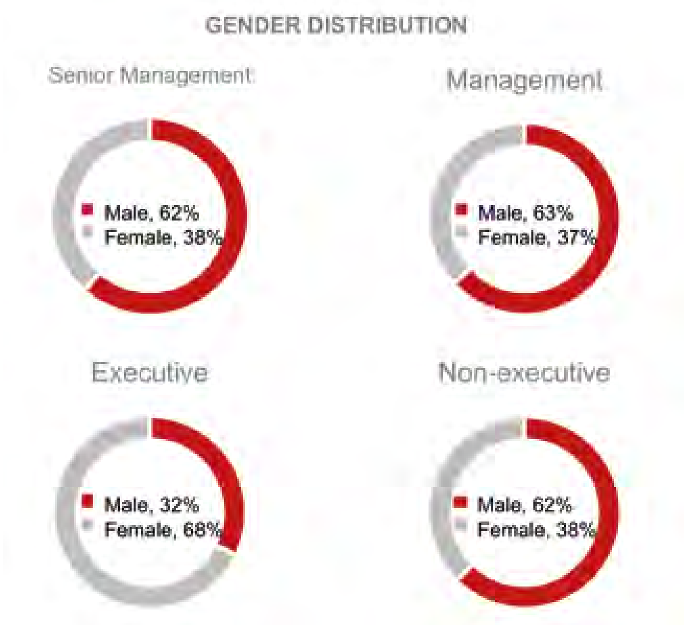
102-43: Approach to stakeholder engagement

WORKPLACE DIVERSITY [405-1, 405-2]

With a total of 113 employees, Titijaya is dedicated to create and maintain a positive employee culture. We believe employee engagement is crucial to the long-term sustainability of our business. Thus, we encourage the hiring of a diverse workforce from different backgrounds, age and ethnicity to foster a united and cooperative culture.

Our entire workforce is composed of local Malaysian residents with a men to women ratio of 0.8:1.

The largest age group in the Group makes up 67% of the total employees, in which they are aged 30 – 50 years old. We employ a total of 65 executives, 19 management staff, 16 non-executives and 13 senior management staff.



We provide fair compensation to our employees without gender bias. This is proven true from the women to men employee basic salary ratio which stands at 1:1. Titijaya Land adheres to the national minimum wage order and offer a higher salary rate for entry level non-executives and executives at RM2,200 and RM2,800 respectively.

405-1: Diversity of governance bodies and employees
405-2: Ratio of basic salary and remuneration of women to men

RETAINING TALENTS [401-1, 401-2, 401-3]

Titijaya succeeds because of our employees. Their loyalty, perseverance and talent ensure we continue to grow and produce outstanding property developments. With the high demand for top talent in the workplace generally, Titijaya always actively recruit the right talent to remain competitive. In FY2019, we experienced a total turnover of 38 individuals and hired 51 new employees.

We adopt the best practices with respect to benefits and wellness. We provide both inpatient and outpatient hospitalisation benefits, dental allowance, optical allowance, and provisions of leave including parental leave.

All of our employees are entitled to parental leave. In FY2019, 10 female and 3 male employees took parental leave with a 100% return to work rate once the leave ended. The retention rate is calculated based on employees that are still employed 12 months after their return to work.

Parental Leave Rate	Female	Male
Return to work rate	100%	100%
Retention rate	90%	66.67%

401-1: New employee hires and turnover
401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees
401-3: Parental leave

PROVIDING HEALTHY AND SAFE WORKPLACE [403-1, 403-2, 403-4, 403-5, 403-9, 403-10]

Titijaya acknowledges the importance of safety and health aspect for the Group especially in construction sites. Health and safety in the construction sector is particularly crucial as project sites pose risks to the workers. Titijaya is committed towards the Construction Industry Transformation programme 2016-2020 (CITP) which sets out three key strategic thrust of Quality, Safety and Professionalism and is adopting the Guidelines of Occupational Safety and Health in Construction Industry (Management) (OSCHIM).

In minimizing the risk of injuries in the workplace, we have established Occupational Health and Safety ("OHS") Manual and Procedures to ensure the safety and health of our employees and of those that interact with us within our premises. The OHS Manual and Procedures outlines the requirement needed for management of OHS at both headquarters and project sites which includes Health and Safety Policy, emergency preparedness and response, contractor safety, office safety and fire safety, among others.

As various occupational hazards and activities occurring within our premises, we have also established a Standard Operating Procedure ("SOP") on Hazard Identification, Risk Assessment and Risk Control ("HIRARC") which aims to identify the occupational hazards in routine and non-routine activities under normal, abnormal and emergency situations. This SOP sets out clear processes from identification of hazards up to determining risk control and putting in action plan to minimize risk level.

Titijaya adheres to all applicable OHS legal and other requirements established at the international and local levels. In managing OHS for the Group, we have dedicated Safety and Health Committee at headquarters and project sites. The main responsibilities of this committee are to monitor OHS performances at project sites, to investigate any OHS matters, to assist in development of safety and health policies, rules and procedures, and to review the effectiveness of safety and health programmes, among others. However, the ultimate responsibility and accountability for OHS rests with the top management of Titijaya. Our Safety and Health Committee for headquarters shows 1:1 ratio between employer and employee representatives and meets every two months.

Accountability at all worksites ensures that safety measures are met and employees are protected. Our main office attentively monitors the safety and health performance and, works closely with our contractors to minimise risks and hazards at our construction sites. Meetings are held every fortnight to discuss constructed site-related safety and health with our Consultants and Contractors. In addition, internal safety meetings are held on a monthly basis by the Contractor involving the construction team.

We understand that managing OHS requires competency, skills and knowledge, therefore we ensure our employees are updated with the latest information on applicable legal and other requirements together with industry best management practices. We provide programmes such as training covering the areas of HIRARC, first aid and workplace OHS, among others. In addition, we have conducted various regular safety initiatives which includes office safety programmes, toolbox talk, site safety audit and routine OHS performance monitoring and reporting, among others.

403-1: Occupational health and safety management system
403-2: hazard identification, risk assessment, and incident investigation
403-4: Worker participation, consultation, and communication on occupational health and safety
403-5: Worker training on occupational health and safety
403-9: Work-related injuries
403-10: Work-related ill health

Safety and health incidents are preventable, however, there are instances where accidents may occur for any reasons. We ensure that all incidents are recorded and reported accordingly for corrective action to be taken. For the period between 1 January 2019 to 20 June 2019, we recorded zero work-related injuries and ill health throughout 129,401 and 574,454 man-hours worked for headquarters and project sites, respectively.


Engagement with employees


Contractor's Toolbox Talk

DEVELOPING TALENTS **[404-1, 404-2]**

We promote employee growth in terms of their competencies, professional development and general welfare. Employees are encouraged to enrol in various training sessions, pertaining to safety and health, first aid, building construction assessment, and many more, to enhance their expertise and perform to their fullest potential.

The scope of our training programmes includes on-the-job training and public training programmes. The total training hours for FY2019 is 1,599 hours. In terms of employment category, the management team has the highest number of training hours.

404-1: Average hours of training per year per employee
404-2: Programmes for upgrading employee skills and transition assistance programmes

ENGAGING WITH COMMUNITY [413-1]

To be truly sustainable, we need to recognise the interconnectedness of all things. Actions by an individual or organisation within a community affect others and the overall well-being of the community itself, upon which all depend. For this reason, Titijaya participates in local communities through a variety of programmes.

Titajaya is one of the main sponsors for the Subang Jaya Community Family Carnival which has been held on 21st April 2019. The carnival, themed "Yes! We Are One Big Family!", aims to build a dynamic community that upholds the unity and development to ensure core values of the public administration and the accountability of the local government.

By bringing all members of the community together at one place and time, the event aims to strengthen the good relationship and interaction between the authorities and the community. Programmes include:

- General health talk by the Health Department of the Subang Jaya City Council (MPSJ)
- Health talk on diabetic issues by Diabetes Malaysia Association (PDM)
- Health screening talk by Holistics Pharmacy
- Emergency rescue talk by SJ Beacon Community Ambulance
- Community welfare briefing by the Community Welfare department
- Mystery giveaway (lucky draw)
- Joyride convoy with MY Classic Vintage Car, Bomba Fire Engine and SJ Beacon Community Ambulance
- Live demonstration on firefighting by Bomba

Titijaya also contributed to the SPCA Black and White Charity Gala on 20th October 2018. As the Platinum Sponsor, we donated RM30,000 for the event that marks SPCA Selangor's 60th anniversary since founded in 1958. Several interesting activities organised are fundraise, fashion shows, auction and art and jewellery collection sales.

The event raised a total of RM425,000 to be contributed to the Stray Free Selangor (SFS) initiative. The current preferred stray control method of Catch-and-Kill is highly ineffective, inhumane, unethical and expensive. SFS is an initiative comprising Humane Education, High Volume Spay/Neuter and Government Lobbying which focuses on humane, effective and sustainable ways to curb stray populations.

CONCLUSION

Titijaya embraces sustainability components by embedding it into our business practices as we believe sustainability concept will bring in various positive impacts for both financial and non-financial aspects of the Group. To date, we have conducted multiple sustainability initiatives and we hope to further grow our business in a sustainable manner.

413-1: Operations with local community engagement, impact assessments, and development programmes

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

The Board is pleased to present this Corporate Governance Overview Statement ("**Statement**") to provide shareholders and investors with an overview of the corporate governance practices of the Company under the leadership of the Board during the financial year ended 30 June 2019. This overview summarises the application by the Company of the Principles and Recommendations of the Malaysian Code on Corporate Governance ("**MCCG**").

The detailed explanation on the application of corporate governance practices are reported under the Corporate Governance Report which is available on the Company's website at www.titijaya.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD ROLES AND RESPONSIBILITY

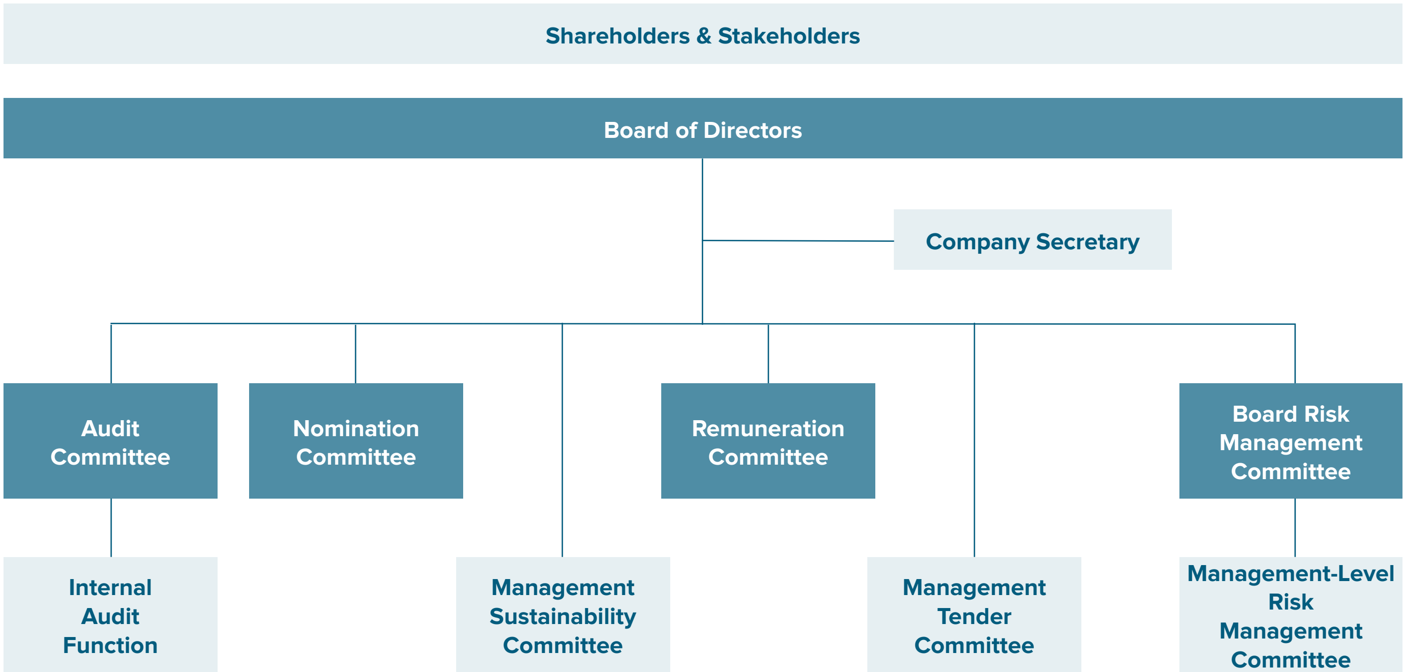
The Board leads the Group and plays a strategic role in overseeing the Group's corporate objective, directions and long-term goals of the business. The Board is responsible for oversight and overall management of the Company.

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

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

- Reviewing the Group's strategic action plans particularly promoting sustainability and policies;
- Overseeing the conduct of the Group's business to ensure that it is 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 programmes and shareholder communications policy for the Company;
- Reviewing the adequacy and the integrity of the Group's system of internal control, risk management framework and management information systems, including systems for compliance with application laws, regulations, rules, directives and guidelines; and
- Responsible for the preparation of the Company's financial statements.

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



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

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

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

ROLES OF THE CHAIRMAN AND GROUP MANAGING DIRECTOR

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

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

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

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

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

COMPANY SECRETARIES

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

The Company Secretary attends and ensures the Board and the Board Committee meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the registered office of the Company. Nevertheless, the Board does not have any agreed procedure for Directors whether as 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 MEETING AND ACCESS TO INFORMATION

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

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

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

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

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

TIME COMMITMENT

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

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

The Board met six (6) times during the financial year ended 30 June 2019, 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 notes the decisions, recommendations and issues deliberated by the Board Committees through the minutes of these committees.

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

The details of attendance of each Director for the financial year ended 30 June 2019 are as follows:-

Name of Directors	Number of Meetings Attended
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	5/6
Tan Sri Dato' Lim Soon Peng	6/6
Lim Poh Yit	6/6
Lim Puay Fung	6/6
Chin Kim Chung	6/6
Datuk Seri Ch'ng Toh Eng	6/6
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	5/6
Datuk Nozirah Binti Bahari	5/6

BOARD CHARTER

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

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

CODE OF CONDUCT AND ETHICS AND WHISTLEBLOWING POLICY

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

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

The Whistleblowing Policy allows employees, stakeholders, contractors and any individuals to disclose any misconduct or malpractice on a confidential basis so as to allow appropriate remedial action to be taken. The policy is also to reinforce the Group's commitment to its policies and values and to develop a culture of openness, accountability and integrity within the Group.

The policy can be viewed on the Company's website at www.titijaya.com.my.

STRATEGIES TO PROMOTE SUSTAINABILITY

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

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

BOARD COMPOSITION

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

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

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

INDEPENDENCE

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

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

TENURE OF INDEPENDENT DIRECTORS

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

There is no Independent Director of the Company whose tenure has exceeded a cumulative term of nine (9) years.

GENDER, ETHNICITY AND AGE GROUP DIVERSITY POLICIES

The Board is cognisant of the gender diversity recommendation promoted by MCCG pertaining to the need to establish a policy formalising the approach to boardroom diversity and to set targets and measures for the adoption of the said recommendation. Presently, there are two (2) existing female Directors on the Board of the Company.

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

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

NOMINATION COMMITTEE

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

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

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

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

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

SELECTION AND APPOINTMENT OF BOARD, BOARD COMMITTEES AND DIRECTORS

Appointments of Directors

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

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

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

Re-election of Directors

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 ("**AGM**"). The Articles of Association also provide that at least one third (1/3) of the Directors is subject to re-election by rotation at each AGM, provided that the Directors including the Managing Director shall retire at least once in every three (3) years but shall be eligible for re-election.

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

At the upcoming Seventh AGM, Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) and Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir will retire by rotation pursuant to Article 81 of the Company's Articles of Association and being eligible, have offered themselves for re-election.

Datuk Nozirah Binti Bahari has indicated her intention not to seek re-election, after having served on the Board of Titijaya for over 2 years since her appointment as Director of the Company on 25 September 2017. Hence, Datuk Nozirah Binti Bahari will retain office until the close of the upcoming Seventh AGM, and retires in accordance with Article 81 of the Company's Articles of Association.

Annual Assessment

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

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

During the financial year ended 30 June 2019, the Nomination Committee held one (1) meeting with full attendance of all its members, to deliberate the following matters: -

- For Directors who would be retiring by rotation at the forthcoming Annual General Meeting, reviewed their suitability for re-election for the Board's consideration;
- Conducted the annual assessment on the effectiveness of the Board as a whole and the Board Committees and contribution and performance of each individual director;
- Reviewed and assessed the effectiveness of the Audit Committee and its composition to ensure their duties have been carried out according to its Terms of Reference; and
- Assessment of the independence of Independent Directors.

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

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

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

TRAINING

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

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

Training is available to all Directors on an ongoing basis and the Board of Directors will evaluate and determine the training needs of its Directors. Directors will undergo relevant training programs to further enhance their knowledge on a continuous basis in compliance with the MMLR of Bursa Securities.

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

Name of Directors	Training / Courses Attended
Tan Sri Dato' Lim Soon Peng	• Malaysia-China Business Conference 2018 • The 11th Session of The World Tonganese Friendship Conference
Chin Kim Chung	• Introduction to MBRS • National Tax Conference 2018 • Engagement Session with Public Practitioners: Strengthening the Profession Together (KL) • 2019 Budget Seminar • Introduction to Cloud Accounting
Datuk Seri Ch'ng Toh Eng	• Looking Beyond Market Volatility, Navigating Uncertainties With Seizing Opportunities • Case Study Workshop For Independent Directors, Securities Industry Development Corporation • Updates With 2019 Budget Seminar • Development Of Downstream Industry – An Option For Nation Growth
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	• Roles and Responsibilities of Directors in relation to Financial Statements
Lim Poh Yit	• OSH Awareness
Lim Puay Fung	• Managing Asia: Sustainable Entrepreneurship Conference by CNBC • Policies & Regulatory Updates Impacting The Housing Industry by Rehda • OSH Awareness

Although Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) and Datuk Nozirah Binti Bahari have not been able to attend a structured training programme during the financial year under review due to their personal exigencies, they continued to gain updates through the briefings by the Company Secretary, Internal and External Auditors during the quarterly meetings as well as communications with other Directors as well as the daily work exposures.

The Directors will continues to participate in future professional development programme from time to time as necessary to enable them to carry out their roles and duties effectively.

REMUNERATION POLICIES

Remuneration Committee

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

Name	Designation	Directorship
Datuk Seri Ch'ng Toh Eng	Chairman	Independent Non-Executive Director
Chin Kim Chung	Member	Non-Independent Non-Executive Director
Tan Sri Dato' Lim Soon Peng	Member	Group Managing Director

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

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

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

Directors' Remuneration

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

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

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

During the financial year ended 30 June 2019, the Remuneration Committee met three (3) times with full attendance of all its members, to deliberate the following matters prior to making recommendations to the Board for approval: -

- Reviewed the proposed bonus payment for the Executive Directors;
- Reviewed the remuneration packages of the Executive Directors and the Senior Management;
- Reviewed and recommended the payment of Directors' fees and benefits; and
- Reviewed the proposed bonus payout for the Group.

The details of the aggregate remuneration (including benefits-in-kind) of the Directors of the Company and Group who served during the financial year ended 30 June 2019 are as follows:

Received from the Company

In Ringgit Malaysia	Salaries, Bonus and Other Emoluments	Allowance	Fees	Total
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	-	10,500	70,000	80,500
Tan Sri Dato' Lim Soon Peng	-	-	41,400	41,400
Lim Poh Yit	-	-	42,400	42,400
Lim Puay Fung	-	-	41,400	41,400
Datuk Nozirah Binti Bahari	-	9,500	46,000	55,500
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	5,500	41,400	46,900
Chin Kim Chung	-	12,500	58,500	71,000
Datuk Seri Ch'ng Toh Eng	-	13,000	47,000	60,000

Received on Group Basis

In Ringgit Malaysia	Salaries, Bonus and Other Emoluments	Allowance	Fees	Total
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	-	10,500	70,000	80,500
Tan Sri Dato' Lim Soon Peng	984,329	-	41,400	1,025,729
Lim Poh Yit	858,850	-	42,400	901.250
Lim Puay Fung	714,268	-	41,400	755,668
Datuk Nozirah Binti Bahari	-	9,500	46,000	55,500
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	5,500	41,400	46,900
Chin Kim Chung	-	12,500	58,500	71,000
Datuk Seri Ch'ng Toh Eng	-	13,000	47,000	60,000

The remuneration of the top 5 Senior Management in each remuneration band for the financial year ended 30 June 2019 is as follows: -

Remuneration Bands (RM)	Number of Senior Management (Excluding Executive Directors)
50,000 and below	-
50,001 – 100,000	-
100,001 – 200,000	2
200,001 – 300,000	-
300,001 – 400,000	3

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

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

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

COOLING PERIOD OF A FORMER KEY AUDIT PARTNER

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

RELATIONSHIP WITH AUDITORS

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

ASSESSMENT ON THE SUITABILITY, OBJECTIVITY AND INDEPENDENCE OF EXTERNAL AUDITORS

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

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

Having regard to the outcome of its assessment, the Audit Committee is satisfied with the independence of Messrs. Baker Tilly Monteiro Heng PLT ("**Baker Tilly**") as the External Auditors of the Company and also on their audit and non-audit fees rendered by Baker Tilly and its affiliates for the financial year ended 30 June 2019. The Board will be recommending for shareholders' approval during the Annual General Meeting the re-appointment of Baker Tilly as the External Auditors.

COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

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

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

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

The membership of Audit Committee, their responsibilities and main works carried out for the financial year ended 30 June 2019 are set out in the Audit Committee Report of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

RISK MANAGEMENT FRAMEWORK

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

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

INTERNAL AUDIT FUNCTION

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

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

During the financial year ended 30 June 2019, internal audit reviews were carried out and the findings of the reviews, including the recommended management actions plans were presented directly to the Audit Committee. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

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

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

COMMUNICATION WITH STAKEHOLDERS

Corporate Disclosure Policy

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

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

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

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

Leverage on Information Technology for Effective Dissemination of Information

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

CONDUCT OF ANNUAL GENERAL MEETINGS

Encourage Shareholder Participation at General Meeting

The Board and Management convey information about the Company's performance, corporate strategy and other matters affecting shareholders and investors through timely dissemination of information which 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 AGM is the principal forum for dialogue with shareholders. Notice of the AGM and annual reports are sent out to shareholders at least 28 days before the date of the meeting. At the meeting, Management makes a presentation on the year's financial results and business activities.

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

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

Poll Voting

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

The Company had conducted its voting on all resolutions by poll at its Sixth AGM held on 29 November 2018. The Company had appointed a poll administrator to conduct the polling process and scrutineers to verify the poll results.

The Company will explore providing facilities for poll voting via electronic means to expedite verification and counting of votes.

The Company will also explore the use of technology to allow voting in absentia or remote shareholders' participation. The Company will assess the necessity and viability for such facility taking into consideration the number of shareholders, the reliability of the technology and cost-benefit to the Company.

Effective Communication and Proactive Engagement

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

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

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

AUDIT COMMITTEE REPORT

COMPOSITION

CHAIRMAN

Datuk Nozirah Binti Bahari
(Independent Non-Executive Director)

MEMBERS

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

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

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

TERMS OF REFERENCE

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

MEETINGS

Five (5) Audit Committee Meetings were held during the financial year ended 30 June 2019. The details of attendance of each member are as follows: -

Name of Member	Meeting Dates					
	29.8.2018	10.10.2018	29.11.2018	25.2.2019	30.5.2019	Total
Datuk Nozirah Binti Bahari	-	✓	✓	✓	✓	4/5
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	✓	✓	✓	✓	✓	5/5
Datuk Seri Ch'ng Toh Eng	✓	✓	✓	✓	✓	5/5
Chin Kim Chung	✓	✓	✓	✓	✓	5/5

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

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

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

The work undertaken by the Audit Committee in the discharge of its functions and duties for the financial year ended ("**FYE**") 30 June 2019 is summarised as follows: -

A. FINANCIAL REPORTING

(i) FYE 30 June 2018

(a) On 29 August 2018, the Audit Committee reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2018 at its meeting, prior to deliberation and approval by the Board.

(b) The Audit Committee at its meeting held on 10 October 2018, reviewed the Audited Financial Statements of the Group and Company for FYE 30 June 2018, and recommended the same for the Board's approval.

(ii) FYE 30 June 2019

(a) The Audit Committee reviewed the unaudited first, second, and third quarterly financial results for the respective periods ended 30 September 2018, 31 December 2018, and 31 March 2019 at the meetings held on 29 November 2018, 25 February 2019 and 30 May 2019 respectively.

(b) The Audit Committee at its meeting held on 29 August 2019, reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2019 to the Board for approval.

(c) On 7 October 2019, the Audit Committee having reviewed the Audited Financial Statements of the Group and Company for FYE 30 June 2019 at its meeting and recommended the same to the Board for approval.

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

B. EXTERNAL AUDIT

(i) FYE 30 June 2019

(a) On 30 May 2019, the Audit Committee reviewed the Audit Plan for FYE 30 June 2019 prepared by External Auditor, Bakers Tilly Monteiro Heng PLT ("**BTMH**"), outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override, and also the new and revised auditors reporting standards.

