TITIJAYA LAND BERHAD
BUILT TO INSPIRE

EMBRACING SUSTAINABLE GROWTH

ANNUAL REPORT 2020

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.

INSIDE THIS REPORT

BUSINESS

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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 products 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.

2020 PERFORMANCE AT A GLANCE

SHAREHOLDERS' FUND
RM 1.15 BILLION

GROSS DEVELOPMENT VALUE
RM 3.8 BILLION
PROPERTIES DELIVERED

STRATEGIC LAND BANK
155 ACRES

TOTAL REVENUE
RM 165.3 MILLION

UNBILLED SALES
RM 470.2 MILLION

ACHIEVEMENTS

CSR MALAYSIA AWARDS 2019

COMPANY OF YEAR IN SOCIAL EXCELLENCE AWARD

THE EDGE MALAYSIA Top Property Developers Awards 2019

BEST IN QUANTITATIVE ATTRIBUTES – TOP 30

ASIA PACIFIC PROPERTY AWARDS DEVELOPMENT in association with American Standard
AWARD WINNER
2019-2020

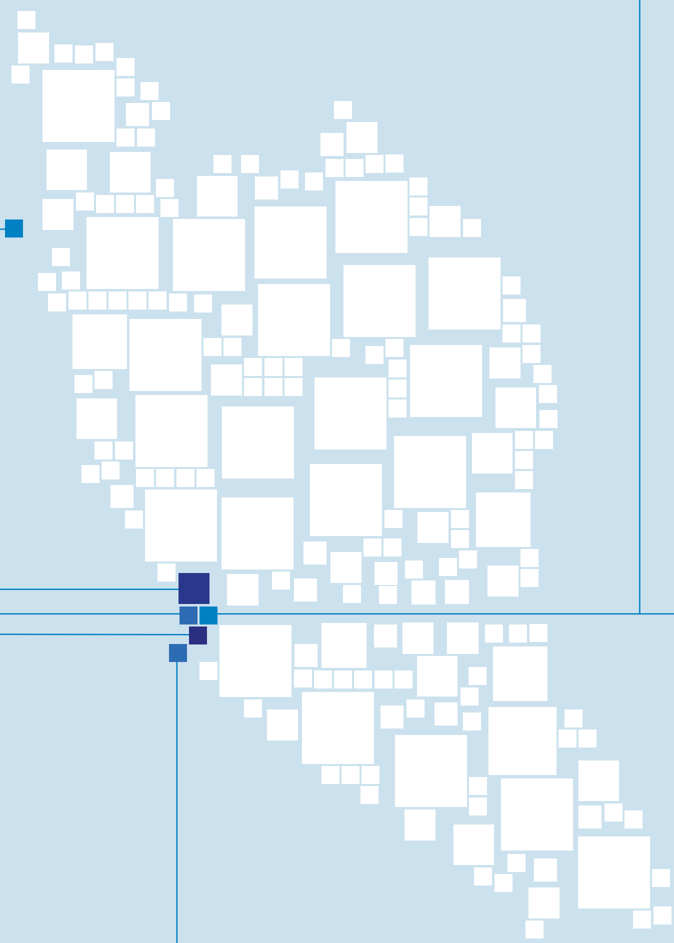
Asia Pacific Property Awards Development in association with **American Standard**

AWARD WINNERS
MIXED DEVELOPMENT MALAYSIA
3rdNvenue @ Embassy Row

PROJECT HIGHLIGHTS

TOTAL GDV
RM
9.70
BILLION

AREcA
PENANG
MIXED DEVELOPMENT



DAMAISURIA
SUBANG
TOWNSHIP

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

KLANG SERVICED SENTRAL APARTMENT
SERVICED APARTMENTS

Park RESIDENCY CHERAS
3-STOREY RESIDENCES

EMPORIA
SHAH ALAM
MIXED DEVELOPMENT

PROJECT HIGHLIGHTS
(continued)

RIVERIA CITY
– KL SENTRAL –

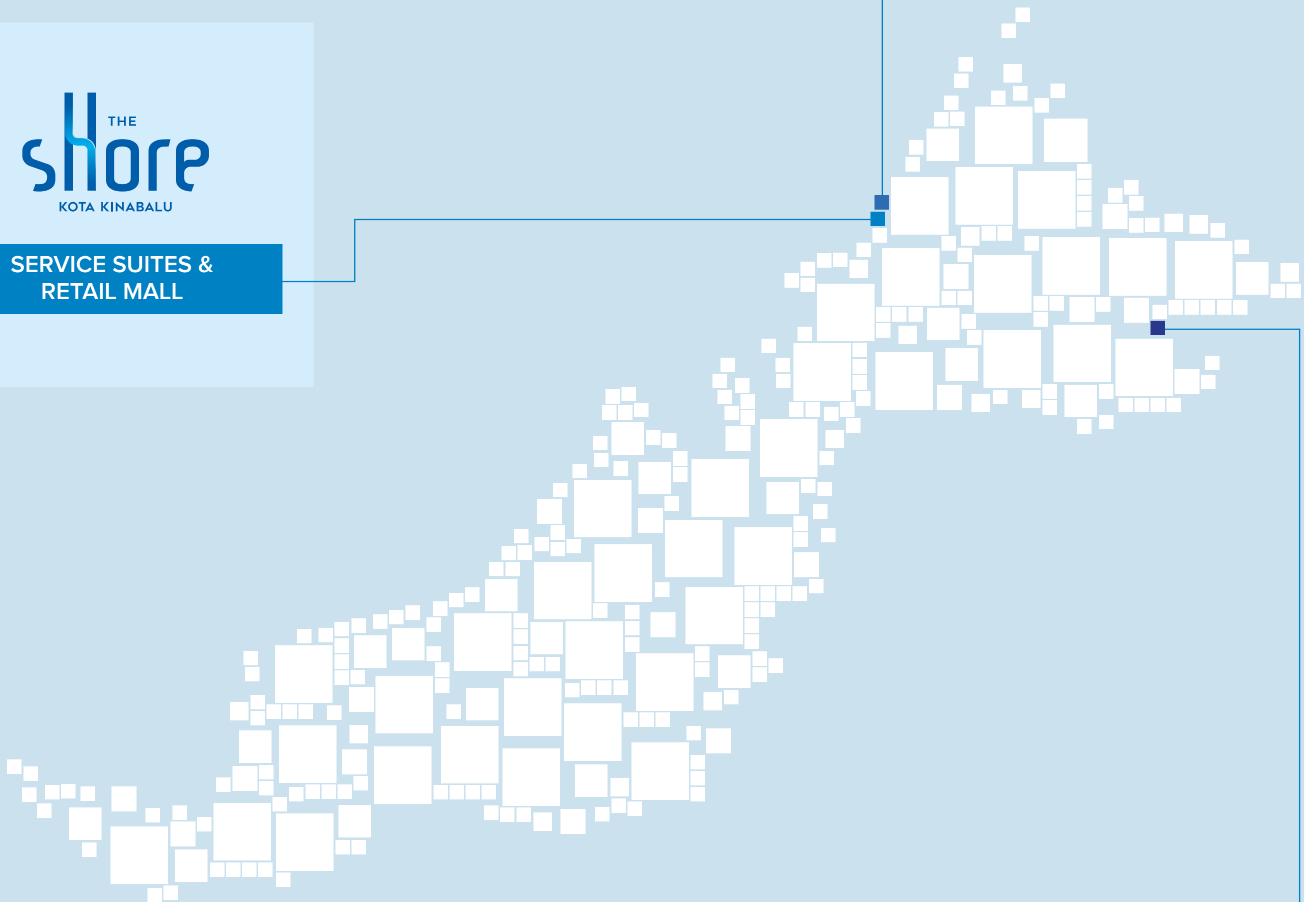
OFFICE SUITES, SERVICED APARTMENTS & RETAILS

THE RESIDENCY
SABAH

RESIDENTIAL DEVELOPMENT

THE SHORE
KOTA KINABALU

SERVICE SUITES & RETAIL MALL



DEON
Residency
KUALA LUMPUR

MIXED DEVELOPMENT

3RD AVENUE
EMBASSY ROW

EMBASSY ROW, KUALA LUMPUR

OFFICE SUITES, SERVICED APARTMENTS & RETAILS

第一棕城
FIRST PALM CITY CENTRE
LAHAD DATU

COMMERCIAL CENTRE & TRANSPORTATION HUB

COMPANY EVENTS AND ACTIVITIES HIGHLIGHTS

1 JULY 2019 – 30 JUNE 2020

24 March – 10 April 2020
Titijaya Land Berhad donated face masks to government departments and received by the Prime Minister, Chief Secretary of Home Affairs, Minister of Science, Technology and Innovation, Minister of Finance, Deputy Minister of Entrepreneur Development and Cooperative, Minister of Health and Minister of Higher Education in support for the frontline efforts.

15 February 2020
Riveria City – Feng Shui & Zodiac Luck 2020 Talk

16 January 2020
Titijaya Land Berhad's Business Associates Appreciation Dinner

17 September 2019
Riveria City – Maximising Returns Through Home Sharing Talk

COMPANY EVENTS AND ACTIVITIES HIGHLIGHTS
(continued)

11 January 2020
3rdNvenue Super 30 Promo event

21 July 2019
Roseville, Taman Seri Residensi – Design Talks: Getting the Most Value When Furnishing Your Home

27 July 2019
Official Launch of Seiring Residensi, Damaisuria

10 July 2019
H2O Residences – Special invitation to view new show unit

25 February 2020
Officially Launching #HouzKEY at Damaisuria Sales Gallery

21 December 2019
The Shore's Buyer Appreciation Night

20 October 2019
Riveria City – English High Tea session

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

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

AUDIT COMMITTEE

DATO' MOHD IBRAHIM BIN MOHD NOR
Chairman

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

DATUK SERI CH'NG TOH ENG

CHIN KIM CHUNG

NOMINATION COMMITTEE

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

TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR

DATUK SERI CH'NG TOH ENG

REMUNERATION COMMITTEE

DATUK SERI CH'NG TOH ENG
Chairman

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

DATO' MOHD IBRAHIM BIN MOHD NOR

DATUK SERI CH'NG TOH ENG

CHIN KIM CHUNG

LIM POH YIT

COMPANY SECRETARIES

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

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

REGISTERED OFFICE

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

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

PRINCIPAL PLACE OF BUSINESS

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

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

SHARE REGISTRAR

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

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

AUDITORS

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

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

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

PRINCIPAL BANKERS

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 2020

TITIJAYA LAND BERHAD
BUILT TO INSPIRE

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

CHAIRMAN'S STATEMENT

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

INTRODUCTION

On behalf of the Board of Directors, it is my pleasure and honour that I present to you the Annual Report and Audited Financial Statements of Titijaya Land Berhad ("Titijaya" or "the Group") for the financial year ended June 30, 2020 ("FYE2020").

An Unprecedented Year of Pandemic Shock

The year 2019 continued to carry the heavy economic turbulence from 2018, and into 2020, bringing an increasingly testing time to both the global and local economies. The unsettled and rising trade tensions between two of the largest economies in the world, United States and China, continue to shackle the already sluggish global Gross Domestic Product ("GDP") growth. This was further compounded by the volatile commodity prices and the uncertainty over the aftermath of Brexit's full-blown effect on the global trade growth moving forward.

On the local front, Malaysia's economy was definitely not spared from the crises, with slowdown seen in the output of crude oil, natural gas, and palm oil, as well as deterioration in exports amidst the global geopolitical tension. This made Malaysia to record a lower GDP growth of 4.3% in 2019, 30 basis points lower than 2018, a low not seen post-2010.

Having already faced with the economic uncertainties, the Pandemic Covid-19 that has struck at the cusp of 2020 became the Achilles heel that has brought the world demand to its knees from multiple economic and social fronts.

In the face of the brutal challenges faced in FYE2020, the Group's performance was impacted due to the stop-work order during the period of Movement Control Order ("MCO") which had impacted the second half of financial year ended 2020 ("2H FYE2020") performance of the Group.

The Group is well aware of all the ongoing uncertainties and has taken proactive measures to curtail the negative impacts of the crisis by improving our operational efficiencies, training our people to be practical and flexible in tackling all the adverse impact of the crises. It is vital that we continue to strive and position ourselves and more importantly to acknowledge the unavoidable change that is reshaping our world. This is imperative for us to grasp the opportunities and improve our resiliency against any future market uncertainties.

We strongly believe that our Group's position now has improved compared to pre-Covid 19 crisis, and is adapting to the changes by innovating to stay relevant in these ever-changing times. It is our focus and our core value that we continue to drive and spearhead sustainable growth for our businesses to create long term value for our stakeholders.

ISSUES AND CHALLENGES

Policy and Measures to Pull the Property Industry Together

The local housing demand and supply gaps are widening and will continue to deteriorate due to the adverse economic condition, causing an all-time high property glut in the market. This condition is also not helped by the unaffordability issues where the mismatch of house prices and Malaysian household's annual income is becoming more acute. However, the Group sees this as an opportunity to bank on by providing better and more affordable housing for the market via our affordable product pricing points.

The Government has also put in place great measures and initiatives to tackle the property overhang situation. One of the initiatives is the Home Ownership Campaign (HOC), introduced in 2019 where it has helped aspiring homebuyers to secure a home at a lower entry cost. This was subsequently reintroduced in June 2020 for residential property purchases on the primary market due to its stream of positive feedback. We will work hand-in-hand with the government to offer our products for the aspiring first-time homebuyers or up-graders to own a new home.

As the world grapples with the low interest rate environment, Malaysia also saw its Overnight Policy Rate reduced to 1.75 percent, a fourth consecutive cut since the beginning of 2020 and a level not seen since the Global Financial Crisis in 2008. This move was inevitably made in order to prioritise the nation's economic well-being by encouraging and spurring the private consumption and business spending to support the local economy.

The Malaysian government's stance in its expansionary monetary policy and measures to boost consumer spending is the right move to prevent a sudden plunge in the domestic demand caused by the unprecedented impact of Covid-19 pandemic. Among cushioning policies is the announced economic stimulus package totaling RM250 billion targeted to assist the welfare of citizens and businesses. Easing policies have also been implemented to support the affected industries and the economic growth from sliding further.

We remain cautiously optimistic about the outlook for 2020-2021 due to the ongoing global economic headwinds and continued pressure on the local economy, which inadvertently altered the dynamics and sentiment of the property market. We are confident that the Malaysian economy will remain resilient with efforts that have been put in place along various measures to counter the impending crises.

The Group's stance moving forward in this demanding operating environment would be to continue to focus on delivering products that are innovative and cater to the mass market demand. It is imperative that our launched products adapt to what the market needs.

DIVIDEND PAYOUT

For the FYE2020, in view of the adverse impact of Covid-19 pandemic, coupled with the uncertainties on the global economy and markets going forward, the Board has decided to conserve its firepower to ensure its solid sustenance, as well as to prepare for internal and external opportunities.

We wish to inform that the Board is not proposing any dividend for FYE2020 as the challenges ahead signal that financial resiliency is critical in order to withstand and respond to the impacts of external shocks moving forward.

OUTLOOK

Challenging yet Rewarding Recovery Road Ahead

The year 2020 would mark as one of the most challenging years the Group has ever faced where all the crises congregate to create a perfect storm for the economy and property industry. As the economy continues to face the brunt of slowing GDP growth, geopolitical tensions, Covid-19 pandemic, and volatile commodity prices, it will be an uphill battle to emerge from these crises unscathed. On top of that, Malaysia had also experienced a change in the political climate, bringing upon new measures, policies and regulations with which we must comply and work together as a country to support the recovery and future growth of the property industry and the economy as a whole.

These events have also caused a review and revision by Bank Negara Malaysia ("BNM") where they have forecasted a contraction in Malaysia's GDP in 2020 of between -3.5% and -5.5% before looking at a potential recovery in 2021.

During the MCO, the Group's operations were halted to ensure the wellbeing and safety of our staff are well taken care of. As the MCO subsequently eased, the Group resumed its operations in stages during the Conditional Movement Control Order ("CMCO"), with some of our workforce continuing to work from home. The strict measures are a short-term pain but a long-term benefit for the country to regain its footing. All that said, it is undeniable that the measures undertaken to curb the spread of the Covid-19 pandemic have taken a considerable toll on both external demand and domestic growth and disrupted a wide range of economic activities.

On the property front, it will continue to be sluggish due to the contraction in the economy, increasing unemployment rate and cost of living. Coupled with the lower risk appetite stance seen by banks on loan requirements, it is not dazzling that the property industry will continue to be a challenging environment to thrive in. To top it off, developers are also aggressively offering a myriad of attractive packages, freebies and even financial assistance to attract purchasers to purchase their products, further spiking up the competition amongst the players.

Against these backdrops, the Group remains cautious on the outlook for the financial year ending June 30, 2021 ("FYE2021") and continues to remain committed to delivering the highest standard and quality products to the market. We will be prudent in new higher-end launches but remain nimble by focusing on delivering products that cater to the demands of the market.

APPRECIATION

It has not been an easy time to be the captain of the ship especially during the stormy days but our Board of Directors, employees, and the stakeholders have been utmost supportive to keep the Group going strong.

I would like to express our gratitude to the members of our Board of Directors for their unwavering support, wise counsel and strategic direction since the inception of the Group. On top of that, it is my utmost gratitude to our employees for their dedication and the stakeholders for their support and faith in committing to our Group's vision and mission.

CHANGE IN BOARD MEMBER

The Board members and I are delighted to welcome Dato' Mohd Ibrahim Bin Mohd Nor onboard as our Independent and Non-Executive Director in November 2019. He is the Chairman of the Audit Committee and a member of the Board Risk Management Committee of the Company. His vast experience of having sat and chaired multiple boards both in the past and present would be invaluable to Titijaya.

The retirement of Datuk Nozirah Binti Bahari ("Datuk Nozirah") has also brought upon a change to our Board of Directors, effective in November 2019. On behalf of the Group, I would like to express our appreciation to Datuk Nozirah on her contributions for the past two years with us.

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

GROUP MANAGING DIRECTOR'S STATEMENT

INTRODUCTION

Sustainability and Innovation Key to Emerge Victorious

The year 2020 certainly didn't take off with a good start for the industry, nation and world. One of the biggest impacts felt was the plunging crude oil prices, taking a toll on our oil-export reliant Malaysia and further suppressing the fiscal capacity of the country. This has led to an overall GDP growth projection to be at the lower end of BNM's 2020 forecast. The local economy this year would continue to suffer a setback due to the devastating impact that Covid-19 pandemic has brought upon.

Precautionary spending behaviour has set in among households and businesses, and if left alone, will inadvertently pull down the macroeconomy recovery. Although market sentiment is generally bearish no thanks to the Covid-19 pandemic and economic slowdown, Malaysia has been performing considerably better than many developed countries in staving off the worst thanks to its strong fundamentals and government leadership in prioritising the welfare of the people.

Apart from the suppressed growth Malaysia is facing, it is also important to acknowledge the fact that the current imbalance in the property market has been lingering for a number of years, still trying to find its equilibrium. The Group opines that moving forward, it is instrumental to remain prudent with very selective new launches and to focus on developing affordable properties.

Over the past years, the Group has laid the foundations for the future growth of its property development and other strategic investments to diversify our business segment. The implementation of the various action plans will continue to drive sustainable growth and expansion in the coming years.

Through close monitoring of our performance as well as our warchest, the Group is optimistic that we are able to power through these tough

Tan Sri Dato' Lim Soon Peng
Group Managing Director

times, not to mention that we are always on the lookout for opportunities and deals in this gloomy market to develop our future sustainability.

For FYE2020, despite the challenging operating environment, the Group managed to maintain its track record of being profitable since our listing in 2013. The Group's 2H FYE2020 was severely affected by the MCO implementation which has caused a halt in the construction works subsequently affecting the progress and revenue inflow. The group recorded a profit after tax of RM2.2 million on the back of RM165.3 million in revenue.

The Group endeavours to continue deploying effective strategies with a refocus on affordable properties priced below RM600,000 to respond to the needs of the mass market segment. This is crucial to drive our revenue potential moving forward. On the other hand, the Group is also focused on developing the partnership front which will enhance the Group's future sustainability and prospects.

STRATEGIC REVIEW

Partnerships Key to Developing Sustainable Ecosystem

The Group has seen a multitude of benefits in stringing up partnerships and leveraging on external strength to grow the company from strength to strength. Over the course of the years, we have partnered international giants such as China Railway Group Ltd and Tokyu Land Corporation ("TLC") to jointly develop and leverage on each other's strength to spearhead the Group's growth.

We have benefitted immensely from these partnerships, gaining recognition internationally on top of the operational expertise and experience shared. We value these partnerships and moving forward we will continue to speak to value-enhancing parties to grow and diversify our business operations. We reckon that working hand-in-hand in these environments would be the best way to overcome and emerge stronger from these crises.

Renewed Investment and Partnership with Tokyu Land

Our relationship with TLC continues to flourish, tracing back to 2018 when we embarked on a collaboration to jointly develop Mizu Residences which was completed and Vacant Possession arranged in January 2019.

In the financial year ended June 30, 2019 ("FYE2019"), TLC via one of its subsidiaries agreed to invest an additional RM80 million to joint-develop the estimated RM1.46 billion Riveria City development in Brickfields. Riveria City features an office suites tower and two towers of serviced apartments on top of a retail podium across a 3.045-acre piece of land.

The agreement also consists of marketing the products to the foreign markets to garner both international and local market. The joint participation with TLC in Riveria City will provide an avenue for growth expansion, as well as to tap into new markets with the advantage of having TLC's international presence and experience. Post-partnering with these players, we saw more foreign home-buyers, diversifying our customer base and embracing the multi-cultural diversity in our developments.

The additional investment and continued partnership are a feather in the cap for us as this has shown the trust and capabilities that we have demonstrated over the years are value-enhancing for our partners.

Maybank Houzkey - "Rent to Own" Scheme - Innovative Financing Solution

We are also proud to collaborate with Maybank Islamic to offer HouzKEY, a new way to own a home for our upcoming developments. This is an inventive home financing solution offered by Maybank Islamic and we are one of the exclusive developers that have collaborated with them to offer this innovative solution in helping the locals afford a home.

Under this financing scheme, our buyers get to enjoy 100% financing on their home purchases and zero payment during the construction period, alleviating the burden of having to fork up a huge sum of money during the early stages. Our pilot development is to target the owner-occupiers in the first phase of our Damaisuria township project, Seiring Residensi, and we see great synergy to work with Maybank Islamic to offer this financing scheme.

It is instrumental for us, as a developer, to provide for and enable Malaysians to own their dream home, which is why we are in collaboration with Maybank Islamic to solve the housing unaffordability issues.

Collaboration to Spearhead into Medical and Healthcare

The Group entered into a five-year agreement in April 2020 with a Chinese state-owned medical equipment manufacturer, Sinopharm Medical Equipment QuanZhou Co. Ltd ("SMEQ"), a part of a holding company vested in China National Pharmaceutical Group Corp ("Sinopharm Group"). This partnership entails developing a business that will be involved in the trading and distribution of medical and hospital equipment, as well as infrastructure, land and facilities for medical-related real estate.

We are extremely excited to collaborate with SMEQ to develop the business by tapping onto the supply and value chain in China, as well as Sinopharm Group's networks.

In August 2020, the Group signed a collaboration and distribution agreement with Rubberex Corporation (M) Berhad, a Malaysian listed entity specialising in glove manufacturing, to export gloves, personal protection equipment and medical products to China via our existing collaboration with SMEQ to tap into the increasing need in medical care and rapidly ageing population in China.

It is important that the Group continues to expand and diversify the businesses moving forward. The Group sees that the world is rapidly advancing into an ageing population and as countries develop, it is a natural course that the citizens demand quality healthcare making the sector a priority. This is evident in the battle against the Covid-19 pandemic whereby a large number of countries are urging upgrades and revamp of their healthcare system to prepare for any future unforeseen outbreak again. Hence, the Group has decided to seize this opportunity by collaborating with existing international players in our expansion into the healthcare industry.

This does not shift our focus away from property development, but it is a process for us to bank in on the health-care opportunities in the longer term as well as to better equip ourselves in the medical-related areas to synergise and offer top-notched facilities within our development in the future for better livelihood of our people.

PROSPECTS

Short-term Pain, Long-term Gain

Four OPR cuts were announced alongside an RM250 billion stimulus package by the Government since the outbreak of Covid-19 pandemic that has left a devastating effect on the economy. Despite the government measures, the property sector is expected to remain sluggish as concerns on rising unemployment and the higher inflation rate are expected to hurt the buying sentiment especially in the property sector. These have caused prospective buyers to adopt a wait-and-see approach, holding off purchases until the situation stabilises.

Hope for short-term recovery is difficult and the property players are expected to scale back their launches, re-strategise their pricing and timeline of their launches. We expect that the project rollouts will be targeted towards the lower to mid-tier market to tailor to the increasing market needs for lower-priced homes.

It is undeniable that moving forward, the prospects would be brighter post-pandemic in continuing the property market rebound. For the short-term, we expect to see a suppressed growth, albeit which would be akin to a catapult that is getting ready to propel its payload for better prospects.

In terms of our operations, we have to adapt and embark on an austerity strategy by staying lean. In-depth analysis and cost-cutting measures are being put in place to strengthen our financial position in the coming years. These short-term pains will be our catapulting mechanism to propel us and capitalise on growth opportunities once the crises subside.

APPRECIATION

In Titijaya, we always work as a team, move forward as a team, and celebrate as a team. I would like to acknowledge the valuable contributions of all of our staff for their utmost dedication to the Group.

In closing, I would also like to express my sincere gratitude to those who have put their confidence in our capabilities and played a big role in our growth who are our business partners, clients, vendors, and suppliers as they have continued to walk with us through thick and thin.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REVIEW & HIGHLIGHTS OF FINANCIAL PERFORMANCE

The Group performance in FYE2020 continues to be pressured by the deteriorating operating environment. The Group achieved total sales of RM168 million, short of what we targeted for FYE2020 due to the MCO implementation that was effected during the 2H FYE2020 which exacerbated the already slowing and dampening consumer sentiment. Our sales were anticipated to be stronger during this period but the implementation of the MCO caused all the work orders to be halted, ultimately affecting our progress.