(b) On 30 May 2019, BTMH confirmed that they will continuously comply with the relevant ethical requirements regarding independence with respect to the audit of the financial statements of the Company and Group for FYE 30 June 2019 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

(c) On 30 May 2019, the Audit Committee discussed with BTMH the scope of work, key areas of audit emphasis, audit approach, and audit timetable before the commencement of the annual statutory audit for FYE 30 June 2019.

The Audit Committee was briefed on their responsibilities in relation to the related party disclosure and procedures as follow:-

- To review any related party transactions and conflict of interest situations that may arise within the Group that include any transactions, procedures or courses of conduct that raised questions of Management's integrity.
- To review and ensure the related party transactions were undertaken on an arm's length basis and the terms were not more favourable than those generally available to the public.
- To review and ensure completeness of the disclosure.

During the meeting, the Audit Committee was also briefed on the developments in the accounting standards that may have the impact to the Company and the Group in the preparation of financial statements as follows:

- Malaysia Financial Reporting Standards 9 - Financial Instruments

- Malaysia Financial Reporting Standards 15 - Revenue from Contracts with Customers
- Malaysia Financial Reporting Standards 16 - Leases
- Malaysia Financial Reporting Standards 123 - Borrowing Costs

(d) The Audit Committee had one (1) private session with BTMH without the presence of Management staff and the Executive Board members on 30 May 2019. BTMH did not highlight any private issues to be brought for the Audit Committee's attention.

(e) On 29 August 2019, the Audit Committee deliberated on the Audit Review Memorandum with BTMH at its meeting with regard to the significant accounting and audit issues arising from the statutory audit of the Group and the Company for FYE 30 June 2019.

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

(g) During the review of the Audited Financial Statements of the Group and Company for FYE 30 June 2019 at its meeting on 7 October 2019, the Audit Committee considered the summary of audit adjustments identified during the course of audit and agreed by the Management to be adjusted in the financial statements for FYE 30 June 2019.

BTMH presented a summary of audit adjustment identified during the course of the audit and agreed by the Management to be passed to the financial statements for FYE 30 June 2019. The Audit Committee was also briefed on the analysis of uncorrected audit misstatements which did not have a material impact to the financial statements for FYE 30 June 2019.

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

C. INTERNAL AUDIT

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

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

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

During the financial year under review, the Internal Auditors had conducted the audit activities as per the approved audit plan and presented their Internal Audit reports on 28 August 2018, 29 November 2018, 25 February 2019 and 30 May 2019 respectively to the Audit Committee.

The Audit Committee had one (1) private session with the Internal Auditors without the presence of Management staff and the Executive Board members on 29 August 2018. Internal Auditors did not highlight any significant internal audit to be brought for the Audit Committee's attention

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

- Marketing and Sales
- Sales Admin
- Contract Management
- Property Development
- Property Management
- Project Management
- Human Resources Management
- Financial Management
- Business Development
- Information Technology
- Administration

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

D. RELATED PARTY TRANSACTIONS

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

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

E. OTHER MATTERS

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

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

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

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

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

During the financial year ended 30 June 2019, internal audit reviews were carried out in accordance with the approved internal audit plan. The internal audit planning and execution were carried out with reference to an international recognised framework, which is the International Professional Practices Framework ('IPPF') issued by the Internal Auditors ('IIA') Inc. Representatives from the outsourced Internal Auditors led the role of the internal audit functions of the Group (referred to as the "**IA Team**") and conducted its internal audit visits based on the approved Internal Audit Plan ("**IA Plan**"). Any significant changes to the IA Plan will be referred to the Audit Committee for approval prior to the commencement of the internal audit.

In developing the IA Plan, the IA team will:-

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

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

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

The total costs incurred for the internal audit function of the Group during the financial year ended 30 June 2019 amounted to **RM60,000** (FYE 2018: RM60,000), exclusive of services tax and disbursements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

This Statement outlines the nature and scope of risk management and internal control of the Group during the financial year ended 30 June 2019 and covers all Group's operations except for associate companies as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

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

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

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

CHAIRMAN

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

MEMBERS

Datuk Nozirah Binti Bahari
(Independent Non-Executive Director)

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

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

Lim Poh Yit
(Deputy Group Managing Director)

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

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

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

On 25 February 2019, the Board adopted the enhanced Enterprise Risk Management ("**ERM**") Framework. The ERM Framework has been enhanced with the Group's risk profiles being updated and action plans formulated focusing on principal business risks. It also identified the ERM reporting structure and frequency of reporting, the responsibilities of the Board Committees for ERM and the key elements of the risk assessment process. The enhanced ERM reporting structure and the frequency of reporting are as follows:-

ERM PROCESS AND GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

↑

BOARD RISK MANAGEMENT COMMITTEE

Responsibilities : Governing overall risk oversight responsibility including defining the appropriate governance structure and risk appetite.

Process : Articulate and provide direction on risk appetite, organisational control environment and risk culture.

↑

MANAGEMENT-LEVEL RISK MANAGEMENT COMMITTEE

Responsibilities : Oversees the operationalisation of risk management strategies as well as frameworks and policies

Process : Monitor the consistent enforcement of ERM policy, review and endorse risk parameter, risk appetite, risk profile and treatment options and risk action plans.

↑

SUB- COMMITTEE & STAFFS

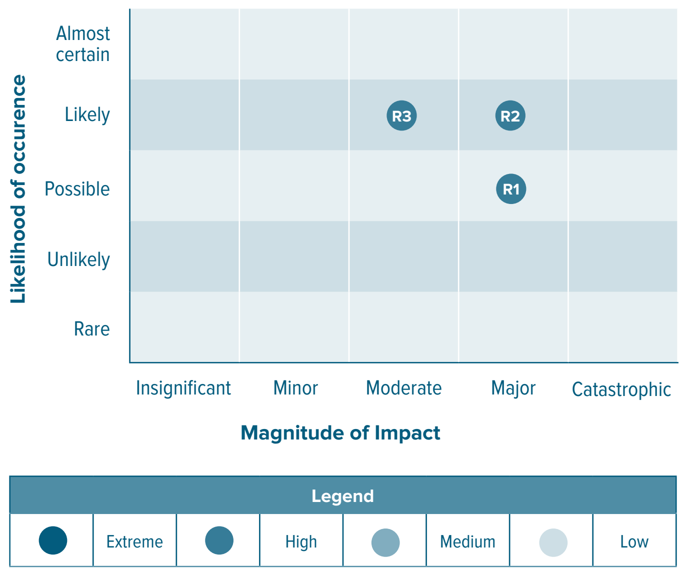
Responsibilities : Manage day-to-day risk inherent in business activities as guided by the established risk strategies, frameworks and policies.

Process : Identification and assessment of risk, implementation and monitoring of risk action plans.

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

During the financial year under review, the result of the risk updates was deliberated on causes, existing controls, impact, and action plans to address the top risk of the organisation at the BRMC meetings. The updated risk profile was used as one of the basis to develop a risk-based internal audit plan for the financial year ended 30 June 2019, which was approved by the BRMC. Results of the risk review were then reported to the Board for endorsement and approval.

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



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

Risk	Specific Risk	Management Strategy
R1	Project Progress Challenges	• Close monitoring on progress report and contractor performance. • Client-consultant meeting and site meeting with contractor to discuss progress and resolve issues faced.
R2	Product Marketability	• Periodic review on Sales Performance • Joint discussion and strategy development with consultant, advertising agencies, event organizer to strategise product launches • Perform feasibility studies such as market survey and economic condition to have better understanding on market needs
R3	Customer Relationship Management	• Dedicated team is assigned to manage customer expectation

INTERNAL CONTROL

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

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

INTERNAL AUDIT FUNCTION

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

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

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

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

A total of RM60,000 exclusive of services tax and disbursements was incurred on internal audit activities for the financial year ended 30 June 2019.

OTHER INTERNAL CONTROL PROCESSES

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

(a) Integrity and Ethical Values

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

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

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

(b) Authority and Responsibility

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

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

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

(c) Planning, Monitoring and Reporting

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

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

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

(d) Policies and Procedures

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

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

(e) Communication and Investor Relations

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

  The Annual Report of the Group is issued to the shareholders within the stipulated time as prescribed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

BOARD ASSURANCE AND LIMITATION

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

- periodic review of financial information covering financial performance and quarterly financial results;
- BRMC's oversight of risk management framework, changes in risk magnitudes and status of management implementation of risk mitigation plan;

- Audit Committee's review and consultation with Management on the integrity of the financial results and audited financial statements;
- audit findings and reports on the review of systems of internal control provided by the internal auditors and status of Management's implementation of the audit recommendations; and
- Management's assurance that the Group's risk management and internal control systems have been operated adequately and effectively, in all material respects.

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

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

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

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

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

As required by Paragraph 15.23 of the MMLR of Bursa Securities and pursuant to the scope set out in the Audit and Assurance Practice Guide ("**AAPG**") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the financial year ended 30 June 2019.

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

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

The Statement on Risk Management and Internal Control was approved by the Board on 7 October 2019.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

(a) On 10 November 2017, the Company had established an Islamic Commercial Paper Program ("ICP") of up to RM150.0 million in nominal value. During the financial year ended 30 June 2019, the Company had issued the following ICP: -

Series No.	Date of issuance	Amount	Tenure	Utilisation of proceeds
		RM'000	Month	
6	14 August 2018	50,000	3	RM49.5 million for repayment of maturing Sukuk Series 5, RM 0.5 million for working capital
7	14 November 2018	50,000	3	RM49.5 million for repayment of maturing Sukuk Series 6, RM 0.5 million for working capital
8	14 February 2019	50,000	3	RM49.5 million for repayment of maturing Sukuk Series 7, RM 0.5 million for working capital
9	12 May 2019	50,000	3	RM49.5 million for repayment of maturing Sukuk Series 8, RM 0.5 million for working capital

2. AUDIT AND NON-AUDIT FEES

Details of the nature of non-audit service rendered by the External Auditors an/or its affiliates for the financial year ended 30 June 2019 are set out as follows:

Audit Fees	Group (RM)	Company (RM)
(1) Audit Fees Paid/Payable to Messrs Baker Tilly Monteiro Heng PLT ("BTMH")		
(a) Review of the audited financial statements for the financial year ended 30.06.2019	429,780	94,000
Total	**429,780**	**94,000**

Non-Audit Fees	Group (RM)	Company (RM)
(1) Non-Audit Fees Paid/Payable to BTMH		
(a) Review of the Statement on Risk management and Internal Control	7,000	7,000
(b) Review of the impact on MFRS 15 implementation	90,000	90,000
(2) Non-Audit Fees Paid/Payable to Affiliates of BTMH	112,790	2,900
Total	**209,790**	**99,900**

3. MATERIAL CONTRACTS

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

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

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

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

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

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

On 23 October 2018, Titijaya Group Sdn. Bhd. and the Company mutually agreed to extend the period for a further period of 1 year, i.e. up to 4 November 2019, to obtain the development approvals.

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

At the Sixth Annual General Meeting of the Company held on 29 November 2018, the Company had obtained a general mandate from its shareholders ("**Shareholders' Mandate**") for a recurrent related party transaction of revenue and trading nature ("**RRPT**").

The breakdown of the aggregate value of the RRPT conducted during the financial year ended 30 June 2019 pursuant to the Shareholders' Mandate, is set out below:-

Related Party	Transacting Party	Nature of Transaction	Aggregate value of transaction from 1 July 2018 to 30 June 2019 (RM'000)
Titijaya Group	Directors and/or Major Shareholders of Titijaya Group and Persons Connected with them	Sale of development properties in the ordinary course of business provided that any one of the percentage ratios of the transaction does not exceed 10% as defined in the Main Market Listing Requirements of Bursa Securities	700,000

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and Company so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019, and of the financial performance and cash flows for the financial year then ended.

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

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

The Directors are also responsible for:

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

The Directors confirmed that they have complied with the above requirements for the annual financial statements for the financial year ended 30 June 2019.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are stated in Note 6 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	36,328,734	23,172,745
Attributable to:		
Owners of the Company	33,315,540	23,172,745
Non-controlling interests	3,013,194	-
	36,328,734	23,172,745

DIVIDENDS

Since the end of the previous financial year, the Company paid a final single-tier dividend of RM0.0025 per ordinary share totalling RM3,296,526 and a non-cumulative dividend payment to the holders of Irredeemable Convertible Preference Shares at a dividend rate of RM0.00025 per share amounting to RM216,258 in respect of the financial year ended 30 June 2018 on 27 December 2018.

The directors propose a final single-tier dividend of RM0.0015 per ordinary share, amounting to RM2,016,637 in respect of the current financial year, subject to the shareholders' approval at the forthcoming Seventh Annual General Meeting and a non-cumulative dividend payment to the holders of Irredeemable Convertible Preference Shares at a dividend rate of RM0.00015 per share amounting to RM129,754 in respect of current financial year. These dividends are payable on 26 December 2019. These dividends are not reflected in the financial statements for the current financial year end and will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2020.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

BAD AND DOUBTFUL DEBTS (continued)

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors, except for as disclosed in the financial statements,

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

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

During the financial year, the Company repurchased 72,909,500 of its issued ordinary shares from the open market at an average price of RM0.30 per share. The net total consideration paid for repurchase including transaction costs was RM22,095,734. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

As at 30 June 2019, the Company held 73,146,500 treasury shares out of its 1,344,424,610 issued ordinary shares. Such treasury shares held at a carrying amount of RM22,230,187.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

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

Tan Sri Dato' Lim Soon Peng*

Lim Poh Yit*

Lim Puay Fung*

Datuk Nozirah Binti Bahari

Datuk Seri Ch'ng Toh Eng

Chin Kim Chung

Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

*Adrian Cheok Eu Gene**
(Alternate Director to Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir) (Resigned on 1 November 2018)

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

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

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
	At 1.7.2018	**Bought**	**Sold**	**At 30.6.2019**
The Company				
Direct interest				
Tan Sri Dato' Lim Soon Peng	600,000	16,500,000	-	17,100,000
Lim Poh Yit	1,561,600	16,130,000	-	17,691,600
Lim Puay Fung	490,000	-	-	490,000
Chin Kim Chung	720,000	-	-	720,000
Datuk Seri Ch'ng Toh Eng	500,000	-	-	500,000

DIRECTORS' INTERESTS (continued)

	Number of ordinary shares			
	At 1.7.2018	**Bought**	**Sold**	**At 30.6.2019**
Indirect interest				
Tan Sri Dato' Lim Soon Peng * #	720,898,666	15,625,000	-	736,523,666
Lim Poh Yit #	720,698,666	15,625,000	-	736,323,666
Lim Puay Fung #	720,698,666	15,625,000	-	736,323,666
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir #	800,000	-	-	800,000

	Irredeemable convertible preference shares			
	At 1.7.2018	**Bought**	**Sold**	**At 30.6.2019**
Direct interest				
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	10,000,000	-	10,000,000
Indirect interest				
Tan Sri Dato' Lim Soon Peng * #	333,462,800	-	(41,700,000)	291,762,800
Lim Poh Yit #	333,162,800	-	(41,700,000)	291,462,800
Lim Puay Fung #	333,162,800	-	(41,700,000)	291,462,800
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir #	1,200,000	-	-	1,200,000

	Number of ordinary shares			
	At 1.7.2018	**Bought**	**Sold**	**At 30.6.2019**
The Holding Company				
Titijaya Group Sdn. Bhd.				
Direct interest				
Tan Sri Dato' Lim Soon Peng	1,500,000	32,400,000	-	33,900,000
Lim Poh Yit	2,550,000	55,080,000	-	57,630,000
Lim Puay Fung	950,000	20,520,000	-	21,470,000

* Deemed interested by virtue of Section 59(11)(c) of the Companies Act 2016 in Malaysia.
# Deemed interested by virtue of Section 8(4) of the Companies Act 2016 in Malaysia.

Tan Sri Dato' Lim Soon Peng, Lim Poh Yit and Lim Puay Fung are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 33 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage for the directors and certain officers of the Company were RM20,000,000.

SUBSIDIARIES

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

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

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 28 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

ULTIMATE HOLDING COMPANY

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

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT (converted from a conventional partnership, Baker Tilly Monteiro Heng on 5 March 2019), have expressed their willingness to continue in office.

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

TAN SRI DATO' LIM SOON PENG
Director

LIM POH YIT
Director

Kuala Lumpur
Date: 7 October 2019

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

		Group			Company		
	Note	30.6.2019 RM	30.6.2018 RM Restated	1.7.2017 RM Restated	30.6.2019 RM	30.6.2018 RM	1.7.2017 RM
ASSETS							
Non-current assets							
Property, plant and equipment	5	**11,583,895**	12,038,518	12,114,731	**-**	-	-
Inventories	10	**769,818,637**	510,584,984	426,903,602	**-**	-	-
Investment in subsidiaries	6	**-**	-	-	**1,052,198,223**	802,839,182	191,657,504
Investment in associates	7	**449,334**	455,850	390,791	**-**	-	-
Investment properties	8	**170,590,003**	136,197,252	72,893,434	**-**	-	-
Goodwill on consolidation	9	**2,062,677**	2,062,677	3,706,047	**-**	-	-
Deferred tax assets	21	**844,397**	2,439,404	-	**-**	-	-
Trade receivables	12	**942,148**	1,689,208	9,680,774	**-**	-	-
Total non-current assets		**956,291,091**	665,467,893	525,689,379	**1,052,198,223**	802,839,182	191,657,504
Current assets							
Inventories	10	**703,544,335**	747,670,792	544,128,367	**-**	-	-
Other investments	11	**-**	5,646	5,646	**-**	-	-
Trade and other receivables	12	**468,076,975**	494,751,751	252,655,891	**8,236,346**	169,668,201	269,535,885
Contract assets	13	**219,373**	51,670,069	13,160,654	**-**	-	-
Contract costs	14	**10,876,535**	4,415,383	6,953,448	**-**	-	-
Current tax assets		**12,020,753**	7,889,830	8,497,844	**-**	-	70,475
Cash and short-term deposits	15	**137,493,767**	218,746,823	136,771,853	**35,078,713**	55,609,078	9,874,543
Total current assets		**1,332,231,738**	1,525,150,294	962,173,703	**43,315,059**	225,277,279	279,480,903
TOTAL ASSETS		**2,288,522,829**	2,190,618,187	1,487,863,082	**1,095,513,282**	1,028,116,461	471,138,407

		Group			Company		
	Note	30.6.2019 RM	30.6.2018 RM Restated	1.7.2017 RM Restated	30.6.2019 RM	30.6.2018 RM	1.7.2017 RM
EQUITY AND LIABILITIES							
Equity attributable to the owners of the Company							
Share capital	16	**773,239,117**	773,239,117	352,695,195	**773,239,117**	773,239,117	352,695,195
Treasury shares	16	**(22,230,187)**	(134,453)	-	**(22,230,187)**	(134,453)	-
Redeemable preference shares	17	**141,000**	235,000	235,000	**-**	-	-
Irredeemable convertible preference shares	18	**71,364,721**	71,364,721	-	**71,364,721**	71,364,721	-
Other reserves	19	**(47,425,855)**	(47,425,855)	(47,425,855)	**-**	-	-
Retained earnings	16	**389,509,981**	449,262,423	379,300,220	**103,652,345**	83,992,384	39,893,289
		1,164,598,777	1,246,540,953	684,804,560	**926,025,996**	928,461,769	392,588,484
Non-controlling interests		**5,263,483**	2,968,464	3,871,849	**-**	-	-
TOTAL EQUITY		**1,169,862,260**	1,249,509,417	688,676,409	**926,025,996**	928,461,769	392,588,484
Non-current liabilities							
Trade payables	22	**12,984,210**	17,212,840	28,895,059	**-**	-	-
Loans and borrowings	20	**358,877,045**	398,372,016	281,348,620	**-**	-	-
Deferred tax liabilities	21	**31,429,857**	31,685,908	32,047,407	**-**	-	-
Total non-current liabilities		**403,291,112**	447,270,764	342,291,086	**-**	-	-
Current liabilities							
Trade and other payables	22	**528,023,435**	265,514,722	290,405,164	**92,243,674**	12,337,244	43,571,207
Provisions	22	**6,824,604**	21,330,441	11,938,176	**-**	-	-
Contract liabilities	13	**50,481,316**	23,157,601	10,851,907	**-**	-	-
Loans and borrowings	20	**116,621,160**	147,961,608	110,462,918	**77,200,000**	87,200,000	34,978,716
Current tax liabilities		**13,418,942**	35,873,634	33,237,422	**43,612**	117,448	-
Total current liabilities		**715,369,457**	493,838,006	456,895,587	**169,487,286**	99,654,692	78,549,923
TOTAL LIABILITIES		**1,118,660,569**	941,108,770	799,186,673	**169,487,286**	99,654,692	78,549,923
TOTAL EQUITY AND LIABILITIES		**2,288,522,829**	2,190,618,187	1,487,863,082	**1,095,513,282**	1,028,116,461	471,138,407

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		Group		Company	
		2019	2018	2019	2018
		RM	RM	RM	RM
	Note		Restated		
Revenue	23	**312,653,256**	381,434,699	28,945,000	64,756,000
Cost of sales	24	**(214,480,454)**	(245,775,473)	-	-
Gross profit		**98,172,802**	135,659,226	28,945,000	64,756,000
Other income	25	**12,150,966**	42,520,170	-	-
Distribution expenses		**(5,952,342)**	(8,313,514)	-	-
Administrative expenses		**(24,828,756)**	(29,154,282)	(1,335,687)	(6,248,226)
Net impairment losses on financial instruments		**(741,780)**	(5,545,451)	-	(7,217,926)
Other expenses		**(16,527,587)**	(25,697,738)	(600,820)	(455,518)
Operating profit		**62,273,303**	109,468,411	27,008,493	50,834,330
Finance income	26	**3,590,803**	5,236,628	942,907	562,532
Finance costs	27	**(12,883,144)**	(11,166,217)	(4,578,850)	(3,434,031)
Share of results of associates, net of tax		**(6,516)**	(33,981)	-	-
Profit before tax	28	**52,974,446**	103,504,841	23,372,550	47,962,831
Income tax expense	29	**(16,645,712)**	(30,881,054)	(199,805)	(286,418)
Profit for the financial year		**36,328,734**	72,623,787	23,172,745	47,676,413
Other comprehensive income for the financial year		**-**	-	-	-
Total comprehensive income for the financial year		**36,328,734**	72,623,787	23,172,745	47,676,413
Total comprehensive income attributable to:					
Owners of the Company		**33,315,540**	73,539,521	23,172,745	47,676,413
Non-controlling interests		**3,013,194**	(915,734)	-	-
		36,328,734	72,623,787	23,172,745	47,676,413
Earnings per ordinary share attributable to Owners of the Company (sen)					
- Basic	30(a)	**2.53**	8.00		
- Diluted	30(b)	**2.38**	7.31		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

Group	Note	Share Capital (Note 16) RM	Treasury Shares (Note 16) RM	Other Reserve (Note 19) RM	RPS (Note 17) RM	ICPS (Note 18) RM	Retained Earnings (Note 16) RM	Sub-total RM	Non-Controlling Interests (Note 6) RM	Total Equity RM
		Attributable to owners of the Company								
At 30 June 2018 (Restated)		773,239,117	(134,453)	(47,425,855)	235,000	71,364,721	449,262,423	1,246,540,953	2,968,464	1,249,509,417
Total comprehensive income for the financial year		-	-	-	-	-	33,315,540	33,315,540	3,013,194	36,328,734
Transactions with owners										
Changes in ownership interests in subsidiaries		-	-	-	-	-	(181,825)	(181,825)	(718,175)	(900,000)
Dividends paid	37	-	-	-	-	-	(8,980,157)	(8,980,157)	-	(8,980,157)
Redemption of RPS of a subsidiary	17	-	-	-	(94,000)	-	(83,906,000)	(84,000,000)	-	(84,000,000)
Repurchase of treasury shares	16(ii)	-	(22,095,734)	-	-	-	-	(22,095,734)	-	(22,095,734)
Total transactions with owners		-	(22,095,734)	-	(94,000)	-	(93,067,982)	(115,257,716)	(718,175)	(115,975,891)
At 30 June 2019		773,239,117	(22,230,187)	(47,425,855)	141,000	71,364,721	389,509,981	1,164,598,777	5,263,483	1,169,862,260

STATEMENTS OF CHANGES IN EQUITY
(CONTINUED)

Group (continued)	Note	Share Capital (Note 16) RM	Treasury Shares (Note 16) RM	Other Reserve (Note 19) RM	RPS (Note 17) RM	ICPS (Note 18) RM	Retained Earnings (Note 16) RM	Sub-total RM	Non-Controlling Interests (Note 6) RM	Total Equity RM
		Attributable to owners of the Company								
At 30 June 2017										
- As previously reported		352,695,195	-	(47,425,855)	-	-	371,600,731	676,870,071	4,016,044	680,886,115
- Effects of transition to MFRSs - Other MFRSs	2.2(c)(ii)	-	-	-	-	-	7,699,489	7,699,489	90,805	7,790,294
- Reclassification	39	-	-	-	235,000	-	-	235,000	(235,000)	-
Restated balance at 1 July 2017		352,695,195	-	(47,425,855)	235,000	-	379,300,220	684,804,560	3,871,849	688,676,409
Total comprehensive income for the financial year		-	-	-	-	-	73,539,521	73,539,521	(915,734)	72,623,787
Transactions with owners										
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	12,349	12,349
Conversion of ICPS to ordinary shares	16, 18	301,091,588	-	-	-	(30,110,262)	-	270,981,326	-	270,981,326
Dividends paid	37	-	-	-	-	-	(3,577,318)	(3,577,318)	-	(3,577,318)
Issuance of ICPS	18	-	-	-	-	101,474,983	-	101,474,983	-	101,474,983
Issuance of ordinary shares	16(i)	119,598,934	-	-	-	-	-	119,598,934	-	119,598,934
Issuance of RPS of a subsidiary	17	-	-	-	36,000,000	-	-	36,000,000	-	36,000,000
Redemption of RPS of a subsidiary	17	-	-	-	(36,000,000)	-	-	(36,000,000)	-	(36,000,000)
Repurchase of treasury shares	16(ii)	-	(134,453)	-	-	-	-	(134,453)	-	(134,453)
Transaction costs of share issue		(146,600)	-	-	-	-	-	(146,600)	-	(146,600)
Total transactions with owners		420,543,922	(134,453)	-	-	71,364,721	(3,577,318)	488,196,872	12,349	488,209,221
At 30 June 2018 (Restated)		773,239,117	(134,453)	(47,425,855)	235,000	71,364,721	449,262,423	1,246,540,953	2,968,464	1,249,509,417