The Group's current unbilled sale stands at RM470.2 million and the earning visibility places us in a good position to tide through the challenging landscape in the next 2 to 3 years. On top of that, coupled with our 155 acres of strategic landbanks where the bulk is mainly in the Klang Valley, our potential GDV is in excess of RM9.7 billion to be developed over the next decade. The Group is confident that it is on track to register a positive earnings growth for FYE2021 once the Covid-19 pandemic subsides and the economy starts to pick up from where it left off pre-Covid-19 pandemic.

The Group's revenue in FYE2020 recorded RM165.3 million against RM312.7 million in FYE2019. The weaker performance was a combined result of the MCO, a slowing economy, and weakening consumer sentiments in the property sector. The lower revenue was also operationally attributed to the completion of the H20 and Mizu Project, where a bulk of that recognition contributed to the higher revenue in FYE2019.

In line with the lower revenue, gross profit also saw a decrease to RM47.8 million, with gross margin dipping to 28.9% compared to 31.4% in the previous year due to higher gross profit base as a result of the completed units sold.

Profit before tax in FYE2020 recorded RM16.2 million, attributable to the increase in Other Income of RM25.8 million as a result of the recognition of a one-off financial gain of RM7.8 million on the financial instrument fair value in Riveria City Sdn. Bhd. and an RM13.0 million gain on the redemption of the Class A shares in Epoch Property Sdn. Bhd.. The Group had also impaired the value of our property inventory due to the pandemic, which consists of completed units from our projects in Embun and Emery @ Kemensah amounting to RM4.0 million.

Our cash and short-term deposits marked an increase of RM22.9 million to RM160 million in FYE2020, aligned with the Group's stance to preserve and increase our liquidity position for any potential acquisition. This is instrumental for the Group to prepare for an extended challenging period if required.

REVIEW OF BUSINESS AND OPERATIONS

A testing time for Malaysia and the Group

The property market saw a rebound in 2019 but was cut short of its uptrend due to the arrival of the Covid-19 pandemic. Based on the National Property Information Centre's (Napic) report, the demand-side of the property market saw a contraction in the ratio of loan approvals against loan applications for the purchase of residential property; 34.1% in the first half of 2020 as compared to 42.4% for the same period in 2019. The number of loan applications and loan approvals for the purchase of residential property for the same period also saw a decrease of 24.1% and 39.1% respectively.

The countrywide lockdowns and international travel ban due to the impact of Covid-19 pandemic are hampering the Group's ability to market our project to foreign buyers and overseas. Despite the increasing opportunity to capture more foreign buyers, partly due to the political turbulence in China and Hong Kong, this has been affected by the travel restrictions and the cancellation of the Visit Malaysia 2020 Campaign in March 2020.

The impact of both the dampening local and international demand has caused the number of new launches in the market to drop by a whopping 43.6% in H1 2020 versus the previous year.

The Government is quick in its action to calm the market and economy by introducing a flurry of assistance initiated under the new Short-term Economic Recovery Plan or PENJANA. Key initiatives related to the property sectors include the proposed reintroduction of the HOC which is aimed to help Malaysians in owning properties at a lower cost.

To top it off, Real Property Gains Tax (RPGT) exemption was also given to Malaysian citizens upon the disposal of their residential property until 31 December 2021 to spur property transactions.

3RDNVENUE

THE SHORE

The limit of 70% financing margin restriction for the third housing loan has also been lifted under the PENJANA initiative.

It is imperative that the stakeholders in the property industry stay together to weather the severity of the crises which will continue to burden the recovery of the property market for the remaining year of 2020.

PROJECT REVIEW

3rdNvenue

3rdNvenue is situated within Kuala Lumpur's Golden Triangle, one of the latest mixed-use developments, a project of collaboration between the Group and its joint venture partner, CREC Development (M) Sdn. Bhd., a subsidiary of China Railway Group Ltd. Strategically nestled in the epicentre of retail and contemporary urban living, it is circa 3km away from bustling landmarks such as Kuala Lumpur's City Centre, Menara Kuala Lumpur, Pavilion Mall, and Great Eastern Mall amongst others.

3rdNvenue is also easily accessible via AKLEH, Jalan Ampang, MRR2 and Jalan Tun Razak. To top it off, this Transit Oriented Development is situated near Jelatek LRT Station & Dato Keramat LRT Station, four stations away from KLCC station offering great connectivity and convenience within the city.

Developed on a 6-acre land within prime growth area, 3rdNvenue comprises four towers of lifestyle office suites, serviced apartments and retail lots.

This project commands an estimated GDV of RM2 billion, with the first tower expected to be completed at the end of 2021. Current development progress of the first tower is at 41%, and the group is expected to launch the remaining three towers in the upcoming years.

The Shore @ KK Sabah

A luxury mixed-use commercial hub developed on a 1.82-acre land, it is a 25-storey high rise boasting a GDV of RM580 million.

Located within a prime waterfront enclave of Kota Kinabalu, the development features ocean views with its uniquely designed concept evoking a beachfront-retreat ambience. The unique pricing point of the development, starting from RM450,000, is a product catered to the new working generation who are looking to own their first home.

The residence portion of this unique-design development, Citadines Waterfront, will be managed by the world's largest international serviced residence owner-operator, The Ascott Ltd ("Ascott") for 15 years. Strategically located near to local landmarks such as the Bank Negara Building, Royal Malaysian Customs, Bukit Padang Hospital, Sabah Golf & Country Club, amongst others, The Shore is designed to create a new wave of lifestyle opportunities for the current multi-talented generation.

The construction of The Shore is ongoing at 36% progress and completion year is estimated to be in 2022. The current take-up rate as of FY2020 stands at 49%, or 308 units sold.

Riveria City @ KL Sentral

Riveria City is one of our iconic projects situated in Kuala Lumpur Sentral, a joint collaboration between the Group, Prasarana Integrated Development Sdn. Bhd. and Tokyu Land Asia Pte. Ltd., a wholly subsidiary of Tokyu Land Corporation spread on an 3.045-acre land, this development caters to the younger working generation people, offering a comfortable and convenient lifestyle environment amidst the bustling city. Boasting a GDV value of RM1.5 billion, this transit-oriented development is accessible via a wide array of roads (Direct Access to Federal Highway) and public transport choices (Link to KL Sentral, Malaysia's largest transit hub.)

RIVERIA CITY

PARK RESIDENCY

TAMAN SERI RESIDENSI

Upon completion, this mixed development will consist of 3 towers, housing riverfront retail shops, lifestyle office suites and serviced apartments all in one place. Targeted to be completed in 2023, currently, only one tower is launched and saw 63.9% units already taken up.

Park Residency

Sitting on 5.25 acres of land in Cheras, Park Residency offers 62-units three-storey link residences that come with a gated and guarded community living. The Group has designed the interior of the residence to promote cross-ventilation and natural lighting in line with our philosophy in preserving the natural environment. A large park is situated within to the project to promote the wellbeing and healthy lifestyle of our residents.

With an expected completion timeline to be in end of 2020, this RM95 million GDV development enjoys great accessibility, with choices of connections to SILK Highway, Besraya and MRR2.

Taman Seri Residensi

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

Planned over six phases of development, we are proud to share that the first three phases, Fennel, Primrose, and Roseville, saw the units completely sold and taken up at 100%, 97.4%, and 91.7% respectively. Aster & Adam, double-storey linked bungalows with estimated GDV of RM37.5 million, will be launched in FY2021 and we have seen encouraging interest in the market so far.

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 pages 69 to 73 of this Annual Report.

PROSPECTS AND OUTLOOK

Optimistic on rebound; stay prudent

The future holds exciting opportunities as well as uncertainty. As we step into FYE2021, the Group's current unbilled sales stand at RM470.2 million, providing a good earnings visibility for the next 2 to 3 years. On top of that, our land bank, currently in excess of 155 acres with an estimated GDV of RM9.7 billion is sufficient to help the Group sustain our momentum moving forward. At the same time, the Group is also on the lookout for opportunities to increase our landbank.

The economic outlook for 2021 is expected to remain challenging despite the current success in containing the spread of Covid-19 pandemic locally. At least until a vaccine is successfully developed, this is a hurdle that each and every one of us must work together to overcome. The full extent of the Covid-19 pandemic has not yet been ascertained and it is predicted to dampen the economy in all sectors including property, construction, aviation, tourism, services, retail as well as a disruption in the supply chain of many businesses.

Thankfully, the government's quick response in introducing a generous RM250 billion stimulus package managed to put a brake to the slowdown and rebalance the economy on the path to recovery. The budget focused on shoring up consumer sentiment, spur local spending and support domestic businesses, the positive effects of the package should continue to be effective through to 2021. With all these initiatives in place, the Malaysian economy is expected to register stronger growth next year with better showing across all sectors, with BNM projecting a growth of 5.5% to 8.0%.

While the accommodative interest rate environment will continue to benefit the general population for the housing market, it is still grappling with the overall weaker sentiment as well as strict lending requirement practices by the banks.

The Group endeavours to continue to be cautious, nimble, and be innovative in our marketing strategies and launches in line with our vision to help Malaysians own their dream home by serving the underlying demand for owner-occupier products. Prudent financial management would be a key to ride this crisis out and sustainability would be an utmost priority and at the same time looking out for any potential growth opportunity.

PROPOSED DIVERSIFICATION

Pursuant to the Strategic Collaboration Agreements between Titijaya Medicare Sdn. Bhd. (formerly known as Titijaya Resources Sdn. Bhd.) with Sinopharm Medical Equipment QuanZhou Co. Ltd., China SINOMACH Heavy Industry Corporation and Rubberex Corporation (M) Berhad, the Company proposes to expand and diversify the existing principal activities of Titijaya and its subsidiaries (collectively, "Titijaya Group" or "the Group") to include sales, trading, distribution, production and development of medical and hospital equipment, devices and products, personal protective equipment, including medical face masks and gloves, other medical instruments, apparatus and appliances and medical related real estates ("New Business") ("Proposed Diversification").

With the Proposed Diversification, it allows the Group to continuously seek for viable ventures into New Business, which include, but are not limited to, strategic businesses/ investments, joint ventures, collaborative arrangements, and/ or mergers and acquisitions of suitable businesses/ investments within similar areas of medical and healthcare, personal protective equipment, other medical instruments, and medical related real estates.

Additionally, the Proposed Diversification presents as an alternative income stream to the Group's existing business, which will reduce its business concentration risk mitigating its reliance solely on property development business segment. Premised on the above, the Board anticipates that the Proposed Diversification provides an opportunity for the Group to grow its revenue and enhance its business portfolio to drive an improved financial performance.

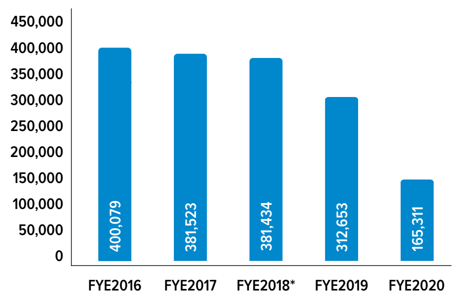
FINANCIAL HIGHLIGHTS

OUR FINANCIAL PERFORMANCE

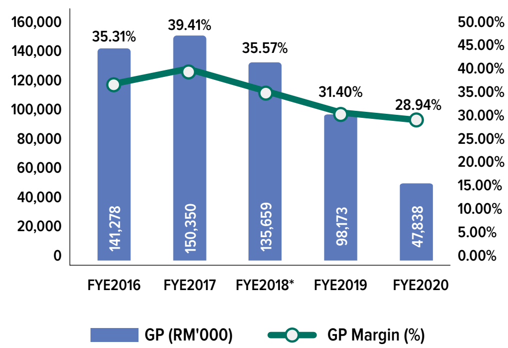
ANNUAL FINANCIAL RESULTS

	FYE2016	FYE2017	FYE2018 (Restated)	FYE2019	FYE2020
Revenue (RM'000)	400,079	381,523	381,434	312,653	165,311
GP (RM'000)	141,278	150,350	135,659	98,173	47,838
PBT (RM'000)	91,414	110,079	103,505	52,974	16,212
PAT (RM'000)	68,297	75,812	72,624	36,329	2,173
GP Margin	35.31%	39.41%	35.57%	31.40%	28.94%
PBT Margin	22.85%	28.85%	27.14%	16.94%	9.81%
PAT Margin	17.07%	19.87%	19.04%	11.62%	1.31%
Net EPS (RM)	0.19	0.20	0.05	0.03	(0.002)

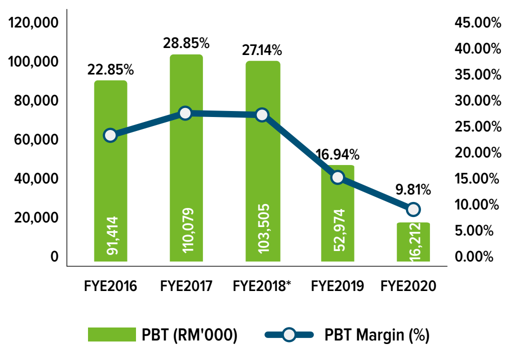
REVENUE (RM'000)



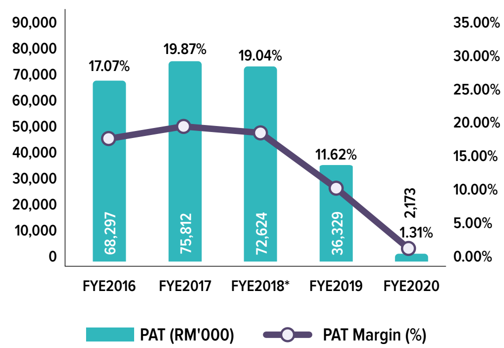
GROSS PROFIT (RM'000)



PROFIT BEFORE TAX (RM'000)



PROFIT AFTER TAX (RM'000)



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

BOARD OF DIRECTORS

SEATED (FROM LEFT TO RIGHT)

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

STANDING (FROM LEFT TO RIGHT)

LIM POH YIT
Deputy Group Managing Director

DATO' MOHD IBRAHIM BIN MOHD NOR
Independent Non-Executive Director
(Appointed on 28 November 2019)

CHIN KIM CHUNG
Non-Independent
Non-Executive Director

LIM PUAY FUNG
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

DIRECTORS' PROFILES

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

Chairman / Independent Non-Executive Director

Malaysian

Male

70 Age

Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired) ("Tan Sri Dato' Setia Mohd Anwar") (male) (Malaysian) aged 70, 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 served for six (6) years. He 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.

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

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

Tan Sri Dato' Setia Mohd Anwar attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2020.

TAN SRI DATO' LIM SOON PENG

Group Managing Director

Malaysian

Male

65 Age

Tan Sri Dato' Lim Soon Peng ("Tan Sri Dato' Lim") (male) (Malaysian) aged 65, 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 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 one (41) years of invaluable experience in the property development industry. He has received numerous personal and industry awards for his contributions and entrepreneurship viz 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 holds several positions in numerous organisations namely:-

- 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 five (5) Board Meetings of the Company held during the financial year ended 30 June 2020.

LIM POH YIT

Deputy Group
Managing Director

Malaysian

Male

37 Age

Lim Poh Yit ("Mr. Lim") (male) (Malaysian) aged 37, 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 Soon Peng in the day-to-day management of the Group.

Mr. Lim has more than 16 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. During the year, he has received an award for his contribution to society, Pingat Kesatria Mahkota Wilayah **("K.M.W.")**.

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 committee member of the 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 five (5) Board Meetings of the Company held during the financial year ended 30 June 2020.

DIRECTORS' PROFILES
(continued)

LIM PUAY FUNG

Executive Director

Malaysian

Female

40 Age

Lim Puay Fung ("Charmaine") (female) (Malaysian) aged 40, is an Executive Director of the Company and was appointed to the Board on 24 September 2012.

Upon graduation 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, overseeing 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, responsible for the Group's product development, strategic planning, branding & conceptual development, interior design, and sales & marketing in the day to day operation.

In the span of more than 16 years of experience in the property industry, Charmaine has created and executed marketing campaigns for numerous projects. As an 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 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 attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2020.

DATUK SERI CH'NG TOH ENG

Independent Non-Executive Director

Malaysian

Male

63 Age

Datuk Seri Ch'ng Toh Eng ("Datuk Seri Ch'ng") (male) (Malaysian) aged 63, 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 Secondary School, Kuala Selangor. In 1990, he was appointed as the Press Secretary to the Minister of Housing and Local Government. Subsequently, in 1993, he was promoted as the Political Secretary to the Minister of Housing and Local Government, a post that he held until 1995. In the same year, he was elected as a Selangor State Assemblyman and was subsequently appointed as a member of the Selangor State Executive Council which he served until 2008.

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

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

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

Datuk Seri Ch'ng attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2020.

DIRECTORS' PROFILES
(continued)

DATO' MOHD IBRAHIM BIN MOHD NOR

Independent Non-Executive Director

Malaysian

Male

61 Age

Dato' Mohd Ibrahim Bin Mohd Nor ("Dato' Ibrahim") (male) (Malaysian) aged 61, is an Independent Non-Executive Director of the Company and was appointed to the Board on 28 November 2019. He is the Chairman of the Audit Committee and a member of the Board Risk Management Committee of the Company.

Dato' Ibrahim holds a Master in Business Administration from Drake University, Iowa, USA and a Bachelor in Mathematics from Knox College, Illinois, USA.

Dato' Ibrahim is currently a Director in Kim Teck Cheong Consolidation Berhad. He is the Chairman of Blu Inc Holdings Sdn. Bhd. since 2004, the largest magazine publications group in Malaysia. Besides, he is also the Chairman of Second Wind Sdn. Bhd. since 2008, a software solutions provider. He is also a Director of Ikram Education Sdn. Bhd. and Sphere Exhibits Malaysia Sdn. Bhd. since 2012 and 2013 respectively. In August 2017, he was appointed as Deputy Chairman of Rajawali Aerospace Sdn. Bhd. In September 2018, he was appointed as the Chairman and Director of Protasco Development Sdn. Bhd.

Dato' Ibrahim attended three (3) out of three (3) Board Meetings of the Company held during the financial year ended 30 June 2020.

TAN SRI SYED MOHD YUSOF BIN TUN SYED NASIR

Non-Independent
Non-Executive Director

Malaysian

Male

72 Age

Tan Sri Syed Mohd Yusof bin Tun Syed Nasir ("Tan Sri Syed") (male) (Malaysian) aged 72, 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.

He is 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 all five (5) Board Meetings of the Company held during the financial year ended 30 June 2020.

DIRECTORS' PROFILES
(continued)

CHIN KIM CHUNG

Non-Independent
Non-Executive Director

Malaysian

Male

56 Age

Chin Kim Chung ("Mr. Chin") (male) (Malaysian) aged 56, 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 The 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 four (4) out of five (5) Board Meetings of the Company held during the financial year ended 30 June 2020.

Notes:-

Save as disclosed, none of the Directors has:-

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

SENIOR MANAGEMENT TEAM'S PROFILES

FROM LEFT TO RIGHT

Chong Swee Hoe
General Manager of the Property Development and Project Department

Margaret Chin Kooi Lian
General Manager of the Sales, Marketing & Customer Engagement Department

Tan Chee Leng
Group Chief Financial Officer

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

Ng Che Chin
Assistant General Manager of the Contracts and Administration Department

SENIOR MANAGEMENT TEAM'S PROFILES
(continued)

TAN CHEE LENG

Group Chief Financial Officer

Malaysian

Male

53 Age

Tan Chee Leng ("Mr. Tan") (male) (Malaysian) aged 53, is the Group Chief Financial Officer and was appointed by the Company on 11 October 2019. He is responsible for developing the financial strategy, treasury planning, risk management operation and ensuring prudent financial reporting of Titijaya Land Berhad Group **("Titijaya Group")**.

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

Mr. Tan has over twenty-two (22) years working experience in auditing, finance and accounting, corporate finance and corporate and strategies planning, mostly with public listed property development companies. Prior to joining Titijaya Group, he was the Senior Financial Controller of PPB Group Berhad's property division.

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

TEH KIAN JOO

Senior General Manager of the Property Development and Project Department

Malaysian

Male

55 Age

Teh Kian Joo ("Mr. Teh") (male) (Malaysian) aged 55, 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 obtained a Master of Business Administration in Construction Management from Warnborough University, United Kingdom.

Mr. Teh has more than thirty-one (31) 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 the Property Development and Project Department

Malaysian

Male

45 Age

Chong Swee Hoe ("Shawn") (male) (Malaysian) aged 45, is the General Manager of the Property Development and Project Department. He began his tenure with the Group on 1 November 2016. He holds a Bachelor of Planning and Design from University of Melbourne and a Bachelor of Architecture from University of Melbourne. He is a corporate member of the Pertubuhan Arkitek Malaysia and a registered architect of the Board of Architects Malaysia.

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

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

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

MARGARET CHIN KOOI LIAN

General Manager of the Sales, Marketing & Customer Engagement Department

Malaysian

Female

53 Age

Margaret Chin Kooi Lian ("Margaret") (female) (Malaysian) aged 53, is the General Manager of the Sales, Marketing & Customer Engagement Department. She began her tenure with the Group on 16 December 2019. She holds an Advanced Diploma, CIM (UK).

Margaret has more than thirty (30) years of working experience in planning, organising, strategising, forming sales teams and implementing sales & marketing strategies. Her experience includes implementing customer experience to enhance the brand and to build customer loyalty.

Margaret started her career in property development in Malaysia but she has worked with Singapore's Keppel Land International and was sent to head the sales & marketing department for 370 hectares of township in Indonesia. She has formed and headed a team of young Vietnamese to handle 3 major township projects in Vietnam. Locally she was attached with Sunway City Berhad, Selangor Properties Berhad, Mah Sing Berhad to name a few.

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

NG CHE CHIN

Assistant General Manager of the Contracts and Administration Department

Malaysian

Female

44 Age

Ng Che Chin ("Ms. Ng") (female) (Malaysian) aged 44, is the Assistant General Manager of the Contracts and Administration Department. She has been with the Group since 2 August 2004. She holds a Bachelor of Science in Construction Management from Heriot-Watt University, United Kingdom.

Ms. Ng has more than twenty three (23) years of working experience in the construction industry. Before joining as a Quantity Surveyor in Titijaya Construction Sdn. Bhd., she served as an Assistant Quantity Surveyor in Pembinaan Mitrajaya Sdn. Bhd., a wholly owned subsidiary of Mitrajaya Holdings Berhad.

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

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

Notes:-

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

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

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

In our journey towards becoming a sustainable property developer, Titijaya Land Berhad ("Titijaya" or "the Group") is pleased to disclose our initiatives in this third annual sustainability statement. Our ultimate goal is to deliver quality homes while protecting the environment and improving the quality of life of the communities we serve and still remain profitable to stakeholders.

This statement provides insight into the Group's sustainability initiatives and progress under the four pillars of governance, economy, environment, and society for the financial year from 1st July 2019 to 30th June 2020 ("FY2020").

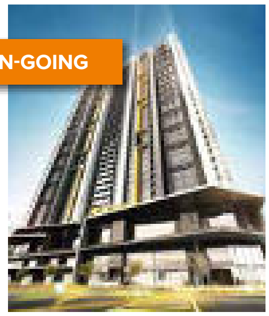
SCOPE OF REPORTING

The scope and boundary include Titijaya's operations at its headquarters in Subang Jaya, Selangor and three projects at different stages of development and a completed project to provide stakeholders an update of our efforts to embed sustainability into our operations.

COMPLETED

H2O
Epoch Property Sdn. Bhd.,
Petaling Jaya

ON-GOING



3rdNvenue
Ampang Avenue
Development Sdn. Bhd.,
Off Jalan Ampang,
Kuala Lumpur

The Shore
Blu Waterfront
Development Sdn. Bhd.,
Kota Kinabalu

Riveria City
Riveria City Sdn. Bhd.,
KL Sentral, Kuala Lumpur

REPORTING FRAMEWORK

We have published the statement in line with the sustainability reporting requirements issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") and its Sustainability Reporting Guide 2nd Edition with reference to the Global Reporting Initiative ("GRI") Standards – Core Option.

FEEDBACK

We value feedback from you, our stakeholders, regarding our sustainability performance and the content of this report. Please direct any enquiries, comments or concerns to info@titijaya.com.my.

OUR SUSTAINABILITY COMMITMENT

STRENGTHENING SUSTAINABILITY

In FY2019, Titijaya introduced a Sustainability Policy ("policy") as a guiding principle to improve our sustainability performance. This policy outlines our commitment to practices and standards designed to build a sustainable business.

- 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' expectations;
- Minimise environmental impacts to areas within and adjacent to our development areas;
- Comply with applicable laws and regulations;
- Provide a safe and healthy workplace for all our employees, including those who are directly employed by the Company as well as those who work in any of our premises and construction sites;
- Develop knowledge, skills and abilities of our employees to increase awareness and understanding of local industry;
- Ensure fair treatment to all our employees regardless of gender, age, ethnicity, and religion; and
- Contribute to local communities and assist them in improving and enhancing their socio-economic status.

Globally, there is movement to innovate and develop a new code of business that prioritises sustainability, especially in meeting the needs of stakeholders. The United Nations' Sustainable Development Goals (SDGs) represent the aspiration of member countries, including Malaysia, toward achieving the goals of Agenda 2030 for Sustainable Development. Of the 17 SDGs, as part of our contribution, we focus on three which are illustrated below.

8 DECENT WORK AND ECONOMIC GROWTH

Ensuring full and productive employment and decent work.

Our Contribution

- Fair remuneration package to all employees regardless of gender and race.
- 100% of procurement from local suppliers in FY2020.

11 SUSTAINABLE CITIES AND COMMUNITIES

Making cities and human settlements inclusive, safe, resilient and sustainable.

Our Contribution

- Titijaya donated RM365,107 to 34 organisations and communities in FY2020.
- Adopt Quality Assurance certification and Construction Industry Standard (CIS 7:2006) and Green Building Index (GBI) framework.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peace, justice, and inclusive societies.

Our Contribution

- Titijaya established Anti Bribery, Corruption and Whistleblowing Policy
- Attends to the needs of the local communities through a variety of programmes held throughout the year.

OUR SUSTAINABILITY GOVERNANCE

In keeping with the momentum and to ensure steadfast progress in integrating sustainability into the different areas of our business, governance is a key factor.

Titijaya's sustainability governance comes under the purview of its Board of Directors ("BOD").

Directly accountable to the stakeholders, the BOD is the approving body for proposed strategies and practices which stand to drive business growth without impinging on the Group's sustainability performance.

The Sustainability Steering Committee ("SSC") which consists of the Group Managing Director, Deputy Group Managing Director, and Executive Director to support the BOD. SSC is responsible for the progress of initiatives implemented, identifying risks and recommending sustainability strategies to the BOD.

Our Sustainability Working Committee ("SWC") comprises of three panels, namely, the Economic Panel, Environmental Panel and Societal Panel. The SWC executes the approved sustainability practices while monitored by the SSC.

BOARD OF DIRECTORS

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

EXECUTIVE DIRECTOR | **GROUP MANAGING DIRECTOR** | **DEPUTY GROUP MANAGING DIRECTOR**

Sustainability Steering Committee

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

ECONOMIC PANEL | **ENVIRONMENTAL PANEL** | **SOCIETAL PANEL**

Sustainability Working Committee

- Identifies material sustainability matters relevant to the Group.
- Implements sustainability initiatives.
- Monitors and reports overall sustainability progress to the SSC.
- Recommends potential sustainability initiatives for implementation.

OUR STAKEHOLDERS

Our decisions impact not only the Group as a corporate entity but also stakeholders, both directly and indirectly. Key stakeholders include investors, customers, employees, regulatory bodies, local communities, and business associates such as suppliers, vendors, contractors, and sales agents. We consider stakeholder engagement to be an essential part of addressing stakeholder concerns, thereby stimulating business growth.

We seek to understand different stakeholder views, to communicate effectively with them and to respond to their concerns through various channels. In the table below, we have linked each stakeholder group to the corresponding methods of engagement, its frequencies and the material sustainability matters that concern/interest them.

Stakeholder	Areas of Interest	Methods of Engagement	Frequency of Engagement
Investors	• Financial performance • Business strategy • Stable income distribution	• Annual General Meetings • Extraordinary General Meetings • Annual reports • Bursa and website announcements	• Annually • As and when required • Annually • As and when required
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 seasons • As and when required • As and when required
Employees	• Performance management • Learning and development • Ethics and integrity • Remuneration	• Staff appraisal • Training programmes • Circulation of internal policies • Staff activities • Group's newsletter • Get together event	• Annually • As and when required • As and when required • Annually • Biannually • Annually
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 • Group's newsletter • Consultant / contractor meeting • Sales Agency Meeting	• Annually • Monthly • As and when required • Biannually • Fortnightly • Monthly
Regulatory Bodies	• Compliance and adherence • Security and safety issues • Transparency and accountability • Environmental impacts • Public issues • Labor practices	• Site inspection by local authority • Corporate Governance Meeting • Meetings with local regulators • Progress and site reports • Site Meetings	• As and when required • Annually • As and when required • Monthly • Fortnightly
Local Communities	• Impact of Business Operations • Transparency and Accountability • Environmental Impacts	• Community Engagement • Financial and Sustainability reporting • Monitoring	• As and when required • Annually • As and when required

OUR MATERIAL SUSTAINABILITY MATTERS

In FY2018, a materiality assessment was conducted by the SWC to identify and rank the material sustainability matters reflecting the Group's economic, environmental, social and governance related risks and opportunities. The Group identified 14 material matters during the assessment.

In FY2019, the material matters were further refined where 'Legal and Regulatory Compliance' was combined with material matter 'Corporate Governance and Transparency' and renamed 'Corporate Governance, Compliance and Transparency'.

This reporting period, we reviewed the list of 13 identified matters and consolidated them, to produce a list of 9 key material matters. The changes made in FY2020 have been captured in the illustration here.

Governance

Corporate Governance, Compliance and Transparency
- Risk Management
- Ethics and Integrity

Economic

Financial Performance

Procurement and Supply Chain Management

Environmental

Environmental Compliance

Energy and Water

Social

Product Quality
- Customer Satisfaction

Talent Management
- Talent Retention
- Training and Development

Occupational Health and Safety

Community Engagement

MAPPING OF MATERIAL SUSTAINABILITY MATTERS

To understand the inter-linkages, we mapped the nine material matters to the relevant stakeholders, GRI indicators and SDGs.

Material Matter	Definition	Stakeholder	GRI Indicators	SDG
Corporate Governance, Compliance and Transparency	Initiatives and measures to ensure adherence to laws, regulations, guidelines and specifications relevant to the Group's values, ethical standards and norms of behaviour throughout business operations.	• Regulatory Bodies • Investors • Employees • Customers • Suppliers, Vendors, Contractors, Sales Agents	102: General Disclosure	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Financial Performance	Realising the economic value generated and distributed, the financial implications and other risks and opportunities.	• Investors • Employees • Suppliers, Vendors, Contractors, Sales Agents	201: Economic Performance	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES
Procurement and Supply Chain Management	Efforts to minimise the Group's impact on the environment arising from procurement practices to support a stable local economy.	• Regulatory Bodies • Investors • Suppliers, Vendors, Contractors, Sales Agents	204: Procurement Practices	
Energy and Water	Initiatives by the Group on responsible water management, and to track and minimise our emissions footprint due to business operations.	• Regulatory Bodies • Local Communities	302: Energy 303: Water and Effluents 305: Emissions	
Environmental Compliance	Ensuring compliance with all environmental laws and regulations to minimise negative impacts on the environment.	• Regulatory Bodies • Local Communities	307: Environmental Compliance	11 SUSTAINABLE CITIES AND COMMUNITIES

Material Matter	Definition	Stakeholder	GRI Indicators	SDG
Product Quality	Initiatives by the Group in providing the best product quality and services to our customers.	• Regulatory Bodies • Suppliers, Vendors, Contractors, Sales Agents • Customers	103: Management Approach	
Talent Management	The Group's management of equitable remuneration, benefits, training and development, and other engagement programmes for its employees to retain talent and strengthen the workforce.	• Employees • Local Communities • Investors	401: Employment 404: Training and Education	
Occupational Health and Safety	Policies, initiatives, and other measures that promote a safe and healthy working environment.	• Regulatory Bodies • Employees	403: Occupational Health and Safety	
Community Engagement	Community engagement programmes through various activities, donations, and sponsorship.	• Investors • Employees • Customers • Local Communities	413: Local Communities	

OUR ETHICAL AND TRANSPARENT BUSINESS PRACTICES

CORPORATE GOVERNANCE, COMPLIANCE AND TRANSPARENCY

To ensure compliance with legal and regulatory requirements and the high standards that the Group abides by, we have adopted internal rules to govern the Group as well as processes for monitoring compliance. By managing responsibly and in a transparent manner through the practice of self-regulation, we avoid penalties and disruptions to our projects and operations.

Real Estate and Housing Development Laws	Environmental Legislation	Social Legislation
• National Land Code (Act 56) 1965 • Malaysian Construction Industry Development Board Act 1994 • Housing Development (Control and Licensing) Act 1966 • Strata Titles Act 1985 • Strata Management Act 2013	• Environmental Quality Act 1974 (and its Amendments)	• Employment Act 1955 • Occupational Safety and Health Act 1994

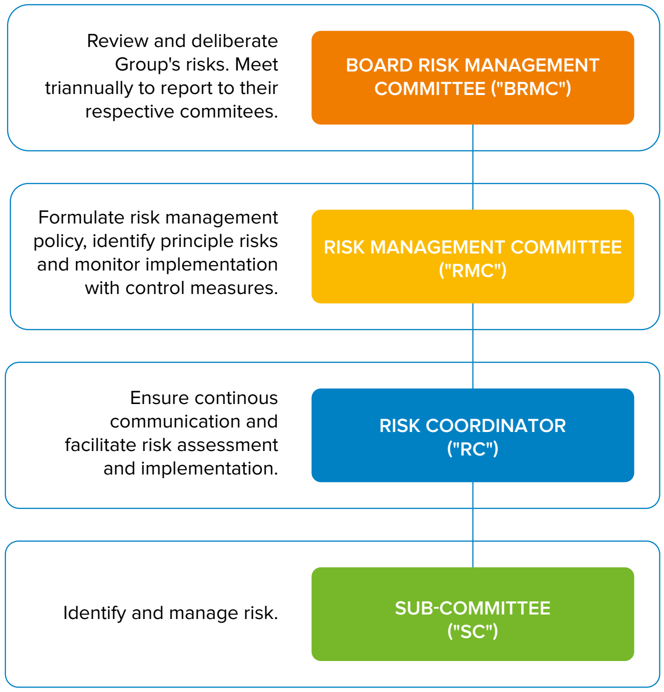
SUSTAINABILITY STATEMENT
(continued)

RISK MANAGEMENT

All property development projects carry a level of risk. Such risks include economic volatility, safety of workers, brand image and climate change.

By focusing on effectively managing our risk, we ensure quality in our products, the safety of our employees and are able to maintain commitments to our stakeholders. The Group has established a four-tier structure to govern risk management for Titijaya, with an addition of the Sub-Committee in FY2020.

Risk Management Committee: Roles and Responsibilities



ETHICS AND INTEGRITY

We conduct business with high standards of integrity and moral conduct. There is a strong culture of responsibility and accountability throughout the organisation across all employment levels.

CODE OF CONDUCT AND ETHICS

Commitment
Punctuality
Confidentiality
Integrity
Insubordination and Inefficiency
Press Releases and Public Statements
Conflict of Interest
Graft and Invitation to Graft
Intellectual Property

Our Code of Conduct and Ethics ("Code") upholds our reputation and brand positioning and includes policies and guidelines relating to ethics, professional conduct, sexual harassment, whistleblowing and data security that require mandatory compliance. A copy is available on our website in the Corporate Governance section.

Policies and practices which include whistleblowing and grievance mechanisms are detailed in the Employee Handbook and communicated to employees during awareness and induction programmes. A signed acknowledgement is required from employees to indicate awareness and understanding of current policies and procedures.

OUR FINANCIAL PERFORMANCE

The COVID-19 pandemic and the resulting Movement Control Order ("MCO") impacted the overall economic well-being of the nation and presented unforeseen challenges to the property development industry. The MCO caused delays which affected our ability to meet project deadlines.

Various incentives were introduced by the Government of Malaysia to stabilise the economy. To ensure business resilience, we developed austerity measures to reduce spending and conserve as much funds without compromising the quality of our products and services. We have also diversified our operations to include the target market for the distribution and sale of healthcare related products.

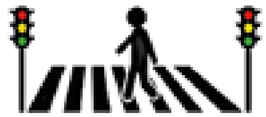
Despite the challenges we faced in FY2020, the Group managed to record RM165,311,037 in revenue. For a more comprehensive view of our economic performance, please refer to page 21 of this annual report.

INVESTING IN INFRASTRUCTURE FOR COMMUNITIES

We believe that it is important to develop sustainable infrastructure to support local communities. The Group has invested in building services, facilities and infrastructure for its property residents and for communities living around Titijaya properties.

H20

- Constructed a lay-by bus stop, 200 m from the guard house.
- Provided two pedestrian crossings near the development's entrance road.



3rdNvenue

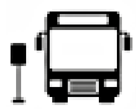
- Upgraded and widened the existing road, Jalan Nipah, from two to four lanes.
- Constructed an additional access road from Jalan Jelatek to our development site.
- Constructed new phase signal traffic light at the junction of Jalan Nipah.
- Upgraded direct access connecting to Akleh Highway.

Riveria City

- Provided a covered walkway link to Tun Sambathan Monorail Station and connected to Jalan Sultan Abdul Samad.
- Designed and finishing enhancement of a portion of River of Life (ROL) located in front of the development site.
- Provided a pedestrian zebra crossing at the new road connecting to Jalan Sultan Abdul Samad.
- Constructed a new access road connecting Jalan Tebing and Jalan Sultan Abdul Samad.
- Constructed a new access link bridge and direct access road from Jalan Syed Putra to the development site.

The Shore

- Constructed a lay-by for bus and taxi stop, 50 m in front of the main drop-off entrance.
- Upgraded and widened the existing surrounding road and off-road parking system.
- Landscape enhancement at road reserve area in front of the development site.



PROCUREMENT AND SUPPLY CHAIN MANAGEMENT (102-9, 204-1)

Titijaya maintains standards for quality across different stages of the supply chain and procurement process. To provide competitive tendering, potential contractors are assessed using a set of tender selection criteria and evaluated progressively once they are engaged to ensure the quality of our products and services are maintained.

To meet Local Council requirement at project sites, the Group ensures that at least 60% of its procurement is local which in turn supports the local economy. We are pleased to report that in FY2020, 100% of our procurement budget was expended on local suppliers.

OUR ENVIRONMENTAL RESPONSIBILITY

ENVIRONMENTAL COMPLIANCE

As a responsible developer, it is imperative that we carefully evaluate our approach in managing the environmental impact arising from our business activities.

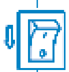
Appointed contractors at project sites were required to conduct environmental monitoring of noise level, vibration and effluent.

ENVIRONMENTAL REGULATIONS

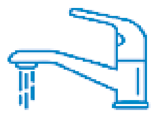
- Environmental Quality (Clean Air) Regulations 2014
- Environmental Quality (Sewage) Regulations 2009
- Environmental Quality (Declared Activities) Open Burning Order 2003

ENERGY AND WATER CONSUMPTION

This year to further improve our sustainability performance, our headquarters with a floor space of 28,127sft, has undertaken steps to instil awareness on electricity and water conservation among employees.



Switch off lights and air-conditioning during lunch hour.
Turn off PC and monitors when not in use.
Water saving signage in the washrooms and pantry.
Email circulation and notices on the HR Bulletin Board on energy and water conservation.

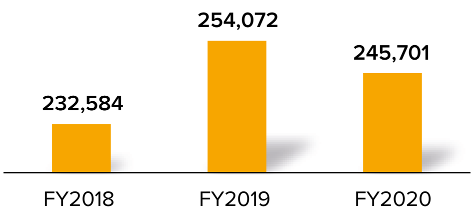


In addition, we expanded our disclosure this year to include a three-year data trend for electricity and water consumption at our headquarters. This way, we are able to monitor our consumption pattern and identify measures to achieve energy and water savings.

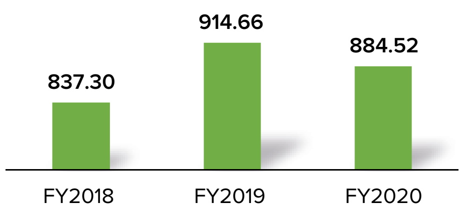
Energy

Based on a three-year dataset, FY2019 recorded the highest electricity usage with an increase of 9% from the previous year. This year, we managed a 3% reduction compared to FY2019. Moving forward, we aim to maintain an annual reduction in our electricity consumption.

ELECTRICITY CONSUMPTION (KWH)



ENERGY CONSUMPTION (GIGAJOULE)

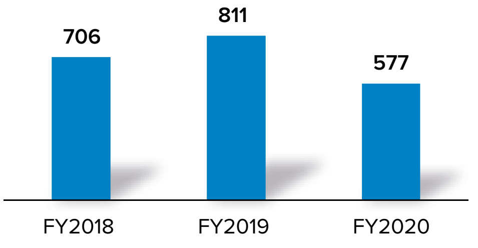


Water

At Titijaya headquarters, water consumption is primarily for domestic use. Although we do not operate in areas that experience water scarcity, we remain vigilant of our consumption and strive to reduce it by monitoring our water consumption levels and implementing water-saving initiatives.

This year, our water consumption was recorded to be the lowest of three years (FY2018 – FY2020), with a reduction of 29% from that of the previous year. We aim to ensure the efficient use of water in our daily business operations and to incorporate water saving designs in our properties.

WATER CONSUMPTION (M3)



OUR PEOPLE

OUR VISION

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

In response to the COVID-19 pandemic, Titijaya prioritised the well-being of its employees during the MCO and implemented strict measures to create a safe working environment for employees upon returning to the workplace. We conducted temperature screening, provided face masks and placed hand sanitisers in common areas.

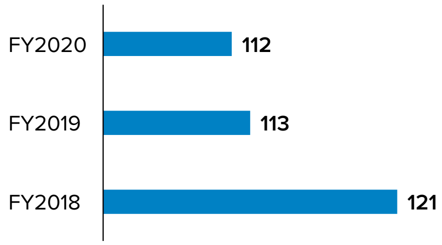
WORKPLACE DIVERSITY

The Group recruits and develops employees regardless of age, gender, religion and ethnicity, encouraging diversity and equal opportunity at the workplace. As of end of the reporting year, we had a total of 112 employees, with the new hire rate of 2.72% (3 employees) and turnover rate of 11% (12 employees) for FY2020.

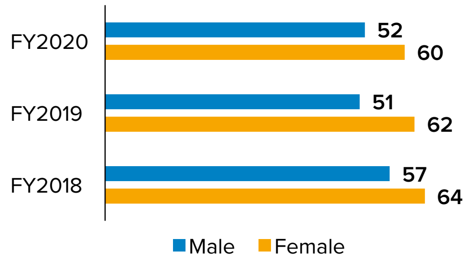
Female employees comprised more than half of the workforce for the past three years. The basic entry level salary ratio between male and female employees is 1:1. Criteria used to determine salary increments and career advancement for an employee is solely based on merit and on his or her contribution to the success of the Group.

Moreover, the basic salary that we offer for non-executive entry level is RM 2,200, more than 80% higher than the national minimum wage prescribed by Malaysia's Human Resource Ministry which is RM 1,200 per month.

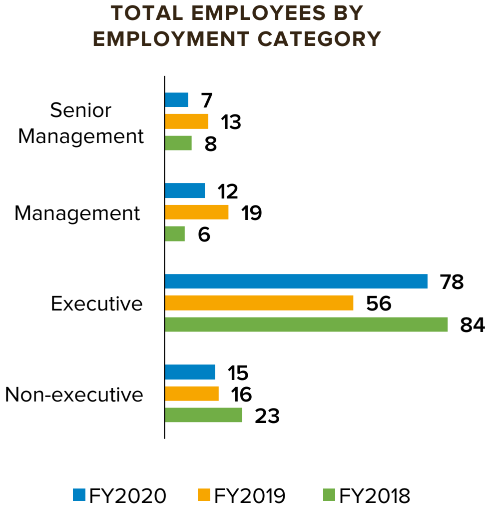
TOTAL EMPLOYEES

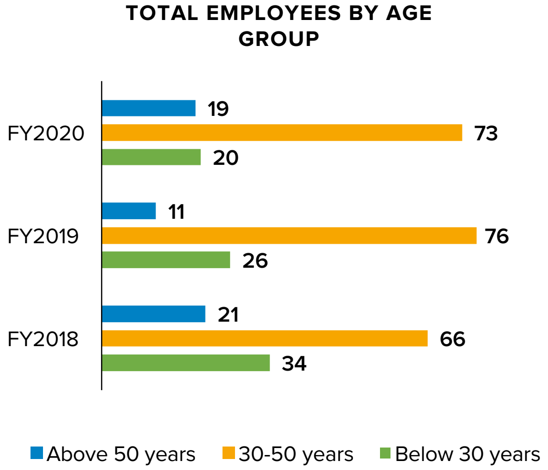


TOTAL EMPLOYEES BY GENDER



SUSTAINABILITY STATEMENT
(continued)





In FY2020, 70% of our workforce comprised those at the executive level with 13% represented by the non-executive staff, 11% for management and 6% for senior management. As we operate solely in Malaysia, 100% of our workforce are hired locally.

With regard to the age distribution within the organisation, 65% was between 30 and 50 years of age. This age group has broad industry experience and business acumen, and is an asset to the Group. 18% of our team was 30 years and below. We recognise the ability of this age group to adapt and grow within the industry, and in the future to lead Titijaya in this fast-changing world of business and corporate sustainability. 17% of our team was 50 years and above, most of whom belong to senior management and represent the leadership of the organisation.

Employee Advancement

We provide employees with allowances such as medical, optical, and dental, as well as parental leave. Those in the managerial positions are provided with an insurance package that covers personal accident and hospitalisation.

During the reporting period, 7 employees (6 female and 1 male) took parental leave and 100% returned to work and continued working at Titijaya 12 months after returning to work.

Employee Engagement

We invest in our people and foster a strong culture of employee engagement and accountability. By actively engaging them in sessions that facilitate the effective flow of information and alignment of business goals, we aspire to develop human capital that is an asset to the Group.

During the reporting year, we celebrated diversity and strengthened relationship among our employees by organising annual festive celebration such as Hari Raya, Chinese New Year and Christmas Party, Body Mass Index (BMI) challenge, and mountain climbing team building.

Performance appraisals are also conducted annually, and for the reporting period 100% of our employees received a performance review.

35 employees participated in a hiking trip at Taman Rimba Bukit Kerinchi on August 2019.

BMI challenge prize giving ceremony and gift exchange during Titijaya's annual Christmas party.

Training and Development

The Group recognises the importance of training and developing its employees to equip them to carry out their duties and responsibilities to the best of their abilities.

Despite the challenges faced in FY2020, we managed to provide safety and Standard Operation Procedure on COVID-19 to ensure the health and safety of our employees at the headquarters.

At our project sites, our employees participated in health programmes on topics such as Body Mass Index and Health Talk, Safety Programme as well as safety training on Emergency Response training, and Plant and Machinery Handling.

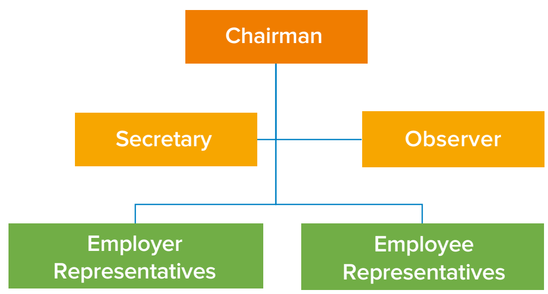
OCCUPATIONAL HEALTH AND SAFETY

As a property developer, the nature of our business exposes our employees and contractors to occupational health and safety (“OHS”) risks. At Titijaya, we undertake the necessary checks and measures that safeguard the well-being, health and safety of our employees, contractors, and the public at large, especially in and around our construction sites.

In line with the Construction Industry Development Board (“CIDB”) and Department of Occupational Safety and Health (“DOSH”) regulations, our OSH framework and guidelines help avoid incidences of occupational injury, fatalities and lost-time injury. Having a robust OSH response system also reduces the chances of summons and stop-work orders that are issued for health and safety violations.

Our commitment to improve our safety performance extends to having a dedicated Safety and Health Committee for headquarters and all our project sites. The committees have an employer-employee representative ratio of 1:1.

Safety and Health Committee-Headquarters



The committees meet every two months and are responsible for monitoring OSH performance at project sites, to investigate OSH matters, to assist in the development of safety and health policies, rules and procedures, and to review the effectiveness of safety and health programmes.

Given the percentage of our workforce involved in the construction phase of our projects, a comprehensive health and safety framework is imperative. We have conducted awareness programmes, provided on-the-job training, and implemented HSE best practices across our operations to minimise accidents and injuries.

ESH AWARENESS PROGRAMME AND COMPETENCY TRAINING

- Safety Briefing
- OSH Induction to new employee
- Health Programme – BMI Challenge and Health Talk
- Safety Programme – Emergency Evacuation Drill and Fire Talk
- COVID-19 Management briefing during pandemic
- Emergency Response Training
- Plant and Machinery Handling

In FY2020, the construction workers at our projects sites collectively received 42,552 hours of training on safety and health.

The Group is pleased to report a zero Lost Time Injury Frequency Rate (LTIFR) out of approximately 2.8 million man-hours in FY2020. Moving forward, we will continue to proactively work together with our contractors to develop and implement safety initiatives at worksites, as well as provide stewardship and support to meet regulatory safety standards.

BREAKING THE COVID-19 CHAIN

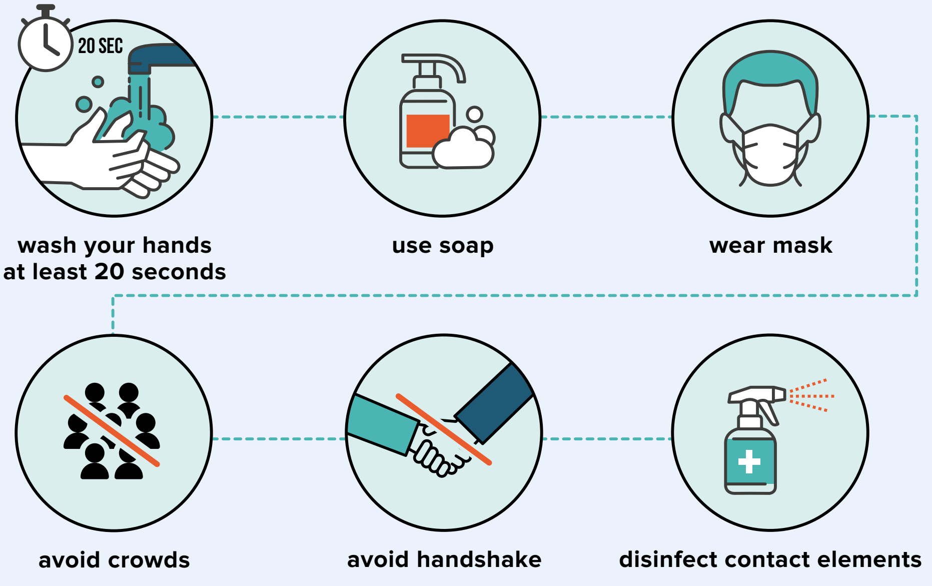
The Group experienced a two-month halt in its business operations due to the MCO, which was issued by the Malaysian government to contain the spread of COVID-19.

To resume our operations during the Conditional MCO that was announced in May 2020, a Standard Operating Procedure ("SOP") - Guidance of Workplace Management for COVID-19, was developed and implemented.

Regular briefings were conducted to remind and urge all employees at headquarters and project sites to observe and comply with certain practices.

To prevent the spread of the contagion, employees were encouraged to pay attention to their personal hygiene and keep the workplace clean. Office and common areas such as the pantry, washrooms, walkways, meeting rooms and prayer rooms were sanitised regularly.

Top Management site visit at one of our project sites during the COVID-19 outbreak.