		Attributable to owners of the Company				
Company	Note	Share Capital (Note 16) RM	Treasury Shares (Note 16) RM	ICPS (Note 18) RM	Retained Earnings (Note 16) RM	Total Equity RM
At 30 June 2018		773,239,117	(134,453)	71,364,721	83,992,384	928,461,769
Total comprehensive income for the financial year		-	-	-	23,172,745	23,172,745
Transactions with owners						
Repurchase of treasury shares	16(ii)	-	(22,095,734)	-	-	(22,095,734)
Dividends paid	37	-	-	-	(3,512,784)	(3,512,784)
Total transactions with owners		-	(22,095,734)	-	(3,512,784)	(25,608,518)
At 30 June 2019		773,239,117	(22,230,187)	71,364,721	103,652,345	926,025,996
At 1 July 2017		352,695,195	-	-	39,893,289	392,588,484
Total comprehensive income for the financial year		-	-	-	47,676,413	47,676,413
Transactions with owners						
Conversion of ICPS to ordinary shares	16, 18	301,091,588	-	(30,110,262)	-	270,981,326
Repurchase of treasury shares	16(ii)	-	(134,453)	-	-	(134,453)
Dividends paid	37	-	-	-	(3,577,318)	(3,577,318)
Issuance of ordinary shares	16(i)	119,598,934	-	-	-	119,598,934
Issuance of ICPS	18	-	-	101,474,983	-	101,474,983
Transaction costs of share issue		(146,600)	-	-	-	(146,600)
Total transactions with owners		420,543,922	(134,453)	71,364,721	(3,577,318)	488,196,872
At 30 June 2018		773,239,117	(134,453)	71,364,721	83,992,384	928,461,769

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM
Cash flows from operating activities					
Profit before tax		**52,974,446**	103,504,841	**23,372,550**	47,962,831
Adjustments for:					
Depreciation of investment properties		**756,239**	756,237	**-**	-
Depreciation of property, plant and equipment		**939,748**	926,349	**-**	-
Loss/(Gain) on disposal of property, plant and equipment		**1,112**	(53,000)	**-**	-
Impairment loss on:					
- Amount owing by an associate		**743,490**	3,002,081	**-**	3,002,081
- Amount owing by subsidiaries		**-**	-	**-**	122,843
- Goodwill		**-**	1,643,370	**-**	-
- Investment in subsidiaries		**-**	-	**-**	4,093,002
- Other receivables		**-**	900,000	**-**	-
Interest income on debt securities measured at amortised cost		**-**	(3,497,990)	**-**	-
Finance costs		**9,505,399**	11,166,217	**4,578,850**	3,434,031
Finance income		**(3,590,803)**	(1,738,638)	**(942,907)**	(562,532)
Reversal of impairment on amount owing by an associate		**(1,710)**	-	**(1,710)**	-
Reversal of liquidated and ascertained damages		**-**	(176,618)	**-**	-
Share of result of associates, net of tax		**6,516**	33,981	**-**	-
Waiver of debt		**(758,811)**	-	**-**	-
Written off on deposits		**75,805**	-	**-**	-
Unwinding of discount on retention sum		**3,377,745**	-	**-**	-
Operating profit before changes working capital		**64,029,176**	116,466,830	**27,006,783**	58,052,256
Changes In Working Capital:					
Contract assets		**51,450,696**	(37,372,058)	**-**	-
Contract costs		**(6,461,152)**	2,538,065	**-**	-
Contract liabilities		**27,323,715**	2,273,999	**-**	-
Inventories		**(256,397,982)**	(44,520,411)	**-**	-
Trade and other receivables		**24,063,935**	(221,645,310)	**9,750,181**	244,076,042
Trade and other payables		**256,699,843**	(181,099,937)	**(48,744)**	(2,602,830)
Prepayment and other assets		**232,460**	3,850,358	**-**	-
Provisions		**(6,837,132)**	(3,371,175)	**-**	-
Net cash generated from/(used in) operations		**154,103,559**	(362,879,639)	**36,708,220**	299,525,468
Income tax paid		**(41,263,098)**	(30,898,501)	**(273,641)**	(122,596)
Income tax refunded		**784,815**	410,705	**-**	24,101
Interests paid		**(5,678)**	(990,972)	**(5,678)**	(159,294)
Interests received		**3,590,803**	1,738,638	**942,907**	562,532
Net cash from/(used in) operating activities		**117,210,401**	(392,619,769)	**37,371,808**	299,830,211

	Note	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM
Cash flows from investing activities					
Acquisition of associates		**-**	(99,040)	**-**	-
Acquisition of subsidiaries, net of cash		**-**	(52,640,342)	**-**	(56,799,287)
Acquisition of minority interest		**(900,000)**	-	**(900,000)**	-
Advance to associates		**-**	(8,017,701)	**(12,096)**	(3,002,081)
Advance to subsidiaries		**-**	-	**(16,808,387)**	(611,985,394)
Acquisition of property, plant and equipment	(a)	**(487,137)**	(677,046)	**-**	-
Proceed from disposal of property, plant and equipment		**900**	66,040	**-**	-
Proceed from disposal of other investment		**5,646**	-	**-**	-
Net cash used in investing activities		**(1,380,591)**	(61,368,089)	**(17,720,483)**	(671,786,762)
Cash flows from financing activities	(b)				
Drawdown of bank borrowings		**26,633,000**	316,187,000	**-**	37,200,000
Dividend paid		**(8,980,157)**	(3,577,318)	**(3,512,784)**	(3,577,318)
Fixed deposits pledged as security value		**17,371,804**	(10,453,100)	**5,323,108**	(11,248,100)
Interest paid		**(9,499,721)**	(10,175,245)	**(4,573,172)**	(3,274,737)
Proceeds from issuance of Class A shares		**-**	47,000,000	**-**	-
Proceeds from issuance of redeemable preference shares		**-**	36,000,000	**-**	-
Proceeds from issuance of ICPS		**-**	71,364,721	**-**	71,364,721
Proceeds from conversion of ICPS to ordinary shares		**-**	301,091,589	**-**	301,091,589
Purchase of treasury shares		**(22,095,734)**	(134,453)	**(22,095,734)**	(134,453)
Redemption of redeemable preference shares		**(84,000,000)**	(36,000,000)	**-**	-
Repayment of bank borrowings		**(97,133,996)**	(202,258,587)	**(10,000,000)**	(30,000,000)
Repayment of finance lease liabilities		**(334,423)**	(313,203)	**-**	-
Repayment to ultimate holding company		**(1,667,833)**	(865,367)	**-**	-
Repayment to directors		**(4,002)**	851,341	**-**	-
Net cash (used in)/from financing activities		**(179,711,062)**	508,717,378	**(34,858,582)**	361,421,702

STATEMENTS OF CASH FLOWS
(CONTINUED)

		Group		Company	
		2019	2018	2019	2018
		RM	RM	RM	RM
	Note		Restated		
Net (decrease)/increase in cash and cash equivalent		**(63,881,252)**	54,729,520	**(15,207,257)**	(10,534,849)
Cash and cash equivalents at the beginning of the financial year		**134,420,597**	79,691,077	**(11,502,002)**	(967,153)
Cash and cash equivalents at the end of the financial year		**70,539,345**	134,420,597	**(26,709,259)**	(11,502,002)
Analysis of cash and cash equivalents:					
Cash and bank balances	15	**105,969,862**	169,691,125	**10,711,191**	25,564,418
Fixed deposits placed with licensed banks	15	**31,523,905**	49,055,698	**24,367,522**	30,044,660
Islamic commercial paper	20	**(50,000,000)**	(50,000,000)	**(50,000,000)**	(50,000,000)
		87,493,767	168,746,823	**(14,921,287)**	5,609,078
Less: Fixed deposits held as security values	15	**(16,954,422)**	(34,326,226)	**(11,787,972)**	(17,111,080)
		70,539,345	134,420,597	**(26,709,259)**	(11,502,002)

(a) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM487,137 (2018: RM843,046), of which RM Nil (2018: RM166,000) were acquired by means of borrowings.

(b) Reconciliation of liabilities arising from financing activities:

	At 1.7.2018	Cash Flows	← Non-Cash	→	At 30.6.2019
			Addition	Acquisition of subsidiaries	
	RM	RM	RM	RM	RM
Group					
Amount owing to directors	1,343,938	(4,002)	-	-	**1,339,936**
Loans and borrowings	494,726,074	(70,500,996)	-	-	**424,225,078**
Finance lease liabilities	1,607,550	(334,423)	-	-	**1,273,127**
Net amount due to ultimate holding company	1,667,833	(1,667,833)	-	-	-
Other payables - Class A shares	47,000,000	-	-	-	**47,000,000**
Company					
Loans and borrowings	37,200,000	(10,000,000)	-	-	**27,200,000**

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

	At 1.7.2017 RM	Cash Flows RM	Non-Cash Addition RM	Non-Cash Acquisition of subsidiaries RM	At 30.6.2018 RM
Group					
Amount owing to directors	492,597	851,341	-	-	1,343,938
Loans and borrowings	356,849,135	113,928,413	-	23,948,526	494,726,074
Finance lease liabilities	1,754,753	(313,203)	166,000	-	1,607,550
Net amount due to ultimate holding company	2,533,200	(865,367)	-	-	1,667,833
Other payables - Class A shares	-	47,000,000	-	-	47,000,000
Company					
Loans and borrowings	30,000,000	7,200,000	-	-	37,200,000

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are stated in Note 6 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 7 October 2019.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Explanation of transition to MFRSs and change in accounting policy

(a) Transition to MFRSs

The financial statements of the Group and of the Company for the financial year ended 30 June 2019 are the first set of the financial statements prepared in accordance with MFRSs, including MFRS 1 *First-time Adoption of Malaysian Financial Report Standards*. For periods up and including the financial year ended 30 June 2018, the Group and the Company prepared their financial statements in accordance with Financial Reporting Standards ("FRSs") in Malaysia.

In preparing these financial statements, the Group's and the Company's opening MFRSs statements of financial position were prepared as at 1 July 2017 (the date of transition to MFRSs).

The Group and the Company have opted to adopt the short-term exemption from the requirement to restate the comparative information for MFRS 9 where the comparative information in the Group's and the Company's first MFRS financial statements need not comply with MFRS 7 *Financial Instruments: Disclosure* or the completed version of MFRS 9, to the extent that the disclosures required by MFRS 7 relate to items within the scope of MFRS 9. The date of transition to MFRS 7 and MFRS 9 is the beginning of the first MFRS reporting period (1 July 2018).

The Group and the Company have consistently applied the same accounting policies in the preparation of the financial statements of the Group and of the Company for the financial year ended 30 June 2019, the comparative financial statements for the financial year ended 30 June 2018, and the opening MFRSs statements of financial position as at 1 July 2017, other than those as discussed below. The transition to the MFRSs framework does not have any significant effect on the financial statements of the Group and of the Company except for those discussed below.

2. BASIS OF PREPARATION (continued)

2.2 Explanation of transition to MFRSs and change in accounting policy (continued)

(a) Transition to MFRSs (continued)

(i) MFRS 15 *Revenue from contracts with customers* ("MFRS 15")

In the adoption of MFRS 15, the Group and the Company have adopted the following practical expedients as permitted by MFRS 15.C5:

- for completed contracts, the Group and the Company do not restate contracts that:
  (i) begin and end within the same annual reporting period; or
  (ii) are completed contracts at the beginning of the earliest period presented;

- for completed contracts that have variable consideration, the Group and the Company use the transaction price at the date the contract was completed rather than estimating variable consideration amounts in the comparative reporting periods;

- for contracts that were modified before the beginning of the earliest period presented, the Group and the Company do not retrospectively restate the contract for those contract modifications. Instead, the Group and the Company reflect the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:
  (i) identifying the satisfied and unsatisfied performance obligations;
  (ii) determining the transaction price; and
  (iii) allocating the transaction price to the satisfied and unsatisfied performance obligations.

- for all reporting periods presented before the first MFRS reporting period, i.e. 1 July 2018, the Group and the Company do not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group and the Company expect to recognise revenue.

The adoption of MFRS 15 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Other than the enhanced new disclosures relating to contracts with customers, which the Group and the Company have complied with in the current financial year, the adoption of this standard does not have any significant effect on the financial statements of the Group and the Company, except for those as discussed below.

(a) Presentation of contract assets and contract liabilities

The Group and the Company have changed the presentation of certain amounts in the statements of financial position to reflect the terminology of MFRS 15:

(i) Contract assets recognised in relation to property development contracts which were previously presented as accrued billings as part of trade and other receivables.

(ii) Contract liabilities in relation to expected volume discounts and refunds to customers which were previously presented as provisions.

(iii) Contract liabilities/assets recognised in relation to construction contracts which were previously presented as part of amount due to/by contract customers.

2. BASIS OF PREPARATION (continued)

2.2 Explanation of transition to MFRSs and change in accounting policy (continued)

(a) Transition to MFRSs (continued)

(i) MFRS 15 *Revenue from contracts with customers* ("MFRS 15") (continued)

(b) Presentation of land held for property development and property development costs

The Group and the Company have reclassified the land held for property development and property development costs to inventories with separate disclosure of these balances have been made in the notes to the financial statements.

(c) Capitalisation of costs of obtaining contracts

The Group and the Company incurred incremental commission fees paid to intermediaries in connection with obtaining residential property sales contracts. When the Group and the Company expect that these incremental costs will be recovered, they capitalise these costs and amortise them over the period during which the residential property is transferred to the customer. These amounts were previously expensed as incurred.

(d) Other adjustments

In addition to the adjustments described above, other items such as deferred tax liabilities and non-controlling interests were adjusted upon adoption of MFRS 15 as at 1 July 2018.

(ii) MFRS 9 *Financial instruments* ("MFRS 9")

(a) Classification and measurement

The following are the changes in the classification of the Group's and the Company's financial assets:

(i) Other investments in unquoted equity instruments previously classified as available-for-sale financial asset

Other investments in unquoted equity instruments previously classified as available-for-sale financial assets as at 30 June 2018 are now classified and measured as equity instruments at designated fair value through other comprehensive income ("DFVOCI") beginning 1 July 2018. The Group elected to classify irrevocably its investments in unquoted equity instruments under this category as these investments are not held for trading. In the previous financial years, the Group's investments in unquoted equity instruments classified as available-for-sale financial assets were measured at cost. There were no impairment losses recognised in profit or loss for these investments in prior periods. Accordingly, there was no impact on retained earnings at 1 July 2018.

(ii) Trade and other receivables, cash and short-term deposit previously classified as loans and receivables

Trade and other receivables, cash and short-term deposit previously classified as loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Accordingly, these financial assets are classified and measured as debt instruments at amortised cost beginning 1 July 2018. There was no impact on the retained earnings as at 1 July 2018.

(iii) Financial liabilities previously classified as other financial liabilities

Loan and borrowings, trade and other payables previously classified as other financial liabilities as at 30 June 2018 are now classified and measured as debt instruments at amortised cost beginning 1 July 2018. There was no impact on retained earnings at 1 July 2018.

2. BASIS OF PREPARATION (continued)

2.2 Explanation of transition to MFRSs and change in accounting policy (continued)

(a) Transition to MFRSs (continued)

(ii) MFRS 9 *Financial instruments* ("MFRS 9") (continued)

(a) Classification and measurement (continued)

In summary, the Group and the Company had the following reclassifications as at 1 July 2018:

		MFRS 9 measurement category	
FRS 139 measurement category	**RM**	**Amortised cost RM**	**Designated fair value through other comprehensive income RM**
Financial assets			
Group			
Available-for-sale			
Other investments	5,646	-	5,646
Loans and receivables			
Trade and other receivables (exclude GST refundable and prepayments)	492,115,426	492,115,426	-
Cash and short-term deposits	218,746,823	218,746,823	-
	710,867,895	710,862,249	5,646
Company			
Loans and receivables			
Trade and other receivables (exclude GST refundable)	169,546,415	169,546,415	-
Cash and short-term deposits	55,609,078	55,609,078	-
	225,155,493	225,155,493	-
Financial liabilities			
Group			
Other financial liabilities			
Trade and other payables (exclude GST payable)	(282,720,592)	(282,720,592)	-
Loans and borrowings	(546,333,624)	(546,333,624)	-
	(829,054,216)	(829,054,216)	-
Company			
Other financial liabilities			
Trade and other payables	(12,337,244)	(12,337,244)	-
Loans and borrowings	(87,200,000)	(87,200,000)	-
	(99,537,244)	(99,537,244)	-

2. BASIS OF PREPARATION (continued)

2.2 Explanation of transition to MFRSs and change in accounting policy (continued)

(a) Transition to MFRSs (continued)

(ii) MFRS 9 *Financial instruments* ("MFRS 9") (continued)

(b) Impairment

In previous financial years, trade and other receivables are impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the receivables (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the receivables ("incurred loss model"). Upon adoption of MFRS 9, the Group and the Company are recording expected credit losses on all their trade and other receivables, either on a 12-month or lifetime basis. Accordingly, the Group and the Company do not recognise additional impairment losses on their other receivables at the date of initial application arising from application of simplified approach and general approach respectively to record lifetime expected credit losses.

(b) Change in accounting policy

In the previous financial years, under FRSs framework, borrowing costs incurred on property under development were capitalised in property development costs. In March 2019, the IFRS Interpretations Committee ("IFRIC") has issued an agenda decision concluding that receivable, contract asset and inventory (work-in-progress) for unsold units under construction are not qualifying assets in relation to the construction of a residential multi-unit real estate development (building). Accordingly, an entity does not capitalise borrowing costs on those assets in accordance to the principle and requirements of IAS 23 *Borrowing Costs*. Upon adoption of MFRSs framework, the Group and the Company changed their accounting policy of not capitalising borrowing costs incurred on property under development when the properties are ready for their intended sale in their current condition. The change in accounting policy was applied retrospectively from the date of transition as permitted in MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*. The Group and the Company elected to apply the optional exemption to not restate the borrowing costs that were capitalised under FRSs framework and that were included in the carrying amount of the assets at the date of transition and shall account for borrowing costs, incurred on or after that date in accordance with MFRS 123 *Borrowing Costs,* including those borrowing costs incurred on or after that date on qualifying assets already under construction. The effect of the change in accounting policy has been disclosed in Note 2.2(c)(i), (ii) and (iii).

Under FRSs framework, the Group and the Company recognised upfront the provision for foreseeable losses for anticipated losses to be incurred on the development of involuntary low cost housing as required by approving authorities. The application of the above is in accordance to FRSIC Consensus 17: *Development of Affordable Housing* ("FRSIC 17") issued by Malaysian Institute of Accountants ("MIA").

As for the public infrastructure, under the FRSs framework, the Group and the Company recognised the costs as and when incurred.

On 7 March 2018, MIA withdrew FRSIC 17 and stated that FRSIC 17 is no longer relevant for the adoption of MFRSs framework. The Group and the Company are of the view that the expected costs for infrastructure attributable to a project should be accrued progressively as and when the inventories are constructed. The same treatment would apply for the cost incurred in excess of the net realisable value of the low cost/affordable houses which is to be included in the measurement of premium housing progressively as it relates to the obligation to the local government authorities. Accordingly, the initial full provision for foreseeable losses recognised based on the previous FRSs frameworks is no longer applicable.

2. BASIS OF PREPARATION (continued)

2.2 Explanation of transition to MFRSs and change in accounting policy (continued)

(c) (i) Statements of financial position

	Note	As previously reported RM	Adjustments RM	As restated RM
Group				
At 1 July 2017				
Land held for property development	2.2(a)(i)(b)	330,439,187	(330,439,187)	-
Property development costs	2.2(a)(i)(b)	467,468,217	(467,468,217)	-
Inventories:				
- Property held for development	2.2(a)(i)(b)	-	330,439,187	330,439,187
- Property under development	2.2(a)(i)(b)/ 2.2(a)(i)(c)/ 2.2(b)	-	465,849,367	465,849,367
Contract assets	2.2(a)(i)(a)/ 2.2(a)(i)(c)/ 2.2(b)	-	13,160,654	13,160,654
Contract cost	2.2(a)(i)(c)	-	6,953,448	6,953,448
Accrued billings in respect of property development costs	2.2(a)(i)(a)	13,656,567	(13,656,567)	-
Deferred tax liabilities	2.2(a)(i)(c)/ 2.2(b)	(32,039,131)	(8,276)	(32,047,407)
Contract liabilities	2.2(a)(i)(a)/ 2.2(a)(i)(c)/ 2.2(b)	-	(10,851,907)	(10,851,907)
Progress billings in respect of property development costs	2.2(a)(i)(a)	(14,294,746)	14,294,746	-
Current tax liabilities	2.2(a)(i)(c)/ 2.2(b)	(32,754,468)	(482,954)	(33,237,422)

2. BASIS OF PREPARATION (continued)

2.2 Explanation of transition to MFRSs and change in accounting policy (continued)

(c) (i) Statements of financial position (continued)

	Note	As previously reported RM	Adjustments RM	As restated RM
Group				
At 1 July 2018				
Land held for property development	2.2(a)(i)(b)	502,668,753	(502,668,753)	-
Property development costs	2.2(a)(i)(b)	614,800,905	(614,800,905)	-
Inventories:				
- Completed units	2.2(a)(i)(c)/ 2.2(b)	125,635,989	(435,678)	125,200,311
- Property held for development	2.2(a)(i)(b)/ 2.2(a)(i)(c)/ 2.2(b)	-	496,790,973	496,790,973
- Property under development	2.2(a)(i)(b)/ 2.2(a)(i)(c)/ 2.2(b)	-	617,000,552	617,000,552
Contract assets	2.2(a)(i)(a)/ 2.2(a)(i)(c)/ 2.2(b)	-	51,670,069	51,670,069
Contract cost	2.2(a)(i)(c)	-	4,415,383	4,415,383
Accrued billings in respect of property development costs	2.2(a)(i)(a)	60,077,509	(60,077,509)	-
Contract liabilities	2.2(a)(i)(a)/ 2.2(a)(i)(c)/ 2.2(b)	-	(23,157,601)	(23,157,601)
Progress billings in respect of property development costs	2.2(a)(i)(a)	(39,415,580)	39,415,580	-
Current tax liabilities	2.2(a)(i)(c)/ 2.2(b)	(36,911,778)	1,038,144	(35,873,634)

2. BASIS OF PREPARATION (continued)

2.2 Explanation of transition to MFRSs and change in accounting policy (continued)

(c) (ii) Reconciliation of equity

	Note	(Date of transition) 1.7.2017 RM	1.7.2018 RM
Group			
Equity as reported under FRSs		680,886,115	1,240,319,162
Add/(less):			
Effect of transition to MFRSs			
- Inventories:			
- Completed units	2.2(a)(i)(c)/2.2(b)	-	(435,678)
- Property held for development	2.2(a)(i)(b)/ 2.2(a)(i)(c)/2.2(b)	-	(5,877,780)
- Property under development	2.2(a)(i)(b)/ 2.2(a)(i)(c)/2.2(b)	(1,618,850)	2,199,647
- Contract assets	2.2(a)(i)(a)/ 2.2(a)(i)(c)/2.2(b)	(495,913)	(8,407,440)
- Contract cost	2.2(a)(i)(c)	6,953,448	4,415,383
- Current tax liabilities	2.2(a)(i)(c)/2.2(b)	(482,954)	1,038,144
- Deferred tax liabilities:			
- Revaluation reserve of the property development	2.2(a)(i)(c)/2.2(b)	(8,276)	-
- Contract liabilities	2.2(a)(i)(a)/ 2.2(a)(i)(c)/2.2(b)	3,442,839	16,257,979
		7,790,294	9,190,255
Equity (restated)		688,676,409	1,249,509,417

2. BASIS OF PREPARATION (continued)

2.2 Explanation of transition to MFRSs and change in accounting policy (continued)

(c) (iii) Reconciliation of total comprehensive income

	Note	30.6.2018 RM
Group		
Total comprehensive income as reported under FRSs		71,223,826
Add/(less):		
Effect of transition to MFRSs		
- Property development costs	2.2(a)(i)(c)/2.2(b)	
- Revenue		74,644
- Cost of sale		(4,243,566)
- Distribution expenses		11,100,108
- Finance cost		(6,148,746)
- Income tax expenses		617,521
		1,399,961
Total comprehensive income (restated)		72,623,787

(d) Reconciliation of statements of cash flows

There is no difference between the restated statements of cash flows presented and the statements of cash flows presented under the FRSs.

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective

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

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021#
MFRS 2	Share-based Payment	1 January 2020
MFRS 3	Business Combinations	1 January 2019 / 1 January 2020 / 1 January 2021*
MFRS 5	Non-current Assets held for Sale and Discontinued Operations	1 January 2021#

2. BASIS OF PREPARATION (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

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

Amendments/Improvements to MFRSs (continued)		**Effective for financial periods beginning on or after**
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 7	Financial Instruments: Disclosures	1 January 2021#
MFRS 9	Financial instruments	1 January 2019 / 1 January 2021#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 15	Revenue with Contracts with Customers	1 January 2021#
MFRS 101	Presentation of Financial Statements	1 January 2020*/1 January 2021#
MFRS 107	Statements of Cash Flows	1 January 2021#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 112	Income Taxes	1 January 2019
MFRS 116	Property, Plant and Equipment	1 January 2021#
MFRS 119	Employee Benefits	1 January 2019 / 1 January 2021#
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019 / Deferred / 1 January 2021#
MFRS 132	Financial instruments: Presentation	1 January 2021*
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 136	Impairment of Assets	1 January 2021#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*/1 January 2021#
MFRS 138	Intangible Assets	1 January 2020*/1 January 2021#
MFRS 140	Investment Property	1 January 2021#
New IC Int		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IC Int		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets – Web Site Costs	1 January 2020*

** Amendments to References to the Conceptual Framework in MFRS Standards*

 # Amendments as to the consequence of effective of MFRS 17 Insurance contract

2. BASIS OF PREPARATION (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

(b) The Group and the Company plan to adopt the above applicable new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int when they become effective. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised as below:

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

On initial adoption of MFRS 16, there may be impact on the accounting treatment for leases, which the Group as a lessee currently accounts for as operating leases. On adoption of this standard, the Group will be required to capitalise its rented premises and equipment on the statements of financial position by recognising them as "rights-of-use" assets and their corresponding lease liabilities for the present value of future lease payments.

The Group and the Company plan to adopt this standard when it becomes effective in the financial year beginning 1 July 2019 by applying the transitional provisions and include the required additional disclosures in their financial statements of that year. The Group is likely electing the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, existing lease contracts that are still effective on 1 July 2019 will be accounted for as lease contracts under MFRS 16.

Amendments to MFRS 3 Business Combinations and MFRS 11 Joint Arrangements

Amendments to MFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. Amendments to MFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

Amendments to MFRS 9 Financial Instruments

Amendments to MFRS 9 allow companies to measure prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if certain conditions are met.

The amendments also clarify that when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss.

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

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

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

2. BASIS OF PREPARATION (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

(b) The Group and the Company plan to adopt the above applicable new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int when they become effective. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised as below: (continued)

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that an entity recognises the income tax consequences of dividends in profit or loss because income tax consequences of dividends are linked more directly to past transactions than to distributions to owners, except if the tax arises from a transaction which is a business combination or is recognised in other comprehensive income or directly in equity.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 require an entity to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement when the entity remeasures its net defined benefit liability (asset).

Amendments to MFRS 123 Borrowing Costs

Amendments to MFRS 123 clarify that when a qualifying asset is ready for its intended use or sale, an entity treats any outstanding borrowing made specifically to obtain that qualifying asset as part of general borrowings.

Amendments to MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 128 clarify that companies shall apply MFRS 9, including its impairment requirements, to account for long-term interests in an associate or joint venture that, in substance, form part of the net investment in the associate or joint to which the equity method is not applied.

IC Int 23 Uncertainty over Income Tax Treatments

IC Int 23 clarifies that where there is uncertainty over income tax treatments, an entity shall:

(i) assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

(ii) reflect the effect of uncertainty in determining the related tax position (using either the most likely amount or the expected value method) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

Amendments to References to the Conceptual Framework in MFRS Standards

The Malaysian Accounting Standards Board has issued a revised Conceptual Framework for Financial Reporting and amendments to fourteen Standards under the Malaysian Financial Reporting Standards Framework on 30 April 2018.

The revised Conceptual Framework comprises a comprehensive set of concepts of financial reporting. It is built on the previous version of the Conceptual Framework issued in 2011. The changes to the chapters on the objective of financial reporting and qualitative characteristics of useful financial information are limited, but with improved wordings to give more prominence to the importance of providing information need to assess management's stewardship of the entity's economic resources.

Other improvements of the revised Conceptual Framework include a new chapter on measurement, guidance on reporting financial performance, improved definitions and guidance – in particular the definition of a liability – and clarifications in important areas, such as the role of prudence and measurement uncertainty in financial reporting.

2. BASIS OF PREPARATION (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

(b) The Group and the Company plan to adopt the above applicable new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int when they become effective. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised as below: (continued)

Amendments to References to the Conceptual Framework in MFRS Standards (continued)

The amendments to the fourteen Standards are to update the references and quotations in these Standards which include MFRS 2, MFRS 3, MFRS 6, MFRS 14, MFRS 101, MFRS 108, MFRS 134, MFRS 137, MFRS 138, IC Int 12, IC Int 19, IC Int 20, IC Int 22 and IC Int 132.

The Group is currently performing a detailed analysis to determine the election of the practical expedients and to quantify the financial effects arising from the adoption of the new MFRSs, amendments/improvements to MFRSs, new IC Int and amendment to IC Int.

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination

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

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

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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

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

(b) Non-controlling interests

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

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

(c) Associates

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with MFRS 128 *Investments in Associates* and *Joint Ventures.*

The Group has assessed the nature of its joint arrangement and determined them to be a joint venture and accounted for its interest in the joint venture using the equity method.

(e) Transactions eliminated on consolidation

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

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

3.2 Separate financial statements

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

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

3.3 Financial instruments

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

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

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

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

(a) Subsequent measurement

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

(i) Financial assets

For the purpose of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised costs; and
- Financial assets at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition.

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(i) Financial assets (continued)

Debt instruments (continued)

- **Fair value through other comprehensive income (FVOCI)**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a). Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

(ii) Financial liabilities

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

Financial liabilities at amortised cost

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

(b) Financial guarantee contracts

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

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

(c) Regular way purchase or sale of financial assets

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

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

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

(d) Derecognition

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

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

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

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

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

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

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

(e) Offsetting of financial instruments

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment

(a) Recognition and measurement

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

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

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

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or 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.

(c) Depreciation

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

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

Leasehold lands and buildings	99 years
Freehold buildings	2%
Computers	20%
Office equipment	20%
Furniture and fittings	20%
Motor vehicles	20%
Renovation	20%
Others	20%

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

(d) Derecognition

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

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

(a) Lessee accounting

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to those assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Group does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Any upfront lease payments are classified as land use rights within intangible assets.

(b) Lessor accounting

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

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

3.6 Investment properties

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Investment properties (continued)

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

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

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

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

3.7 Goodwill

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

In respect of equity-accounted associates and joint ventures, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

3.8 Inventories

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

<u>Property under development</u>

Cost includes:

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Contract assets/(liabilities)

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

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

3.10 Cash and cash equivalents

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

3.11 Impairment of assets

(a) Impairment of financial assets and contract assets

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

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

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

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

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

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

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

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

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

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

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

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

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

(b) Impairment of non-financial assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

(b) Impairment of non-financial assets (continued)

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

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

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

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

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

3.12 Equity instruments

(a) Ordinary shares

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Equity instruments (continued)

(b) Preference shares

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

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

(c) Treasury shares

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

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

3.13 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

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

3.14 Provisions

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income

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

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

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

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

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

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

(a) Property development

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

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

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

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

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

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

For residential properties, as part of the statutory requirements, the Group and the Company's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building are recognised as a provision as disclosed in Note 22.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

(b) Interest income

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

(c) Dividend income

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

(d) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.17 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Income tax (continued)

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Managing Director who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Earnings per ordinary share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own share held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3.22 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Contract costs (continued)

(a) Recognition and measurement (continued)

The incremental costs of obtaining a contract are those costs that the Group and the Company incur to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group and the Company expect those costs are recoverable.

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories,* MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets,* are recognised as part of contract costs when all of the following criteria are met:

(a) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;

(b) the costs generate or enhance resources of the Group and the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

(b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors.*

(c) Impairment

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

(a) the remaining amount of consideration that the Group and the Company expect to receive in exchange for the goods or services to which the asset relates; less

(b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group and the Company shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group and the Company shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

The Group and the Company have applied the practical expedient to recognise the incremental costs of obtaining contracts as an expense when incurred if the amortisation periods of the asset that the Company otherwise would has recognised are one year or less.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

(a) Transfer of control in property development (Note 10, 13, 14 and 23)

The Group's property development activities comprise both "sell and build" model and "build and sell" model. For the purpose of revenue recognition, the directors use their judgement to determine whether control of residential and commercial properties under development is transferred to customers over time or at a point in time. The Group uses the criterion of control from the perspective of a customer, judged in relation to the customer's ability to obtain economic benefits of the asset under development. The Group considers that if the asset under development has been assigned to a customer and the asset has no alternative use to the Group and the Group has enforceable rights to payments, control of the asset is transferred over time to the customer. Revenue is recognised over time based on the progress towards complete satisfaction of performance obligation. If a customer does not obtain control when the asset is under development, such as in build and sell units, revenue is recognised at a point in time when the construction of the asset is completed and handed over to the customer.

(b) Property development revenue and expenses (Note 13, 14, 22(d), 23 and 24)

The Group recognised property development revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and expenses, as well as the recoverability of the development projects. In making the judgement, the Group and the Company evaluate based on past experience and by relying on the work of specialists.

(c) Accruals – costs accrued (Note 22(d) and 24)

Significant judgement is required in the estimation of the costs accrued for the development projects. The Group evaluates the amount accrued based on past track records and experience.

(d) Impairment of investments in subsidiaries and recoverability of amount owing by subsidiaries (Note 6 and 12(b))

The Company performs impairment review on the investments in subsidiaries and amount owing by subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investments in subsidiaries and amount owing by subsidiaries may not be recoverable in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test. The impairment made on investment in subsidiaries entails an allowance for doubtful debts to be made to the amount owing by these subsidiaries.

Loans that are part of net investments represent amount owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in subsidiaries, they are stated at cost less accumulated impairment loss, if any.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(d) Impairment of investments in subsidiaries and recoverability of amount owing by subsidiaries (Note 6 and 12(b)) (continued)

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investments in subsidiaries and amount owing by subsidiaries.

(e) Impairment of financial assets (Note 12(c) and 12(d))

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2019	**Leasehold Land RM**	**Freehold Lands and Buildings RM**	**Computers RM**	**Office Equipment RM**	**Furniture and Fittings RM**	**Motor Vehicles RM**	**Renovation RM**	**Others RM**	**Total RM**
Cost									
At 1 July 2018	7,078	10,564,211	965,750	120,003	433,296	2,987,601	493,476	26,074	15,597,489
Additions	-	-	72,638	20,837	29,919	-	363,743	-	487,137
Disposal	-	-	(2,628)	-	-	-	-	-	(2,628)
At 30 June 2019	7,078	10,564,211	1,035,760	140,840	463,215	2,987,601	857,219	26,074	16,081,998
Accumulated depreciation and impairment loss									
At 1 July 2018	59	659,753	581,322	110,591	368,837	1,650,386	164,511	23,512	3,558,971
Depreciation charge for the financial year	101	211,284	150,639	4,734	25,538	443,750	102,496	1,206	939,748
Disposal		-	(616)	-	-	-	-	-	(616)
At 30 June 2019	160	871,037	731,345	115,325	394,375	2,094,136	267,007	24,718	4,498,103
Carrying amount									
At 1 July 2018	7,019	9,904,458	384,428	9,412	64,459	1,337,215	328,965	2,562	12,038,518
At 30 June 2019	6,918	9,693,174	304,415	25,515	68,840	893,465	590,212	1,356	11,583,895
Group 2018									
Cost									
At 1 July 2017	-	10,564,211	762,384	115,243	406,293	3,209,641	94,201	22,810	15,174,783
Acquisition of subsidiaries	7,078	-	4,447	4,077	1,264	-	-	3,264	20,130
Additions	-	-	237,419	683	25,739	179,930	399,275	-	843,046
Disposal	-	-	(38,500)	-	-	(401,970)	-	-	(440,470)
At 30 June 2018	7,078	10,564,211	965,750	120,003	433,296	2,987,601	493,476	26,074	15,597,489
Accumulated depreciation and impairment loss									
At 1 July 2017	-	448,468	472,325	107,344	343,801	1,584,478	80,827	22,809	3,060,052
Depreciation charge for the financial year	59	211,285	134,457	3,247	25,036	467,878	83,684	703	926,349
Disposal	-	-	(25,460)	-	-	(401,970)	-	-	(427,430)
At 30 June 2018	59	659,753	581,322	110,591	368,837	1,650,386	164,511	23,512	3,558,971
Carrying amount									
At 1 July 2017	-	10,115,743	290,059	7,899	62,492	1,625,163	13,374	1	12,114,731
At 30 June 2018	7,019	9,904,458	384,428	9,412	64,459	1,337,215	328,965	2,562	12,038,518

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Included in the freehold lands and buildings of the Group with a net carrying amount totaling RM9,693,174 (30.6.2018: RM9,904,458; 1.7.2017: RM10,115,743) are pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 20.

Motor vehicles with a total carrying amount of RM893,465 (30.6.2018: RM1,337,215; 1.7.2017: RM1,625,163) were acquired under finance lease arrangements.

6. INVESTMENT IN SUBSIDIARIES

		Company		
	Note	30.6.2019 RM	30.6.2018 RM	1.7.2017 RM
Unquoted shares - at cost		**347,598,847**	339,030,472	191,657,504
Less : Impairment loss	(a)	**(4,093,002)**	(4,093,002)	-
		343,505,845	334,937,470	191,657,504
Loans that are part of net investments	(b)	**708,692,378**	467,901,712	-
		1,052,198,223	802,839,182	191,657,504

(a) The Company's investment in subsidiaries that are impaired at the reporting date and the reconciliation of movement in the impairment of investment in subsidiaries is as follows:

	Company	
	30.6.2019 RM	30.6.2018 RM
At 1 July	**4,093,002**	-
Charge for the financial year - Impairment loss	**-**	4,093,002
At 30 June	**4,093,002**	4,093,002

Investment in subsidiaries that are individually determined to be impaired at the reporting date relate to subsidiaries that are inactive.

The recoverable amount was determined based on value in use from financial budgets approved by the management.

(b) Loans that are part of net investments represent amount owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlements of the amounts are neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, they are stated at cost less accumulated impairment loss, if any.

6. INVESTMENT IN SUBSIDIARIES (continued)

(c) The details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Effective ownership interest 30.6.2019	30.6.2018	1.7.2017	Principal activities
Direct subsidiaries					
Aman Kemensah Sdn. Bhd.	Malaysia	**100%**	100%	100%	Property development
Epoch Property Sdn. Bhd.	Malaysia	**100%**	100%	100%	Property development
NPO Development Sdn. Bhd.	Malaysia	**100%**	100%	100%	Property development
Safetags Solution Sdn. Bhd.	Malaysia	**100%**	100%	100%	Property development
Shah Alam City Centre Sdn. Bhd.	Malaysia	**100%**	100%	100%	Property development
Prosperous Hectares Sdn. Bhd.	Malaysia	**100%**	70%	70%	Dormant
Pin Hwa Properties Sdn. Bhd.	Malaysia	**100%**	100%	100%	Investment holding and joint venture for property development
Terbit Kelana Development Sdn. Bhd.	Malaysia	**100%**	100%	100%	Property investment
Titijaya Resources Sdn. Bhd.	Malaysia	**100%**	100%	100%	Investment holding
Titijaya PMC Sdn. Bhd.	Malaysia	**100%**	100%	100%	Providing management services
City Meridian Development Sdn. Bhd.	Malaysia	**100%**	100%	100%	Property development
Titijaya Capital Sdn. Bhd.	Malaysia	**100%**	100%	100%	Money lending business
Premsdale Development Sdn. Bhd.	Malaysia	**100%**	100%	100%	Property development
Tulus Lagenda Sdn. Bhd.	Malaysia	**100%**	100%	100%	Joint venture for property development
High Splendour Sdn. Bhd.	Malaysia	**100%**	100%	100%	Dormant
Titijaya Development (Pulau Pinang) Sdn. Bhd.	Malaysia	**100%**	100%	100%	Dormant
Tamarind Heights Sdn. Bhd.	Malaysia	**100%**	100%	100%	Joint venture for property development
NPO Builders Sdn. Bhd.	Malaysia	**100%**	100%	-	Property development
Sri Komakmur Development Sdn. Bhd.	Malaysia	**100%**	100%	-	Property development and investment holding
Riveria City Sdn. Bhd.	Malaysia	**70%**	70%	-	Joint venture for property development
Indirect subsidiaries					
Subsidiaries of NPO Development Sdn. Bhd.					
Neu Estates Sdn. Bhd. (f.k.a. NPO Land Sdn. Bhd.)	Malaysia	**100%**	100%	100%	Property development
Zen Estates Sdn. Bhd. (f.k.a. Sendi Bangga Development Sdn. Bhd.)	Malaysia	**100%**	100%	100%	Property development
Subsidiaries of Titijaya Resources Sdn. Bhd.					
Aman Duta Sdn. Bhd.	Malaysia	**100%**	100%	-	Dormant
Ampang Avenue Development Sdn. Bhd.	Malaysia	**70%**	70%	70%	Joint venture for property development
Tenang Sempurna Sdn. Bhd.	Malaysia	**70%**	70%	70%	Dormant
Subsidiaries of Ampang Avenue Development Sdn. Bhd.					
Nipah Valley Sdn. Bhd.	Malaysia	**70%**	70%	63%	Joint venture for property development
Subsidiaries of Sri Komakmur Development Sdn. Bhd.					
Renofajar Sdn. Bhd.	Malaysia	**100%**	100%	-	Property development
Blu Waterfront Development Sdn. Bhd.	Malaysia	**100%**	100%	-	Property development
Subsidiaries of Blu Waterfront Development Sdn. Bhd.					
Laksana Wawasan Sdn. Bhd.	Malaysia	**100%**	100%	-	Dormant

6. INVESTMENT IN SUBSIDIARIES (continued)

(c) The details of the subsidiaries are as follows (continued):

Names of directors of the Company's subsidiary(ies):

In addition to the directors listed in the Directors' Report, the following are the directors of some of the subsidiary(ies):

Puan Sri Datin Chan Lian Yen
Lim Soon Koon
Wang You Ping
Qin Fei
Datuk Matthew Tee Kai Woon (Resigned on 23 April 2019)
Tan Sri Datuk Tee Hock Seng (Resigned on 23 April 2019)

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

2019	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	**30%**	**30%**	**30%**	**30%**	
Carrying amount of NCI	**(58,543)**	**3,019,040**	**1,465,462**	**837,524**	**5,263,483**
Net (loss)/profit allocated to NCI	**(3,330)**	**1,003,487**	**858,178**	**1,154,859**	**3,013,194**
Summarised statement of financial position before intra-group elimination as at 30 June 2019					
Non-current assets	**1,710,923**	**74,358,349**	**70,329,804**	**201,089,223**	
Current assets	**98,525**	**218,845,106**	**64,970,213**	**93,789,063**	
Non-current liabilities	**-**	**(102,732,821)**	**-**	**(571,081)**	
Current liabilities	**(4,590)**	**(168,590,525)**	**(130,415,143)**	**(291,515,458)**	
Net assets	**1,804,858**	**21,880,109**	**4,884,874**	**2,791,747**	
Loan that are part of investment	**(2,000,000)**	**(11,816,644)**	**-**	**-**	
	(195,142)	**10,063,465**	**4,884,874**	**2,791,747**	
Summarised statement of comprehensive income before intra-group elimination financial year ended 30 June 2019					
Revenue	**-**	**27,855,949**	**6,374,197**	**15,227,053**	
(Loss)/profit for the financial year	**(11,099)**	**3,344,960**	**2,860,592**	**3,849,529**	
Total comprehensive (loss)/income	**(11,099)**	**3,344,960**	**2,860,592**	**3,849,529**	
Summarised cash flow information financial year ended 30 June 2019					
Cash flow (used in)/generated from operating activities	**(9,510)**	**(33,833,714)**	**762,233**	**(13,861,541)**	
Cash flow generated from investing activities	**-**	**83,821,104**	**31,607,740**	**-**	
Cash flow (used in)/generated from financing activities	**(362,910)**	**(63,447,073)**	**(28,744,666)**	**24,251,371**	
Net (decrease)/ increase in cash and cash equivalents	**(372,420)**	**(13,459,683)**	**3,625,307**	**10,389,830**	

6. INVESTMENT IN SUBSIDIARIES (continued)

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows (continued):

2018	Prosperous Hectares Sdn. Bhd. RM	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM Restated	Nipah Valley Sdn. Bhd. RM Restated	Riveria City Sdn. Bhd. RM	Total RM Restated
NCI percentage of ownership interest and voting interest	30%	30%	30%	30%	30%	
Carrying amount of NCI	718,175	(55,213)	2,015,553	607,284	(317,335)	2,968,464
Net profit/(loss) allocated to NCI	5,767	(6,538)	(688,471)	103,191	(329,683)	(915,734)
Summarised statement of financial position before intra-group elimination as at 30 June 2018						
Non-current assets	-	1,710,923	1,000,000	115,457,919	-	
Current assets	16,657,156	470,945	205,159,819	43,411,260	29,345,087	
Non-current liabilities	-	-	(100,315,516)	-	-	
Current liabilities	(14,263,238)	(2,365,911)	4,672,768	(156,844,903)	(17,339,301)	
Net assets/(liabilities)	2,393,918	(184,043)	110,517,071	2,024,276	12,005,786	
Loan that are part of investment	-	-	(103,798,561)	-	(13,063,568)	
	2,393,918	(184,043)	6,718,510	2,024,276	(1,057,782)	
Summarised statement of comprehensive income before intra-group elimination financial year ended 30 June 2018						
Revenue	-	-	5,287,271	787,952	-	
Profit/(loss) for the financial year	19,224	(21,793)	(2,294,903)	343,967	(1,098,944)	
Total comprehensive income/(loss)	19,224	(21,793)	(2,294,903)	343,967	(1,098,944)	
Summarised cash flow information financial year ended 30 June 2018						
Cash flow generated from/(used in) operating activities	2,003,027	324,300	(136,923,279)	(22,706,465)	(14,877,016)	
Cash flow used in investing activities	-	-	(100,000)	-	-	
Cash flow generated from financing activities	8,523	-	151,070,342	22,714,783	15,145,974	
Net increase in cash and cash equivalents	2,011,550	324,300	14,047,063	8,318	268,958	

6. INVESTMENT IN SUBSIDIARIES (continued)

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows (continued):

2017	Prosperous Hectares Sdn. Bhd. RM	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM Restated	Nipah Valley Sdn. Bhd. RM Restated	Total RM Restated
NCI percentage of ownership interest and voting interest	30%	30%	30%	37%	
Carrying amount of NCI	712,408	(48,675)	3,072,023	136,093	3,871,849
Summarised statement of financial position before intra-group elimination as at 1 July 2017					
Non-current assets	-	2,160,423	900,000	115,457,919	
Current assets	18,960,341	2,266,645	186,853,824	20,423,260	
Non-current liabilities	-	-	(82,176,844)	-	
Current liabilities	(16,585,647)	(4,589,318)	(95,336,903)	(135,513,361)	
Net assets/(liabilities)	2,374,694	(162,250)	10,240,077	367,818	

(e) Effects on acquisition of subsidiaries are from the following:

2019

Prosperous Hectares Sdn. Bhd. ("PHSB")

On 21 March 2018, the Company, Bina Puri Construction Sdn. Bhd. ("BPCSB"), PHSB and Bina Puri Development Sdn. Bhd. ("BPDSB") have entered into deed of mutual termination of previous joint venture agreement between the BPDSB, BPCSB and PHSB dated on 18 April 2014.

At the same date, the Company had entered into a shares sale agreement with BPCSB for the acquisition of 900,000 ordinary shares, representing 30% equity interest in PHSB for a purchase consideration of RM900,000 settled in cash. The acquisition was completed on 8 August 2018.

6. INVESTMENT IN SUBSIDIARIES (continued)

(e) Effects on acquisition of subsidiaries are from the following (continued):

2018

(i) Fair values of the consideration transferred:

	Group RM
Consideration paid in cash	56,799,287
Consideration by shares	119,598,934
Fair value of consideration transferred	176,398,221

(ii) The fair values and carrying amounts of the identifiable assets and liabilities of the subsidiaries as at the date of acquisitions are as follows:

	Group RM
Property, plant and equipment	20,130
Deferred tax assets	692,144
Land held for property development	19,057,538
Property development costs	114,566,796
Trade and other receivables	10,264,412
Inventories	23,482,707
Cash and bank balances	3,392,810
Fixed deposits	766,135
Trade and other payables	(107,674,500)
Bank borrowings	(23,948,526)
Current tax liabilities	(1,717,853)
Net identifiable assets	38,901,793
Add: Excess of purchase consideration over net identifable asset accounted for as an asset acquisition	137,508,777
Fair value purchase consideration	176,410,570
Non-controlling interest at fair value	(12,349)
Fair value of consideration transferred	176,398,221
Less: Cash and cash equivalents of subsidiaries acquired	(4,158,945)
	172,239,276

6. INVESTMENT IN SUBSIDIARIES (continued)

(e) Effects on acquisition of subsidiaries are from the following (continued):

2018 (continued)

(iii) Effect of acquisition on cash flows:

	Group RM
Fair value of consideration transferred	176,398,221
Less: Non-cash consideration	(119,598,934)
Consideration paid in cash	56,799,287
Less: Cash and cash equivalents of subsidiaries acquired	(4,158,945)
Net cash outflows on acquisition	52,640,342

NPO Builders Sdn. Bhd. ("NBSB")

On 30 September 2016, the Company had acquired the entire equity interest in NBSB and full settlement of advances for a total purchase consideration of RM115,612,302 satisfied via the issuance of 79,732,622 new ordinary shares of RM0.50 each in TLB (TLB share) at an issue price of RM1.45 per TLB share.