CUSTOMER SATISFACTION

OUR MISSION

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

In our continuous effort to remain a trusted property developer in Malaysia, our customers remain at the centre of everything we do. This includes delivering a significantly improved level of customer satisfaction to attract new and repeat customers for upcoming projects.

To further improve our products and meet stakeholder expectations, customers are encouraged to provide feedback via email or use the hotline, both of which are available on our website. Customers may also visit our Facebook page to interact with us and get the latest updates on all our projects.

PRODUCT QUALITY

We hold ourselves to the highest standards, as product quality is non-negotiable for our customers. By adopting QLASSIC, the Quality Assessment System in Construction, and the Green Building Index ("GBI") framework, we are able to assess the product quality of our projects as well as aspects relating to its environmental and sustainability performance.

QLASSIC, introduced by the Construction Industry Development Board of Malaysia ("CIDB"), is a third-party quality assessment that determines the overall quality of the building. By adopting this system of assessment, our contractors are expected to adhere to the specifications of the Construction Industry Standard 7:2006.

H20, our completed development project in FY2020, received a score of 76% on its QLASSIC quality assurance assessment. To improve product quality at the construction stage, we provided contractors with QLASSIC training during the reporting year.

COMMUNITY ENGAGEMENT

Titijaya is committed to supporting local communities by leveraging the Group's business to address local social challenges. During the reporting year, we donated a total of RM365,107 to 34 organisations and communities across Malaysia.

FACE MASKS FOR FRONTLINES

To flatten the COVID-19 curve, the Group initiated an ongoing effort to supply face masks to frontline workers. In March 2020, 12 employees from Titijaya distributed 520 face masks to several ministry agencies at the federal and state levels.

CONCLUSION

FY2020 was a challenging year for the country especially at the economic and social front. To protect our colleagues, as well as our customers, suppliers, and communities, we continue to follow guidelines, protocols and policies issued by the Malaysian Ministry of Health in response to the global COVID-19 pandemic.

As a property developer, we continue to evolve and renew the way we approach sustainability. By using international standards for green design and construction quality, we are able to be part of the larger vision of building sustainable cities and communities. Moving forward, we plan to empower our workforce, maintain the trust of our customers, innovate to meet the expectations of our stakeholders and strengthen resilience.

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 2020. 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 is 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

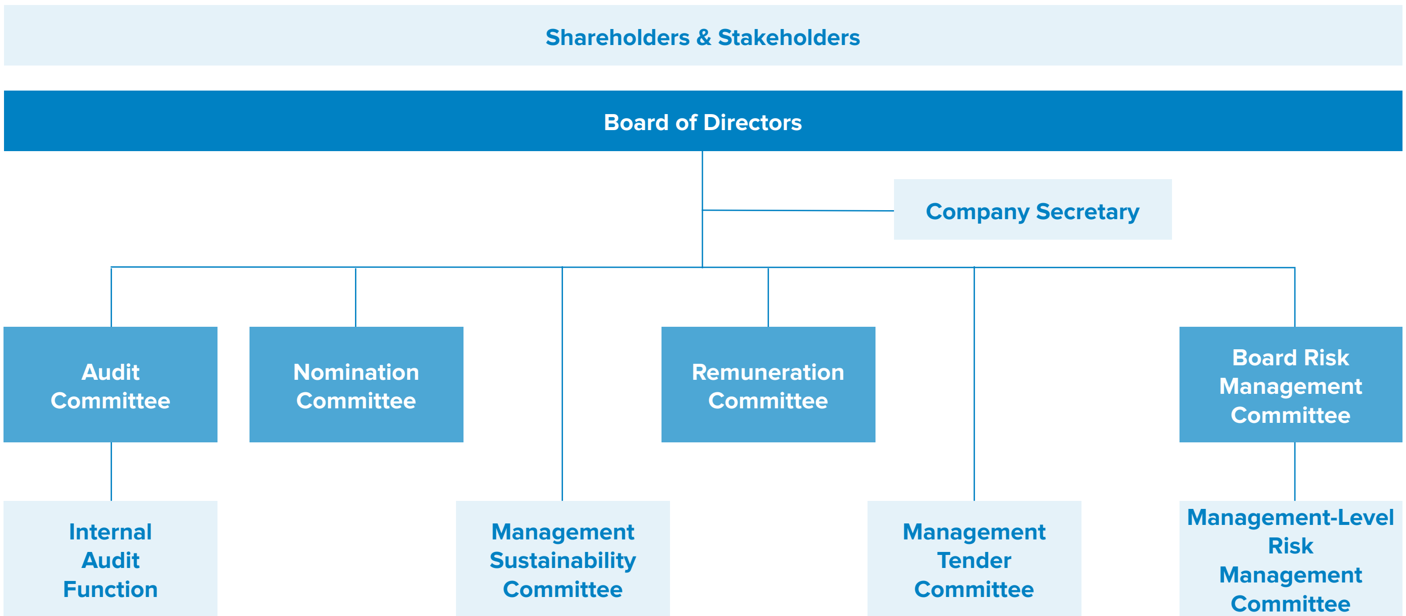
The Board leads the Group and plays a strategic role in overseeing the Group's corporate objective, directions and long-term goals of the business. The Board is responsible for oversight and overall management of the Company.

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 and fixing the compensation of and where appropriate, replacing senior management;
- Succession planning;
- Developing and implementing investor relations programmes and shareholder communications policy for the Company;
- Reviewing the adequacy and the integrity of the Group's system of internal control, risk management framework and management information systems, including systems for compliance with 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, as depicted below:



Independent Non-Executive Directors provide unbiased and independent views in ensuring that the strategies proposed by the Management are fully deliberated and examined objectively, taking into 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 five (5) times during the financial year ended 30 June 2020, 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 note 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 2020 are as follows:-

Name of Directors	Number of Meetings Attended
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	5/5
Tan Sri Dato' Lim Soon Peng	5/5
Lim Poh Yit	5/5
Lim Puay Fung	5/5
Chin Kim Chung	4/5
Datuk Seri Ch'ng Toh Eng	5/5
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	5/5
Dato' Mohd Ibrahim Bin Mohd Nor *(Appointed on 28 November 2019)*	3/3
Datuk Nozirah Binti Bahari *(Retired on 28 November 2019)*	2/2

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.

On 15 October 2020, the Board has reviewed and approved the revised Board Charter to ensure the Board Charter remains consistent with the Board's objectives, current law and practices. The updated version of the same is published on the Company's website at www.titijaya.com.my.

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

The Board is committed to maintaining and practising ethical values and corporate culture in carrying out its duties, with such practices formalised through the Directors' Code of Conduct and Ethics 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 Anti-Bribery and Corruption Policy has been developed with the purpose of fulfilling the legal and regulatory requirements and sets out the overall position on bribery and corruption in all forms.

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

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

STRATEGIES TO PROMOTE SUSTAINABILITY

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

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

BOARD COMPOSITION

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

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

The presence of Independent Non-Executive Directors provides guidance, independent views, advice and judgement in ensuring that the strategies proposed are discussed and examined. This provides a balance in the Board to safeguard the interest of stakeholders and 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 the 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 have fulfilled the criteria of "Independence" as prescribed under the MMLR of Bursa Securities.

TENURE OF INDEPENDENT DIRECTORS

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

Datuk Seri Ch'ng Toh Eng was appointed as an Independent Non-Executive Director of the Company on 24 September 2012 and shall reach the cumulative term of nine (9) years by 24 September 2021. Accordingly, prior approval should be obtained from the shareholders before an Independent Director has reached the nine (9) years term limit.

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

The Board recommends to seek the shareholders' approval at the forthcoming Eighth AGM of the Company on the retention of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director of the Company.

GENDER, ETHNICITY AND AGE GROUP DIVERSITY POLICIES

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

The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have a specific policy on setting 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. The Independent Director is appointed as Chairman of the Nomination Committee. The Nomination Committee 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 Nomination 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 Constitution, all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting ("**AGM**"). The Constitution also provides that at least one third (1/3) of the Directors is subject to re-election by rotation at each AGM, provided that the Directors including the Managing Director shall retire at least once in every three (3) years but shall be eligible for re-election.

The Constitution further provides 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 Eighth AGM, Tan Sri Dato' Lim Soon Peng and Mr. Lim Poh Yit will retire by rotation pursuant to Clause 122 of the Company's Constitution and being eligible, have offered themselves for re-election.

In accordance to Clause 121 of the Company's Constitution, Dato' Mohd Ibrahim Bin Mohd Nor will retire from the Board at the forthcoming AGM and being eligible, offer himself for re-election.

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 2020, 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;
- Reviewed the independence, experience and skills set of the proposed candidate and recommend to the Board on the appointment of the same for the position as Director of the Company;
- Conducted the annual assessment on the effectiveness of the Board as a whole and the Board Committees and contribution and performance of each individual director;
- Reviewed and assessed the effectiveness of the Audit Committee and its composition to ensure their duties have been carried out according to its Terms of Reference; and
- Assessment of the independence of Independent Directors.

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 the 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	• China-Asean Forum On Women's Entrepreneurship And Innovation 2019 • 16th China Asean EXPO
Chin Kim Chung	• National GST Conference 2018 • Malaysia GST Compliance Assurance Programme • National Tax Conference 2018 • Engagement Session With Public Practitioners: Strengthening The Profession Together (KL) • Malaysia Insolvency Conference 2018 • 2019 Budget Seminar • Introduction To Cloud Accounting • National Tax Conference 2019 • 2020 Budget Seminar • MFRS/IFRS Technical Updates 2019 • Going Concern – ISA 570 (Revised) • National Tax Conference 2020
Datuk Seri Ch'ng Toh Eng	• Asian Family Business & Convention • Session On Corporate Governance And Anti-Corruption • Growth And Potential Of Global REITS
Lim Poh Yit	• Property Managers Induction Course For Newly Registered Property Managers • Key disclosure obligations of a listed company
Lim Puay Fung	• Property Managers Induction Course For Newly Registered Property Managers • Key disclosure obligations of a listed company
Dato' Mohd Ibrahim Bin Mohd Nor	• Risk Management Training • Business Foresight Forum 2019 • Evaluating Effective Internal Audit Function

Although Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) and Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir had 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 Secretaries, Internal and External Auditors during the quarterly meetings as well as communications with other Directors as well as the daily work exposures.

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

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

The Board will review the composition of the Remuneration Committee to be in line with the 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 a guideline for the Board in remunerating Directors and Senior Management with a view to attract, retain and motivate talented and high calibre individuals. The Remuneration Policy of Directors and Senior Management is available for reference at the Company’s website at www.titijaya.com.my.

The remuneration of the Executive Directors is structured 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 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 2020, 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;
- Reviewed the proposed bonus payout for the Group; and
- Reviewed the composition of Remuneration Committee.

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 2020 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)*	-	12,500	49,000	61,500
Tan Sri Dato' Lim Soon Peng	-	-	28,980	28,980
Lim Poh Yit	-	-	29,680	29,680
Lim Puay Fung	-	-	28,980	28,980
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	8,000	28,980	36,980
Chin Kim Chung	-	12,000	40,950	52,950
Datuk Seri Ch'ng Toh Eng	-	14,000	32,900	46,900
Dato' Mohd Ibrahim Bin Mohd Nor *(Appointed on 28 November 2019)*	-	5,500	18,783	24,283
Datuk Nozirah Binti Bahari *(Retired on 28 November 2019)*	-	5,500	13,417	18,917

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)*	-	12,500	49,000	61,500
Tan Sri Dato' Lim Soon Peng	856,801	-	28,980	885,781
Lim Poh Yit	701,832	-	29,680	731,512
Lim Puay Fung	609,639	-	28,980	638,619
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	8,000	28,980	36,980
Chin Kim Chung	-	12,000	40,950	52,950
Datuk Seri Ch'ng Toh Eng	-	14,000	32,900	46,900
Dato' Mohd Ibrahim Bin Mohd Nor *(Appoint on 28 November 2019)*	-	5,500	18,783	24,283
Datuk Nozirah Binti Bahari *(Retired on 28 November 2019)*	-	5,500	13,417	18,917

The remuneration of the top 5 Senior Management in each remuneration band for the financial year ended 30 June 2020 is as follows: -

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

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 the Audit Committee collectively possess the accounting and related financial management expertise and experience required for the 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 bring 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 is a 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 Baker Tilly Monteiro Heng PLT ("**Baker Tilly**") as the External Auditors of the Company and also on their audit and non-audit fees for services rendered by Baker Tilly and its affiliates for the financial year ended 30 June 2020. The Board will be recommending for shareholders' approval during the Annual General Meeting for 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 the Audit Committee, its responsibilities and main works carried out for the financial year ended 30 June 2020 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 the 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 by the 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 2020, 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 has 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 in 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 includes 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 ("AGM")

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, the Management makes a presentation on the year's financial results and business activities.

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

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

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 Seventh AGM held on 28 November 2019. 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.

KEY FOCUS AREAS AND FUTURE PRIORITIES

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

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

AUDIT COMMITTEE REPORT

COMPOSITION

CHAIRMAN

Dato' Mohd Ibrahim Bin Mohd Nor
(Independent Non-Executive Director)
(Appointed on 28 November 2019)

Datuk Nozirah Binti Bahari
(Independent Non-Executive Director)
(Retired on 28 November 2019)

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 which 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 2020. The details of attendance of each member are as follows: -

Name of Member	Meeting Dates					
	29.08.2019	7.10.2019	28.11.2019	27.02.2020	21.05.2020	Total
Dato' Mohd Ibrahim Bin Mohd Nor *(Appointed on 28 November 2019)*	N/A	N/A	✓	✓	✓	3/3
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	✓	-	✓	✓	✓	4/5
Datuk Nozirah Binti Bahari *(Retired on 28 November 2019)*	✓	✓	N/A	N/A	N/A	2/2

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

Dato' Mohd Ibrahim, the Chairman of the Audit Committee briefed the Board on matters of significant concern discussed during the Audit Committee Meeting held prior to the Board Meeting. The applicable recommendations of the Audit Committee were presented by the Audit Committee's Chairman at the 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 2020 and up to the date of this report is summarised as follows: -

A. FINANCIAL REPORTING

(i) FYE 30 June 2019

(a) On 29 August 2019, the Audit Committee reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2019 at its meeting, prior to deliberation and approval by the Board.

(b) The Audit Committee at its meeting held on 7 October 2019, reviewed the Audited Financial Statements of the Group and Company for FYE 30 June 2019, and recommended the same for the Board's approval.

(ii) FYE 30 June 2020

(a) The Audit Committee reviewed the unaudited first, second, and third quarterly financial results for the respective periods ended 30 September 2019, 31 December 2019 and 31 March 2020 at the meetings held on 28 November 2019, 27 February 2020 and 21 May 2020 respectively.

(b) The Audit Committee at its meeting held on 27 August 2020, reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2020 to the Board for approval.

(c) On 15 October 2020, the Audit Committee reviewed the Audited Financial Statements of the Group and Company for FYE 30 June 2020 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 2020

(a) On 21 May 2020, the Audit Committee reviewed the Audit Plan for FYE 30 June 2020 prepared by the External Auditors, Baker Tilly Monteiro Heng PLT ("**BTMH**"), outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override, and also the new and revised auditors reporting standards.

(b) On 21 May 2020, 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 2020 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 21 May 2020, 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 2020.

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

- Appropriateness of going concern in the preparation of financial statements in accordance with MFRS 101 Presentation of Financial Statements.
- Impairment indication and test on non-financial assets in accordance with MFRS 136 Impairment of Assets.
- Changes in fair value of investment properties in accordance with MFRS 140 Investment Properties.
- Inventories costing and valuation in accordance with MFRS 102 Inventories.
- Changes in expected credit losses on financial assets in accordance with MFRS 9 Financial Instruments.
- Suspension of capitalisation of borrowing costs in accordance with MFRS 123 Borrowing costs.

- New or additional provision in accordance with MFRS 137 Provision, Contingent Liabilities and Contingent Assets.
- Changes to right-of-use assets and lease liabilities in accordance with MFRS 16 Leases.

(d) The Audit Committee had two (2) private sessions with BTMH without the presence of Management staff and the Executive Board members on 21 May 2020 and 27 August 2020 respectively. BTMH did not highlight any private issues to be brought for the Audit Committee's attention.

(e) On 27 August 2020, 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 2020.

(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) On 15 October 2020, the Audit Committee reviewed the Audited Financial Statements of the Company and the Group for FYE 30 June 2020, the issues arising from the audit, their resolutions and the Independent Auditors' Report prepared by the External Auditors prior to recommending to the Board for approval. In the review of the Audited Financial Statements, the Audit Committee discussed with the Management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements as well as issues and reservations arising from the statutory audit.

The Audit Committee reviewed the performance of BTMH, their independence and objectivity, their ability to serve the Group in terms of technical competencies and manpower resource sufficiency, as well as reasonableness of their audit fees and non-audit fees. The Audit Committee, have 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 Eighth 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 November 2019, 27 February 2020 and 27 August 2020 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 27 August 2020. The Internal Auditors did not highlight any significant internal audit finding 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: -
- Strategic Management
- Business Development
- Recurring Related Party Transactions
- Human Resources
- Property Development
- Project Management
- Health and Safety of employees due to Covid-19 outbreak

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.

(c) Reviewed the Terms of Reference of the Audit Committee, prior to the submission to the Board for approval.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional services firm, Tricor Axcelasia Sdn. Bhd., *(formerly known as 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 2020, 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 2020 amounted to **RM94,560** (FYE 2019: RM71,327), inclusive of service tax and disbursements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

This Statement outlines the nature and scope of risk management and internal control of the Group during the financial year ended 30 June 2020 and covers all of the Group's operations except for associate companies as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board recognises and affirms its overall responsibility in maintaining a risk management framework and internal control systems as well as to review the adequacy and integrity of the system. The 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

Dato' Mohd Ibrahim Bin Mohd Nor
(Independent Non-Executive Director)
(Appointed on 28 November 2019)

Datuk Nozirah Binti Bahari
(Independent Non-Executive Director)
(Retired on 28 November 2019)

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.

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. On 27 February 2020, the Board has approved the revised ERM reporting structure to include the identity of the responsible personnel in ERM reporting structure. The revised ERM reporting structure is as follows:-

ERM PROCESS AND GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

↑

BOARD RISK MANAGEMENT COMMITTEE

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

Process : Articulates and provides direction on risk appetite, organisational control environment and risk culture.

↑

MANAGEMENT-LEVEL RISK MANAGEMENT COMMITTEE

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

Process : Monitors the consistent enforcement of ERM policy, reviews and endorses risk parameter, risk appetite, risk profile and treatment options and risk action plans.

↑

SUB-COMMITTEE & STAFFS

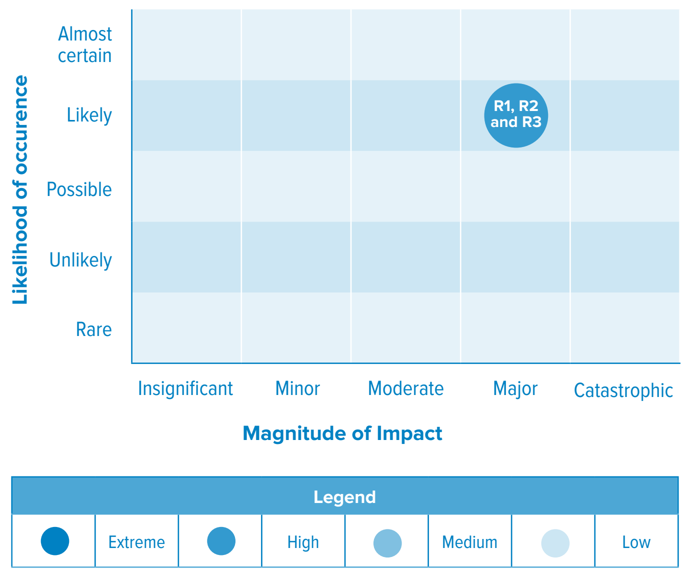
Responsibilities : Manage day-to-day risk inherent in business activities as guided by the established risk strategies, frameworks and policies.

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

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

During the financial year under review, the result of the risk updates were 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 2020, 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, liquidity and sales.



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

Risk	Specific Risk	Management Strategy
R1	Liquidity	• Close monitoring on business operation pertaining to the cash flow issues • Close monitoring on the debtors ageing report
R2	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
R3	Sales	• To ensure marketing strategy including right people, product, pricing and marketing channel effective and efficient against the volatility market challenge.

INTERNAL CONTROL

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

The Group's internal control system consists of various components such as control environment, risk assessment, control activities, information, communication and monitoring 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, Tricor Axcelasia Sdn. Bhd., (formerly known as *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 Senior Executive 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 RM94,560 inclusive of services tax and disbursements was incurred on internal audit activities for the financial year ended 30 June 2020.

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.

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

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

(b) Authority and Responsibility

- **Organisation Structure**
  The Group has a clear organisational structure 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 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 MMLR of Bursa Securities.

BOARD ASSURANCE AND LIMITATION

The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Group's systems of internal control, identifying principal risks and establishing 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 2020.

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 15 October 2020.

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 2020, the Company had issued the following ICP: -

Series No.	Date of issuance	Amount	Tenure	Utilisation of proceeds
		RM'000	Month	
10	2 August 2019	50,000	6	RM 50 million for working capital
11	14 August 2019	50,000	3	RM49.5 million for repayment of maturing Sukuk Series 9, RM 0.5 million for working capital
12	14 November 2019	50,000	3	RM49.3 million for repayment of maturing Sukuk Series 10, RM 0.7 million for working capital
13	14 November 2019	20,000	3	RM19.7 million for partial repayment of Sukuk Series 11, RM 0.3 million for working capital
12	14 February 2020	70,000	3	RM69.1 million for repayment of maturing Sukuk Series 12 and 13, RM 0.9 million for working capital

2. AUDIT AND NON-AUDIT FEES

Details of the nature of non-audit service rendered by the External Auditors and/or its affiliates for the financial year ended 30 June 2020 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 30.06.2020	414,000	92,000
Total	**414,000**	**92,000**

Non-Audit Fees	Group (RM)	Company (RM)
(1) Non-Audit Fees Paid/Payable to BTMH		
(a) Review of the Statement on Risk management and Internal Control	7,000	7,000
(2) Non-Audit Fees Paid/Payable to affiliates of BTMH	110,590	22,300
Total	**117,590**	**29,300**

ADDITIONAL COMPLIANCE INFORMATION
(continued)

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 ("**Land**") 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. Subsequently, on 1 November 2019, Titijaya Group Sdn. Bhd. and the Company mutually agreed to extend the period for a further period of 1 year to 4 November 2020 to obtain the development approvals in respect of the land.

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

At the Seventh Annual General Meeting of the Company held on 28 November 2019, the Company had obtained a general mandate from its shareholders ("**Shareholders' Mandate**") for a recurrent related party transaction of revenue and trading nature ("**RRPT**").

There were no RRPTs conducted pursuant to the Shareholders' Mandate during the financial year ended 30 June 2020.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the annual financial statements of the Group and of the Company are drawn up in accordance with the applicable Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs), the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The annual financial statements are prepared with reasonable accuracy from the accounting records of the Group and Company so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and cash flows for the financial year then ended.

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

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

The Directors are also responsible for:

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

The Directors confirmed that they have complied with the above requirements for the annual financial statements for the financial year ended 30 June 2020.

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 2020.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	2,173,243	56,239,417
Attributable to:		
Owners of the Company	(2,116,875)	56,239,417
Non-controlling interests	4,290,118	-
	2,173,243	56,239,417

DIVIDENDS

Since the end of the previous financial year, the Company paid a final single-tier dividend of RM0.0015 per ordinary share totalling RM1,895,990 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 RM125,558 in respect of the financial year ended 30 June 2019 on 26 December 2019.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2020 of the Company.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

Other than disclosed in Note 37 to the financial statements, in the opinion of the directors,

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

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

ISSUE OF SHARES AND DEBENTURES

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

TREASURY SHARES

During the financial year, the Company repurchased 10,425,600 of its issued ordinary shares from the open market at an average price of RM0.29 per share. The net total consideration paid for repurchase including transaction costs was RM3,060,523. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

As at 30 June 2020, the Company held 83,572,100 treasury shares out of its 1,357,967,910 issued ordinary shares. Such treasury shares held at a carrying amount of RM25,290,710.