On 9 August 2017, the Company and Titi Kaya Sdn. Bhd. ("TKSB") entered into a supplemental share sale agreement to vary the late payment interest as consideration to extend the completion date up to 25 September 2017, from 6% per annum tabulated on daily basis to 7.35% per annum tabulated on daily basis, over the balance purchase price (i.e., after excluding the refundable deposit of 10% of the purchase price payable to TKSB) between the expiry of the Extended Completion Date to the date upon which the Company settles the balance purchase price to TKSB.

On 20 October 2017 (completion date), the Company had issued 79,732,622 new ordinary shares at an issue price of RM1.45 per share to acquire the entire equity interest in NBSB and full settlement of advances from TKSB, Lee Eng Wah and Lim Wen Yeh, being the vendors of NBSB, for a total purchase consideration of RM115,612,302. Following the above acquisition, NBSB has become a direct wholly owned subsidiary of the Company.

The fair value of the shares at the completion date of RM1.50 per share or RM119,598,934 in total is taken up as investment in subsidiary.

Aman Duta Sdn. Bhd. ("ADSB")

On 25 September 2017, Titijaya Resources Sdn. Bhd. ("TRSB"), a wholly owned subsidiary of the Company had acquired two ordinary shares, representing 100% of the issued share capital of ADSB, a shelf company incorporated in Malaysia, for a total consideration of RM2. Following the above acquisition, ADSB has become an indirect wholly owned subsidiary of the Company.

ADSB was incorporated on 18 July 2017 as a private company limited by shares under the Companies Act 2016. ADSB has an issued share capital of 2 ordinary shares equivalent to RM2.

Sri Komakmur Development Sdn. Bhd. ("SKDSB"), and its subsidiaries namely, Renofajar Sdn. Bhd., Blu Waterfront Development Sdn. Bhd. and Laksana Wawasan Sdn. Bhd.

As announced by the Company, on 27 February 2017, the Company entered into a Share Sale Agreement ("SSA") with Tan Chuan Cheong and Tee Tiong Lee ("the vendors") for the acquisition of 3,000,000 ordinary shares, representing the entire issued share capital of SKDSB and its subsidiaries for a purchase consideration of RM70,919,000. The highest percentage ratio applicable to the acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 13%, based on latest audited consolidated financial statements of Titijaya Land Berhad for the financial year ended 30 June 2016. None of the directors and/or substantial shareholders of the Group or persons connected to them has any interest, direct or indirect, in the acquisition.

6. INVESTMENT IN SUBSIDIARIES (continued)

(e) Effects on acquisition of subsidiaries are from the following (continued):

2018 (continued)

Riveria City Sdn. Bhd. ("RCSB")

The Company has on 21 March 2018, entered into a joint venture agreement with Bina Puri Properties Sdn. Bhd. and RCSB for the strategic collaboration to jointly participate in the proposed development land and a Shares Sale Agreement with Bina Puri Construction Sdn. Bhd. for the acquisition of 280,000 ordinary shares, representing 70% equity interest in RCSB ("Sale Shares") for a purchase consideration of RM28,000. The acquisition was completed on 24 April 2018.

2017

(i) Fair values of the consideration transferred:

	Group RM
Consideration paid in cash	6,382,561
Fair value of condsideration transferred	6,382,561

(ii) The fair values and carrying amounts of the identifiable assets and liabilities of the subsidiaries as at the date of acquisitions are as follows:

	Group RM
Property development costs	174,344,907
Trade and other receivables	84,970
Cash and bank balances	1,924,005
Non-controlling interest	(79,461)
Trade and other payables	(84,380,043)
Bank borrowings	(82,177,013)
Net identifiable assets	9,717,365
Add: Excess of purchase consideration over net identifable asset accounted for as an asset acquisition	142,222
Fair value purchase consideration	9,859,587
Non-controlling interest at fair value	(3,477,026)
Fair value of consideration transferred	6,382,561
Less: Cash and cash equivalents of subsidiaries acquired	(1,924,005)
	4,458,556

6. INVESTMENT IN SUBSIDIARIES (continued)

(e) Effects on acquisition of subsidiaries are from the following (continued):

2017 (continued)

(iii) Effect of acquisition on cash flows:

	Group RM
Fair value of consideration transferred	6,382,561
Less: Cash and cash equivalents of subsidiaries acquired	(1,924,005)
Net cash outflows on acquisition	4,458,556

Ampang Avenue Development Sdn. Bhd. ("AADSB") and its subsidiary namely, Nipah Valley Sdn. Bhd. ("NVSB")

On 8 November 2016, the Company through its subsidiary, Titijaya Resources Sdn. Bhd. ("TRSB") entered into share sale agreement together with CREC Development (M) Sdn. Bhd. ("CRECD") for the acquisition of 10,440,000 ordinary shares of RM1.00 each, representing issued and paid-up capital of AADSB for a consideration of RM10,000,000 and assumption of the shareholders' advances of RM70,000,000 from the vendors (namely Chan Peng Kooh and Rafidah Binti Menan) arriving at a total purchase consideration of RM80,000,000.

Premsdale Development Sdn. Bhd. ("PDSB")

On 14 July 2017, Titijaya Land Berhad subscribed for an additional 249,998 ordinary shares in PDSB for a cash consideration of RM249,998. The acquisition does not change the effective equity interest held by the Company.

7. INVESTMENT IN ASSOCIATES

		Group	
	30.6.2019 RM	**30.6.2018 RM**	**1.7.2017 RM**
Unquoted shares - at cost	**499,040**	499,040	400,000
Share of post-acquisition reserves	**(49,706)**	(43,190)	(9,209)
	449,334	455,850	390,791

7. INVESTMENT IN ASSOCIATES (continued)

Details of the associates are as follows:

Name of company	Principal place of business/ country of incorporation	Effective ownership interest 30.6.2019	30.6.2018	1.7.2017	Principal activities
Indirect associate held through Titijaya Resources Sdn. Bhd.					
- Amona Titijaya Sdn. Bhd.*	Malaysia	**40%**	40%	40%	Property development.
- Asas Dinasti Sdn. Bhd.	Malaysia	**40%**	40%	-	Dormant
Indirect associate held through Tulus Lagenda Sdn. Bhd.					
- BJ Properties Sdn. Bhd.*	Malaysia	**49%**	49%	-	Property development.
Indirect associate held through Titijaya Resources Sdn. Bhd. and Aman Duta Sdn. Bhd.					
- Usima Property Sdn. Bhd.#	Malaysia	**40%**	40%	-	Dormant

* *Audited by auditors other than Baker Tilly Monteiro Heng PLT*

\# *Not audited for financial year ended 30 June 2019 and 30 June 2018*

(a) Summarised financial impact of material associates

The summarised financial information of material associates during the financial year is as follows:

Group	BJ Properties Sdn. Bhd. RM	Other individually immaterial associates RM	Total RM
30.6.2019			
Assets and liabilities:			
Non-current assets	**99,484,000**	**-**	**99,484,000**
Current assets	**25,586,259**	**5,993,692**	**31,579,951**
Current liabilities	**(108,677,487)**	**(5,096,681)**	**(113,774,168)**
Net assets	**16,392,772**	**897,011**	**17,289,783**
Results:			
Loss for the financial year	**(2,083)**	**(13,753)**	**(15,836)**
Total comprehensive loss	**(2,083)**	**(13,753)**	**(15,836)**
30.6.2018			
Assets and liabilities:			
Non-current assets	100,531,200	-	100,531,200
Current assets	28,345,114	5,998,570	34,343,684
Current liabilities	(131,857,297)	(5,087,806)	(136,945,103)
Net assets	(2,980,983)	910,764	(2,070,219)
Results:			
Profit/(loss) for the financial year	(16,678)	(68,639)	(85,317)
Total comprehensive income/(loss)	(16,678)	(68,639)	(85,317)

7. INVESTMENT IN ASSOCIATES (continued)

(a) Summarised financial impact of material associates (continued)

The summarised financial information of material associates during the financial year is as follows (continued):

Group	Other individually immaterial associates RM	Total RM
1.7.2017		
Assets and liabilities:		
Non-current assets	5,260,785	5,260,785
Current assets	1,000,966	1,000,966
Current liabilities	(5,286,880)	(5,286,880)
Net assets	974,871	974,871

(b) Effects on acquisition of associates

2018

(i) **Asas Dinasti Sdn. Bhd. ("ADSB")**

On 28 November 2017, Titijaya Resources Sdn. Bhd., a wholly owned subsidiary of the Company had acquired two ordinary shares, representing 100% of the issued share capital of ADSB, a shelf company incorporated in Malaysia, for a total consideration of RM2. Following the above acquisition, ADSB has become an indirect wholly owned subsidiary of the Company.

On 5 December 2017, TRSB had subscribed for additional 3,998 new ordinary shares in the enlarged issued share capital of ADSB, for a total cash consideration of RM3,998. The Company's effective interest in ADSB through TRSB, shall reduce from 100% to 40%. As a result, ADSB has become an indirect associate of the Group.

(ii) **BJ Properties Sdn. Bhd. ("BPSB")**

On 28 March 2018, Tulus Lagenda Sdn. Bhd. ("TLSB"), a wholly owned subsidiary of the Company, has entered into a Shares Subscription Agreement ("SSA") with BPSB to subscribe up to 9,900,000 new ordinary shares in BPSB, representing 99% of the enlarged issued share capital of BPSB at a subscription price of up to RM9,900,000, subject to and upon the terms and conditions of the SSA.

TLSB had on 29 March 2018 subscribed for 95,000 new ordinary shares in the enlarged issued share capital of BPSB, for a total cash consideration of RM95,000. Consequential thereto, BPSB became a 49% owned indirect associate of the Group via TLSB.

(iii) **Usima Property Sdn. Bhd. ("UPSB")**

On 25 September 2017, Titijaya Resources Sdn. Bhd. ("TRSB"), a wholly owned subsidiary of the Company had acquired two ordinary shares, representing 100% of the issued share capital of Aman Duta Sdn. Bhd. ("ADSB"), a shelf company incorporated in Malaysia, for a total consideration of RM2. Following the above acquisition, ADSB has become an indirect wholly owned subsidiary of the Company.

On 18 January 2018, ADSB had acquired 40 ordinary shares of UPSB from the previous owner, for a total cash consideration of RM40. Consequential thereto, UPSB has become an indirect associate of the Group via TRSB and ADSB.

7. INVESTMENT IN ASSOCIATES (continued)

(b) Effects on acquisition of associates (continued)

2017

(i) **Amona Titijaya Sdn. Bhd. ("ATSB")**

On 30 October 2015, Titijaya Resources Sdn. Bhd. ("TRSB") entered into a Shareholders' Agreement with Amona Development Sdn. Bhd. and ATSB (formerly known as Metrogale Development Sdn. Bhd.) (referred as "JV Company") to form a strategic collaboration and to govern the material aspects of the joint venture, the conduct of the business and the management of the JV Company. The transaction had been completed on 21 March 2017. TRSB hold 400,000 of ordinary shares representing the 40% of entire issued and paid-up share capital in ATSB.

8. INVESTMENT PROPERTIES

Group	Freehold lands RM	Buildings RM	Construction in progress RM	Total RM
Costs				
At 1 July 2017	71,989,369	4,648,613	-	76,637,982
Addition*	-	64,060,055	-	64,060,055
At 30 June 2018	71,989,369	68,708,668	-	140,698,037
Addition	-	2,940,997	32,207,993	35,148,990
At 30 June 2019	**71,989,369**	**71,649,665**	**32,207,993**	**175,847,027**
Accumulated Depreciation and Impairment				
At 1 July 2017	-	3,744,548	-	3,744,548
Depreciation for the financial year	-	756,237	-	756,237
At 30 June 2018	-	4,500,785	-	4,500,785
Depreciation for the financial year	-	756,239	-	756,239
At 30 June 2019	**-**	**5,257,024**	**-**	**5,257,024**
Net Carrying Amount				
At 30 June 2019	**71,989,369**	**66,392,641**	**32,207,993**	**170,590,003**
At 30 June 2018	71,989,369	64,207,883	-	136,197,252
At 1 July 2017	71,989,369	904,065	-	72,893,434

* *During the financial year of 2018 and 2019, a subsidiary has acquired a property (classified under investment property) from a fellow subsidiary which was previously classified under inventory.*

Buildings consist of retail shop lots, office units and a food court.

8. INVESTMENT PROPERTIES (continued)

	Group		
	30.6.2019 RM	**30.6.2018 RM**	**1.7.2017 RM**
Fair value of investment properties	**143,320,000**	143,420,000	78,420,000
Rental income generated	**2,026,692**	1,567,911	1,742,002
Direct operating expenses arising from:			
- income generating investment properties	**191,528**	45,108	24,675
- non-income generating investment properties	**-**	87,084	88,578
	191,528	132,192	113,253

(a) **Fair value information**

The fair value of investment properties (excluding construction in progress) of approximately RM143,320,000 (30.6.2018: RM143,420,000; 1.7.2017: RM78,420,000) is determined based on the valuation performed by the independent professional valuers with relevant experience in the location and categories of land being valued. The fair value of investment properties is measured at Level 2 hierarchy.

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the property, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square foot of comparable properties.

(b) The investment properties with net carrying amount of RM39,762,287 (30.6.2018: RM3,983,097; 1.7.2017: RM3,983,097) have been pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 20.

9. GOODWILL ON CONSOLIDATION

	Group	
	30.6.2019 RM	**30.6.2018 RM**
At 1 July 2018/2017	**2,062,677**	3,706,047
Less : Impairment loss during the financial year	**-**	(1,643,370)
At 30 June	**2,062,677**	2,062,677

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination.

The carrying amount of goodwill had been allocated to investment holding segment as independent CGU.

The Group performed impairment review on goodwill annually or more frequently if there are indications that goodwill might be impaired.

9. GOODWILL ON CONSOLIDATION (continued)

The recoverable amount of the CGU is determined from value in use calculation using 2 to 5 years cash flows projections from financial budgets and projects approved by the management. The key assumptions for the value in use calculation are number of development units sold and progress development, discount rate and expected changes to selling prices and direct costs during the period. Management estimated discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. A discount rate factor of 10.11% (30.6.2018: 10.31%; 1.7.2017: 11.68%) has been applied in arriving at the present value of future cash flows. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case assumptions would cause the carrying values of the CGUs to exceed its recoverable amounts.

10. INVENTORIES

	Group		
	30.6.2019 RM	**30.6.2018 RM Restated**	**1.7.2017 RM Restated**
Non-current:			
At Cost			
Property held for development			
- Freehold land	**237,275,508**	238,059,396	207,937,696
- Leasehold land	**105,432,949**	131,280,428	96,464,515
- Development costs	**427,110,180**	141,245,160	122,501,391
	769,818,637	510,584,984	426,903,602
Current:			
At Cost			
Property under development			
- Freehold land	**111,248,140**	179,672,913	135,968,230
- Leasehold land	**101,226,741**	121,313,486	52,983,835
- Development costs	**288,947,190**	321,484,082	180,528,110
	501,422,071	622,470,481	369,480,175
Completed properties	**202,122,264**	125,200,311	174,648,192
Total inventories (current)	**703,544,335**	747,670,792	544,128,367
Total inventories (non-current and current)	**1,473,362,972**	1,258,255,776	971,031,969

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM219,905,561 (30.6.2018: RM247,274,478; 1.7.2017: RM231,150,401).

10. INVENTORIES (continued)

(b) Freehold lands and leasehold lands included in the properties held for development of RM251,623,952 (30.6.2018: RM277,758,662; 1.7.2017: RM273,242,241) have been pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 20 (a) and (c).

(c) Included in inventories are borrowing costs capitalised in the property development costs during the financial year as follows:

	Group		
	30.6.2019 RM	**30.6.2018 RM**	**1.7.2017 RM**
Borrowing costs capitalised	**15,934,984**	12,841,491	8,312,325

11. OTHER INVESTMENTS

	Group		
	30.6.2019 RM	**30.6.2018 RM**	**1.7.2017 RM**
Designated fair value through other comprehensive income			
At fair value:			
- Equity securities	**-**	5,646	5,646

12. TRADE AND OTHER RECEIVABLES

	Note	Group 30.6.2019 RM	Group 30.6.2018 RM Restated	Group 1.7.2017 RM Restated	Company 30.6.2019 RM	Company 30.6.2018 RM	Company 1.7.2017 RM
Non-current:							
Trade							
Stakeholder sum	(a)	**942,148**	1,689,208	9,680,774	**-**	-	-
Current:							
Trade							
Trade receivables from contracts with customers	(a)	**86,767,157**	56,682,079	35,765,073	**-**	-	-
Stakeholder sum		**7,359,680**	16,308,502	8,693,744	**-**	-	-
Less: written off	(a)	**-**	-	(308,888)	**-**	-	-
		94,126,837	72,990,581	44,149,929	**-**	-	-
Less: impairment losses for trade receivables	(a)	**(2,288,171)**	(2,288,171)	(2,288,171)	**-**	-	-
		91,838,666	70,702,410	41,861,758	**-**	-	-
Non-trade							
Amount owing by:							
- ultimate holding company	(b)	**-**	3,066,667	-	**-**	-	-
- subsidiaries	(b)	**-**	-	-	**304,094**	144,331,199	253,575,634
- associates	(b)	**8,853,692**	8,841,471	823,770	**3,014,177**	3,002,081	-
Less: impairment on:							
- subsidiaries		**-**	-	-	**(122,843)**	(122,843)	-
- associates	(b)	**(3,743,861)**	(3,002,081)	-	**(3,000,371)**	(3,002,081)	-
Other receivables	(c)	**258,379,663**	294,329,726	54,814,020	**6,810,163**	17,315,372	3,268,968
Less: written off		**-**	-	(79,577)	**-**	-	-
Less: impairment losses for non-trade receivables	(c)	**(900,000)**	(900,000)	-	**-**	-	-
GST refundable		**2,465,095**	4,078,142	3,443,651	**126,626**	121,786	76,696
Deposits	(d)	**111,244,594**	117,388,025	145,597,670	**1,104,500**	8,022,687	12,614,587
Less: written off for deposits		**(75,805)**	-	(366,200)	**-**	-	-
Prepayments	(e)	**14,931**	247,391	6,560,799	**-**	-	-
		376,238,309	424,049,341	210,794,133	**8,236,346**	169,668,201	269,535,885
Total trade and other receivables (current)		**468,076,975**	494,751,751	252,655,891	**8,236,346**	169,668,201	269,535,885
Total trade and other receivables (non-current and current)		**469,019,123**	496,440,959	262,336,665	**8,236,346**	169,668,201	269,535,885

12. TRADE AND OTHER RECEIVABLES (continued)

(a) **Trade receivables**

Included in the trade receivables of the Group is an amount of RM8,301,828 (30.6.2018: RM17,977,710; 1.7.2017: RM18,374,518) deposited with a lawyer as stakeholders' sum from house buyers.

The Group's normal trade credit terms ranges from 14 days to 90 days (30.6.2018: 14 days to 90 days; 1.7.2017: 14 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The reconciliation of movement in the accumulated impairment losses of trade receivables is as follows:

	Group	
	30.6.2019 RM	**30.6.2018 RM**
At the beginning/end of the financial year	**2,288,171**	2,288,171

The above trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

The information about the credit exposures are disclosed in Note 35(b)(i).

(b) **Amounts owing by ultimate holding company, subsidiaries and associates**

The amounts owing by ultimate holding company, subsidiaries and associates are unsecured, interest free and receivable upon demand in cash.

The reconciliation of movement in the accumulated impairment losses of amounts owing by subsidiaries is as follows:

	Company	
	30.6.2019 RM	**30.6.2018 RM**
At 1 July	**122,843**	-
Charge for the financial year	**-**	122,843
At 30 June	**122,843**	122,843

12. TRADE AND OTHER RECEIVABLES (continued)

(b) Amounts owing by ultimate holding company, subsidiaries and associates (continued)

The reconciliation of movement in the accumulated impairment losses of amounts owing by associates is as follows:

	Group		Company	
	30.6.2019 RM	30.6.2018 RM	30.6.2019 RM	30.6.2018 RM
At 1 July	**3,002,081**	-	**3,002,081**	-
Charge for the financial year	**743,490**	3,002,081	**-**	3,002,081
Reversal of impairment losses	**(1,710)**	-	**(1,710)**	-
At 30 June	**3,743,861**	3,002,081	**3,000,371**	3,002,081

The above impairment losses that are individually determined at the reporting date relate to subsidiaries and associates that have difficulty in repaying the advances.

(c) Other receivables

The Group's other receivables that are individually impaired at the reporting date and the reconciliation of movement in the accumulated impairment losses of other receivables is as follows:

	Group	
	30.6.2019 RM	30.6.2018 RM
At 1 July 2018/2017	**900,000**	-
Charge for the financial year	**-**	900,000
At 30 June	**900,000**	900,000

(i) Included in the other receivables of the Group is an amount of RM232,863,431 (30.6.2018: RM232,863,431; 1.7.2017: RM31,111,238) in relation to an advances paid to a joint development project.

(ii) Included in the other receivables of the Group is an amount of RM496,405 (30.6.2018: RM424,680; 1.7.2017: RM1,160,825) due from entities in which persons connected to certain directors have interests.

(iii) As at 30 June 2017, included in the other receivables of the Group is an amount of RM998,731 deposited with a lawyer as stakeholders' sum from house buyers.

(d) Deposits

Included in deposits of the Group as follows:

(i) RM103,672,800 (30.6.2018: RM103,672,800; 1.7.2017: RM103,672,800) paid in connection to development project. The deposit is secured by a third party charge over a parcel of leasehold land.

(ii) RM1,000,000 (30.6.2018: RM3,500,000; 1.7.2017: RM23,000,000) in relation to deposits paid for a joint development project.

(iii) As at 30 June 2017, RM1,032,005 in relation to the deposits paid for the purchase of land held for property development for a total consideration of RM5,570,080.

12. TRADE AND OTHER RECEIVABLES (continued)

(e) **Prepayments**

As at 30 June 2017, included in prepayments of the Group is an amount totaling RM6,492,454 in relation to the amount paid for the property development cost.

13. CONTRACT ASSETS/(LIABILITIES)

		Group	
	30.6.2019 RM	30.6.2018 RM Restated	1.7.2017 RM Restated
Contract assets relating to property development contracts	**219,373**	51,670,069	13,160,654
Contract liabilities relating to property development contracts	**(50,481,316)**	(23,157,601)	(10,851,907)

(a) **Significant changes in contract balances**

	30.6.2019		30.6.2018	
	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM	Contract assets increase/ (decrease) RM	Contract liabilities (increase)/ decrease RM
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	**-**	**23,157,601**	-	13,779,166
Increases due to consideration received from customers, but revenue not recognised	**-**	**(50,481,316)**	-	(26,084,860)
Increases due to revenue recognised, but no right to consideration	**-**	**-**	50,611,485	-
Transfers from contract assets recognised at the beginning of the period to receivables	**(51,450,696)**	**-**	(12,102,070)	-

(b) **Revenue recognised in relation to contract balances**

	Group	
	30.6.2019 RM	30.6.2018 RM
Revenue recognised that was included in contract liability at the beginning of the financial year	**23,157,601**	13,779,166

Revenue recognised that was included in the contract liability balance at the beginning of the year represented primarily revenue from the sale of property development contracts when percentage of completion increases.

14. CONTRACT COSTS

Costs to obtain contracts

Costs to obtain contracts relate to incremental commission fees paid to intermediaries as a result of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. During the financial year, the amortisation of contract costs of the Group recognised were RM15,961,452 (30.6.2018: RM11,483,516, 1.7.2017: RM Nil).

15. CASH AND SHORT-TERM DEPOSITS

	Group			Company		
	30.6.2019 RM	**30.6.2018 RM**	**1.7.2017 RM**	**30.6.2019 RM**	**30.6.2018 RM**	**1.7.2017 RM**
Cash and bank balances	**105,969,862**	169,691,125	112,063,524	**10,711,191**	25,564,418	3,362,691
Short-term deposits	**31,523,905**	49,055,698	24,708,329	**24,367,522**	30,044,660	6,511,852
	137,493,767	218,746,823	136,771,853	**35,078,713**	55,609,078	9,874,543

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group			Company		
	30.6.2019 RM	**30.6.2018 RM**	**1.7.2017 RM**	**30.6.2019 RM**	**30.6.2018 RM**	**1.7.2017 RM**
Short-term deposits	**31,523,905**	49,055,698	24,708,329	**24,367,522**	30,044,660	6,511,852
Less: pledged deposits	**(16,954,422)**	(34,326,226)	(23,873,126)	**(11,787,972)**	(17,111,080)	(5,862,980)
	14,569,483	14,729,472	835,203	**12,579,550**	12,933,580	648,872
Cash and bank balances	**105,969,862**	169,691,125	112,063,524	**10,711,191**	25,564,418	3,362,691
Bank overdrafts	**-**	-	(33,207,650)	**-**	-	(4,978,716)
Islamic commercial paper	**(50,000,000)**	(50,000,000)	-	**(50,000,000)**	(50,000,000)	-
	70,539,345	134,420,597	79,691,077	**(26,709,259)**	(11,502,002)	(967,153)

Included in the deposits placed with licensed banks of the Group and the Company, RM16,954,422 (30.6.2018: RM34,326,226; 1.7.2017: RM23,873,126) and RM11,787,972 (30.6.2018: RM17,111,080; 1.7.2017: RM5,862,980) are pledged to the licensed banks to secure credit facilities granted to subsidiaries and a third party as disclosed in Note 20.