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 Seri Ch'ng Toh Eng
Chin Kim Chung
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir*
Dato' Mohd Ibrahim Bin Mohd Nor *(Appointed on 28 November 2019)*
Datuk Nozirah Binti Bahari *(Retired on 28 November 2019)*

** 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 1.7.2019	**Bought**	**Sold**	**At 30.6.2020**
The Company				
Direct interest				
Tan Sri Dato' Lim Soon Peng	17,100,000	1,996,300	-	19,096,300
Lim Poh Yit	17,691,600	647,000	-	18,338,600
Lim Puay Fung	490,000	-	-	490,000
Chin Kim Chung	720,000	-	-	720,000
Datuk Seri Ch'ng Toh Eng	500,000	-	-	500,000
Indirect interest				
Tan Sri Dato' Lim Soon Peng * #	736,523,666	13,000,000	(39,655,172)	709,868,494
Lim Poh Yit #	736,323,666	13,000,000	(39,655,172)	709,668,494
Lim Puay Fung #	736,323,666	13,000,000	(39,655,172)	709,668,494
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir #	800,000	-	-	800,000

DIRECTORS' INTERESTS (continued)

	Irredeemable convertible preference shares			
	At 1.7.2019	Bought	Sold	At 30.6.2020
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 * #	291,762,800	-	-	291,762,800
Lim Poh Yit #	291,462,800	-	-	291,462,800
Lim Puay Fung #	291,462,800	-	-	291,462,800
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir #	1,200,000	-	-	1,200,000

	Number of ordinary shares			
	At 1.7.2019	Bought	Sold	At 30.6.2020
Ultimate Holding Company				
Titijaya Group Sdn. Bhd.				
Direct interest				
Tan Sri Dato' Lim Soon Peng	33,900,000	-	-	33,900,000
Lim Poh Yit	57,630,000	-	-	57,630,000
Lim Puay Fung	21,470,000	-	-	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.*

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 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 or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

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

SUBSIDIARIES

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

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

INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATIONS

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

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.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 37 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

AUDITORS' REMUNERATION

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

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT 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:

LIM SOON PENG
Director

LIM POH YIT
Director

Kuala Lumpur
Date: 15 October 2020

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	**10,820,117**	11,583,895	**-**	-
Inventories	10	**958,930,577**	769,818,637	**-**	-
Investment in subsidiaries	6	**-**	-	**1,173,026,794**	1,052,198,223
Investment in associates	7	**445,451**	449,334	**-**	-
Investment properties	8	**186,002,369**	170,590,003	**-**	-
Goodwill on consolidation	9	**2,062,677**	2,062,677	**-**	-
Deferred tax assets	21	**3,017,746**	844,397	**-**	-
Trade receivables	11	**-**	942,148	**-**	-
Total non-current assets		**1,161,278,937**	956,291,091	**1,173,026,794**	1,052,198,223
Current assets					
Inventories	10	**586,951,279**	703,544,335	**-**	-
Trade and other receivables	11	**426,466,449**	468,076,975	**7,321,825**	8,236,346
Contract assets	12	**784,133**	219,373	**-**	-
Contract costs	13	**14,189,995**	10,876,535	**-**	-
Current tax assets		**12,162,891**	12,020,753	**-**	-
Cash and short-term deposits	14	**160,385,329**	137,493,767	**10,209,804**	35,078,713
Total current assets		**1,200,940,076**	1,332,231,738	**17,531,629**	43,315,059
TOTAL ASSETS		**2,362,219,013**	2,288,522,829	**1,190,558,423**	1,095,513,282

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

STATEMENTS OF FINANCIAL POSITION
(continued)

	Note	Group		Company	
		2020	2019	2020	2019
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	15	**784,412,338**	773,239,117	**784,412,338**	773,239,117
Treasury shares	15	**(25,290,710)**	(22,230,187)	**(25,290,710)**	(22,230,187)
Irredeemable convertible preference shares	16	**60,191,500**	71,364,721	**60,191,500**	71,364,721
Other reserves	17	**(47,425,855)**	(47,425,855)	**-**	-
Retained earnings	15	**373,161,083**	389,509,981	**157,870,214**	103,652,345
		1,145,048,356	1,164,457,777	**977,183,342**	926,025,996
Redeemable preference shares	18	**10,141,000**	141,000	**-**	-
Non-controlling interests		**10,079,107**	5,263,483	**-**	-
TOTAL EQUITY		**1,165,268,463**	1,169,862,260	**977,183,342**	926,025,996
Non-current liabilities					
Trade and other payables	19	**51,549,717**	12,984,210	**-**	-
Loans and borrowings	20	**317,899,272**	358,877,045	**-**	-
Deferred tax liabilities	21	**30,333,425**	31,429,857	**-**	-
Total non-current liabilities		**399,782,414**	403,291,112	**-**	-
Current liabilities					
Trade and other payables	19	**463,728,057**	528,023,435	**102,107,616**	92,243,674
Contract liabilities	12	**160,120,696**	57,305,920	**-**	-
Loans and borrowings	20	**171,061,955**	116,621,160	**111,200,000**	77,200,000
Current tax liabilities		**2,257,428**	13,418,942	**67,465**	43,612
Total current liabilities		**797,168,136**	715,369,457	**213,375,081**	169,487,286
TOTAL LIABILITIES		**1,196,950,550**	1,118,660,569	**213,375,081**	169,487,286
TOTAL EQUITY AND LIABILITIES		**2,362,219,013**	2,288,522,829	**1,190,558,423**	1,095,513,282

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Revenue	22	**165,311,037**	312,653,256	64,300,000	28,945,000
Cost of sales	23	**(117,472,863)**	(214,480,454)	-	-
Gross profit		**47,838,174**	98,172,802	64,300,000	28,945,000
Other income	24	**25,778,449**	12,150,966	-	-
Distribution expenses		**(4,182,423)**	(5,952,342)	-	-
Administrative expenses		**(28,878,255)**	(24,828,756)	(1,249,610)	(1,335,687)
Net impairment gain/(losses) on financial instruments		**58,270**	(741,780)	(80,424)	1,710
Other expenses		**(19,875,152)**	(16,527,587)	(2,388,743)	(602,530)
Operating profit		**20,739,063**	62,273,303	60,581,223	27,008,493
Finance income	25	**4,121,665**	3,590,803	894,376	942,907
Finance costs	26	**(8,644,278)**	(12,883,144)	(5,046,612)	(4,578,850)
Share of results of associates, net of tax		**(3,843)**	(6,516)	-	-
Profit before tax	27	**16,212,607**	52,974,446	56,428,987	23,372,550
Income tax expense	28	**(14,039,364)**	(16,645,712)	(189,570)	(199,805)
Profit for the financial year		**2,173,243**	36,328,734	56,239,417	23,172,745
Other comprehensive income for the financial year		**-**	-	-	-
Total comprehensive income for the financial year		**2,173,243**	36,328,734	56,239,417	23,172,745
Total comprehensive (loss)/income attributable to:					
Owners of the Company		**(2,116,875)**	33,315,540	56,239,417	23,172,745
Non-controlling interests		**4,290,118**	3,013,194	-	-
		2,173,243	36,328,734	56,239,417	23,172,745
(Loss)/Earnings per ordinary share attributable to Owners of the Company (sen)					
- Basic	29(a)	**(0.17)**	2.53		
- Diluted	29(b)	**(0.16)**	2.38		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

		← *Attributable to owners of the Company* →								
Group	**Note**	**Share Capital (Note 15) RM**	**Treasury Shares (Note 15) RM**	**Other Reserves (Note 17) RM**	**Irredeemable Convertible Preference Shares (Note 16) RM**	**Retained Earnings (Note 15) RM**	**Sub-total RM**	**Redeemable Preference Shares (Note 18) RM**	**Non-Controlling Interests RM**	**Total Equity RM**
At 30 June 2019		773,239,117	(22,230,187)	(47,425,855)	71,364,721	389,509,981	1,164,457,777	141,000	5,263,483	1,169,862,260
Total comprehensive (loss)/ income for the financial year		-	-	-	-	(2,116,875)	(2,116,875)	-	4,290,118	2,173,243
Transactions with owners										
Changes in ownership interests in subsidiary		-	-	-	-	-	-	-	525,506	525,506
Dividends paid	36	-	-	-	-	(14,232,023)	(14,232,023)	-	-	(14,232,023)
Issuance of preference shares	18	-	-	-	-	-	-	10,000,000	-	10,000,000
Conversion of ICPS	16	11,173,221	-	-	(11,173,221)	-	-	-	-	-
Repurchase of treasury shares	15(b)	-	(3,060,523)	-	-	-	(3,060,523)	-	-	(3,060,523)
Total transactions with owners		11,173,221	(3,060,523)	-	(11,173,221)	(14,232,023)	(17,292,546)	10,000,000	525,506	(6,767,040)
At 30 June 2020		784,412,338	(25,290,710)	(47,425,855)	60,191,500	373,161,083	1,145,048,356	10,141,000	10,079,107	1,165,268,463

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

STATEMENTS OF CHANGES IN EQUITY
(continued)

Group (continued)	Note	Share Capital (Note 15) RM	Treasury Shares (Note 15) RM	Other Reserves (Note 17) RM	Irredeemable Convertible Preference Shares (Note 16) RM	Retained Earnings (Note 15) RM	Sub-total RM	Redeemable Preference Shares (Note 18) RM	Non-Controlling Interests RM	Total Equity RM
		Attributable to owners of the Company								
At 30 June 2018		773,239,117	(134,453)	(47,425,855)	71,364,721	449,262,423	1,246,305,953	235,000	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 subsidiary		-	-	-	-	(181,825)	(181,825)	-	(718,175)	(900,000)
Dividends paid	36	-	-	-	-	(8,980,157)	(8,980,157)	-	-	(8,980,157)
Redemption of RPS of a subsidiary	18	-	-	-	-	(83,906,000)	(83,906,000)	(94,000)	-	(84,000,000)
Repurchase of treasury shares	15(b)	-	(22,095,734)	-	-	-	(22,095,734)	-	-	(22,095,734)
Total transactions with owners		-	(22,095,734)	-	-	(93,067,982)	(115,163,716)	(94,000)	(718,175)	(115,975,891)
At 30 June 2019		773,239,117	(22,230,187)	(47,425,855)	71,364,721	389,509,981	1,164,457,777	141,000	5,263,483	1,169,862,260

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

		Attributable to owners of the Company				
Company	Note	Share Capital (Note 15) RM	Treasury Shares (Note 15) RM	Irredeemable Convertible Preference Shares (Note 16) RM	Retained Earnings (Note 15) RM	Total Equity RM
At 30 June 2019		773,239,117	(22,230,187)	71,364,721	103,652,345	926,025,996
Total comprehensive income for the financial year		-	-	-	56,239,417	56,239,417
Transactions with owners						
Repurchase of treasury shares	15(b)	-	(3,060,523)	-	-	(3,060,523)
Conversion of ICPS	16	11,173,221	-	(11,173,221)	-	-
Dividends paid	36	-	-	-	(2,021,548)	(2,021,548)
Total transactions with owners		11,173,221	(3,060,523)	(11,173,221)	(2,021,548)	(5,082,071)
At 30 June 2020		784,412,338	(25,290,710)	60,191,500	157,870,214	977,183,342
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	15(b)	-	(22,095,734)	-	-	(22,095,734)
Dividends paid	36	-	-	-	(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

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Cash flows from operating activities					
Profit before tax		**16,212,607**	52,974,446	**56,428,987**	23,372,550
Adjustments for:					
Credit losses on revocation of sales		**3,452,501**	-	**-**	-
Depreciation of investment properties		**756,237**	756,239	**-**	-
Depreciation of property, plant and equipment		**890,098**	939,748	**-**	-
Loss on disposal of property, plant and equipment		**-**	1,112	**-**	-
Impairment loss on:					
- amount owing by an associate		**-**	743,490	**-**	-
- amount owing by subsidiaries		**-**	-	**80,424**	-
- investment in an associate		**40**	-	**-**	-
- investment in subsidiaries		**-**	-	**2,000,006**	-
Inventories written down		**5,723,814**	-	**-**	-
Finance costs		**8,644,278**	9,505,399	**5,046,612**	4,578,850
Finance income		**(4,121,665)**	(3,590,803)	**(894,376)**	(942,907)
Net gain on capital reduction of Class A shares		**(13,018,136)**	-	**-**	-
Net gain on Class A shares classified as financial liabilities at amortised cost		**(7,813,203)**	-	**-**	-
Reversal of impairment loss on:					
- amount owing by an associate		**-**	(1,710)	**-**	(1,710)
- trade receivables		**(58,270)**	-	**-**	-
Share of result of associates, net of tax		**3,843**	6,516	**-**	-
Unwinding of discount on retention sum		**-**	3,377,745	**-**	-
Waiver of debt		**-**	(758,811)	**-**	-
Written off of:					
- contract assets		**9,402**	-	**-**	-
- deposits		**100**	75,805	**-**	-
- other receivables		**443,886**	-	**-**	-
- prepayments		**6,345**	-	**-**	-
Operating profit before changes in working capital		**11,131,877**	64,029,176	**62,661,653**	27,006,783
Net changes in working capital:					
Contract assets		**(574,162)**	51,450,696	**-**	-
Contract costs		**(3,313,460)**	(6,461,152)	**-**	-
Contract liabilities		**102,814,776**	20,486,583	**-**	-
Inventories		**(81,049,693)**	(224,189,989)	**-**	-
Trade and other receivables		**42,067,282**	24,063,935	**1,170,015**	9,750,181
Trade and other payables		**4,523,360**	256,699,843	**38,272**	(48,744)
Prepayment and other assets		**(445,063)**	232,460	**(440,137)**	-
Net cash generated from operations		**75,154,917**	186,311,552	**63,429,803**	36,708,220
Income tax paid		**(34,798,434)**	(41,263,098)	**(165,717)**	(273,641)
Income tax refunded		**6,185,637**	784,815	**-**	-
Interests paid		**(65,858)**	(5,678)	**(16,953)**	(5,678)
Interests received		**4,121,665**	3,590,803	**894,376**	942,907
Net cash from operating activities		**50,597,927**	149,418,394	**64,141,509**	37,371,808

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

STATEMENTS OF CASH FLOWS
(continued)

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Cash flows from investing activities					
Advance to subsidiaries		**-**	-	**(70,007,750)**	(96,763,561)
Additions to investment properties		**(19,739,800)**	(32,207,993)	**-**	-
Acquisition of property, plant and equipment		**(126,320)**	(487,137)	**-**	-
Acquisition of minority interest		**(120,000)**	(900,000)	**(120,000)**	(900,000)
Investment in subsidiary		**-**	-	**(52,600,000)**	-
Proceed from disposal of property, plant and equipment		**-**	900	**-**	-
Proceed from disposal of other investment		**-**	5,646	**-**	-
Repayment from/(Advance) to associates		**538,394**	-	**3,392**	(12,096)
Net cash used in investing activities		**(19,447,726)**	(33,588,584)	**(122,724,358)**	(97,675,657)
Cash flows from financing activities	(a)				
Advance from subsidiaries		**-**	-	**9,825,676**	79,955,174
Change in pledged deposits		**2,416,118**	15,811,623	**5,584,199**	4,994,698
Drawdown of bank borrowings		**106,388,897**	26,633,000	**14,000,000**	-
Dividend paid		**(14,232,023)**	(8,980,157)	**(2,021,548)**	(3,512,784)
Interest paid		**(6,829,109)**	(9,499,721)	**(5,029,659)**	(4,573,172)
Proceeds from issuance of Class A shares		**39,400,000**	-	**-**	-
Proceeds from issuance of redeemable preference shares		**10,000,000**	-	**-**	-
Purchase of treasury shares		**(3,060,523)**	(22,095,734)	**(3,060,523)**	(22,095,734)
Redemption of Class A shares		**(47,000,000)**	-	**-**	-
Redemption of redeemable preference shares		**-**	(84,000,000)	**-**	-
Repayment of bank borrowings		**(112,682,851)**	(97,133,996)	**-**	(10,000,000)
Repayment of lease liabilities/finance lease liabilities		**(243,024)**	(334,423)	**-**	-
Repayment to ultimate holding company		**-**	(1,667,833)	**-**	-
Repayment to directors		**(6)**	(4,002)	**(6)**	-
Withdrawal/(Placement) of fixed deposits		**1,202,178**	(2,251,140)	**1,202,178**	(2,251,140)
Net cash (used in)/from financing activities		**(24,640,343)**	(183,522,383)	**20,500,317**	42,517,042
Net increase/(decrease) in cash and cash equivalent		**6,509,858**	(67,692,573)	**(38,082,532)**	(17,786,807)
Cash and cash equivalents at the beginning of the financial year		**66,728,024**	134,420,597	**(29,288,809)**	(11,502,002)
Cash and cash equivalents at the end of the financial year		**73,237,882**	66,728,024	**(67,371,341)**	(29,288,809)

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

STATEMENTS OF CASH FLOWS
(continued)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Analysis of cash and cash equivalents:					
Cash and bank balances	14	**141,334,892**	105,969,862	**2,628,659**	10,711,191
Fixed deposits placed with licensed banks	14	**19,050,437**	31,523,905	**7,581,145**	24,367,522
Islamic commercial paper	20	**(70,000,000)**	(50,000,000)	**(70,000,000)**	(50,000,000)
		90,385,329	87,493,767	**(59,790,196)**	(14,921,287)
Less: pledged deposits	14	**(16,098,485)**	(18,514,603)	**(6,532,183)**	(12,116,382)
Less: deposits with maturity more than 3 months	14	**(1,048,962)**	(2,251,140)	**(1,048,962)**	(2,251,140)
		73,237,882	66,728,024	**(67,371,341)**	(29,288,809)

(a) Reconciliation of liabilities arising from financing activities:

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

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

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

	At 1.7.2018 RM	Cash Flows RM	At 30.6.2019 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
	546,345,395	(72,507,254)	473,838,141
Company			
Amount owing to subsidiaries	11,893,693	79,955,174	91,848,867
Loans and borrowings	37,200,000	(10,000,000)	27,200,000
	49,093,693	69,955,174	119,048,867

(a) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM545,494.

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.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 October 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int")

The Group and the Company have adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

New MFRS

MFRS 16	Leases

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures

New IC Int

IC Int 23	Uncertainty over Income Tax Treatments

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

2. BASIS OF PREPARATION (continued)

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

MFRS 16 Leases

Effective 1 January 2019, MFRS 16 has replaced MFRS 117 Leases and IC Int 4 *Determining whether an Arrangement contains a Lease*.

Under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases. For operating leases, lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. Instead, all leases are brought onto the statements of financial position except for short-term and low value asset leases.

The Group has applied MFRS 16 using the modified retrospective approach with an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statements of financial position immediately before the date of initial application (i.e. 1 July 2019). As such, the comparative information was not restated and continues to be reported under MFRS 117 and IC Int 4.

Definition of a Lease

MFRS 16 changes the definition of a lease mainly to the concept of control. MFRS 16 defines that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group has elected the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, the definition of a lease under MFRS 16 was applied only to contracts entered or changed on or after 1 July 2019. Existing lease contracts that are still effective on 1 July 2019 will be accounted for as lease contracts under MFRS 16.

Impact of the adoption of MFRS 16

The application of MFRS 16 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements as at the date of initial application. Other than the enhanced new disclosures relating to leases, which the Group has complied with in the current financial year, the application of this standard does not have any significant effect on the financial statements of the Group, except for those as discussed below.

(i) Classification and measurement

As a lessee, the Group previously classified leases as operating or finance leases based on their assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group.

On adoption of MFRS 16, for all their leases other than short-term and low value asset leases, the Group:

- recognised the right-of-use assets and lease liabilities in the statements of financial position as at the date of initial application;
- recognised depreciation of right-of-use assets and interest on lease liabilities in profit or loss for the current financial year; and
- separated the total amount of cash paid for leases into principal and interest portions (presented within financing activities) in the statements of cash flows for the current financial year.

2. BASIS OF PREPARATION (continued)

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

Impact of the Adoption of MFRS 16 (continued)

(i) Classification and measurement (continued)

For leases that were classified as operating lease under MFRS 117

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application.

The right-of-use assets were measured at either:

(a) their carrying amount as if MFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application. The Group applied this approach to its largest property leases; or

(b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group applied this approach to all other leases.

The Group also applied the following practical expedients wherein they:

(a) applied a single discount rate to a portfolio of leases with similar characteristics;

(b) adjusted the right-of-use assets by the amount of MFRS 137 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review;

(c) applied the exemption not to recognise right-to-use assets and liabilities for leases which the lease term ends within 12 months of the date of initial application;

(d) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and

(e) used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance lease under MFRS 117

The Group recognised the carrying amount of the lease assets and finance lease liabilities under MFRS 117 immediately before transition as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application. The measurement requirements of MFRS 16 are applied after that date.

(ii) Short-term lease and low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of buildings that have a lease term of 12 months or less and leases of low value assets based on the value of the underlying asset when new. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments disclosed applying MFRS 117 as of 30 June 2019, as follows:

	Group RM
Assets	
Operating lease commitments as at 30 June 2019	-
Incremental borrowing rate as at 1 July 2019	4.25%
Discounted operating lease commitments as at 1 July 2019	-
Add:	
Commitments relating to lease previously classified as finance lease	1,273,127
Lease liabilities as at 1 July 2019	1,273,127

2. BASIS OF PREPARATION (continued)

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

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 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 venture 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.

2. BASIS OF PREPARATION (continued)

2.3 Amendments/improvements to MFRSs that have been issued, but yet to be effective

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

		Effective for financial periods beginning on or after
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 ^ / 1 January 2023#
MFRS 3	Business Combinations	1 January 2020 / 1 January 2022 / 1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2020 / 1 January 2023#
MFRS 9	Financial instruments	1 January 2020 / 1 January 2022^ / 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue with Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 June 2020* / 1 January 2022^
MFRS 101	Presentation of Financial Statements	1 January 2020 / 1 January 2023 / 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
MFRS 116	Property, Plant and Equipment	1 January 2022 / 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred / 1 January 2023#
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022 / 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020
MFRS 140	Investment Property	1 January 2023#

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

* *Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020*

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

2. BASIS OF PREPARATION (continued)

2.3 Amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

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

Annual Improvements to MFRS Standards 2018–2020

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

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

Amendments to MFRS 3 Business Combinations

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

The amendments, amongst others, clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments also update by replacing a reference to an old version of the *Conceptual Framework for Financial Reporting* with a reference to the latest version which was issued by MASB in April 2018.

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

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

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

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, and MFRS 7 Financial Instruments: Disclosures

The Malaysian Accounting Standards Board has issued Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7).

2. BASIS OF PREPARATION (CONTINUED)

2.3 Amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

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

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, and MFRS 7 Financial Instruments: Disclosures (continued)

The Interest Rate Benchmark Reform amends some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the interbank offered rates reform. In applying the amendments, companies would continue to apply those hedge accounting requirements assuming that the interest rate benchmark associated with the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Applying the amendments, entities are not required to apply the MFRS 139 retrospective assessment but continue to apply hedge accounting to a hedging relationship for which effectiveness is outside of the 80 – 125% range during the period of uncertainty arising from the reform.

Amendment to MFRS 16 Leases

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error

The amendments refine the definition by including ‘obscuring information’ in the definition of material to respond to concerns that the effect of including immaterial information should not reduce the understandability of a company’s financial statements. The prior definition focuses only on information that cannot be omitted (material information) and does not also consider the effect of including immaterial information.

Other refinements to the definition include incorporating some existing wording in MFRS 101 and the Conceptual Framework for Financial Reporting. Consequently, the amendments align the definition of material across MFRS Standards and other publications.

Amendments to MFRS 101 Presentation of Financial Statements

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

2. BASIS OF PREPARATION (CONTINUED)

2.3 Amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

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

Amendments to MFRS 116 Property, Plant and Equipment

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

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

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

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

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.

(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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.

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

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

(b) Non-controlling interests

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

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

(c) Associates

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(c) Associates (continued)

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

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

(d) Transactions eliminated on consolidation

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

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

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

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 designated 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.

- **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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(b) Financial guarantee contracts

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

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

(c) Regular way purchase or sale of financial assets

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

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(d) Derecognition (continued)

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.

3.4 Property, plant and equipment

(a) Recognition and measurement

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

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

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

(b) Subsequent costs

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

(c) Depreciation

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment (continued)

(c) Depreciation (continued)

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

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

(d) Derecognition

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

3.5 Leases

(a) Definition of lease

Accounting policies applied from 1 July 2019

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

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

Accounting policies applied until 30 June 2019

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.

(b) Lessee accounting

Accounting policies applied from 1 July 2019

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases (continued)

(b) Lessee accounting (continued)

Accounting policies applied from 1 July 2019 (continued)

Right-of-use asset

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

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

Lease liability

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases (continued)

(b) Lessee accounting (continued)

Accounting policies applied from 1 July 2019 (continued)

Lease liability (continued)

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

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

Short-term leases and leases of low value asset

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

Accounting policies applied until 30 June 2019

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 that asset.

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.

(c) Lessor accounting

Accounting policies applied from 1 July 2019

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.

When the Group is intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.5(b), then it classifies the sub-lease as an operating lease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases (continued)

(c) Lessor accounting (continued)

Accounting policies applied from 1 July 2019 (continued)

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

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

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

Accounting policies applied from 30 June 2019

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 its intended use.

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Investment properties (continued)

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.

Property under development

Cost includes:

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

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

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 Islamic commercial paper, bank overdrafts and fixed deposits held as security values.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

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

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

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

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of assets (continued)

(b) Impairment of non-financial assets (continued)

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

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

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

3.12 Share capital

(a) Ordinary shares

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

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

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

3.14 Provisions

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

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

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

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

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

(a) Property development

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

(a) Property development (continued)

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period ranges from 12 months to 24 months after the customer takes vacant possession of the building are recognised as a provision.

(b) Interest income

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

(c) Dividend income

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

(d) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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.

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Managing Director who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

3.19 Earnings per ordinary share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own share held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group expects those costs are recoverable.

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories,* MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets,* are recognised as part of contract costs when all of the following criteria are met:

(a) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;

(b) the costs generate or enhance resources of the Group and the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

(b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors.*

(c) Impairment

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

(a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less

(b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

The Group has applied the practical expedient to recognise the incremental costs of obtaining contracts as an expense when incurred if the amortisation periods of the asset that the Group otherwise would have recognised are one year or less.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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, 12, 13, 22 and 23)

The Group's property development activities comprise both "sell and build" model and "build and sell" model. For the purpose of revenue recognition, the directors use their judgement to determine whether control of residential and commercial properties under development is transferred to customers over time or at a point in time. The Group uses the criterion of control from the perspective of a customer, judged in relation to the customer's ability to obtain economic benefits of the asset under development. The Group considers that if the asset under development has been assigned to a customer and the asset has no alternative use to the Group and the Group has enforceable rights to payments, control of the asset is transferred over time to the customer. Revenue is recognised over time based on the progress towards complete satisfaction of performance obligation. If a customer does not obtain control when the asset is under development, such as in build and sell units, revenue is recognised at a point in time when the construction of the asset is completed and handed over to the customer.

(b) Property development revenue and expenses (Note 10, 12, 13, 19(d), 22 and 23)

The Group recognised property development revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and expenses, as well as the recoverability of the development projects. In making the judgement, the Group and the Company evaluate based on past experience and by relying on the work of specialists.

(c) Impairment of investments in subsidiaries and recoverability of amount owing by subsidiaries (Note 6 and 11(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)

(c) Impairment of investments in subsidiaries and recoverability of amount owing by subsidiaries (Note 6 and 11(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.