Included in cash and bank balances of the Group are amount of RM16,433,771 (30.6.2018: RM57,614,361; 1.7.2017: RM83,361,469) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

16. SHARE CAPITAL, TREASURY SHARES AND RETAINED EARNINGS

	Group and Company			
	Ordinary Shares		*Amount*	
	Share capital (Issued and fully paid up) Unit	Treasury shares Unit	Share capital (Issued and fully paid up) RM	Treasury shares RM
At 1 July 2017	409,999,933	-	352,695,195	-
Conversion of ICPS to ordinary shares	182,479,750	-	301,091,588	-
Issued during the financial year	79,732,622	-	119,598,934	-
Repurchase of treasury shares	-	(237,000)	-	(134,453)
Split of ordinary shares	672,212,305	-	-	-
Transaction costs of share issue	-	-	(146,600)	-
At 30 June 2018	1,344,424,610	(237,000)	773,239,117	(134,453)
Repurchase of treasury shares	-	(72,909,500)	-	(22,095,734)
At 30 June 2019	**1,344,424,610**	**(73,146,500)**	**773,239,117**	**(22,230,187)**

(i) **Share capital**

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) **Treasury shares**

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

During the financial year, the Company repurchased 72,909,500 (30.06.2018: 237,000) of its issued ordinary shares from the open market at an average price of RM 0.30 (30.06.2018: RM0.56) per share. The net total consideration paid for repurchase including transaction costs was RM22,095,734 (30.06.2018: RM134,453).

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

(iii) **Retained earnings**

Under the single tier system, all the Company's retained earnings are distributable by way of dividend and tax on the Company's profit is the final tax and dividend distributed to shareholders will be exempted from tax.

17. REDEEMABLE PREFERENCE SHARES

		Group	
	30.6.2019 RM	30.6.2018 RM Restated	1.7.2017 RM Restated
Issued RPS			
At 1 July	**235,000**	235,000	-
Issued during the financial year	**-**	36,000,000	235,000
Redeemed during the financial year	**(94,000)**	(36,000,000)	-
At 30 June	**141,000**	235,000	235,000

The redeemable preference shares was issued by a subsidiary of the Company, the main features of the redeemable preference shares are as follows:

(a) Right to dividends

The preference shares shall not confer upon the holders the right to be paid out of the profits of the subsidiary available for the payment any fixed or rate of dividend which the pre-determined in respect of any financial year or other period for which the subsidiary's accounts are made up. However, the Board reserves the right and sole discretion right to declare or not declare any dividend to be paid to the holder of preference shares.

(b) The right to rank in regard to dividends and return of capital in priority to the ordinary shares.

(c) The holders shall not have the same rights as ordinary shareholders to receive notice of or to attend or vote at any general meeting of the subsidiary unless the business of the subsidiary includes the consideration of a reduction for the reducing of capital or for the winding up or reconstruction of the subsidiary or any resolution directly or adversely modifying or abrogating any of the special rights and privileges attached to the preference shares.

(d) The preference shares shall be redeemed on a date to be determined by the Board and authorised by the ordinary shareholders.

18. IRREDEEMABLE CONVERTIBLE PREFERENCES SHARES ("ICPS")

	Group and Company			
	2019 Unit	**2018 Unit**	**2019 RM**	**2018 RM**
Issued ICPS				
At 1 July 2018/2017	**865,026,798**	-	**71,364,721**	-
Issued during the financial year	**-**	614,999,899	**-**	101,474,983
Split of shares	**-**	432,506,649	**-**	-
Conversion of ICPS to ordinary shares	**-**	(182,479,750)	**-**	(30,110,262)
At 30 June	**865,026,798**	865,026,798	**71,364,721**	71,364,721

On 30 August 2017, the Company ("TLB") issued 614,999,899 new ICPS in TLB on the basis at either 10 ICPS to be converted into 1 new TLB Share or a combination of 1 ICPS and cash payment of RM1.485 for 1 new TLB's share at an issue price of RM0.165 per ICPS.

In the previous financial year, 182,479,750 units of ICPS has been converted to ordinary shares at RM1.65 each on the basis of 1 ICPS for every 1 existing ordinary shares in TLB.

On 4 October 2017, the Rights Issue of ICPS has been completed with the listing of 614,999,899 ICPS on the Main Market of Bursa Securities.

The salient features of the ICPS are as follows:

(a) Dividend rate

Subject to the compliance Section 131 of Companies Act 2016, the Company has full discretion over the declaration of dividends. Dividend declared and payable annually in arrears are non-cumulative.

The dividends of the ICPS shall be paid in priority over the TLB Shares. For avoidance of doubt, the redeemable convertible preference share ("RCPS") holder is not entitled to any dividend as the RCPS bears zero dividend rate.

(b) Tenure

The tenure is 5 years commencing from and inclusive of the date of issuance of the ICPS.

18. IRREDEEMABLE CONVERTIBLE PREFERENCES SHARES ("ICPS") (continued)

(c) Maturity date

The maturity date of the ICPS immediately preceding the 5th anniversary from the date of issuance.

(d) Conversion rights

Each ICPS carries the entitlement to convert into new TLB shares at the conversion ratio through surrender of the ICPS. No adjustment to the conversion price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion. If the conversion results in a fractional entitlement to the ordinary shares of the Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash, otherwise, shall be given in respect of the disregarded fractional entitlement.

The ICPS can be converted at any time within 5 years commencing on and including the date of issuance of the ICPS up to and including the maturity date, and it had been fixed at either 10 ICPS to be converted into 1 new TLB Share or a combination of 1 ICPS and cash payment of RM1.485 for 1 new TLB Share.

(e) Rights of the ICPS holders

The ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distribution in the Company except the following circumstances until and unless such holders convert their ICPS into new shares:

(i) when the dividend or part of the dividend on the ICPS is in arrears for more than 6 months;

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

(iii) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking;

(iv) on a proposal that directly affects their rights and privileges attached to the ICPS;

(v) on a proposal to wind-up the Company; and

(vi) during the winding-up of the Company.

19. OTHER RESERVES

Other reserves arose from the acquisition of a subsidiary, NPO Development Sdn. Bhd..

20. LOANS AND BORROWINGS

		Group			Company		
	Note	30.6.2019 RM	30.6.2018 RM	1.7.2017 RM	30.6.2019 RM	30.6.2018 RM	1.7.2017 RM
Non-current:							
Term loans	(a)	**357,855,600**	397,055,910	279,895,414	**-**	-	-
Finance lease liabilites	(b)	**1,021,445**	1,316,106	1,453,206	**-**	-	-
		358,877,045	398,372,016	281,348,620	**-**	-	-
Current:							
Term loans	(a)	**39,169,478**	60,470,164	46,953,721	**-**	-	-
Finance lease liabilities	(b)	**251,682**	291,444	301,547	**-**	-	-
Revolving credits	(c)	**27,200,000**	37,200,000	30,000,000	**27,200,000**	37,200,000	30,000,000
Bank overdraft	(d)	**-**	-	33,207,650	**-**	-	4,978,716
Islamic commercial paper	(e)	**50,000,000**	50,000,000	-	**50,000,000**	50,000,000	-
		116,621,160	147,961,608	110,462,918	**77,200,000**	87,200,000	34,978,716
		475,498,205	546,333,624	391,811,538	**77,200,000**	87,200,000	34,978,716
Total loans and borrowings:							
Term loans	(a)	**397,025,078**	457,526,074	326,849,135	**-**	-	-
Finance lease liabilites	(b)	**1,273,127**	1,607,550	1,754,753	**-**	-	-
Revolving credits	(c)	**27,200,000**	37,200,000	30,000,000	**27,200,000**	37,200,000	30,000,000
Bank overdraft	(d)	**-**	-	33,207,650	**-**	-	4,978,716
Islamic commercial paper	(e)	**50,000,000**	50,000,000	-	**50,000,000**	50,000,000	-
		475,498,205	546,333,624	391,811,538	**77,200,000**	87,200,000	34,978,716

(a) Term loans

(i) The term loans bear interests at rates ranging from 4.10% to 8.65% (30.6.2018: 4.75% to 15%; 1.7.2017: 4.75% to 7.35%) per annum.

(ii) The term loans of the Group are secured by way of:

(a) First and third party first, second and third legal charge over the Group's land held for development disclosed in Note 10;

(b) Fixed legal charged over the land held for development as disclosed in Note 10;

(c) First party deed of assignment and power of attorney over the investment properties of the subsidiaries as disclosed in Note 8;

(d) Specific debenture over all the fixed and floating assets on the property development land as disclosed in Note 10;

(e) Third party 1st legal charged over a vacant land and creation of a third party charge in escrow over the said land as disclosed in Note 10;

(f) Legal charge over ordinary shares of a subsidiary and cash deposits with bank of subsidiaries;

(g) Power of Attorney in favour of the bank to appoint a contractor at the bank's discretion to proceed and complete the entire development in the event of repayment default and/or inability to complete the project;

(h) Deed of subordination of advances from the ultimate holding company/directors and the subsidiaries;

20. LOANS AND BORROWINGS (continued)

(a) Term loans (continued)

(ii) The term loans of the Group are secured by way of (continued):

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

(j) Assignment of subsidiary's housing development act account of the project;

(k) Master trade, Facility/(ies) and supplemental agreement;

(l) Personal, joint and several guarantee by the directors of the Company and its subsidiary;

(m) Letter of subordination debts to subordinate all financing by the subsidiary's shareholders;

(n) Letter of undertaking from the directors, shareholders and guarantors of a subsidiary, the immediate holding company and the subsidiaries;

(o) Corporate guarantee from the Company;

(p) Upfront placement of 3 months instalment in the (principal and profit) in an escrow account maintained with the bank of a subsidiary; and

(q) Legal charge and assignment over the designated account and all proceeds therein of a subsidiary.

(b) Finance lease liabilities

The finance lease liabilities bear interest at the effective interest rates ranging from 4.66% to 5.72% (30.06.2018: 4.64% to 5.72%; 1.7.2017: 3.59% to 5.72%) per annum.

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	Group		
	30.6.2019 RM	**30.6.2018 RM**	**1.7.2017 RM**
Minimum lease payments:			
- within twelve months	**308,135**	376,201	376,100
- later than 1 year and not later than 5 years	**1,023,560**	1,192,832	1,210,873
- later than 5 years	**91,693**	265,800	445,981
	1,423,388	1,834,833	2,032,954
Less: Future finance charges	**(150,261)**	(227,283)	(278,201)
Present value of minimum lease payments	**1,273,127**	1,607,550	1,754,753
Analysis of present value of minimum lease payments			
- not later than one year	**251,682**	291,444	301,547
- later than 1 year and not later than 5 years	**933,172**	1,060,992	1,027,523
- later than 5 years	**88,273**	255,114	425,683
	1,273,127	1,607,550	1,754,753

20. LOANS AND BORROWINGS (continued)

(c) Revolving credits

(i) The revolving credits of the Group and of the Company bear interest rate at rates ranging from 4.85% to 5.34% (30.6.2018: 4.15% to 6.35%; 1.7.2017: 5.15% to 5.50%) per annum.

(ii) The revolving credits of the Group are secured by way of:

(a) First and third party first legal charge over the land held for development of the subsidiaries as disclosed in Note 10;

(b) Memorandum of Charge over entire paid up capital of the Chargor for the Land;

(c) Debenture incorporating a fixed and floating charges for all monies owing or payable under facilities over present and future assets of a subsidiary; and

(d) Legal assignment of insurance by Chargor.

(d) Bank overdraft

(i) The bank overdrafts bear interests ranging from 6.90% to 8.15% (30.6.2018: 6.90% to 8.15%; 1.7.2017: 6.95% to 8.15%) per annum.

(ii) The bank overdrafts of a subsidiary are secured by way of:

(a) Third party and second legal charge over the land held for development as disclosed in Note 10;

(b) Specific debenture over all the fixed and floating assets on the land held for development;

(c) Deed of assignment over the property of a subsidiary as disclosed in Note 5;

(d) Corporate guarantee granted by the Company; and

(e) Personal guarantee by the directors of the Company.

(e) Islamic commercial paper

The Islamic commercial paper is unsecured and bear interests at a rate of 4.50% (30.6.2018: rate ranging from 4.15% to 4.50%; 1.7.2017: Nil) per annum.

21. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) relates to the following:

	As at 1 July 2017 RM	Acquisition of subsidiaries RM	Recognised in profit or loss RM	Inventories RM	As at 30 June 2018 RM	Recognised in profit or loss RM	Inventories RM	Investment properties RM	As at 30 June 2019 RM
Group									
Deferred tax liabilities:									
Property, plant and equipment	(69,599)	-	-	-	(69,599)	(3,516)	-	-	**(73,115)**
Investment properties	(15,755,032)	-	-	-	(15,755,032)	-	-	630,200	**(15,124,832)**
Inventories:									
- Development expenditures	-	-	-	-	-	(1,355,302)	-	-	**(1,355,302)**
- Land held for property development	(16,222,776)	-	353,223	8,276	(15,861,277)	200,781	783,888	-	**(14,876,608)**
	(32,047,407)	-	353,223	8,276	(31,685,908)	(1,158,037)	783,888	630,200	**(31,429,857)**
Deferred tax assets:									
Inventories:									
- Development expenditures	-	692,144	-	-	692,144	-	-	-	**692,144**
Provision for liquidated ascertained damages	-	-	1,747,260	-	1,747,260	(1,595,007)	-	-	**152,253**
	-	692,144	1,747,260	-	2,439,404	(1,595,007)	-	-	**844,397**
	(32,047,407)	692,144	2,100,483	8,276	(29,246,504)	(2,753,044)	783,888	630,200	**(30,585,460)**

21. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

	Group		
	30.6.2019 RM	**30.6.2018 RM**	**1.7.2017 RM**
Presented after appropriate offsetting as follows:			
Deferred tax assets	**844,397**	2,439,404	-
Deferred tax liabilities	**(31,429,857)**	(31,685,908)	(32,047,407)
	(30,585,460)	(29,246,504)	(32,047,407)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		
	30.6.2019 RM	**30.6.2018 RM**	**1.7.2017 RM**
Temporary differences	**1,116,017**	829,878	6,075,728
Unused tax losses	**17,765,556**	19,708,855	6,232,616
Unabsorbed capital allowance	**556,222**	369,836	-
	19,437,795	20,908,569	12,308,344

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

22. TRADE AND OTHER PAYABLES

		Group			Company		
	Note	30.6.2019 RM	30.6.2018 RM	1.7.2017 RM	30.6.2019 RM	30.6.2018 RM	1.7.2017 RM
Non-current:							
Trade							
Trade payables	(a)	**12,984,210**	17,212,840	28,895,059	**-**	-	-
Current:							
Trade							
Trade payables	(a)	**85,715,247**	58,528,215	77,626,304	**-**	-	-
Non-trade							
Amount owing to:	(b)						
- ultimate holding company		**-**	4,734,500	2,533,200	**-**	-	-
- subsidiaries		**-**	-	-	**91,848,867**	11,893,694	42,214,699
- directors		**1,339,936**	1,343,938	492,597	**6**	6	6
Other payables	(c)	**65,260,155**	62,990,450	123,480,693	**42,400**	27,444	970,724
GST payable		**-**	6,970	1,093,932	**-**	-	-
Accruals	(d)	**325,153,881**	83,943,183	82,248,252	**352,401**	416,100	385,778
Refundable deposits	(e)	**3,554,216**	6,967,466	2,930,186	**-**	-	-
		395,308,188	159,986,507	212,778,860	**92,243,674**	12,337,244	43,571,207
Class A shares of a subsidiary classified as financial liability	(f)	**47,000,000**	47,000,000	-	**-**	-	-
Total trade and other payables (current)		**528,023,435**	265,514,722	290,405,164	**92,243,674**	12,337,244	43,571,207
Total trade and other payables (non-current and current)		**541,007,645**	282,727,562	319,300,223	**92,243,674**	12,337,244	43,571,207
Provision	(g)	**6,824,604**	21,330,441	11,938,176	**-**	-	-

(a) Trade payables

The normal trade credit terms granted to the Group range from 30 days to 90 days (30.6.2018: 30 days to 90 days; 1.7.2017: 30 days to 90 days).

Included in trade payables is an amount of RM43,255,399 (30.6.2018: RM44,202,930; 1.7.2017: RM45,758,569) held as retention sum payable to contractors.

(b) Amount owing to holding company, subsidiaries and directors

The amount owing to holding company, subsidiaries and directors are unsecured, interest free and repayable on demand in cash.

22. TRADE AND OTHER PAYABLES (continued)

(c) Other payables

(i) As at 30 June 2017, included in other payable is an amount of RM24,452,099 owing to previous shareholder of a subsidiary. The amount due is unsecured, interest free and repayable on demand in cash.

(ii) Included in other payables is an amount of RM23,505 (30.6.2018: RM28,837; 1.7.2017: RM1,514,476) owing to companies in which certain directors have interests.

(iii) As at 30 June 2017, included in other payable is an amount of RM512,653 owing to companies in which persons connected to certain directors have interests.

(iv) Included in other payable is an amount of RM20,868,000 (30.6.2018: RM20,868,000; 1.7.2017: RM Nil) owing to a shareholder of a subsidiary. The amount due is unsecured, interest free and repayable on demand in cash.

(d) Accruals

Included in accruals are an amount totalling RM321,669,057 (30.6.2018: RM77,813,289; 1.7.2017: RM82,038,030) which represents costs accrued for the development projects undertaken by the Group.

(e) Refundable Deposits

Included in deposits are in relation to partial payments received from purchaser towards the sales of development properties.

(f) Class A shares of a subsidiary classified as financial liability

	Group			
	30.6.2019 Unit	**30.6.2018 Unit**	**30.6.2019 RM**	**30.6.2018 RM**
Class A shares of a subsidiary				
At 1 July 2018/2017	**47,000,000**	-	**47,000,000**	-
Issued during the financial year	**-**	47,000,000	**-**	47,000,000
At 30 June	**47,000,000**	47,000,000	**47,000,000**	47,000,000

In the previous financial year, a subsidiary of the Company has issued of 47,000,000 units of Class A shares for RM47,000,000 to a subscriber for the purpose of expanding the property development business with certain terms and conditions as stated in the subscription agreement. The Class A shareholder is entitled to receive dividend periodically and certain biannual capital reduction.

22. TRADE AND OTHER PAYABLES (continued)

(g) **Provision**

	Group		
	30.6.2019 RM	**30.6.2018 RM**	**1.7.2017 RM**
Provision for liquidated and ascertained damages			
At the beginning of the financial year	**21,330,441**	11,938,176	4,130,254
Addition	**-**	12,940,058	7,280,249
Recognised in profit or loss	**-**	-	1,564,769
Reversed during the financial year	**(7,668,705)**	(176,618)	(381,536)
Payment made during the financial year	**(6,837,132)**	(3,371,175)	(655,560)
At the end of the financial year	**6,824,604**	21,330,441	11,938,176

23. REVENUE

	Group		Company	
	2019 RM	**2018 RM Restated**	**2019 RM**	**2018 RM**
Revenue from contract customers:				
Timing of revenue recognition:				
Over time				
Property development	**242,561,402**	301,863,154	**-**	-
At a point in time				
Sale of completed properties	**69,264,347**	78,533,194	**-**	-
Revenue from other source:				
Timing of revenue recognition:				
At a point in time				
Rental income from investment property	**826,759**	1,032,334	**-**	-
Dividend income from a subsidiary	**-**	-	**28,945,000**	64,000,000
Advisory and marketing service fees from subsidiaries	**-**	-	**-**	756,000
Others	**748**	6,017	**-**	-
	312,653,256	381,434,699	**28,945,000**	64,756,000

24. COST OF SALES

	Group	
	2019 RM	**2018 RM Restated**
Property development costs	**177,544,503**	187,265,320
Costs of completed properties sold	**42,361,058**	60,009,158
Reversal of costs accrued for development projects	**(5,443,883)**	(1,538,214)
Direct operating expenses arising from investment properties	**18,776**	39,209
	214,480,454	245,775,473

25. OTHER INCOME

	Group	
	2019 RM	**2018 RM Restated**
Administrative fee received	**261,032**	397,364
Compensation income for temporary occupation/usage of land	**-**	17,570,757
Forfeiture income	**1,253,246**	273,390
Gain on disposal of property, plant and equipment	**-**	53,000
Liquidated and ascertained damages income	**1,054,276**	12,776,000
Miscellaneous income	**14,491**	20,159
Non-refundable deposit income	**48,000**	-
Rental income	**8,597,048**	11,429,500
Waiver of debt	**758,811**	-
Waiver of penalty	**164,062**	-
	12,150,966	42,520,170

26. FINANCE INCOME

	Group		Company	
	2019 RM	2018 RM Restated	2019 RM	2018 RM
Interest income on short-term deposits	**868,168**	458,851	**757,379**	208,041
Interest income on debt securities measured at amortised cost	**-**	3,497,990	**-**	-
Other interest income	**2,722,635**	1,279,787	**185,528**	354,491
	3,590,803	5,236,628	**942,907**	562,532

27. FINANCE COSTS

	Group		Company	
	2019 RM	2018 RM Restated	2019 RM	2018 RM
Interest expense on:				
- Finance lease liabilities	**77,016**	88,724	**-**	-
- Bank overdrafts	**5,678**	990,972	**5,678**	159,294
- Revolving credits	**1,921,552**	1,775,984	**1,921,551**	1,775,984
- Islamic commercial paper	**2,250,000**	1,498,753	**2,250,000**	1,498,753
- Term loans	**5,251,153**	6,811,784	**401,621**	-
Unwinding of discount on retention sum	**3,377,745**	-	-	-
	12,883,144	11,166,217	**4,578,850**	3,434,031

28. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving of profit before tax:

	Note	Group 2019 RM	Group 2018 RM Restated	Company 2019 RM	Company 2018 RM Restated
Auditors' remuneration:					
- statutory audit					
- current year		**429,780**	448,500	**94,000**	78,000
- prior year		**(15,200)**	4,197	**23,000**	-
- non-statutory audit fees		**97,000**	7,000	**97,000**	7,000
Depreciation of investment properties		**756,239**	756,237	**-**	-
Depreciation of property, plant and equipment		**939,748**	926,349	**-**	-
Impairment loss on:					
- amount owing by an associate		**743,490**	3,002,081	**-**	3,002,081
- amount owing by subsidiaries		**-**	-	**-**	122,843
- goodwill		**-**	1,643,370	**-**	-
- investment in subsidiaries		**-**	-	**-**	4,093,002
- other receivables		**-**	900,000	**-**	-
Loss on disposal of property, plant and equipment		**1,112**	-	**-**	-
Rental expense on:					
- sales office		**330,075**	484,075	**-**	-
- motor vehicle		**300**	-	**-**	-
- equipment		**40,142**	20,594	**-**	-
Reversal of impairment loss on amount owing by an associate		**(1,710)**	-	**(1,710)**	-
Reversal of liquidated and ascertained damages		**-**	(176,618)	**-**	-
Written off on deposits		**75,805**	-	**-**	-
Employee benefits expense	33	**14,724,979**	15,091,022	**344,900**	414,100

29. INCOME TAX EXPENSE

	Group		Company	
	2019 RM	2018 RM Restated	2019 RM	2018 RM
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	**15,063,629**	35,097,189	**185,612**	240,043
- Adjustment in respect of prior year	**(1,170,961)**	(2,115,652)	**14,193**	46,375
	13,892,668	32,981,537	**199,805**	286,418
Deferred tax:				
- Origination of temporary differences	**3,425,817**	(353,203)	**-**	-
- Adjustment in respect of prior year	**(672,773)**	(1,747,280)	**-**	-
	2,753,044	(2,100,483)	**-**	-
Income tax expense recognise in profit or loss	**16,645,712**	30,881,054	**199,805**	286,418

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the financial year.