5. PROPERTY, PLANT AND EQUIPMENT

Group 2020	Leasehold Land RM	Freehold Lands and Buildings RM	Computers RM	Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Renovation RM	Others RM	Right-of-Use Assets RM	Total RM
At Cost										
At 1 July 2019										
- As previously reported	7,078	10,564,211	1,035,760	140,840	463,215	2,987,601	857,219	26,074	-	16,081,998
- Effect of adoption of MFRS 16	(7,078)	-	-	-	-	(2,502,334)	-	-	2,509,412	-
Adjusted balance at 1 July 2019	-	10,564,211	1,035,760	140,840	463,215	485,267	857,219	26,074	2,509,412	16,081,998
Additions	-	-	9,430	21,600	24,629	-	68,861	1,800	-	126,320
At 30 June 2020	-	**10,564,211**	**1,045,190**	**162,440**	**487,844**	**485,267**	**926,080**	**27,874**	**2,509,412**	**16,208,318**
Accumulated depreciation										
At 1 July 2019										
- As previously reported	160	871,037	731,345	115,325	394,375	2,094,136	267,007	24,718	-	4,498,103
- Effect of adoption of MFRS 16	(160)	-	-	-	-	(1,611,575)	-	-	1,611,735	-
Adjusted balance at 1 July 2019	-	871,037	731,345	115,325	394,375	482,561	267,007	24,718	1,611,735	4,498,103
Depreciation charge for the financial year	-	211,284	109,313	9,036	25,417	2,706	161,202	1,349	369,791	890,098
At 30 June 2020	-	**1,082,321**	**840,658**	**124,361**	**419,792**	**485,267**	**428,209**	**26,067**	**1,981,526**	**5,388,201**
Carrying amount										
At 30 June 2020	-	**9,481,890**	**204,532**	**38,079**	**68,052**	-	**497,871**	**1,807**	**527,886**	**10,820,117**

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	Right-of-Use Assets RM	Total RM
At 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										
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 30 June 2019	6,918	9,693,174	304,415	25,515	68,840	893,465	590,212	1,356	-	11,583,895

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Assets under finance leases

The carrying amount of assets under finance lease agreements are as follows:

	Group 2019 RM
Motor vehicles	893,465

(b) Assets pledged as security

Included in the freehold lands and buildings with a carrying amount of RM6,416,667 (2019: RM6,556,667) have been pledged as security to secure banking facilities granted to the Group as disclosed in Note 20.

(c) Right-of-use assets

The Group leases several assets including leasehold land and motor vehicles.

Information about leases for which the Group is a lessee is presented below:

	Leasehold land RM	Motor vehicles RM	Total RM
Group			
Carrying amount			
At 1 July 2019	**6,918**	890,759	897,677
Depreciation	**(102)**	(369,689)	(369,791)
At 30 June 2020	**6,816**	521,070	527,886

The Group leases land for its operation site. The leases for operation site generally have lease term of 99 years.

The Group also leases motor vehicles with lease term of 7 to 9 years.

6. INVESTMENT IN SUBSIDIARIES

		Company	
	Note	2020 RM	2019 RM
Unquoted shares - at cost		**348,718,847**	347,598,847
Less : Impairment loss	(a)	**(6,093,008)**	(4,093,002)
		344,625,839	343,505,845
Loans that are part of net investments	(b)	**830,400,955**	708,692,378
		1,173,026,794	1,052,198,223

(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	
	2020 RM	2019 RM
At 1 July	**4,093,002**	4,093,002
Charge for the financial year - Impairment loss	**2,000,006**	-
At 30 June	**6,093,008**	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 2020	2019	Principal activities
Direct subsidiaries				
Aman Kemensah Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Epoch Property Sdn. Bhd.	Malaysia	**100%**	100%	Property development
NPO Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Safetags Solution Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Shah Alam City Centre Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Prosperous Hectares Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Pin Hwa Properties Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding and joint venture for property development
Terbit Kelana Development Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding
Titijaya Medicare Sdn. Bhd. *(formerly known as Titijaya Resources Sdn. Bhd.)*	Malaysia	**100%**	100%	Trading in medicare equipment and product, property development and investment holding
Titijaya PMC Sdn. Bhd.	Malaysia	**100%**	100%	Providing management services
City Meridian Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Titijaya Capital Sdn. Bhd.	Malaysia	**100%**	100%	Money lending business
Premsdale Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Tulus Lagenda Sdn. Bhd.	Malaysia	**100%**	100%	Joint venture for property development
High Splendour Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Titijaya Development (Pulau Pinang) Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Tamarind Heights Sdn. Bhd.	Malaysia	**100%**	100%	Property development
NPO Builders Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Sri Komakmur Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development and investment holding
Riveria City Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Indirect subsidiaries				
Subsidiaries of NPO Development Sdn. Bhd.				
Neu Estates Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Zen Estates Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Subsidiaries of Titijaya Medicare Sdn. Bhd. *(formerly known as Titijaya Resources Sdn. Bhd.)*				
Aman Duta Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Ampang Avenue Development Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Tenang Sempurna Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Subsidiaries of Ampang Avenue Development Sdn. Bhd.				
Nipah Valley Sdn. Bhd.	Malaysia	**70%**	70%	Property development
Subsidiaries of Sri Komakmur Development Sdn. Bhd.				
Renofajar Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Blu Waterfront Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Subsidiaries of Blu Waterfront Development Sdn. Bhd.				
Laksana Wawasan Sdn. Bhd.	Malaysia	**100%**	100%	Property investment

6. INVESTMENT IN SUBSIDIARIES (continued)

(c) The details of the subsidiaries are as follows (continued):

Names of directors of the Company's subsidiary(ies):

In addition to the directors listed in the Directors' Report, the following are the directors of some of the subsidiary(ies):

Adrian Cheok Eu Gene

Daisuke Kawauchi

Puan Sri Datin Chan Lian Yen

Lim Soon Koon

Wang You Ping

Qin Fei

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

2020	Note	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest		**30%**	**30%**	**30%**	**30%**	
Carrying amount of NCI		**(60,711)**	**3,629,456**	**2,779,218**	**3,731,144**	**10,079,107**
Net (loss)/profit allocated to NCI		**(2,168)**	**610,416**	**1,313,756**	**2,368,114**	**4,290,118**
Summarised statement of financial position						
As at 30 June 2020						
Non-current assets		**1,710,923**	**87,603,840**	**70,329,804**	**229,349,323**	
Current assets		**89,710**	**255,867,292**	**70,984,234**	**166,960,066**	
Non-current liabilities		**-**	**(58,675,473)**	**-**	**(112,133,359)**	
Current liabilities		**(3,000)**	**(243,055,381)**	**(120,493,857)**	**(257,125,208)**	
Net assets		**1,797,633**	**41,740,278**	**20,820,181**	**27,050,822**	
Loan that are part of investment		**(2,000,000)**	**(29,642,090)**	**(1,556,120)**	**-**	
Preference share		**-**	**-**	**(10,000,000)**	**-**	
Net gain on preference shares classified as financial liabilities at amortised cost	(i)	**-**	**-**	**-**	**(14,613,674)**	
		(202,367)	**12,098,188**	**9,264,061**	**12,437,148**	

6. INVESTMENT IN SUBSIDIARIES (continued)

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows (continued):

2020	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM
Summarised statement of comprehensive income				
Financial year ended 30 June 2020				
Revenue	-	39,027,735	9,074,629	26,559,619
(Loss)/Profit for the financial year	(7,225)	2,034,723	4,379,186	7,893,714
Total comprehensive (loss)/income	(7,225)	2,034,723	4,379,186	7,893,714
Summarised cash flow information				
Financial year ended 30 June 2020				
Cash flow (used in)/from operating activities	(8,815)	13,189,401	6,080,313	(11,110,686)
Cash flow used in investing activities	-	-	-	(57,037,570)
Cash flow from financing activities	-	432,692	2,772,657	98,168,819
Net (decrease)/increase in cash and cash equivalents	(8,815)	13,622,093	8,852,970	30,020,563

(i) Net gain on preference shares issued to the Company by a subsidiary which classified as financial liabilities at amortised cost.

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					
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	

6. INVESTMENT IN SUBSIDIARIES (continued)

(d) The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows (continued):

2019	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Riveria City Sdn. Bhd. RM
Summarised statement of comprehensive income				
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)/from operating activities	(9,510)	(33,833,714)	762,233	(13,861,541)
Cash flow from investing activities	-	83,821,104	31,607,740	-
Cash flow (used in)/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

(e) Effects on acquisition of subsidiaries are from the following:

2020

Riveria City Sdn. Bhd. ("RCSB")

On 22 April 2019, the Company had entered into a Mutual Termination Agreement with Bina Puri Properties Sdn. Bhd. ("BPPSB") to terminate the joint venture agreement dated 21 March 2018 and transfer the remaining 30% equity interest comprising 120,000 ordinary shares in RCSB held by BPPSB for a total consideration of RM120,000. The acquisition was completed on 3 March 2020.

On 13 December 2019, the Company had entered into a Share Subscription Agreement with Tokyu Land Asia Pte. Ltd. ("TLA") for the subscription by TLA of 600,000 ordinary shares in RCSB for a total consideration of RM600,000. The shares were allotted to TLA on 26 March 2020.

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.

7. INVESTMENT IN ASSOCIATES

	Group 2020 RM	Group 2019 RM
Unquoted shares - at cost	**499,040**	499,040
Share of post-acquisition reserves	**(53,549)**	(49,706)
Less: Impairment loss	**(40)**	-
	445,451	449,334

Details of the associates are as follows:

Name of company	Principal place of business/ country of incorporation	Effective ownership interest 2020	Effective ownership interest 2019	Principal activities
Indirect associate held through Titijaya Medicare Sdn. Bhd. (formerly known as Titijaya Resources Sdn. Bhd.)				
- Amona Titijaya Sdn. Bhd.*	Malaysia	**40%**	40%	Property development.
- Asas Dinasti Sdn. Bhd.	Malaysia	**40%**	40%	Dormant
Indirect associate held through Tulus Lagenda Sdn. Bhd.				
- BJ Properties Sdn. Bhd.*#	Malaysia	**49%**	49%	Property development.
Indirect associate held through Titijaya Medicare Sdn. Bhd. (formerly known as 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 2020

(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
2020			
Assets and liabilities:			
Non-current assets	**97,564,134**	**5,421,489**	**102,985,623**
Current assets	**24,246,971**	**38,599**	**24,285,570**
Current liabilities	**(107,230,887)**	**(4,574,147)**	**(111,805,034)**
Net assets	**14,580,218**	**885,941**	**15,466,159**
Results:			
Loss for the financial year	**(914,858)**	**(10,107)**	**(924,965)**
Total comprehensive loss	**(914,858)**	**(10,107)**	**(924,965)**

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	BJ Properties Sdn. Bhd. RM	Other individually immaterial associates RM	Total RM
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)

8. INVESTMENT PROPERTIES

Group	Freehold lands RM	Buildings RM	Construction in progress RM	Total RM
Costs				
At 1 July 2018	71,989,369	68,708,668	-	140,698,037
Addition*	2,940,997	-	32,207,993	35,148,990
At 30 June 2019	74,930,366	68,708,668	32,207,993	175,847,027
Addition	-	-	19,739,800	19,739,800
Reversal	(3,571,197)	-	-	(3,571,197)
At 30 June 2020	**71,359,169**	**68,708,668**	**51,947,793**	**192,015,630**
Accumulated depreciation				
At 1 July 2018	-	4,500,785	-	4,500,785
Depreciation charge for the financial year	-	756,239	-	756,239
At 30 June 2019	-	5,257,024	-	5,257,024
Depreciation charge for the financial year	-	756,237	-	756,237
At 30 June 2020	**-**	**6,013,261**	**-**	**6,013,261**
Net carrying amount				
At 30 June 2020	**71,359,169**	**62,695,407**	**51,947,793**	**186,002,369**
At 30 June 2019	74,930,366	63,451,644	32,207,993	170,590,003

* In previous financial years, a subsidiary has acquired a property (classified under investment property) from a fellow subsidiary which was previously classified under inventory.

8. INVESTMENT PROPERTIES (continued)

Buildings consist of retail shop lots, office units and a food court.

	Group	
	2020 RM	2019 RM
Fair value of investment properties	**142,210,000**	143,420,000
Rental income generated	**1,927,077**	2,026,692
Direct operating expenses arising from: - income generating investment properties	**585,106**	191,528

(a) Fair value information

The fair value of investment properties (excluding construction in progress) of approximately RM142,210,000 (2019: RM143,320,000) 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 RM55,682,722 (2019: RM39,514,119) have been pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 20.

9. GOODWILL ON CONSOLIDATION

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination.

The carrying amount of goodwill had been allocated to investment holding segment as independent CGU.

The Group performed impairment review on goodwill annually or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value in use calculation using 2 to 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 9.92% (2019: 10.11%) 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	
	2020 RM	**2019 RM**
Non-current:		
At lower of cost or net realisable value		
Property held for development		
- Freehold land	**336,081,694**	237,275,508
- Leasehold land	**106,139,735**	105,432,949
- Development costs	**516,709,148**	427,110,180
	958,930,577	769,818,637
Current:		
At lower of cost or net realisable value		
Property under development		
- Freehold land	**3,766,293**	111,248,140
- Leasehold land	**90,158,778**	101,226,741
- Development costs	**295,210,714**	288,947,190
	389,135,785	501,422,071
Completed properties	**197,815,494**	202,122,264
Total inventories (current)	**586,951,279**	703,544,335
Total inventories (non-current and current)	**1,545,881,856**	1,473,362,972

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM112,315,145 (2019: RM197,458,198). In addition, the expense recognised in the profit or loss include the following:

	Group	
	2020 RM	**2019 RM**
Inventories written down	**5,723,814**	-

(b) Freehold lands and leasehold lands included in the properties held for development of RM253,532,381 (2019: RM252,825,595) have been pledged to financial institutions to secure credit facilities granted to the Group as disclosed in Note 20.

(c) Included in inventories are borrowing costs capitalised in the property development costs during the financial year as follows:

	Group	
	2020 RM	**2019 RM**
Borrowing costs capitalised	**16,636,749**	18,452,386

11. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Non-current:					
Trade					
Stakeholder sum	(a)	**-**	942,148	**-**	-
Current:					
Trade					
Trade receivables from contracts with customers	(a)	**58,047,660**	86,767,157	**-**	-
Stakeholder sum	(a)	**246,191**	7,359,680	**-**	-
		58,293,851	94,126,837	**-**	-
Less: impairment loss for trade receivables	(a)	**(2,229,901)**	(2,288,171)	**-**	-
		56,063,950	91,838,666	**-**	-
Non-trade					
Amount owing by:					
- subsidiaries	(b)	**-**	-	**203,267**	304,094
- associates	(b)	**8,315,298**	8,853,692	**3,010,785**	3,014,177
Less: impairment loss on:					
- subsidiaries	(b)	**-**	-	**(203,267)**	(122,843)
- associates	(b)	**(3,743,861)**	(3,743,861)	**(3,000,371)**	(3,000,371)
Other receivables	(c)	**253,966,331**	257,479,663	**6,690,161**	6,810,163
Less: written off		**(443,886)**	-	**-**	-
GST refundable		**1,837,960**	2,465,095	**126,613**	126,626
Deposits	(d)	**110,017,108**	111,244,594	**54,500**	1,104,500
Less: written off		**(100)**	(75,805)	**-**	-
Prepayments		**459,994**	14,931	**440,137**	-
Less: written off		**(6,345)**	-	**-**	-
		370,402,499	376,238,309	**7,321,825**	8,236,346
Total trade and other receivables (current)		**426,466,449**	468,076,975	**7,321,825**	8,236,346
Total trade and other receivables (non-current and current)		**426,466,449**	469,019,123	**7,321,825**	8,236,346

11. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables

Included in the trade receivables of the Group is an amount of RM246,191 (2019: RM8,301,828) deposited with a lawyer as stakeholders' sum from house buyers.

The Group's normal trade credit terms ranges from 14 days to 90 days (2019: 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	
	2020 RM	2019 RM
At 1 July	**2,288,171**	2,288,171
Reversal of impairment loss	**(58,270)**	-
At 30 June	**2,229,901**	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 34(b)(i).

(b) Amounts owing by subsidiaries and associates

The amounts owing by 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	
	2020 RM	2019 RM
At 1 July	**122,843**	122,843
Charge for the financial year	**80,424**	-
At 30 June	**203,267**	122,843

The reconciliation of movement in the accumulated impairment losses of amounts owing by associates is as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
At 1 July	**3,743,861**	3,002,081	**3,000,371**	3,002,081
Charge for the financial year	**-**	743,490	**-**	-
Reversal of impairment loss	**-**	(1,710)	**-**	(1,710)
At 30 June	**3,743,861**	3,743,861	**3,000,371**	3,000,371

11. TRADE AND OTHER RECEIVABLES (continued)

(b) Amounts owing by subsidiaries and associates (continued)

The above impairment losses that are individually determined at the reporting date relate to subsidiaries and associates that have difficulty in repaying the advances.

(c) Other receivables

(i) Included in the other receivables of the Group is an amount of RM232,863,431 (2019: RM232,863,431) 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 (2019: RM496,405) due from entities in which persons connected to certain directors have interests.

(d) Deposits

Included in deposits of the Group as follows:

(i) RM103,672,800 (2019: 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) In the previous financial year, RM1,000,000 was in relation to deposits paid for a joint development project.

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2020 RM	**2019 RM**
Contract assets relating to property development contracts	**784,133**	219,373
Contract liabilities relating to property development contracts	**(160,120,696)**	(57,305,920)

(a) Significant changes in contract balances

	2020		2019	
	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	**-**	**56,211,951**	-	23,157,601
Increases due to consideration received from customers, but revenue not recognised	**-**	**(159,026,727)**	-	(50,481,316)
Increases due to revenue recognised, but no right to consideration	**784,133**	**-**	-	-
Transfers from contract assets recognised at the beginning of the period to receivables	**(209,971)**	**-**	(51,450,696)	-
Written off of contract assets	**(9,402)**	**-**	-	-

12. CONTRACT ASSETS/(LIABILITIES) (continued)

(b) Revenue recognised in relation to contract balances

	Group	
	2020 RM	2019 RM
Revenue recognised that was included in contract liability at the beginning of the financial year	**56,211,951**	23,157,601

Revenue recognised that was included in the contract liability balance at the beginning of the year represented primarily revenue from the sale of property development contracts when percentage of completion increases.

13. CONTRACT COSTS

Costs to obtain contracts

Costs to obtain contracts relate to incremental commission fees paid to intermediaries as a result of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. During the financial year, the amortisation of contract costs of the Group recognised were RM5,138,942 (2019: RM15,961,452).

14. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cash and bank balances	**141,334,892**	105,969,862	**2,628,659**	10,711,191
Short-term deposits	**19,050,437**	31,523,905	**7,581,145**	24,367,522
	160,385,329	137,493,767	**10,209,804**	35,078,713

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Short-term deposits	**19,050,437**	31,523,905	**7,581,145**	24,367,522
Less: pledged deposits	**(16,098,485)**	(18,514,603)	**(6,532,183)**	(12,116,382)
Less: deposits with maturity more than 3 months	**(1,048,962)**	(2,251,140)	**(1,048,962)**	(2,251,140)
	1,902,990	10,758,162	**-**	10,000,000
Cash and bank balances	**141,334,892**	105,969,862	**2,628,659**	10,711,191
Islamic commercial paper	**(70,000,000)**	(50,000,000)	**(70,000,000)**	(50,000,000)
	73,237,882	66,728,024	**(67,371,341)**	(29,288,809)

14. CASH AND SHORT-TERM DEPOSITS (continued)

Included in the deposits placed with licensed banks of the Group and the Company, RM16,098,485 (2019: RM18,514,603) and RM6,532,183 (2019: RM12,116,382) 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 RM13,203,023 (2019: RM16,433,771) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

15. SHARE CAPITAL, TREASURY SHARES AND RETAINED EARNINGS

	Group and Company			
	Ordinary Shares		*Amount*	
	Share capital (Issued and fully paid up) Unit	Treasury shares Unit	Share capital (Issued and fully paid up) RM	Treasury shares RM
At 1 July 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)
Conversion of ICPS to ordinary shares	13,543,300	-	11,173,221	-
Repurchase of treasury shares	-	(10,425,600)	-	(3,060,523)
At 30 June 2020	**1,357,967,910**	**(83,572,100)**	**784,412,338**	**(25,290,710)**

(a) Share capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company converted 13,543,300 new ordinary shares of RM0.825 each arising from the conversion of 135,433,000 units of irredeemable convertible preference shares ("ICPS") on the basis of 1 new ordinary share for every 10 unit of ICPS. These new ordinary shares rank pari passu with the existing ordinary shares of the Company.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

During the financial year, the Company repurchased 10,425,600 (2019: 72,909,500) of its issued ordinary shares from the open market at an average price of RM0.29 (2019: RM0.30) per share. The net total consideration paid for repurchase including transaction costs was RM3,060,523 (2019: RM22,095,734).

15. SHARE CAPITAL, TREASURY SHARES AND RETAINED EARNINGS (continued)

(b) Treasury shares (continued)

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

(c) Retained earnings

Under the single tier system, all the Company's retained earnings are distributable by way of dividend and tax on the Company's profit is the final tax and dividend distributed to shareholders will be exempted from tax.

16. IRREDEEMABLE CONVERTIBLE PREFERENCES SHARES ("ICPS")

	Group and Company			
	2020 Unit	**2019 Unit**	**2020 RM**	**2019 RM**
Issued ICPS				
At 1 July	**865,026,798**	865,026,798	**71,364,721**	71,364,721
Conversion of ICPS to ordinary shares	**(135,433,000)**	-	**(11,173,221)**	-
At 30 June	**729,593,798**	865,026,798	**60,191,500**	71,364,721

During financial year, 135,433,000 units of ICPS has been converted to ordinary shares at RM0.825 each on the basis of 10 ICPS for every 1 existing ordinary shares in TLB.

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.

(c) Maturity date

The maturity date of the ICPS immediately preceding the 5th anniversary from the date of issuance 27 September 2017.

16. IRREDEEMABLE CONVERTIBLE PREFERENCES SHARES ("ICPS") (continued)

The salient features of the ICPS are as follows (continued):

(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.

17. OTHER RESERVES

Other reserves arose from the acquisition of a subsidiary, NPO Development Sdn. Bhd..

18. REDEEMABLE PREFERENCE SHARES ("RPS")

	Group	
	2020 RM	**2019 RM**
Issued RPS		
At 1 July	**141,000**	235,000
Issued during the financial year	**10,000,000**	-
Redeemed during the financial year	**-**	(94,000)
At 30 June	**10,141,000**	141,000

The redeemable preference shares were issued by a subsidiary of the Company, the main features of the redeemable preference shares are as follows:

(a) Right to dividends

The preference shares shall not confer upon the holders the right to be paid out of the profits of the subsidiary available for the payment any fixed or rate of dividend which the pre-determined in respect of any financial year or other period for which the subsidiary's accounts are made up. However, the Board reserves the right and sole discretion right to declare or not declare any dividend to be paid to the holder of preference shares.

18. REDEEMABLE PREFERENCE SHARES ("RPS") (continued)

The redeemable preference shares were issued by a subsidiary of the Company, the main features of the redeemable preference shares are as follows (continued):

(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.

19. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Non-current:					
Trade					
Trade payables	(a)	**19,962,920**	12,984,210	**-**	-
Non-trade					
Class A shares of a subsidiary classified as financial liability	(f)	**31,586,797**	-	**-**	-
Total trade and other payables (non-current)		**51,549,717**	12,984,210	**-**	-
Current:					
Trade					
Trade payables	(a)	**63,262,705**	85,715,247	**-**	-
Non-trade					
Amounts owing to:	(b)				
- subsidiaries		**-**	-	**101,674,543**	91,848,867
- directors		**1,339,930**	1,339,936	**-**	6
Other payables	(c)	**68,102,622**	65,229,074	**42,403**	42,400
GST payable		**16,504**	31,081	**-**	-
Accruals	(d)	**326,184,898**	325,153,881	**390,670**	352,401
Refundable deposits	(e)	**4,821,398**	3,554,216	**-**	-
		400,465,352	395,308,188	**102,107,616**	92,243,674
Class A shares of a subsidiary classified as financial liability	(f)	**-**	47,000,000	**-**	-
Total trade and other payables (current)		**463,728,057**	528,023,435	**102,107,616**	92,243,674
Total trade and other payables (non-current and current)		**515,277,774**	541,007,645	**102,107,616**	92,243,674

19. TRADE AND OTHER PAYABLES (continued)

(a) Trade payables

The normal trade credit terms granted to the Group range from 30 days to 90 days (2019: 30 days to 90 days).

Included in trade payables is an amount of RM49,821,444 (2019: RM43,255,399) held as retention sum payable to contractors.

(b) Amounts owing to subsidiaries and directors

The amounts owing to subsidiaries and directors are unsecured, interest free and repayable on demand in cash.

(c) Other payables

(i) Included in other payables is an amount of RM52,343 (2019: RM23,505) owing to companies in which certain directors have interests.

(ii) Included in other payables is an amount of RM24,330,726 (2019: RM24,474,225) 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 RM320,539,655 (2019: RM321,669,057) 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 subsidiaries classified as financial liabilities

	Group			
	2020 Unit	**2019 Unit**	**2020 RM**	**2019 RM**
Class A shares of subsidiaries				
At 1 July	**47,000,000**	47,000,000	**47,000,000**	47,000,000
Issued during the financial year	**39,400,000**	-	**39,400,000**	-
Redeemed during the financial year	**(47,000,000)**	-	**(47,000,000)**	-
Net gain on Class A shares classified as financial liabilities at amortised cost	**-**	-	**(7,813,203)**	-
At 30 June	**39,400,000**	47,000,000	**31,586,797**	47,000,000

19. TRADE AND OTHER PAYABLES (continued)

(f) Class A shares of subsidiaries classified as financial liabilities (continued)

During the financial year:

(i) On 6 May 2020, Epoch Property Sdn. Bhd. ("EPSB") had redeemed 47,000,000 units of Class A shares from the subscriber.

(ii) On 16 December 2019, Riveria City Sdn. Bhd. ("RCSB") had issued of 39,400,000 units of Class A shares for RM39,400,000 to a subscriber, Tokyu Land Asia Pte Ltd ("TLA"), for the purpose of expanding the property development business with certain terms and conditions as stated in the subscription agreement. The Class A shareholder is entitled to receive annual dividend and annual capital reduction.

The main features of the Class A shares are as follows:

(i) Right to Annual Dividends

At the end of each financial year, TLA shall be entitled to receive as dividend or any distribution whatsoever, 30% of such amount attributable to the Net Profit of Project Riveria, subject to the Cash Flow Availability.