The reconciliation from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2019 RM	2018 RM Restated	2019 RM	2018 RM
Profit before tax	**52,974,446**	103,504,841	**23,372,550**	47,962,831
Tax at Malaysian statutory income tax rate of 24% (2018: 24%)	**12,713,867**	24,841,162	**5,609,412**	11,511,079
Adjustments:				
- Non-deductible expenses	**6,167,894**	8,723,877	**1,257,758**	4,088,964
- Income not subject to tax	**(39,329)**	(885,107)	**(6,681,558)**	(15,360,000)
- Deferred tax not recognised on tax losses and temporary differences	**1,200,486**	3,328,294	**-**	-
- Utilisation of previously unrecognised tax losses and capital allowances	**(1,553,472)**	(1,264,240)	**-**	-
- Adjustment in respect of income tax of prior years	**(1,170,961)**	(2,115,652)	**14,193**	46,375
- Adjustment in respect of deferred tax of prior years	**(672,773)**	(1,747,280)	-	-
Income tax expense	**16,645,712**	30,881,054	**199,805**	286,418

30. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2019	2018 Restated
Profit attributable to owners of the Company (RM)	**33,315,540**	73,539,521
Weighted average number of ordinary shares for basic earnings per share (units)	**1,314,914,904**	919,156,565
Basic earnings per ordinary share (sen)	**2.53**	8.00

(b) Diluted

Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2019	2018 Restated
Profit attributable to owners of the Company (RM)	**33,315,540**	73,539,521
Weighted average number of ordinary shares for basic earnings per share (units)	**1,314,914,904**	919,156,565
Effect of dilution from: Conversion of ICPS	**86,502,680**	86,502,680
Weighted average number of ordinary shares for basic earnings per share	**1,401,417,584**	1,005,659,245
Basic earnings per ordinary share (sen)	**2.38**	7.31

31. GUARANTEES

(a) Financial guarantees

The corporate guarantees, guaranteed by the Company for credit facilities granted to subsidiaries are as follows:

	Company	
	2019 RM	2018 RM
Corporate guarantees for credit facilities of granted to subsidiaries	**393,043,031**	443,747,937

(b) Bank guarantees

The bank guarantees, guaranteed by the Group and the Company issued to authorities and a third party for joint development project is as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Bank guarantees issued to authorities	**22,634,185**	19,738,199	**10,490,705**	7,622,219
Bank guarantees issued to a third party for joint development project	**14,048,696**	14,048,696	**14,048,696**	14,048,696
	36,682,881	33,786,895	**24,539,401**	21,670,915

32. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Company's holding company;
(ii) Subsidiaries;
(iii) Associates;
(iv) Entities in which directors have substantive financial interest;
(v) Close members of the family of a directors; and
(vi) Key management personnel of the Group's and of the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

32. RELATED PARTIES (continued)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Subsidiaries				
Advisory and marketing service fee				
- Aman Duta Sdn. Bhd.	**-**	-	**-**	6,000
- Aman Kemensah Sdn. Bhd.	**-**	-	**-**	60,000
- Ampang Avenue Development Sdn. Bhd.	**-**	-	**-**	36,000
- Blu Waterfront Development Sdn. Bhd.	**-**	-	**-**	30,000
- City Meridian Development Sdn. Bhd.	**-**	-	**-**	12,000
- Epoch Property Sdn. Bhd.	**-**	-	**-**	60,000
- High Splendour Sdn. Bhd.	**-**	-	**-**	12,000
- Laksana Wawasan Sdn. Bhd.	**-**	-	**-**	6,000
- Nipah Valley Sdn. Bhd.	**-**	-	**-**	12,000
- NPO Builders Sdn. Bhd.	**-**	-	**-**	6,000
- NPO Development Sdn. Bhd.	**-**	-	**-**	60,000
- Neu Estates Sdn. Bhd.	**-**	-	**-**	60,000
- Pin Hwa Properties Sdn. Bhd.	**-**	-	**-**	12,000
- Premsdale Development Sdn. Bhd.	**-**	-	**-**	12,000
- Prosperous Hectares Sdn. Bhd.	**-**	-	**-**	12,000
- Renofajar Sdn. Bhd.	**-**	-	**-**	30,000
- Safetags Solution Sdn. Bhd.	**-**	-	**-**	60,000
- Zen Estates Sdn. Bhd.	**-**	-	**-**	60,000
- Shah Alam City Centre Sdn. Bhd.	**-**	-	**-**	36,000
- Sri Komakmur Development Sdn. Bhd.	**-**	-	**-**	6,000
- Tamarind Heights Sdn. Bhd.	**-**	-	**-**	12,000
- Terbit Kelana Development Sdn. Bhd.	**-**	-	**-**	36,000
- Tenang Sempurna Sdn. Bhd.	**-**	-	**-**	12,000
- Titijaya Capital Sdn. Bhd.	**-**	-	**-**	12,000
- Titijaya Development (Pulau Pinang) Sdn. Bhd.	**-**	-	**-**	12,000
- Titijaya PMC Sdn. Bhd.	**-**	-	**-**	60,000
- Titijaya Resources Sdn. Bhd.	**-**	-	**-**	12,000
- Tulus Lagenda Sdn. Bhd.	**-**	-	**-**	12,000
Project management fee				
- Titijaya PMC Sdn. Bhd.	**-**	-	**(72,000)**	(72,000)
Dividend income				
- NPO Development Sdn. Bhd.	**-**	-	**10,500,000**	64,000,000
- Safetags Solution Sdn. Bhd.	**-**	-	**13,000,000**	-
- Epoch Property Sdn. Bhd.	**-**	-	**5,445,000**	-
Related party				
Billing to/back charge of construction costs				
- Amakmur Development Sdn. Bhd.	**763,442**	11,290,922	**-**	-

32. RELATED PARTIES (continued)

(c) Compensation of key management personnel

	Group	
	2019 RM	2018 RM
Included in staff costs were remunerations for key management personnel other than directors		
- Salaries, bonuses and allowances	**1,582,756**	1,422,267
- Defined contribution plan	**190,945**	170,973
	1,773,701	1,593,240

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.

33. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Wages and salaries	**13,220,611**	13,828,046	**344,900**	414,100
Defined contribution plans	**1,504,368**	1,262,976	**-**	-
	14,724,979	15,091,022	**344,900**	414,100

Included in employee benefits expenses are:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors of the Company				
Executive directors				
- Fees	**1,000**	124,200	**1,000**	124,200
- Other emoluments	**2,557,449**	2,553,797	**4,000**	25,500
Non-executive directors				
- Fees	**288,900**	213,900	**288,900**	213,900
- Other emoluments	**51,000**	50,500	**51,000**	50,500
	2,898,349	2,942,397	**344,900**	414,100

33. EMPLOYEE BENEFITS EXPENSE (continued)

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

	Number of directors	
	2019	**2018**
Executive Directors:		
RM700,001 - RM750,000	**1**	-
RM750,001 - RM800,000	**-**	1
RM800,001 - RM850,000	**-**	-
RM850,001 - RM900,000	**1**	-
RM900,001 - RM950,000	**-**	-
RM950,001 - RM1,000,000	**1**	1
RM1,000,001 - RM1,050,000	**-**	1
Non-executive Directors:		
RM1 - RM50,000	**1**	2
RM50,001 - RM100,000	**4**	3

34. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group Managing Director for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	**Products and services**
Property development	Development of housing and commercial units for sales to house and office building purchasers
Investment holding and others	Investment holding and others

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as the Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment asset is measured based on all assets (excluding investment in associates, deferred tax assets and current tax assets) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

Segment liabilities

The total of segment liabilities are measured based on all liabilities (excluding deferred tax liabilities and current tax liabilities) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

34. SEGMENT INFORMATION (continued)

Group	Note	Property development RM	Investment holding and others RM	Adjustment and eliminations RM	Consolidation RM
2019					
Revenue					
Revenue from external customers		311,825,749	827,507	-	312,653,256
Inter-segment revenue	A	28,133,657	43,681,175	(71,814,832)	-
Total revenue		339,959,406	44,508,682	(71,814,832)	312,653,256
Results					
Segment results		100,232,836	20,681,390	(58,640,923)	62,273,303
Finance income		2,492,646	1,098,157	-	3,590,803
Finance costs		(6,803,735)	(6,079,409)	-	(12,883,144)
Share of results of associate		-	-	(6,516)	(6,516)
Profit before tax	B	95,921,747	15,700,138	(58,647,439)	52,974,446
Income tax expense		(16,423,406)	(423,087)	200,781	(16,645,712)
Net profit for the financial year	B	79,498,341	15,277,051	(58,446,658)	36,328,734
Assets					
Segment assets		2,435,917,492	1,493,652,353	(1,656,424,177)	2,273,145,668
Investment in an associate		95,000	404,040	(49,706)	449,334
Goodwill on consolidation		-	-	2,062,677	2,062,677
Deferred tax assets		844,397	-	-	844,397
Current tax assets		10,008,633	2,012,120	-	12,020,753
Total assets	C			(1,654,411,206)	2,288,522,829
Liabilities					
Segment liabilities		1,974,066,923	559,747,383	(1,460,002,536)	1,073,811,770
Current tax liabilities		13,308,664	110,278	-	13,418,942
Deferred tax liabilities		1,358,978	69,438	30,001,441	31,429,857
Total liabilities	D			(1,430,001,095)	1,118,660,569
Other segment information					
Acquisition of property, plant and equipment		6,164	480,973	-	487,137
Addition of investment properties		35,148,990	-	-	35,148,990
Compensation income for temporary occupation/usage of land		(5,297,757)	-	-	(5,297,757)
Depreciation of property, plant and equipment		117,403	822,345	-	939,748
Depreciation of investment properties		92,972	663,267	-	756,239
Loss on disposal of property, plant and equipment		-	1,112	-	1,112
Impairment loss on amount due from an associate		-	743,490	-	743,490
Finance expenses		6,803,735	6,079,409	-	12,883,144
Finance income		(2,492,646)	(1,098,157)	-	(3,590,803)
Liquidated and ascertained damages income		(1,054,276)	-	-	(1,054,276)
Reversal of impairment loss on amount due from an associate		(1,710)	-	-	(1,710)
Written off on deposits		75,805	-	-	75,805

34. SEGMENT INFORMATION (continued)

Group	Note	Property development RM Restated	Investment holding and others RM	Adjustment and eliminations RM Restated	Consolidation RM Restated
2018					
Revenue					
Revenue from external customers		380,396,348	1,038,351	-	381,434,699
Inter-segment revenue	A	65,787,953	73,141,910	(138,929,863)	-
Total revenue		**446,184,301**	**74,180,261**	**(138,929,863)**	**381,434,699**
Results					
Segment results		209,734,002	40,455,004	(140,720,595)	109,468,411
Finance income		4,546,741	689,887	-	5,236,628
Finance costs		(6,993,271)	(4,172,946)	-	(11,166,217)
Share of results of associate		-	-	(33,981)	(33,981)
Profit before tax	B	207,287,472	36,971,945	(140,754,576)	103,504,841
Income tax expense		(29,750,784)	(579,897)	(550,373)	(30,881,054)
Net profit for the financial year	B	**177,536,688**	**36,392,048**	**(141,304,949)**	**72,623,787**
Assets					
Segment assets		2,336,775,880	1,253,850,594	(1,412,856,048)	2,177,770,426
Investment in associates		95,000	404,040	(43,190)	455,850
Goodwill on consolidation		-	-	2,062,677	2,062,677
Deferred tax assets		2,439,404	-	-	2,439,404
Current tax assets		5,804,142	2,085,688	-	7,889,830
Total assets	C			**(1,410,836,561)**	**2,190,618,187**
Liabilities					
Segment liabilities		1,872,903,156	309,590,485	(1,308,944,413)	873,549,228
Current tax liabilities		35,666,114	207,520	-	35,873,634
Deferred tax liabilities		160	69,438	31,616,310	31,685,908
Total liabilities	D			**(1,277,328,103)**	**941,108,770**
Other segment information					
Acquisition of property, plant and equipment		26,585	816,461	-	843,046
Addition of investment property		-	64,060,055	-	64,060,055
Acquisition of associates		95,000	4,040	-	99,040
Compensation income for temporary occupation/usage of land		(17,570,757)	-	-	(17,570,757)
Depreciation of property, plant and equipment		121,081	805,268	-	926,349
Depreciation of investment properties		92,972	663,265	-	756,237
Gain on disposal of property, plant and equipment		(53,000)	-	-	(53,000)
Impairment loss on associates		-	3,308,966	(306,885)	3,002,081
Impairment loss on investment in subsidiaries		-	4,093,002	(4,093,002)	-
Impairment loss on goodwill		-	-	1,643,370	1,643,370
Impairment loss on other receivables		-	900,000	-	900,000
Finance expenses		6,993,271	4,172,946	-	11,166,217
Finance income		(4,546,741)	(689,887)	-	(5,236,628)
Liquidated and ascertained damages income		(12,776,000)	-	-	(12,776,000)
Reversal of liquidated and ascertained damages		(176,618)	-	-	(176,618)

34. SEGMENT INFORMATION (continued)

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items are as follows:

A Inter-segment revenue

Inter-segment revenue are eliminated on consolidation.

B Reconciliation of profit or loss

Profit/(Loss) from other segment transactions are eliminated on consolidation.

C Reconciliation of assets

	2019 RM	2018 RM
Amount due from holding company	**(91,848,867)**	(11,893,695)
Amount due from subsidiaries	**(750,097,908)**	(617,417,287)
Amount due from related companies	**-**	(679,633,432)
Investment in subsidiaries	**(1,080,914,677)**	(363,653,924)
Intra group transactions	**268,499,952**	261,804,967
Sharing of losses for investment in an associate	**(49,706)**	(43,190)
	(1,654,411,206)	(1,410,836,561)

D Reconciliation of liabilities

	2019 RM	2018 RM
Amount due to holding company	**(708,996,470)**	(617,417,287)
Amount due to subsidiaries	**(757,765,526)**	(466,509,212)
Amount due to related companies	**-**	(225,017,914)
Intra group transactions	**36,760,901**	31,616,310
	(1,430,001,095)	(1,277,328,103)

Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

35. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost

(ii) Designated fair value through other comprehensive income ("DFVOCI")

35. FINANCIAL INSTRUMENTS (continued)

(a) Classification of Financial Instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (continued):

	Carrying amount RM	Amortised cost RM	DFVOCI RM
At 30 June 2019			
Financial assets:			
Group			
Trade and other receivables (exclude GST refundable and prepayments)	**466,539,097**	**466,539,097**	-
Cash and short-term deposits	**137,493,767**	**137,493,767**	-
Total financial assets	**604,032,864**	**604,032,864**	-
Company			
Trade and other receivables (exclude GST refundable)	**8,109,720**	**8,109,720**	-
Cash and short-term deposits	**35,078,713**	**35,078,713**	-
Total financial assets	**43,188,433**	**43,188,433**	-
Financial liabilities:			
Group			
Trade and other payables	**(541,007,645)**	**(541,007,645)**	-
Loans and borrowings	**(475,498,205)**	**(475,498,205)**	-
Total financial liabilities	**(1,016,505,850)**	**(1,016,505,850)**	-
Company			
Trade and other payables	**(92,243,674)**	**(92,243,674)**	-
Loans and borrowings	**(77,200,000)**	**(77,200,000)**	-
Total financial liabilities	**(169,443,674)**	**(169,443,674)**	-

35. FINANCIAL INSTRUMENTS (continued)

(a) Classification of Financial Instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (continued):

	Carrying amount RM	Amortised cost RM	DFVOCI RM
At 30 June 2018			
Financial assets:			
Group			
Other investments	5,646	-	5,646
Trade and other receivables (exclude GST refundable and prepayments)	492,115,426	492,115,426	-
Cash and short-term deposits	218,746,823	218,746,823	-
Total financial assets	710,867,895	710,862,249	5,646
Company			
Trade and other receivables (exclude GST refundable)	169,546,415	169,546,415	-
Cash and short-term deposits	55,609,078	55,609,078	-
Total financial assets	225,155,493	225,155,493	-
Financial liabilities:			
Group			
Trade and other payables (exclude GST payable)	(282,720,592)	(282,720,592)	-
Loans and borrowings	(546,333,624)	(546,333,624)	-
Total financial liabilities	(829,054,216)	(829,054,216)	-
Company			
Trade and other payables	(12,337,244)	(12,337,244)	-
Loans and borrowings	(87,200,000)	(87,200,000)	-
Total financial liabilities	(99,537,244)	(99,537,244)	-

35. FINANCIAL INSTRUMENTS (continued)

(a) Classification of Financial Instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (continued):

	Carrying amount RM	Amortised cost RM	DFVOCI RM
At 1 July 2017			
Financial assets:			
Group			
Other investments	5,646	-	5,646
Trade and other receivables (exclude GST refundable and prepayments)	252,332,215	252,332,215	-
Cash and short-term deposits	136,771,853	136,771,853	-
Total financial assets	389,109,714	389,104,068	5,646
Company			
Trade and other receivables (exclude GST refundable)	269,459,189	269,459,189	-
Cash and short-term deposits	9,874,543	9,874,543	-
Total financial assets	279,333,732	279,333,732	-
Financial liabilities:			
Group			
Trade and other payables (exclude GST payable)	(318,206,291)	(318,206,291)	-
Loans and borrowings	(391,811,538)	(391,811,538)	-
Total financial liabilities	(710,017,829)	(710,017,829)	-
Company			
Trade and other payables	(43,571,207)	(43,571,207)	-
Loans and borrowings	(34,978,716)	(34,978,716)	-
Total financial liabilities	(78,549,923)	(78,549,923)	-

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Group Managing Director and does not trade in derivative financial instruments. Financial risk management is carried through internal control systems and adherence to Group's financial risk management policies.

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.

(i) Credit Risk

Credit risk is the risk of financial loss to the Group 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.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows:

	30.6.2019 RM	30.6.2018 RM	1.7.2017 RM
Group			
Trade receivables:			
Property development	**92,780,814**	72,391,618	51,542,532
Contract assets:			
Property development	**219,373**	51,670,069	13,160,654

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit Risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile (continued)

The Group and the Company apply the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's and Company's trade receivables and contract assets using provision matrix are as follows:

		Trade receivables				
	Contract assets	Current	1-30 days past due	31-75 days past due	>75 days past due	Total
At 30 June 2019						
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Gross carrying amount at default	**219,373**	**65,911,461**	**18,429,718**	**2,441,503**	**8,286,303**	**95,068,985**
At 30 June 2018						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	51,670,069	48,329,105	7,127,430	1,225,544	17,997,710	74,679,789
At 1 July 2017						
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	13,160,654	37,033,072	4,288,482	2,112,260	10,396,889	53,830,703

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit Risk (continued)

Other receivables and other financial assets (continued)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers and changes in the operating results of the borrower

Some intercompany loans between entities within the Group is repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.11(a) for the Company's other accounting policies for impairment of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meets its liabilities when they fall due.

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
Group	**Carrying amount RM**	**On demand or within 1 year RM**	**Between 1 and 5 years RM**	**More than 5 years RM**	**Total RM**
At 30 June 2019					
Financial liabilities:					
Trade and other payables	**541,007,645**	**528,023,435**	**12,984,210**	**-**	**541,007,645**
Finance lease liabilities	**1,273,127**	**308,135**	**1,023,560**	**91,693**	**1,423,388**
Bank borrowings	**474,225,078**	**200,366,936**	**305,897,022**	**22,579,974**	**528,843,932**
	1,016,505,850	**728,698,506**	**319,904,792**	**22,671,667**	**1,071,274,965**
At 30 June 2018					
Financial liabilities:					
Trade and other payables (exclude GST payable)	282,720,592	265,507,752	17,212,840	-	282,720,592
Finance lease liabilities	1,607,550	376,201	1,192,832	265,800	1,834,833
Bank borrowings	544,726,074	166,974,457	290,280,378	149,623,046	606,877,881
	829,054,216	432,858,410	308,686,050	149,888,846	891,433,306
At 1 July 2017					
Financial liabilities:					
Trade and other payables (exclude GST payable)	318,206,291	289,311,232	28,895,059	-	318,206,291
Finance lease liabilities	1,754,753	376,100	1,210,873	445,981	2,032,954
Bank borrowings	390,056,785	120,265,101	297,536,280	13,486,662	431,288,043
	710,017,829	409,952,433	327,642,212	13,932,643	751,527,288

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows (continued):

		Contractual cash flows			
Company	**Carrying amount RM**	**On demand or within 1 year RM**	**Between 1 and 5 years RM**	**More than 5 years RM**	**Total RM**
At 30 June 2019					
Financial liabilities:					
Trade and other payables	**92,243,674**	**92,243,674**	**-**	**-**	**92,243,674**
Bank borrowings	**77,200,000**	**77,200,000**	**-**	**-**	**77,200,000**
	169,443,674	**169,443,674**	**-**	**-**	**169,443,674**
At 30 June 2018					
Financial liabilities:					
Trade and other payables	12,337,244	12,337,244	-	-	12,337,244
Bank borrowings	87,200,000	87,200,000	-	-	87,200,000
	99,537,244	99,537,244	-	-	99,537,244
At 1 July 2017					
Financial liabilities:					
Trade and other payables	43,571,207	43,571,207	-	-	43,571,207
Bank borrowings	34,978,716	34,978,716	-	-	34,978,716
	78,549,923	78,549,923	-	-	78,549,923

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings and short-term deposits placed with the financial institutions. Most of the Group's loans and borrowings are charged a fixed spread above the financial institutions' base lending rate or cost of fund per annum. The spread rate is reviewed annually. Whilst, the base lending rate and cost of fund used by the financial institutions vary according to the rates set by Bank Negara Malaysia. Meanwhile, interest rates charged on hire purchase are fixed at the inception of the hire purchase arrangements. For interest income from cash deposits, the Group managed the interest rate risks by placing cash deposits with reputable financial institutions with varying maturities and interest rate terms.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

Group	Change in basis point	Effect on profit for the financial year RM	Effect on equity RM
At 30 June 2019	**+50**	**(1,802,055)**	**(1,802,055)**
	-50	**1,802,055**	**1,802,055**
At 30 June 2018	+50	(2,069,959)	(2,069,959)
	-50	2,069,959	2,069,959
Company			
At 30 June 2019	**+50**	**(293,360)**	**(293,360)**
	-50	**293,360**	**293,360**
At 30 June 2018	+50	(331,360)	(331,360)
	-50	331,360	331,360

35. FINANCIAL INSTRUMENTS (continued)

(c) Fair values measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the financial year (30.6.2018: no transfer in either directions; 1.7.2017: no transfer in either directions)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

		Fair value of financial instruments not carried at fair value			
		Fair Value			
Group	**Carrying amount RM**	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
At 30 June 2019					
Financial liabilities					
Borrowings:					
- Revolving credits	**27,200,000**	-	-	**27,200,000**	**27,200,000**
- Islamic commercial paper	**50,000,000**	-	-	**50,000,000**	**50,000,000**
- Term loans	**397,025,078**	-	-	**397,025,078**	**397,025,078**
Finance lease liabilities	**1,273,127**	-	-	**1,273,127**	**1,273,127**
At 30 June 2018					
Financial assets					
Other investments	5,646	-	5,646	-	5,646
Financial liabilities					
Borrowings:					
- Revolving credits	37,200,000	-	-	37,200,000	37,200,000
- Islamic commercial paper	50,000,000	-	-	50,000,000	50,000,000
- Term loans	457,526,074	-	-	457,526,074	457,526,074
Finance lease liabilities	1,607,550	-	-	1,607,550	1,607,550
At 1 July 2017					
Financial assets					
Other investments	5,646	-	5,646	-	5,646
Financial liabilities					
Borrowings:					
- Bank overdraft	33,207,650	-	-	33,207,650	33,207,650
- Revolving credits	30,000,000	-	-	30,000,000	30,000,000
- Term loans	326,849,135	-	-	326,849,135	326,849,135
Finance lease liabilities	1,754,753	-	-	1,754,753	1,754,753

35. FINANCIAL INSTRUMENTS (continued)

(c) Fair values measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments (continued):

Company	Carrying amount RM	Fair value of financial instruments not carried at fair value — Fair Value Level 1 RM	Level 2 RM	Level 3 RM	Total RM
At 30 June 2019					
Financial liabilities					
Borrowings:					
- Revolving credits	**27,200,000**	**-**	**-**	**27,200,000**	**27,200,000**
- Islamic commercial paper	**50,000,000**	**-**	**-**	**50,000,000**	**50,000,000**
At 30 June 2018					
Financial liabilities					
Borrowings:					
- Revolving credits	37,200,000	-	-	37,200,000	37,200,000
- Islamic commercial paper	50,000,000	-	-	50,000,000	50,000,000
At 1 July 2017					
Financial liabilities					
Borrowings:					
- Bank overdraft	4,978,716	-	-	4,978,716	4,978,716
- Revolving credits	30,000,000	-	-	30,000,000	30,000,000

36. CAPITAL MANAGEMENT

The primary objective of the Group'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 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 monitors the level of dividends to be paid to shareholders. The Group's objective is 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 consists of equity attributable to the owner 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		
	30.6.2019	**30.6.2018**	**1.7.2017**	**30.6.2019**	**30.6.2018**	**1.7.2017**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Total liabilities	**1,118,660,569**	941,108,770	799,186,673	**169,487,286**	99,654,692	78,549,923
Equity attributable to the owners of the Company	**1,164,598,777**	1,246,540,953	684,804,560	**926,025,996**	928,461,769	392,588,484
Debt-to-equity ratio	**96%**	75%	117%	**18%**	11%	20%

For the current financial year, the Group is required to maintain a debt-to-equity ratio not exceeding 1 to comply with the bank covenant. The Group has complied with this requirement.

There were no changes in the Group's and in the Company's approach to capital management during the financial year.

37. DIVIDENDS

	Group RM	Company RM
In respect of financial year ended 30 June 2019		
- Single tier interim dividend for the financial year ended 30 June 2018: RM0.0277 per Class A ordinary share of a subsidiary, paid on 31 July 2018	**1,302,660**	**-**
- Single tier interim dividend for the financial year ended 30 June 2019: RM0.0886 per Class A ordinary share of a subsidiary, paid on 31 January 2019	**4,164,713**	**-**
- Single tier final dividend for the financial year ended 30 June 2018: RM0.00025 per irredeemable convertible preference share, paid on 27 December 2018	**216,258**	**216,258**
- Single tier final dividend for the financial year ended 30 June 2018: RM0.0025 per ordinary share, paid on 27 December 2018	**3,296,526**	**3,296,526**
	8,980,157	**3,512,784**
In respect of financial year ended 30 June 2018		
- Single tier final dividend for the financial year ended 30 June 2017: RM0.0025 per ordinary share, paid on 21 December 2017	3,577,318	3,577,318

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 21 March 2018, the Company had entered into a shares sale agreement with Bina Puri Properties Sdn. Bhd. (“BPPSB”) for the acquisition of 900,000 ordinary shares, representing 30% equity interest in Prosperous Hectares Sdn. Bhd. for a purchase consideration of RM900,000.

The acquisition was completed on 8 August 2018.