On any payment of dividends or distributions at any time, the Class A shares shall rank in priority to ordinary shares ("OS") and redeemable preference shares ("RPS"). RPS holder shall not be entitled to any dividends or distributions until and unless the Class A shareholder have first received the dividend and capital reduction for the particular financial year.

(ii) Annual Capital Reduction

At the end of each financial year, TLA shall be entitled to require RCSB to return such amount of capital to TLA by carrying out a share capital reduction exercise for such number of Class A shares at RM1 per share for an amount equivalent to 30% of the Net Cash Flow less the Annual Dividend to be paid for that financial year to TLA.

In the event if the Net Cash Flow is less than zero, such deficiency amount shall be carried forward to the following financial year.

(iii) Subscriber's Rights

RCSB shall not directly or indirectly vary or affect rights, privileges, or conditions attached to the Class A shares, or the exercise of any of those rights, privileges or conditions without the prior approval of the Class A Shareholders.

RCSB of any shares ranking pari passu with existing Class A shares shall be deemed to be a variation of the rights, privileges or conditions attached to the Class A shares.

(iv) Winding up preference

On a winding up, TLA is conferred the right to receive, in priority to any payment to the RPS holders and the OS holders, cash payment in full of the Subscription Price, less the amount of Annual Dividends distributed and Annual Capital Reduction made, and after the payment and discharge of all debts and liabilities of RCSB to its secured and unsecured creditors and the cost of such winding up, provided that after the aforesaid cash payments are made in full, and after RPS holder and OS holders are paid the subscription price of the OS, TLA shall rank pari passu with the Titijaya Land Berhad ("TLB") in any further distribution of any surplus assets. Any such further distribution shall be limited to surplus assets or profit arising out of or in connection with Project Riveria.

(v) Seniority

Class A shares shall rank senior to all other equity of RCSB. RPS shall rank senior to all equity of RCSB other than Class A shares.

20. LOANS AND BORROWINGS

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Non-current:					
Term loans	(a)	**270,262,727**	307,855,600	**-**	-
Lease liabilities/Finance lease liabilities	(b)	**761,545**	1,021,445	**-**	-
Bridging loans	(c)	**46,875,000**	50,000,000	**-**	-
		317,899,272	358,877,045	**-**	-
Current:					
Term loans	(a)	**56,424,317**	39,169,478	**-**	-
Lease liabilities/Finance lease liabilities	(b)	**268,558**	251,682	**-**	-
Bridging loans	(c)	**3,169,080**	-	**-**	-
Revolving credits	(d)	**41,200,000**	27,200,000	**41,200,000**	27,200,000
Islamic commercial paper	(e)	**70,000,000**	50,000,000	**70,000,000**	50,000,000
		171,061,955	116,621,160	**111,200,000**	77,200,000
		488,961,227	475,498,205	**111,200,000**	77,200,000
Total loans and borrowings:					
Term loans	(a)	**326,687,044**	347,025,078	**-**	-
Lease liabilities/Finance lease liabilities	(b)	**1,030,103**	1,273,127	**-**	-
Bridging loans	(c)	**50,044,080**	50,000,000	**-**	-
Revolving credits	(d)	**41,200,000**	27,200,000	**41,200,000**	27,200,000
Islamic commercial paper	(e)	**70,000,000**	50,000,000	**70,000,000**	50,000,000
		488,961,227	475,498,205	**111,200,000**	77,200,000

(a) Term loans

The term loans bear interests at rates ranging from 4.24% to 8.65% (2019: 4.10% to 8.65%) per annum.

(b) Lease liabilities/Finance lease liabilities

The lease liabilities/finance lease liabilities bear interest at the effective interest rates ranging from 4.66% to 5.72% (2019: 4.66% to 5.72%) per annum.

20. LOANS AND BORROWINGS (continued)

(b) Lease liabilities/Finance lease liabilities (continued)

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	Group	
	2020 RM	2019 RM
Minimum lease payments:		
- within twelve months	**311,741**	308,135
- later than 1 year and not later than 5 years	**816,145**	1,023,560
- later than 5 years	**3,670**	91,693
	1,131,556	1,423,388
Less: Future finance charges	**(101,453)**	(150,261)
Present value of minimum lease payments	**1,030,103**	1,273,127
Analysis of present value of minimum lease payments		
- not later than one year	**268,558**	251,682
- later than 1 year and not later than 5 years	**757,894**	933,172
- later than 5 years	**3,651**	88,273
	1,030,103	1,273,127

(c) Bridging loans

The bridging loans bear interests at rates ranging from 4.19% to 5.32% (2019: 5.43%) per annum.

(d) Revolving credits

The revolving credits of the Group and of the Company bear interest rate at rates ranging from 4.40% to 5.40% (2019: 4.85% to 5.34%) per annum.

(e) Islamic commercial paper

The Islamic commercial paper is unsecured and bear interests at a rate of 5.10% (2019: 4.50%) per annum.

(f) The loans and borrowings of the Group and of the Company 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) legal assignment and charge over the investment properties of 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) legal charge over ordinary shares of a subsidiary and cash deposits with bank of subsidiaries as disclosed in Note 14;

(f) 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;

20. LOANS AND BORROWINGS (continued)

(f) The loans and borrowings of the Group and of the Company are secured by way of (continued):

(g) first party deed of assignment and power of attorney over the property of a subsidiary as disclosed in Note 5;

(h) 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;

(i) assignment of subsidiary's Housing Development Act Account and Project Development Account of the projects;

(j) master trade agreement;

(k) personal, joint and several guarantee by certain directors of the Company and its subsidiaries;

(l) letter of subordination debts to subordinate all advances by the Company and certain directors of a subsidiary;

(m) letter of undertaking from the directors, a shareholder of a subsidiary and a subsidiary;

(n) corporate guarantee from the Ultimate Holding Company, the Company and a subsidiary;

(o) upfront placement of 3 months instalment in the (principal and profit) in an escrow account maintained with the bank of a subsidiary;

(p) legal charge and assignment over Finance Service Reserve and Escrow Account and all proceeds therein of a subsidiary;

(q) Memorandum of Charge over entire paid up capital of the Chargor for the land;

(r) debenture incorporating a fixed and floating charges for all monies owing or payable under facilities over present and future assets of a subsidiary; and

(s) legal assignment of insurance by Chargor.

21. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) relates to the following:

	As at 1 July 2018 RM	Recognised in profit or loss (Note 28) RM	Inventories RM	Investment properties RM	As at 30 June 2019 RM	Recognised in profit or loss (Note 28) RM	As at 30 June 2020 RM
Group							
Deferred tax liabilities:							
Property, plant and equipment	(69,599)	(3,516)	-	-	(73,115)	-	**(73,115)**
Investment properties	(15,755,032)	-	-	630,200	(15,124,832)	-	**(15,124,832)**
Inventories:							
- Development expenditures	-	(1,355,302)	-	-	(1,355,302)	988,283	**(367,019)**
- Land held for property development	(15,861,277)	200,781	783,888	-	(14,876,608)	108,149	**(14,768,459)**
	(31,685,908)	(1,158,037)	783,888	630,200	(31,429,857)	1,096,432	**(30,333,425)**
Deferred tax assets:							
Inventories:							
- Development expenditures	692,144	-	-	-	692,144	2,325,602	**3,017,746**
Provision for liquidated ascertained damages	1,747,260	(1,595,007)	-	-	152,253	(152,253)	**-**
	2,439,404	(1,595,007)	-	-	844,397	2,173,349	**3,017,746**
	(29,246,504)	(2,753,044)	783,888	630,200	(30,585,460)	3,269,781	**(27,315,679)**

21. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

	Group	
	2020 RM	2019 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	**3,017,746**	844,397
Deferred tax liabilities	**(30,333,425)**	(31,429,857)
	(27,315,679)	(30,585,460)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2020 RM	2019 RM
Temporary differences	**3,544,106**	3,210,016
Unused tax losses	**27,514,652**	17,978,182
Unabsorbed capital allowance	**27,240**	530,774
	31,085,998	21,718,972

Pursuant to Section 11 of the Finance Act 2018 (Act 812), special provision relating to Section 43 & 44 of Income Tax Act 1967, a time limit has been imposed on the unutilised business losses, to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment (i.e. from years of assessment 2019 to 2025).

The unused tax losses are available for offset against future taxable profits of the Group which will expire in the following financial years:

	Group 30 June 2020 RM
2025	**11,668,944**
2026	**5,559,249**
2027	**10,286,459**

22. REVENUE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Revenue from contract customers:				
Timing of revenue recognition:				
Over time				
Property development	**109,986,881**	242,561,402	**-**	-
At a point in time				
Sale of completed properties	**54,566,062**	69,264,347	**-**	-
Revenue from other source:				
Timing of revenue recognition:				
At a point in time				
Rental income from investment property	**745,425**	826,759	**-**	-
Dividend income from a subsidiary	**-**	-	**64,300,000**	28,945,000
Others	**12,669**	748	**-**	-
	165,311,037	312,653,256	**64,300,000**	28,945,000

23. COST OF SALES

	Group	
	2020 RM	2019 RM
Property development costs	**73,542,595**	177,544,503
Costs of completed properties sold	**43,911,492**	42,361,058
Reversal of costs accrued for development projects	**-**	(5,443,883)
Direct operating expenses arising from investment properties	**18,776**	18,776
	117,472,863	214,480,454

24. OTHER INCOME

	Group	
	2020 RM	2019 RM
Administrative fee received	**317,752**	261,032
Forfeiture income	**744,387**	1,253,246
Liquidated and ascertained damages income	**77,865**	1,054,276
Miscellaneous income	**161,975**	14,491
Net gain on capital reduction of Class A shares	**13,018,136**	-
Net gain on Class A shares classified as financial liabilities at amortised cost	**7,813,203**	-
Non-refundable deposit income	**-**	48,000
Rental income	**3,645,131**	8,597,048
Waiver of debt	**-**	758,811
Waiver of penalty	**-**	164,062
	25,778,449	12,150,966

25. FINANCE INCOME

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Interest income on short-term deposits	**996,751**	868,168	**889,054**	757,379
Interest earned on late payment received	**1,802,392**	-	**-**	-
Other interest income	**1,322,522**	2,722,635	**5,322**	185,528
	4,121,665	3,590,803	**894,376**	942,907

26. FINANCE COSTS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Interest expense on:				
- Bank overdrafts	**16,953**	5,678	**16,953**	5,678
- Bridging loans	**967,748**	1,110,862	**-**	-
- Class A shares	**1,749,311**	-	**-**	-
- Islamic commercial paper	**3,519,726**	2,250,000	**3,519,726**	2,250,000
- Lease liabilities/Finance lease liabilities	**48,905**	77,016	**-**	-
- Revolving credits	**1,361,989**	1,921,552	**1,361,989**	1,921,551
- Unwinding of discount on retention sum	**-**	3,377,745	**-**	-
- Term loans	**979,646**	4,140,291	**147,944**	401,621
	8,644,278	12,883,144	**5,046,612**	4,578,850

27. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving of profit before tax:

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Auditors' remuneration:					
- statutory audit					
- current year		**414,000**	429,780	**92,000**	94,000
- prior year		**(4,000)**	(15,200)	**(2,000)**	23,000
- non-statutory audit fees		**27,000**	97,000	**27,000**	97,000
Credit losses on revocation of sales		**3,452,501**	-	**-**	-
Depreciation of investment properties		**756,237**	756,239	**-**	-
Depreciation of property, plant and equipment		**890,098**	939,748	**-**	-
Expenses relating to short-term leases		**163,900**	-	**-**	-
Expenses relating to low value assets		**89,665**	-	**-**	-
Impairment loss on:					
- amount owing by an associate		**-**	743,490	**-**	-
- amount owing by subsidiaries		**-**	-	**80,424**	-
- investment in associates		**40**	-	**-**	-
- investment in subsidiaries		**-**	-	**2,000,006**	-
Inventories written down		**5,723,814**	-	**-**	-
Loss on disposal of property, plant and equipment		**-**	1,112	**-**	-
Rental expense on:					
- sales office		**-**	330,075	**-**	-
- motor vehicle		**-**	300	**-**	-
- equipment		**-**	40,142	**-**	-
Reversal of impairment loss on:					
- amount owing by an associate		**-**	(1,710)	**-**	(1,710)
- trade receivables		**(58,270)**	-	**-**	-
Written off of:					
- contract assets		**9,402**	-	**-**	-
- deposits		**100**	75,805	**-**	-
- other receivables		**443,886**	-	**-**	-
- prepayment		**6,345**	-	**-**	-
Employee benefits expense	32	**13,140,739**	14,724,979	**465,870**	344,900

28. INCOME TAX EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	**9,800,747**	15,063,629	**188,165**	185,612
- Under/(Over)provision in the previous financial year	**7,508,398**	(1,170,961)	**1,405**	14,193
	17,309,145	13,892,668	**189,570**	199,805
Deferred tax: (Note 21)				
- Origination of temporary differences	**(531,134)**	3,425,817	**-**	-
- Overprovision in the previous financial year	**(2,738,647)**	(672,773)	**-**	-
	(3,269,781)	2,753,044	**-**	-
Income tax expense recognise in profit or loss	**14,039,364**	16,645,712	**189,570**	**199,805**

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 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	
	2020 RM	2019 RM	2020 RM	2019 RM
Profit before tax	**16,212,607**	52,974,446	**56,428,987**	23,372,550
Tax at Malaysian statutory income tax rate of 24% (2019: 24%)	**3,891,025**	12,713,867	**13,542,957**	5,609,412
Share of results of associates	**922**	1,564	**-**	-
Adjustments:				
- Non-deductible expenses	**5,182,584**	6,166,330	**1,934,628**	1,257,758
- Income not subject to tax	**(2,053,004)**	(39,329)	**(15,289,420)**	(6,681,558)
- Deferred tax not recognised on tax losses, capital allowances and temporary differences	**2,535,984**	1,200,486	**-**	-
- Utilisation of previously unrecognised tax losses, capital allowances and temporary differences	**(287,898)**	(1,553,472)	**-**	-
- Under/(Over)provision of income tax in the previous financial year	**7,508,398**	(1,170,961)	**1,405**	14,193
- Overprovision of deferred tax in the previous financial year	**(2,738,647)**	(672,773)	-	-
Income tax expense	**14,039,364**	16,645,712	**189,570**	199,805

29. 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	
	2020	**2019**
(Loss)/Profit attributable to owners of the Company (RM)	**(2,116,875)**	33,315,540
Weighted average number of ordinary shares for basic earnings per share (units)	**1,267,692,843**	1,314,914,904
Basic (loss)/earnings per ordinary share (sen)	**(0.17)**	2.53

(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	
	2020	**2019**
(Loss)/Profit attributable to owners of the Company (RM)	**(2,116,875)**	33,315,540
Weighted average number of ordinary shares for basic earnings per share (units)	**1,267,692,843**	1,314,914,904
Effect of dilution from:		
Conversion of ICPS	**72,959,380**	86,502,680
Weighted average number of ordinary shares for basic earnings per share	**1,340,652,223**	1,401,417,584
Basic (loss)/earnings per ordinary share (sen)	**(0.16)**	2.38

30. GUARANTEES

(a) Financial guarantees

The corporate guarantees, guaranteed by the Company for credit facilities granted to subsidiaries are as follows:

	Company	
	2020 RM	2019 RM
Corporate guarantees for credit facilities of granted to subsidiaries	**376,731,124**	393,043,031

(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	
	2020 RM	2019 RM	2020 RM	2019 RM
Bank guarantees issued to authorities	**12,168,338**	22,634,185	**11,136,858**	10,490,705
Bank guarantees issued to a third party for joint development project	**9,032,464**	14,048,696	**9,032,464**	14,048,696
	21,200,802	36,682,881	**20,169,322**	24,539,401

31. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Company's holding company as disclosed in Note 1;

(ii) Subsidiaries;

(iii) Associates;

(iv) Entities in which directors have substantive financial interest;

(v) Close members of the family of a directors; and

(vi) Key management personnel of the Group's and of the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

31. RELATED PARTIES (continued)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Subsidiaries				
Project management fee				
- Titijaya PMC Sdn. Bhd.	**-**	-	**(72,000)**	(72,000)
Dividend income				
- NPO Development Sdn. Bhd.	**-**	-	**26,800,000**	10,500,000
- Safetags Solution Sdn. Bhd.	**-**	-	**-**	13,000,000
- Epoch Property Sdn. Bhd.	**-**	-	**37,500,000**	5,445,000
Related party				
Billing to/back charge of construction costs				
- Amakmur Development Sdn. Bhd.	**3,000,797**	763,442	**-**	-

(c) Compensation of key management personnel

	Group	
	2020 RM	2019 RM
Included in staff costs were remunerations for key management personnel other than directors		
- Short-term employee benefits	**2,160,593**	1,582,756
- Defined contribution plan	**309,696**	190,945
	2,470,289	1,773,701

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.

32. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Short-term employee benefits	**11,853,437**	13,220,611	**465,870**	344,900
Defined contribution plans	**1,287,302**	1,504,368	**-**	-
	13,140,739	14,724,979	**465,870**	344,900

Included in employee benefits expenses are:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Directors of the Company				
Executive directors				
- Fees	**212,840**	1,000	**212,840**	1,000
- Other emoluments	**2,168,272**	2,557,449	**-**	4,000
Non-executive directors				
- Fees	**195,530**	288,900	**195,530**	288,900
- Other emoluments	**57,500**	51,000	**57,500**	51,000
	2,634,142	2,898,349	**465,870**	344,900

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

	Number of directors	
	2020	2019
Executive Directors:		
RM650,001 - RM700,000	**1**	-
RM700,001 - RM750,000	**-**	1
RM750,001 - RM800,000	**1**	-
RM800,001 - RM850,000	**-**	-
RM850,001 - RM900,000	**-**	1
RM900,001 - RM950,000	**1**	-
RM950,001 - RM1,000,000	**-**	1
Non-executive Directors:		
RM1 - RM50,000	**4**	1
RM50,001 - RM100,000	**2**	4

33. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group Managing Director for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	**Products and services**
Property development	Development of housing and commercial units for sales to house and office building purchasers
Investment holding and others	Investment holding and others

Inter-segment pricing is determined on negotiated basis.

<u>Segment profit</u>

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.

<u>Segment assets</u>

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.

<u>Segment liabilities</u>

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.

33. SEGMENT INFORMATION (continued)

Group	Note	Property development RM	Investment holding and others RM	Adjustment and eliminations RM	Consolidation RM
2020					
Revenue					
Revenue from external customers		164,552,947	758,090	-	165,311,037
Inter-segment revenue	A	24,891,722	81,199,038	(106,090,760)	-
Total revenue		189,444,669	81,957,128	(106,090,760)	165,311,037
Results					
Segment results		54,939,266	59,368,848	(93,569,051)	20,739,063
Finance income		3,044,026	1,077,639	-	4,121,665
Finance costs		(16,056,952)	(5,584,953)	12,997,627	(8,644,278)
Share of results of associate		-	-	(3,843)	(3,843)
Profit before tax	B	41,926,340	54,861,534	(80,575,267)	16,212,607
Income tax expense		(13,796,490)	(351,023)	108,149	(14,039,364)
Net profit for the financial year	B	28,129,850	56,510,511	(80,467,118)	2,173,243
Assets					
Segment assets		2,501,451,994	1,612,163,905	(1,769,085,651)	2,344,530,248
Investment in associates		95,000	404,000	(53,549)	445,451
Goodwill on consolidation		-	-	2,062,677	2,062,677
Deferred tax assets		3,017,746	-	-	3,017,746
Current tax assets		12,051,714	111,177	-	12,162,891
Total assets	C			(1,767,076,523)	2,362,219,013
Liabilities					
Segment liabilities		1,581,871,306	358,007,858	(775,519,467)	1,164,359,697
Current tax liabilities		2,189,347	68,081	-	2,257,428
Deferred tax liabilities		370,695	69,438	29,893,292	30,333,425
Total liabilities	D			(745,626,175)	1,196,950,550
Other segment information					
Acquisition of property, plant and equipment		94,139	32,181	-	126,320
Addition to investment properties		-	17,156,763	2,583,037	19,739,800
Credit losses on revocation of sales		3,452,501	-	-	3,452,501
Depreciation of investment properties		92,972	663,265	-	756,237
Depreciation of property, plant and equipment		108,312	781,786	-	890,098
Expenses relating to short-term leases		163,900	-	-	163,900
Expenses relating to low value assets		61,228	1,186,889	(1,158,452)	89,665
Finance costs		16,056,952	5,584,953	(12,997,627)	8,644,278
Finance income		(3,044,026)	(1,077,639)	-	(4,121,665)
Impairment loss on:					
- amount owing by subsidiaries		-	80,424	(80,424)	-
- investment in associates		-	40	-	40
- investment in subsidiaries		-	2,000,006	(2,000,006)	-
Inventories written down		5,487,127	-	236,687	5,723,814
Net gain on capital reduction of Class A shares		(13,018,136)	-	-	(13,018,136)
Net gain on Class A shares classified as financial liabilities at amortised cost		(22,426,877)	-	14,613,674	(7,813,203)
Reversal of impairment loss on trade receivables		(58,270)	-	-	(58,270)
Written off of:					
- contract assets		9,402	-	-	9,402
- deposits		-	100	-	100
- other receivables		93,886	350,000	-	443,886
- prepayments		6,345	-	-	6,345

33. 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 associates		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 to investment property		-	18,571,197	16,577,793	35,148,990
Depreciation of investment properties		92,972	663,267	-	756,239
Depreciation of property, plant and equipment		117,403	822,345	-	939,748
Finance costs		6,803,735	6,079,409	-	12,883,144
Finance income		(2,492,646)	(1,098,157)	-	(3,590,803)
Impairment loss on amount owing by an associate		-	743,490	-	743,490
Liquidated and ascertained damages income		(1,054,276)	-	-	(1,054,276)
Loss on disposal of property, plant and equipment		-	1,112	-	1,112
Reversal of impairment loss on amount due from an associate		(1,710)	-	-	(1,710)
Written off of deposits		75,805	-	-	75,805

33. SEGMENT INFORMATION (continued)

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items are as follows:

A Inter-segment revenue
Inter-segment revenue are eliminated on consolidation.

B Reconciliation of profit or loss
Profit/(Loss) from other segment transactions are eliminated on consolidation.

C Reconciliation of assets

	2020 RM	2019 RM
Amount due from holding company	**(101,674,543)**	(91,848,867)
Amount due from subsidiaries	**(726,133,101)**	(750,097,908)
Investment in subsidiaries	**(1,201,743,247)**	(1,080,914,677)
Intra group transactions	**262,527,917**	268,499,952
Sharing of losses for investment in an associate	**(53,549)**	(49,706)
	(1,767,076,523)	(1,654,411,206)

D Reconciliation of liabilities

	2020 RM	2019 RM
Amount due to holding company	**(203,267)**	(708,996,470)
Amount due to subsidiaries	**(743,807,653)**	(757,765,526)
Intra group transactions	**(1,615,255)**	36,760,901
	(745,626,175)	(1,430,001,095)

Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group and the Company classify their financial assets and liabilities at amortised cost. The following table analyses the financial instruments in the statements of financial position:

	Carrying amount RM	Amortised cost RM
At 30 June 2020		
Financial assets:		
Group		
Trade and other receivables (excluding GST refundable and prepayments)	**424,174,840**	**424,174,840**
Cash and short-term deposits	**160,385,329**	**160,385,329**
Total financial assets	**584,560,169**	**584,560,169**
Company		
Trade and other receivables (excluding GST refundable and prepayments)	**6,755,075**	**6,755,075**
Cash and short-term deposits	**10,209,804**	**10,209,804**
Total financial assets	**16,964,879**	**16,964,879**
Financial liabilities:		
Group		
Trade and other payables (excluding GST payable)	**(515,261,270)**	**(515,261,270)**
Loans and borrowings	**(488,961,227)**	**(488,961,227)**
Total financial liabilities	**(1,004,222,497)**	**(1,004,222,497)**
Company		
Trade and other payables	**(102,107,616)**	**(102,107,616)**
Loans and borrowings	**(111,200,000)**	**(111,200,000)**
Total financial liabilities	**(213,307,616)**	**(213,307,616)**

34. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

The Group and the Company classify their financial assets and liabilities at amortised cost. The following table analyses the financial instruments in the statements of financial position (continued):

	Carrying amount RM	Amortised cost RM
At 30 June 2019		
Financial assets:		
Group		
Trade and other receivables (excluding 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 (excluding 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 (excluding GST payable)	(540,976,564)	(540,976,564)
Loans and borrowings	(475,498,205)	(475,498,205)
Total financial liabilities	(1,016,474,769)	(1,016,474,769)
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)

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Group and the Company operate within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Group Managing Director and does not trade in derivative financial instruments. Financial risk management is carried through internal control systems and adherence to Group's and the Company's financial risk management policies.

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

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group 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.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile

The Group 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 follows:

	2020 RM	2019 RM
Group		
Trade receivables:		
Property development	**56,063,950**	92,780,814
Contract assets:		
Property development	**784,133**	219,373

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 2020						
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Gross carrying amount at default	**784,133**	**17,766,537**	**5,605,219**	**5,440,625**	**29,481,470**	**58,293,851**
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

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Some intercompany loans between entities within the Group is repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.11(a) for the Company's other accounting policies for impairment of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meets its liabilities when they fall due.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
Group	**Carrying amount RM**	**On demand or within 1 year RM**	**Between 1 and 5 years RM**	**More than 5 years RM**	**Total RM**
At 30 June 2020					
Financial liabilities:					
Trade and other payables (excluding GST payable)	**515,261,270**	**463,711,553**	**41,962,920**	**17,400,000**	**523,074,473**
Lease liabilities	**1,030,103**	**311,741**	**816,145**	**3,670**	**1,131,556**
Loans and borrowings	**487,931,124**	**185,900,309**	**297,379,589**	**62,585,722**	**545,865,620**
	1,004,222,497	**649,923,603**	**340,158,654**	**79,989,392**	**1,070,071,649**
At 30 June 2019					
Financial liabilities:					
Trade and other payables (excluding GST payable)	540,976,564	527,992,354	12,984,210	-	540,976,564
Finance lease liabilities	1,273,127	308,135	1,023,560	91,693	1,423,388
Loans and borrowings	474,225,078	200,366,936	305,897,022	22,579,974	528,843,932
	1,016,474,769	728,667,425	319,904,792	22,671,667	1,071,243,884

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows (continued):

Company	Carrying amount RM	Contractual cash flows On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
At 30 June 2020					
Financial liabilities:					
Trade and other payables	**102,107,616**	**102,107,616**	**-**	**-**	**102,107,616**
Loans and borrowings	**111,200,000**	**111,200,000**	**-**	**-**	**111,200,000**
	213,307,616	**213,307,616**	**-**	**-**	**213,307,616**
At 30 June 2019					
Financial liabilities:					
Trade and other payables	92,243,674	92,243,674	-	-	92,243,674
Loans and borrowings	77,200,000	77,200,000	-	-	77,200,000
	169,443,674	169,443,674	-	-	169,443,674

(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.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and 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 2020	**+50**	**(1,854,138)**	**(1,854,138)**
	-50	**1,854,138**	**1,854,138**
At 30 June 2019	+50	(1,802,055)	(1,802,055)
	-50	1,802,055	1,802,055

Company	Change in basis point	Effect on profit for the financial year RM	Effect on equity RM
At 30 June 2020	**+50**	**(422,560)**	**(422,560)**
	-50	**422,560**	**422,560**
At 30 June 2019	+50	(293,360)	(293,360)
	-50	293,360	293,360

(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 (2019: no transfer in either directions).

34. FINANCIAL INSTRUMENTS (continued)

(c) Fair values measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

	Carrying amount RM	Fair value of financial instruments not carried at fair value — Fair Value: Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
At 30 June 2020					
Financial liabilities					
Borrowings:					
- Revolving credits	**41,200,000**	**-**	**-**	**41,200,000**	**41,200,000**
- Islamic commercial paper	**70,000,000**	**-**	**-**	**70,000,000**	**70,000,000**
- Bridging loans	**50,044,080**	**-**	**-**	**50,044,080**	**50,044,080**
- Term loans	**326,687,044**	**-**	**-**	**326,687,044**	**326,687,044**
Lease liabilities	**1,030,103**	**-**	**-**	**1,030,103**	**1,030,103**
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
- Bridging loans	50,000,000	-	-	50,000,000	50,000,000
- Term loans	347,025,078	-	-	347,025,078	347,025,078
Finance lease liabilities	1,273,127	-	-	1,273,127	1,273,127
Company					
At 30 June 2020					
Financial liabilities					
Borrowings:					
- Revolving credits	**41,200,000**	**-**	**-**	**41,200,000**	**41,200,000**
- Islamic commercial paper	**70,000,000**	**-**	**-**	**70,000,000**	**70,000,000**
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

35. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to build and maintain a strong capital base so as to maintain healthy capital ratios and at the same time be able to leverage on the capital to provide the funds to fund their expansion and growth.

The Group and the Company manage their capital structure, and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares, raise new debts and reduce existing debts.

The Group and the Company monitor the level of dividends to be paid to shareholders. The Group's and the Company's objective is to pay out regular dividends to the shareholders based on the level of the Group's and the Company's profitability and cash flows.

The capital structure of the Group and the Company consists of equity attributable to the owner of the Group and of the Company, comprising share capital, retained earnings and total liabilities.

The debt-to-equity ratio is as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Total liabilities	**1,196,950,550**	1,118,660,569	**213,375,081**	169,487,286
Equity attributable to the owners of the Company	**1,145,048,356**	1,164,457,777	**977,183,342**	926,025,996
Debt-to-equity ratio	**105%**	96%	**22%**	18%

The Group and the Company are in compliance with all externally imposed capital requirements.

There were no changes in the Group's and in the Company's approach to capital management during the financial year.

36. DIVIDENDS

	Group RM	Company RM
In respect of financial year ended 30 June 2020		
- Single tier interim dividend for the financial year ended 30 June 2020: RM0.0628 per Class A ordinary share of a subsidiary, paid on 31 July 2019	**2,953,020**	**-**
- Single tier final dividend for the financial year ended 30 June 2020: RM0.2411 per Class A ordinary share of a subsidiary, paid on 24 March 2020	**9,257,455**	**-**
- Single tier final dividend for the financial year ended 30 June 2019: RM0.00015 per irredeemable convertible preference share, paid on 26 December 2019	**125,558**	**125,558**
- Single tier final dividend for the financial year ended 30 June 2019: RM0.0015 per ordinary share, paid on 26 December 2019	**1,895,990**	**1,895,990**
	14,232,023	**2,021,548**
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

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 22 April 2019, the Company had entered into a Mutual Termination Agreement with Bina Puri Properties Sdn. Bhd. (“BPPSB”) to terminate the joint venture agreement dated 21 March 2018 and transfer the remaining 30% equity interest comprising 120,000 ordinary shares in Riveria City Sdn. Bhd. held by BPPSB for a total consideration of RM120,000. The acquisition was completed on 3 March 2020.

(ii) On 13 December 2019, the Company had entered into a Share Subscription Agreement with Tokyu Land Asia Pte. Ltd. (“TLA”) for the subscription by TLA of 600,000 ordinary shares in RCSB for a total consideration of RM600,000. The acquisition was completed on 26 March 2020.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)

(iii) Coronavirus outbreak

On 11 March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the Covid-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operate.

The Company has performed assessments on the overall impact of the situation on the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there is no material adverse effect on the financial statements for the financial year ended 30 June 2020.

Given the fluidity of the situation, the Company will continuously monitor the impact of COVID-19 and take appropriate and timely measures to minimise the impact of the outbreak on the Company's operations.

(iv) On 28 April 2020, Titijaya Medicare Sdn. Bhd. ("TMSB") (formerly known as Titijaya Resources Sdn. Bhd.), a subsidiary of the Company, had entered into a Strategic Collaboration Agreement with Sinopharm Medical Equipment QuanZhou Co. Ltd ("SMEQ"), a foreign company incorporated in The People's Republic of China to regulate the affairs and the respective rights and obligations of TMSB and SMEQ as collaborative partners to develop business in the marketing and sales, trading and supply of medical and hospital equipment and products and medical industry related real estate.

(v) On 9 Jun 2020, TMSB entered into a Strategic Collaboration Agreement with China SINOMACH Heavy Industry Corporation ("SINOMACH"), a foreign company incorporated in The People's Republic of China ("Agreement") to regulate the affairs and the respective rights and obligations of TRSB and SINOMACH as collaborative partners regarding equipment for medical producing line and the construction and technology support.

38. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(i) On 12 August 2020, TMSB had entered into a Collaboration and Distribution Agreement with Rubberex Corporation (M) Berhad to collaborate, distribute, export and sell gloves to the China market via Sinopharm Medical Equipment Quan Zhou Co. Ltd. ("Sinopharm") and also to collaborate, distribute, import and sell the personal protection equipment and medical products from Sinopharm and any other corporations, bodies or entities based on the salient terms and conditions agreed.

(ii) On 12 August 2020, the Company proposes to undertake a diversification of the existing principal activities of Titijaya Group to include sales, trading, distribution, production and development of medical and hospital equipment, devices and products, personal protective equipment, and medical related real estate.

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, **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 172 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 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

LIM SOON PENG
Director

LIM POH YIT
Director

Kuala Lumpur
Date: 15 October 2020

STATUTORY DECLARATION
(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **TAN CHEE LENG**, being the officer primarily responsible for the financial management of Titijaya Land Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on page 83 to 172 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAN CHEE LENG
(MIA Membership No. 30007)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 15 October 2020.

Before me,

HADINUR MOHD SYARIF (No. W76)
Commissioner for Oaths
Malaysia

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 2020 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 172.

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 2020, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. 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), 10, 12, 13, 19(d), 22 and 23 to the financial statements]

The amount of revenue and corresponding costs of the Group's property development activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to the proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method). We focused on this area because significant judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development costs.

KEY AUDIT MATTERS (continued)

Group (continued)

Revenue and corresponding costs recognition for property development activities [Note 4(a), 4(b), 10, 12, 13, 19(d), 22 and 23 to the financial statements] (continued)

Our response:

Our audit procedures on the selected samples of major projects included, among others:

- reading the terms and conditions of the agreements with customers;
- understanding the Group's process in preparing project budgets and the calculation of the progress towards complete satisfaction of performance obligations;
- comparing the Group's major assumptions to contractual terms and discussing with the project manager on the changes in the assumptions from the previous financial year;
- 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.

Company

Investment in subsidiaries and amount owing by subsidiaries [Note 4(c), 6 and 11(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 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Kenny Yeoh Khi Khen
No. 03229/09/2020 J
Chartered Accountant

Kuala Lumpur
Date: 15 October 2020

ANALYSIS OF SHAREHOLDINGS

AS AT 1 OCTOBER 2020

Total Number of Issued Shares	:	(i) 1,358,393,260 Ordinary Shares (inclusive treasury shares) (ii) 725,340,298 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 Constitution
Treasury Shares held as at 1 October 2020	:	83,572,100 ordinary shares

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
Less than 100	14	0.47	375	0.00
100 – 1,000	237	7.98	145,507	0.01
1,001 – 10,000	1360	45.82	8,174,600	0.64
10,001 – 100,000	1,110	37.50	37,859,300	2.97
100,001 – 63,741,057 *(less than 5% of the issued shares)*	242	8.15	728,941,950	57.18
63,741,058 and above *(5% and above issued shares)*	5	0.17	499,699,428	39.20
Total	**2,968**	**100.00**	**1,274,821,160**	**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	15	2.22	4,900	0.00
1,001 – 10,000	102	15.09	590,400	0.08
10,001 – 100,000	360	53.25	17,819,400	2.46
100,001 – 36,267,013 *(less than 5% of the issued shares)*	193	28.55	243,984,900	33.64
36,267,014 and above *(5% and above issued shares)*	5	0.74	462,940,100	63.82
Total	**676**	**100.00**	**725,340,298**	**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	29,096,300	2.28	709,868,494 (a)	55.68
Lim Poh Yit	26,838,600	2.11	709,668,494 (b)	55.67
Lim Puay Fung	490,000	0.04	709,668,494 (b)	55.67
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
Dato' Mohd Ibrahim Bin Mohd Nor	-	-	-	-

Notes:-

* Calculated based on the total number of issued shares as at 1 October 2020 after deducting 83,572,100 ordinary shares bought back by the Company and held as Treasury Shares as at 1 October 2020 amounted to 1,274,821,160 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 the shares held by ISY Holdings Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS IN ICPS

(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct Shareholdings	% *	Indirect Shareholdings	% *
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	-	-	-	-
Tan Sri Dato' Lim Soon Peng	-	-	291,762,800 (1)	40.22
Lim Poh Yit	-	-	291,462,800 (2)	40.18
Lim Puay Fung	-	-	291,462,800 (2)	40.18
Chin Kim Chung	-	-	-	-
Datuk Seri Ch'ng Toh Eng	-	-	-	-
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	10,000,000	1.38	1,200,000 (3)	0.17
Dato' Mohd Ibrahim Bin Mohd Nor	-	-	-	-

Notes:-

* Calculated based on 725,340,298 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 the shares held by ISY Holdings Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS
(continued)

SUBSTANTIAL ORDINARY SHAREHOLDERS
(Based on the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Shareholdings	%*	Indirect Shareholdings	% *
Tan Sri Dato' Khoo Chai Kaa	-	-	69,230,934 [(a)]	5.43
Brem Properties Sdn. Bhd.	-	-	69,230,934 [(a)]	5.43
Brem Holding Berhad	-	-	69,230,934 [(a)]	5.43
Titi Kaya Sdn. Bhd.	69,230,934	5.43	-	-
Tan Sri Dato' Lim Soon Peng	29,096,300	2.28	709,668,494 [(b)]	55.67
Lim Poh Yit	26,838,600	2.11	709,668,494 [(b)]	55.67
Lim Puay Fung	490,000	0.04	709,668,494 [(b)]	55.67
Titijaya Group Sdn. Bhd.	709,668,494	55.67	-	-

Notes:-

* Calculated based on the total number of issued shares as at 1 October 2020 after deducting 83,572,100 ordinary shares bought back by the Company and held as Treasury Shares as at 1 October 2020 amounted to 1,274,821,160 Ordinary Shares.

(a) Deemed interested pursuant to Section 8(4) of the Act by virtue of the shares held by Titi Kaya Sdn. Bhd.

(b) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% *
1	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	187,000,000	14.67
2	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	89,000,000	6.98
3	TITIJAYA GROUP SDN. BHD.	82,468,494	6.47
4	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE BANK AG SINGAPORE FOR TITIJAYA GROUP SDN. BHD. (MAYBANK SG)	72,000,000	5.65
5	TITI KAYA SDN. BHD.	69,230,934	5.43
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (6000103)	62,380,000	4.89
7	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KGI SECURITIES (SINGAPORE) PTE. LTD. (66589 T CL)	51,700,000	4.06
8	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TITIJAYA GROUP SDN. BHD.	46,300,000	3.63
9	TOKYU LAND ASIA PTE. LTD.	39,655,172	3.11

ANALYSIS OF SHAREHOLDINGS
(continued)

No.	Name of Shareholders	No. of Shares	% *
10	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	38,971,400	3.06
11	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	37,436,250	2.94
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	34,020,000	2.67
13	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	34,000,000	2.67
14	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	34,000,000	2.67
15	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	32,000,000	2.51
16	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG	26,277,300	2.06
17	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	23,500,000	1.84
18	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR AIA BHD.	20,000,000	1.57
19	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT-AMBANK (M) BERHAD FOR SUTERA BANGSA SDN. BHD. (SMART)	18,363,000	1.44
20	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SOON PENG	16,500,000	1.29
21	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM POH YIT	16,130,000	1.27
22	OOI CHIENG SIM	13,900,000	1.09
23	TITIJAYA GROUP SDN. BHD.	13,000,000	1.02
24	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SOON PENG	11,996,300	0.94
25	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	11,417,400	0.90
26	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HEXTAR HOLDINGS SDN. BHD.	10,500,000	0.82
27	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM POH YIT	9,147,000	0.72
28	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NEO CHING YUEN	8,000,000	0.63
29	LEW ASSETS SDN. BHD.	7,500,000	0.59
30	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	6,431,400	0.50
	TOTAL	**1,122,824,650**	**88.09**

Notes:-

* Calculated based on 1,274,821,160 Ordinary Shares.

LIST OF THIRTY (30) LARGEST ICPS HOLDERS

No.	Name of Shareholders	No. of Shares	% *
1	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TITIJAYA GROUP SDN. BHD.	155,000,000	21.37
2	PARK AVENUE CONSTRUCTION SDN. BHD.	120,000,000	16.54
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	88,000,000	12.13
4	PROGEREX SDN. BHD.	51,477,800	7.10
5	TITIJAYA GROUP SDN. BHD.	48,462,800	6.68
6	OOI CHIENG SIM	29,267,600	4.04
7	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH SWEE HENG (MM1118)	18,864,600	2.60
8	LAGENDA PERDANA SDN. BHD.	15,000,000	2.07
9	KUAN MIN HUEY	12,401,900	1.71
10	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	11,897,100	1.64
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	10,446,000	1.44
12	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SYED MOHD YUSOF BIN TUN SYED NASIR	10,000,000	1.38
13	LAO CHOK KEANG	8,000,000	1.10
14	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	7,375,000	1.02
15	LOW LAY PING	7,085,300	0.98
16	LEE SING GEE	6,650,000	0.92
17	HLS PROPERTIES SDN. BHD.	6,187,800	0.85
18	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	5,296,700	0.73
19	NG SOW TENG	5,000,000	0.69
20	KWONG MING MEAN	4,282,600	0.59
21	LEE SOON MUI	4,200,000	0.58
22	LEOU THIAM LAI	4,000,000	0.55
23	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	3,000,000	0.41

No.	Name of Shareholders	No. of Shares	% *
24	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA FAMILY TAKAFUL BERHAD (SHAREHOLDERS)	2,514,000	0.35
25	NG CHIN NAM	1,485,600	0.20
26	RHB NOMINEES (TEMPATAN) SDN. BHD. RHB ASSET MANAGEMENT SDN. BHD. FOR UNIVERSITI MALAYA	1,350,000	0.19
27	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	1,331,800	0.18
28	YAP LAY CHIN @ LOO CHWEE CHIN	1,320,000	0.18
29	FOONG THIN CHOY	1,200,000	0.17
30	GOH KAR HWANG	1,200,000	0.17
	TOTAL	**642,296,600**	**88.56**

Notes:-

* Calculated based on 725,340,298 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	229,349,323	-	21/03/2018
2	City Meridian Development Sdn. Bhd.	Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang	Land Future Development	99 year lease expiring on Saturday, 2 April 2095	889,539	183,579,929	-	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	105,565,292	-	08/11/2016
4	Blu Waterfront Development Sdn. Bhd.	Kota Kinabalu, Sabah	On Going Development Project The Shore	99 year lease expiring on 31 December 2071	79,323	87,592,679	-	23/11/2017
5	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	85,395,837	-	08/11/2016
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	63,010,204	3	21/5/2020
8	NPO Builders Sdn. Bhd.	Lot 85722, 85723, Mukim Bukit Raja, District Petaling, Selangor Darul Ehsan	On Going Development Project Seiring	Freehold	186,970	61,887,367	-	18/12/2017
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	61,103,138	-	21/03/2018
10	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	58,027,089	-	08/11/2016
	TOTAL				**2,667,271**	**1,005,840,662**		

NOTICE OF THE EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting ("**AGM**") of TITIJAYA LAND BERHAD ("**Company**") will be held on a fully virtual basis at the Broadcast Venue at Multi-Purpose Hall, S-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 26 November 2020 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Reports of the Directors and Auditors Reports thereon. **[Please refer to Explanatory Note (a)]**

2. To approve the payment of Directors' fees amounting to RM271,670.00 for the financial year ended 30 June 2020. **Resolution 1**

3. To approve the payment of Directors' benefits up to an amount of RM100,000.00 from 27 November 2020 until the next AGM of the Company in year 2021. **Resolution 2**

4. To re-elect the following Directors who retire pursuant to Clause 122 of the Company's Constitution and being eligible, have offered themselves for re-election:-
   (i) Tan Sri Dato' Lim Soon Peng **Resolution 3**
   (ii) Mr. Lim Poh Yit **Resolution 4**

5. To re-elect Dato' Mohd Ibrahim Bin Mohd Nor who is retiring pursuant to Clause 121 of the Company's Constitution and being eligible, has offered himself for re-election. **Resolution 5**

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 Resolutions:-

7. **ORDINARY RESOLUTION**
   Authority to Issue Shares pursuant to the Companies Act 2016 **Resolution 7**

   "**THAT**, subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Companies Act 2016, to issue and allot shares in the capital of the Company from time to time at such price and to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being (hereinafter referred to as the "**20% General Mandate**") as empowered by Bursa Malaysia Securities Berhad pursuant to its letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers;

   AND THAT the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares to be issued pursuant to the 20% General Mandate on Bursa Malaysia Securities Berhad;

   AND FURTHR THAT such authority shall commence immediately upon passing of this resolution and continue 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 28 October 2020, 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 Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem and expedient in the interest of the Company, provided that:-

(i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (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) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first:-

AND THAT the Board be and is hereby authorised to do all such acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

10. **ORDINARY RESOLUTION**
Retention of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director **Resolution 10**

"**THAT** Datuk Seri Ch'ng Toh Eng who will have served as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years from 24 September 2021 onwards, be and is hereby retained as an Independent Non-Executive Director of the Company pursuant to the Malaysian Code on Corporate Governance."

11. To transact any other ordinary business for which due notice has been given.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (SSM PC No.: 201908002648) (MAICSA 0777689)
TAN LEY THENG (SSM PC No.: 201908001685) (MAICSA 7030358)
Company Secretaries

Kuala Lumpur
28 October 2020

Notes:-

1. As part of the initiatives to curb the spread of COVID-19, the Meeting will be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my/login.aspx. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.

2. The Broadcast Venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 81 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

   With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

   As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.

3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2020 ("**General Meeting Record of Depositors**") shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.

4. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised.

8. The instrument appointing a proxy must be deposited at the office of SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit the Form of Proxy electronically via Securities Services e-Portal at https://sshsb.net.my/login.aspx not later than forty-eight (48) hours before the time set for holding the Meeting. The lodging of the Form of Proxy does not preclude you from attending and voting remotely at the Meeting should you subsequently wish to do so, provided you register for RPV by 24 November 2020.

EXPLANATORY NOTE (a)

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:-

(a) Ordinary Resolution 1 – Directors' Fees

Payment of the Directors' fees for the financial year ended 30 June 2020 amounting to RM271,670.00 will be made by the Company if the proposed Ordinary Resolution 1 is passed at the Eighth AGM of the Company.

(b) Ordinary Resolution 2 – Benefits of Directors

The proposed Ordinary Resolution 2, if passed, will authorise the payment of the Directors' benefits to the Non-Executive Directors up to an amount of RM100,000.00 with effect from 27 November 2020 until the next AGM of the Company in year 2021 ("**Period**"). The Directors' benefits payable for the Period comprise the following:-

Description	Non-Executive Director	Remarks
Meeting Allowance (a) Board Meeting (b) Board Committee Meeting (c) General Meeting (d) Ad-hoc/special/emergency Meeting, if any	 RM1,000 per meeting RM500 per meeting RM1,000 per meeting RM500 per meeting	The meeting allowance shall only be paid whenever meetings are called during the Period
Insurance Allowance	RM2,000 per year	-

(c) Ordinary Resolution 7

Authority to Issue Shares pursuant to the Companies Act 2016

The Company had been granted a general mandate by its shareholders at the Seventh AGM of the Company held on 28 November 2019 ("**Previous Mandate**").

As at the date of this Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate granted by the shareholders and hence no proceeds were raised therefrom.

Bursa Malaysia Securities Berhad had vide its letter dated 16 April 2020 allowed, as an interim measure, for the listed corporations to seek a higher general mandate under Paragraph 6.03 of the Main Market Listing Requirements of not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) for issue of new securities ("**20% General Mandate**"), provided that:-

(a) the listed corporation procures its shareholders' approval for the 20% General Mandate at a general meeting; and

(b) the listed corporation complies with all the relevant applicable legal requirements including its constitution or relevant constituent document.

The 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021 and thereafter, the ten per centum (10%) general mandate will be reinstated.

The Board, having considered the current economic climate arising from the global COVID-19 pandemic, future financial needs and capacity of the Group, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders.

The proposed Resolution 10, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund raising activities, including but not limited to placement of shares for the purpose of funding Company's current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

(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 28 October 2020 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 28 October 2020 circulated together with this Annual Report.

(f) Ordinary Resolution 10

Retention of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director

Datuk Seri Ch'ng Toh Eng was appointed as an Independent Non-Executive Director of the Company on 24 September 2012 and shall reach the cumulative term of nine (9) years by 24 September 2021.

In accordance with the Malaysian Code on Corporate Governance, prior approval should be obtained from the shareholders at the Eighth AGM, to enable Datuk Seri Ch'ng Toh Eng to continue in office as an Independent Non-Executive Director before he reaches the nine (9) years term limit on 24 September 2021.

The Board via the Nomination Committee, after having assessed of the independence of Datuk Seri Ch'ng Toh Eng, regards him to be independent. The Board, therefore, recommends that he should be retained as an Independent Non-Executive Director of the Company based on the following justifications:-

- he has met the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- he is able to exercise independent judgement and act in the best interests of the Company;
- there is no potential conflict of interest that he could have with the Company and/or its subsidiaries; and
- there are significant advantages to be gained from a long-serving Independent Director as he has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, and has provided invaluable contributions to the Board in his roles as an Independent Non-Executive Director.

Statement Accompanying Notice of AGM 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 Eighth AGM.

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FORM OF PROXY

TITIJAYA LAND BERHAD
[Registration No. 201201024624 (1009114-M)]

NO. OF SHARES HELD
CDS ACCOUNT NO.

*I/We, ______________________________ (NAME IN FULL AND IN BLOCK LETTERS)

*NRIC/Passport/Registration 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			

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 Eighth Annual General Meeting of the Company to be held on a fully virtual basis at the Broadcast Venue at Multi-Purpose Hall, S-16-01, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 26 November 2020 at 10:00 a.m. or at any adjournment thereof.

*and / or *delete if inapplicable

My / Our proxy(ies) is / are to vote as indicated below:-

	ORDINARY RESOLUTION	FOR	AGAINST
1.	To approve the payment of Directors' fees amounting to RM271,670.00 for the financial year ended 30 June 2020.		
2.	To approve the payment of Directors' benefits up to an amount of RM100,000.00 from 27 November 2020 until the next AGM of the Company in year 2021.		
3.	To re-elect Tan Sri Dato' Lim Soon Peng who retires pursuant to Clause 122 of the Company's Constitution.		
4.	To re-elect Mr. Lim Poh Yit who retires pursuant to Clause 122 of the Company's Constitution.		
5.	To re-elect Dato' Mohd Ibrahim Bin Mohd Nor who retires pursuant to Clause 121 of the Company's Constitution.		
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 Issue 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.		
10.	Retention of Datuk Seri Ch'ng Toh Eng as an Independent Non-Executive Director.		

Please indicate with an "X" in the space provided on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this ________day of ____________________2020.

____
Signature of Member/Common Seal

Notes:-

1. As part of the initiatives to curb the spread of COVID-19, the Meeting will be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my/login.aspx. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 81 of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

   With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

   As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.
3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2020 ("**General Meeting Record of Depositors**") shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.
4. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy must be deposited at the office of SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit the Form of Proxy electronically via Securities Services e-Portal at https://sshsb.net.my/login.aspx not later than forty-eight (48) hours before the time set for holding the Meeting. The lodging of the Form of Proxy does not preclude you from attending and voting remotely at the Meeting should you subsequently wish to do so, provided you register for RPV by 24 November 2020.

PLEASE FOLD ALONG THIS LINE (1)

Postage Stamp

Poll Administrator
TITIJAYA LAND BERHAD
[Registration No. 201201024624 (1009114-M)]

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

PLEASE FOLD ALONG THIS LINE (2)

1300 22 9898
www.titijaya.com.my

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