(ii) On 22 April 2019, the Company had entered into a Mutual Termination Agreement with BPPSB (to mutually agreed to terminate the joint venture agreement dated 21 March 2018 and the transfer of the remaining 30% equity interest comprising 120,000 ordinary shares in Riveria City Sdn. Bhd. held by BPPSB for a total consideration of RM120,000.

The Proposed Acquisition is pending for completion.

39. COMPARATIVE FIGURES

During the financial year, the Group made the following reclassification to restate the consolidated financial statements for the financial year ended 30 June 2018 and 1 July 2017:

(a) Reclassification of other receivable to property development costs (inventories) to conform with the current year presentation.

(b) Reclassification of non-controlling interests to redeemable preference shares to conform with the current year presentation.

The effect of the reclassifications are as follows:

Group	As previously reported RM	Reclassification RM	As reclassified RM
30.6.2018			
Statement of Financial Position			
Inventories	1,238,991,836	19,263,940	1,258,255,776
Trade and other receivables	515,704,899	(19,263,940)	496,440,959
1.7.2017			
Statement of Financial Position			
Inventories	970,936,746	95,223	971,031,969
Trade and other receivables	262,431,888	(95,223)	262,336,665
Redeemable preference shares	-	(235,000)	(235,000)
Non-controlling interests	(4,106,849)	235,000	(3,871,849)

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

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 accompanying financial statements set out on pages 83 to 185 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

TAN SRI DATO' LIM SOON PENG
Director

LIM POH YIT
Director

Kuala Lumpur
Date: : 7 October 2019

STATUTORY DECLARATION

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **TAN KIAN WHOO**, being the officer primarily responsible for the financial management of Titijaya Land Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 83 to 185 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAN KIAN WHOO
(MIA Membership No. 21539)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 7 October 2019.

Before me,

TAN KIM CHOOI (No. W661)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TITIJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Titijaya Land Berhad, which comprise the statements of financial position as at 30 June 2019 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 83 to 185.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Revenue and corresponding costs recognition for property development activities [Note 4(a), 4(b), 4(c), 10, 13, 14, 22(d), 23 and 24 to the financial statements]

The amount of revenue and corresponding costs of the Group's property development activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects.

KEY AUDIT MATTERS (continued)

Group (continued)

Revenue and corresponding costs recognition for property development activities [Note 4(a), 4(b), 4(c), 10, 13, 14, 22(d), 23 and 24 to the financial statements] (continued)

Our response:

Our audit procedures on the selected samples of major projects included, among others:

- reading the terms and conditions of the agreements with customers;
- understanding the Group's process in preparing project budgets and the calculation of the progress towards complete satisfaction of performance obligations;
- comparing the Group's major assumptions to contractual terms and discussing with project manager on the changes in the assumptions from the previous financial year;
- assessing the computed progress towards complete satisfaction of performance obligation for identified projects against architect or consultant certificates;
- checking the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year; and
- assessing the potential deduction to revenue arising from liquidated and ascertained damages by considering the contractual delivery dates and estimated delivery dates, progress reports, and interview of relevant project personnel.

Other receivables and deposits [Note 4(e), 12(c) and 12(d) to the financial statements]

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Our response:

Our audit procedures included, among others:

- discussing with the Group's management on the recoverability of the selected samples of other receivables and deposits;
- obtaining the confirmation of balances from selected samples of other receivables and deposits;
- reviewing subsequent receipts, receivables correspondence, and considering explanations on the recoverability of the selected samples of receivables and deposits; and
- reviewing historical records, input on assumptions about risk of default and expected loss rate as well as forward looking estimates.

KEY AUDIT MATTERS (continued)

Company

Investment in subsidiaries and amount owing by subsidiaries [Note 4(d), 6 and 12(b) to the financial statements]

The Company performs impairment review on the investments in subsidiaries and amount owing by subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of the investments in subsidiaries and amount owing by subsidiaries may not be recoverable in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test. The impairment made on investment in subsidiaries entails an allowance for doubtful debts to be made to the amount owing by these subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investments in subsidiaries and amount owing by subsidiaries.

Our response:

Our audit procedures included, among others:

- evaluating the cash flow projections and the Company's forecasting procedures;
- comparing the Company's assumptions to our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections;
- testing the mathematical accuracy of the impairment assessment;
- performing a sensitivity analysis around the key assumptions; and
- assessing the classification of the amount owing by subsidiaries in the separate financial statements of the Company.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

1. As stated in Note 2 to the financial statements, Titijaya Land Berhad adopted the Malaysian Financial Reporting Standards on 1 July 2018 with a transition date of 1 July 2017. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2018 and 1 July 2017, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 30 June 2018 and its related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 June 2019 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2018 do not contain misstatements that materially affect the financial position as at 30 June 2019 and the financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
LLP0019411-LCA & AF 0117
Chartered Accountants

Kenny Yeoh Khi Khen
No. 03229/09/2020 J
Chartered Accountant

Kuala Lumpur
Date: 7 October 2019

ANALYSIS OF SHAREHOLDINGS

AS AT 1 OCTOBER 2019

Total Number of Issued Shares	:	(i) 1,345,653,260 Ordinary Shares (inclusive treasury shares) (ii) 852,740,298 Irredeemable Convertible Preference Shares
Class of Shares	:	Ordinary Shares Irredeemable Convertible Preference Shares
Voting Rights	:	(i) One vote per Ordinary Share held (ii) The Irredeemable Convertible Preference Share does not carry any voting right except in circumstances set out in the Company's Articles of Association
Treasury Shares held as at 1 October 2019	:	77,793,400 ordinary shares

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
Less than 100	9	0.44	74	0.00
100 – 1,000	121	5.94	60,526	0.00
1,001 – 10,000	852	41.85	5,275,100	0.41
10,001 – 100,000	840	41.26	29,641,600	2.34
100,001 - 63,392,992 *(less than 5% of the issued shares)*	209	10.26	634,027,960	50.02
63,392,993 and above *(5% and above issued shares)*	5	0.25	598,854,600	47.23
Total	**2,036**	**100.00**	**1,267,859,860**	**100.00**

DISTRIBUTION OF SHAREHOLDINGS IN IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

Size of Shareholdings	No. of ICPS Holder	%	No. of ICPS	%
Less than 100	1	0.15	98	0.00
100 – 1,000	13	2.00	5,300	0.00
1,001 – 10,000	92	14.13	512,600	0.06
10,001 – 100,000	314	48.23	14,974,300	1.75
100,001 – 42,637,013 *(less than 5% of the issued shares)*	226	34.72	376,403,900	44.14
42,637,014 and above *(5% and above issued shares)*	5	0.77	460,844,100	54.05
Total	**651**	**100.00**	**852,740,298**	**100.00**

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES

(based on the Register of Directors' Shareholdings)

Name of Directors	Direct Shareholdings	% *	Indirect Shareholdings	% *
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	-	-	-	-
Tan Sri Dato' Lim Soon Peng	17,100,000	1.35	736,523,666 [a]	58.09
Lim Poh Yit	17,691,600	1.40	736,323,666 [b]	58.08
Lim Puay Fung	490,000	0.04	736,323,666 [b]	58.08
Chin Kim Chung	720,000	0.06	-	-
Datuk Seri Ch'ng Toh Eng	500,000	0.04	-	-
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	-	800,000 [c]	0.06
Datuk Nozirah Binti Bahari	-	-	-	-

Notes:-

* Calculated based on the total number of issued shares as at 1 October 2019 after deducting 77,793,400 ordinary shares bought back by the Company and held as Treasury Shares as at 1 October 2019 amounted to 1,267,859,860 Ordinary Shares.

(a) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 ("**Act**") by virtue of his substantial shareholdings in Titijaya Group Sdn. Bhd. ("**TGSB**") and disclosure made pursuant to Section 59(11)(c) of the Act by virtue of his spouse's shareholdings in the Company.

(b) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

(c) Deemed interested pursuant to Section 8(4) of the Act by virtue of his shareholdings in ISY Holdings Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS IN ICPS

(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct Shareholdings	% *	Indirect Shareholdings	% *
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	-	-	-	-
Tan Sri Dato' Lim Soon Peng	-	-	291,762,800 [1]	34.21
Lim Poh Yit	-	-	291,462,800 [2]	34.18
Lim Puay Fung	-	-	291,462,800 [2]	34.18
Chin Kim Chung	-	-	-	-
Datuk Seri Ch'ng Toh Eng	-	-	-	-
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	10,000,000	1.17	1,200,000 [3]	0.14
Datuk Nozirah Binti Bahari	-	-	-	-

Notes:-

* Calculated based on 852,740,298 ICPS.

(1) Deemed interested pursuant to Section 8(4) of the Act by virtue of his substantial shareholdings in TGSB and disclosure made pursuant to Section 59(11)(c) of the Act by virtue of his spouse's shareholdings in the Company.

(2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

(3) Deemed interested pursuant to Section 8(4) of the Act by virtue of his shareholdings in ISY Holdings Sdn. Bhd.

SUBSTANTIAL ORDINARY SHAREHOLDERS

(Based on the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Shareholdings	%*	Indirect Shareholdings	% *
Tan Sri Dato' Khoo Chai Kaa	-	-	69,230,934 (a)	5.46
Brem Properties Sdn. Bhd.	-	-	69,230,934 (a)	5.46
Brem Holding Berhad	-	-	69,230,934 (a)	5.46
Titi Kaya Sdn. Bhd.	69,230,934	5.46	-	-
Tan Sri Dato' Lim Soon Peng	17,100,000	1.35	736,323,666 (b)	58.08
Lim Poh Yit	17,691,600	1.40	736,323,666 (b)	58.08
Lim Puay Fung	490,000	0.04	736,323,666 (b)	58.08
Titijaya Group Sdn. Bhd.	736,323,666	58.08	-	-

Notes:-

* Calculated based on the total number of issued shares as at 1 October 2019 after deducting 77,793,400 ordinary shares bought back by the Company and held as Treasury Shares as at 1 October 2019 amounted to 1,267,859,860 Ordinary Shares.

(a) Deemed interested pursuant to Section 8(4) of the Act by virtue of the shares held by Titi Kaya Sdn. Bhd.

(b) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% *
1	TITIJAYA GROUP SDN. BHD.	213,623,666	16.85
2	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	162,000,000	12.78
3	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	82,000,000	6.47
4	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE BANK AG SINGAPORE FOR TITIJAYA GROUP SDN. BHD. (MAYBANK SG)	72,000,000	5.68
5	TITI KAYA SDN. BHD.	69,230,934	5.46
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (6000103)	62,380,000	4.92
7	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KGI SECURITIES (SINGAPORE) PTE. LTD. (66589 T CL)	51,700,000	4.08

No.	Name of Shareholders	No. of Shares	% *
8	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TITIJAYA GROUP SDN. BHD.	46,300,000	3.65
9	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (MY2856)	38,000,000	3.00
10	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN. BHD.	35,500,000	2.80
11	URUSHARTA JAMAAH SDN. BHD.	34,512,000	2.72
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	34,020,000	2.68
13	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	24,984,800	1.97
14	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR AIA BHD.	21,477,000	1.69
15	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	20,938,800	1.65
16	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT- AMBANK (M) BERHAD FOR SUTERA BANGSA SDN. BHD. (SMART)	18,390,500	1.45
17	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SOON PENG	16,500,000	1.30
18	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	16,000,000	1.26
19	OOI CHIENG SIM	13,900,000	1.10
20	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEW ASSETS SDN. BHD. (THIRD PARTY)	13,250,000	1.05
21	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEW ASSETS SDN. BHD. (THIRD PARTY)	13,000,000	1.03
22	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM POH YIT	12,000,000	0.95
23	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	11,417,400	0.90
24	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	10,000,000	0.79
25	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	8,033,000	0.63
26	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	7,731,400	0.61
27	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	7,430,800	0.59
28	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	6,443,800	0.51

No.	Name of Shareholders	No. of Shares	% *
29	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA FAMILY TAKAFUL BERHAD (FAMILY PRF)	5,751,900	0.45
30	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	5,020,000	0.40
	TOTAL	**1,133,536,000**	**89.42**

Notes:-

* Calculated based on 1,267,859,860 Ordinary Shares.

LIST OF THIRTY (30) LARGEST ICPS HOLDERS

No.	Name of Shareholders	No. of Shares	% *
1	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TITIJAYA GROUP SDN. BHD.	155,000,000	18.18
2	PARK AVENUE CONSTRUCTION SDN. BHD.	120,000,000	14.07
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	88,000,000	10.32
4	PROGEREX SDN. BHD.	51,477,800	6.04
5	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG WAI YUAN (MY0867)	46,366,300	5.44
6	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (MY2856)	36,600,000	4.29
7	OOI CHIENG SIM	29,267,600	3.43
8	NG WAI YUAN	22,913,400	2.69
9	LAGENDA PERDANA SDN. BHD.	15,000,000	1.76
10	WAI CHOO	13,385,700	1.57
11	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	11,897,100	1.40
12	TITIJAYA GROUP SDN. BHD.	11,862,800	1.39
13	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN ING KIONG	11,220,000	1.32
14	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	10,446,000	1.22
15	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SYED MOHD YUSOF BIN TUN SYED NASIR	10,000,000	1.17
16	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	9,765,000	1.15

No.	Name of Shareholders	No. of Shares	% *
17	KUAN MIN HUEY	9,450,800	1.11
18	LAO CHOK KEANG	8,000,000	0.94
19	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GAN BOON GUAT (028)	7,675,800	0.90
20	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	6,313,900	0.74
21	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	6,260,000	0.73
22	HLS PROPERTIES SDN. BHD.	6,187,800	0.73
23	KENANGA NOMINEES (TEMPATAN) SDN. BHD. LIM SOH WOON	5,369,700	0.63
24	LEE SOON MUI	4,500,000	0.53
25	KWONG MING MEAN	4,282,600	0.50
26	NG SOW TENG	4,245,200	0.50
27	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	4,000,000	0.47
28	LEOU THIAM LAI	4,000,000	0.47
29	URUSHARTA JAMAAH SDN. BHD.	4,000,000	0.47
30	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KWONG MING KWEI (08KW032ZQ-008)	3,740,000	0.44
	TOTAL	**721,227,500**	**84.60**

Notes:-

* Calculated based on 852,740,298 ICPS.

LIST OF TOP 10 PROPERTIES

No.	Registered Owner	Location	Usage	Tenure	Land Area (sq. ft)	NBV RM	Age of the building (years)	Date of Acquisition/ revaluation
1	Riveria City Sdn. Bhd.	Lot 1233 (PT 110) , Section 69, Jalan Sultan Abdul Samad, Brickfields, Kuala Lumpur	Future Development Future Project	99 year lease expiring on Sunday, 11 March 2114	132,640	201,089,223	-	21/03/2018
2	City Meridian Development Sdn. Bhd.	Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang	Future Development	99 year lease expiring on Saturday, 2 April 2095	82,640	177,340,995	-	21/05/2014
3	Ampang Avenue Development Sdn. Bhd.	Lot 104 Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur (Phase 1 & 2)	On Going Development Project Neu Suites, Newton	99 year lease expiring on 20 May 2113	263,974	77,898,588	-	08/11/2016
4	Ampang Avenue Development Sdn. Bhd.	Lot 104 Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur (Phase 3 & 4)	Future Development Future Project	99 year lease expiring on 20 May 2113	263,974	73,358,349	-	08/11/2016
5	Blu Waterfront Development Sdn. Bhd.	Kota Kinabalu	On Going Development Project The Shore	99 year lease expiring on 31 December 2071	79,323	73,086,763	-	23/11/2017
6	Nipah Valley Sdn. Bhd.	Lot 104 Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur (Phase 3 & 4)	Future Development Future Project	99 year lease expiring on Saturday, 20 May 2113	263,974	70,329,804	-	08/11/2016
7	Pin Hwa Properties Sdn. Bhd.	Lot 100010, PN91580, Mukim Petaling Daerah Petaling, Selangor Darul Ehsan	Building To rent out in future 3 storey business podium with 2 level car park (basement and ground floor)	Leasehold	190,263	63,673,469	3	29/08/2017
8	Nipah Valley Sdn. Bhd.	Lot 104 Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur (Phase 1 & 2)	On Going Development Project Neu Suites, Newton	99 year lease expiring on 20 May 2113	263,974	61,334,523	-	08/11/2016
9	Riveria City Sdn. Bhd.	Lot 1233 (PT 110) , Section 69, Jalan Sultan Abdul Samad, Brickfields, Kuala Lumpur	On Going Development Project Riveria	99 year lease expiring on Sunday, 11 March 2114	132,640	57,394,218	-	21/03/2018
10	NPO Builders Sdn. Bhd.	Lot 85722, 85723, Mukim Bukit Raja, District Petaling	On Going Development Project Seiring	Freehold	186,970	54,540,220	-	18/12/2017
	TOTAL				**1,860,372**	**910,046,122**		

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting ("**AGM**") of TITIJAYA LAND BERHAD ("**Company**") will be held at Grand Patio, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 28 November 2019 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2019 together with the Reports of the Directors and Auditors Reports thereon. **[Please refer to Explanatory Note (a)]**

2. To approve the declaration of a final single-tier dividend of RM0.0015 per ordinary share for the financial year ended 30 June 2019. **Resolution 1**

3. To approve the payment of Directors' fees amounting to RM388,100.00 for the financial year ended 30 June 2019. **Resolution 2**

4. To approve the payment of Directors' benefits up to an amount of RM100,000.00 from 29 November 2019 until the next AGM of the Company in year 2020. **Resolution 3**

5. 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) Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) **Resolution 4**
   (ii) Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir **Resolution 5**

   Datuk Nozirah Binti Bahari who retires pursuant to Article 81 of the Company's Articles of Association, has indicated not to seek for re-election. Hence, she will retain office until the close of the Seventh AGM.

6. To re-appoint Baker Tilly Monteiro Heng PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following Ordinary and Special Resolutions:-

7. **ORDINARY RESOLUTION**
   Authority to Allot Shares pursuant to the Companies Act 2016 **Resolution 7**

   "**THAT** subject always to the Companies Act 2016 ("**Act**"), the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this Resolution does not exceed ten percent (10%) of the total number of issued share (excluding treasury shares) 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 Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

8. **ORDINARY RESOLUTION**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate") **Resolution 8**

"**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Part A, Section 2.5 of the Circular to Shareholders dated 30 October 2019, which are necessary for the day-to-day operations of the Company and/or its subsidiaries ("**Group**"), to be entered by the Group in the ordinary course of business and are on terms which are not more favourable to the parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;-.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

9. **ORDINARY RESOLUTION**
Proposed Renewal of Authority for the Company to Purchase its Own Shares ("Proposed Renewal of Share Buy-Back") **Resolution 9**

"**THAT** subject to the Companies Act 2016 ("**Act**"), the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:-

(i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase(s).

9. **ORDINARY RESOLUTION (continued)**
Proposed Renewal of Authority for the Company to Purchase its Own Shares ("Proposed Renewal of Share Buy-Back") (continued) **Resolution 9**

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

(i) cancel all the shares so purchased; and/or

(ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/or

(iii) retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

(c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first;-.

AND THAT the Board be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

10. **SPECIAL RESOLUTION**
Proposed Adoption of New Constitution of the Company ("Proposed Adoption") **Special Resolution**

"**THAT** approval be and is hereby given to the Company to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix A despatched together with the Company's Annual Report 2019, be and is hereby adopted as the Constitution of the Company;

AND THAT the Board be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Adoption with the full power to assent to any conditions, modification, and/or amendments as may be required by any relevant authorities to give effect to the Proposed Adoption."

11. To transact any other ordinary business for which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a final single-tier dividend of RM0.0015 per ordinary share in respect of the financial year ended 30 June 2019, if approved by the shareholders at the Seventh AGM of the Company, will be paid on 26 December 2019 to the depositors whose names appear in the Record of Depositors on 12 December 2019.

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 12 December 2019 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
TAN LEY THENG (MAICSA 7030358)
Company Secretaries

Kuala Lumpur
30 October 2019

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at **22 November 2019** shall be eligible to attend the Meeting or appoint proxies to attend and/or vote in his/her stead.
2. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. When a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to 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 at least one (1) proxy 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 authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
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. The instrument appointing a proxy must be deposited at the office of the Registrar of the Company at Boardroom Share Registrars Sdn. Bhd. (formerly known as Symphony Share Registrars Sdn. Bhd.) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTE (a)

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:-

(a) Ordinary Resolution 2 – Directors' Fees

Payment of the Directors' fees for the financial year ended 30 June 2019 amounting to RM388,100.00 will be made by the Company if the proposed Ordinary Resolution 2 is passed at the Seventh AGM of the Company.

(b) Ordinary Resolution 3 – Benefits of Directors

The proposed Ordinary Resolution 3, if passed, will authorise the payment of the Directors' benefits to the Non-Executive Directors up to an amount of RM100,000.00 with effect from 29 November 2019 until the next AGM of the Company in year 2020 ("**Period**"). The Directors' benefits payable for the Period comprise the following:-

Description	Non-Executive Director (excluding the Alternate Director)	Remarks
Meeting Allowance		The meeting allowance shall only be paid whenever meetings are called during the Period
(a) Board Meeting	RM1,000 per meeting	
(b) Board Committee Meeting	RM500 per meeting	
(c) General Meeting	RM1,000 per meeting	
(d) Ad-hoc/special/emergency Meeting, if any	RM500 per meeting	
Insurance Allowance	RM2,000 per year	-

(c) Ordinary Resolution 7

Authority to Allot Shares Pursuant to the Companies Act 2016

This is the renewal of the general mandate for issuance of shares by the Company obtained from the shareholders of the Company at the Sixth AGM of the Company held on 29 November 2018 (hereinafter referred to as the "**Previous Mandate**").

The proposed Ordinary Resolution 7 is primarily to give a renewal mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate and accordingly, no proceeds were raised.

(d) Ordinary Resolution 8

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This proposed Ordinary Resolution 8, if passed, will renew the authority given to the Company and/or its subsidiaries a mandate to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Detailed information of the Proposed Renewal of Shareholders' Mandate is set out in Part A of the Circular/Statement to Shareholders dated 30 October 2019 circulated together with this Annual Report.

(e) Ordinary Resolution 9
Proposed Renewal of Authority for the Company to Purchase its Own Shares

The proposed adoption of the Ordinary Resolution 9, if passed, will renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back is set out in Part B of the Circular/Statement to Shareholders dated 30 October 2019 circulated together with this Annual Report.

(f) Special Resolution
Proposed Adoption of New Constitution of the Company

The proposed adoption of the Special Resolution, if passed, will primarily bring the Company's Constitution in line with the Companies Act 2016 and the changes made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as to enhance administrative efficiency.

In view of the substantial amendments to be made on the existing Memorandum and Articles of Association ("**M&A**"), the Board proposed that the existing M&A be revoked in its entirety and by the replacement thereof with a new Constitution. Please refer to the new Constitution set out in Appendix A despatched together with the Company's Annual Report 2019.

Statement of Accompanying Notice of Seventh Annual General Meeting Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

There are no Directors standing for election as Director of the Company at the Seventh Annual General Meeting.

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FORM OF PROXY

TITIJAYA LAND BERHAD
(Company No. 1009114-M)

NO. OF SHARES HELD
CDS ACCOUNT NO.

I/We ____ (FULL NAME IN BLOCK LETTERS)

NRIC/Passport/Company No.______________________________Contact No.______________

of ____ (FULL ADDRESS)

being a member of **TITIJAYA LAND BERHAD ("Company")**, hereby appoint

Full Name (In Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and / or *delete if inapplicable

Full Name (In Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
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 Seventh Annual General Meeting of the Company to be held at Grand Patio, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Thursday, 28 November 2019 at 10:00 a.m. or at any adjournment thereof.

My / Our proxy(ies) is / are to vote as indicated below:-

		FOR	AGAINST
1.	To approve the declaration of a final single-tier dividend of RM0.0015 per ordinary share for the financial year ended 30 June 2019.		
2.	To approve the payment of Directors' fees amounting to RM388,100.00 for the financial year ended 30 June 2019.		
3.	To approve the payment of Directors' benefits up to an amount of RM100,000.00 from 29 November 2019 until the next AGM of the Company in year 2020.		
4.	To re-elect Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) who retires in accordance with Article 81 of the Company's Articles of Association.		
5.	To re-elect Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir who retires in accordance with Article 81 of the Company's Articles of Association.		
6.	To re-appoint Baker Tilly Monteiro Heng PLT as the Company's Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration.		
7.	Authority to Allot Shares pursuant to the Companies Act 2016.		
8.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
9.	Proposed Renewal of Authority for the Company to Purchase its Own Shares.		
Special Resolution			
Proposed Adoption of New Constitution of the Company.			

Please indicate with a "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 ____________________2019.

____
Signature of Member/Common Seal

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at **22 November 2019** shall be eligible to attend the Meeting or appoint proxies to attend and/or vote in his/her stead.
2. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. When a member appoints more than one (1) proxy to attend and vote at the same meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to 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 at least one (1) proxy 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 authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
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. The instrument appointing a proxy must be deposited at the office of the Registrar of the Company at Boardroom Share Registrars Sdn. Bhd. (formerly known as Symphony Share Registrars Sdn. Bhd.) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

PLEASE FOLD ALONG THIS LINE (1)

Postage Stamp

The Registrar
TITIJAYA LAND BERHAD
(Company No. 1009114-M)

Boardroom Share Registrars Sdn. Bhd.
(formerly known as Symphony Share Registrars Sdn. Bhd.)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan.

PLEASE FOLD ALONG THIS LINE (2)

1300 22 9898
www.titijaya.com.my

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Fax: 03-8022 9888 Email: sales@titijaya.com.my