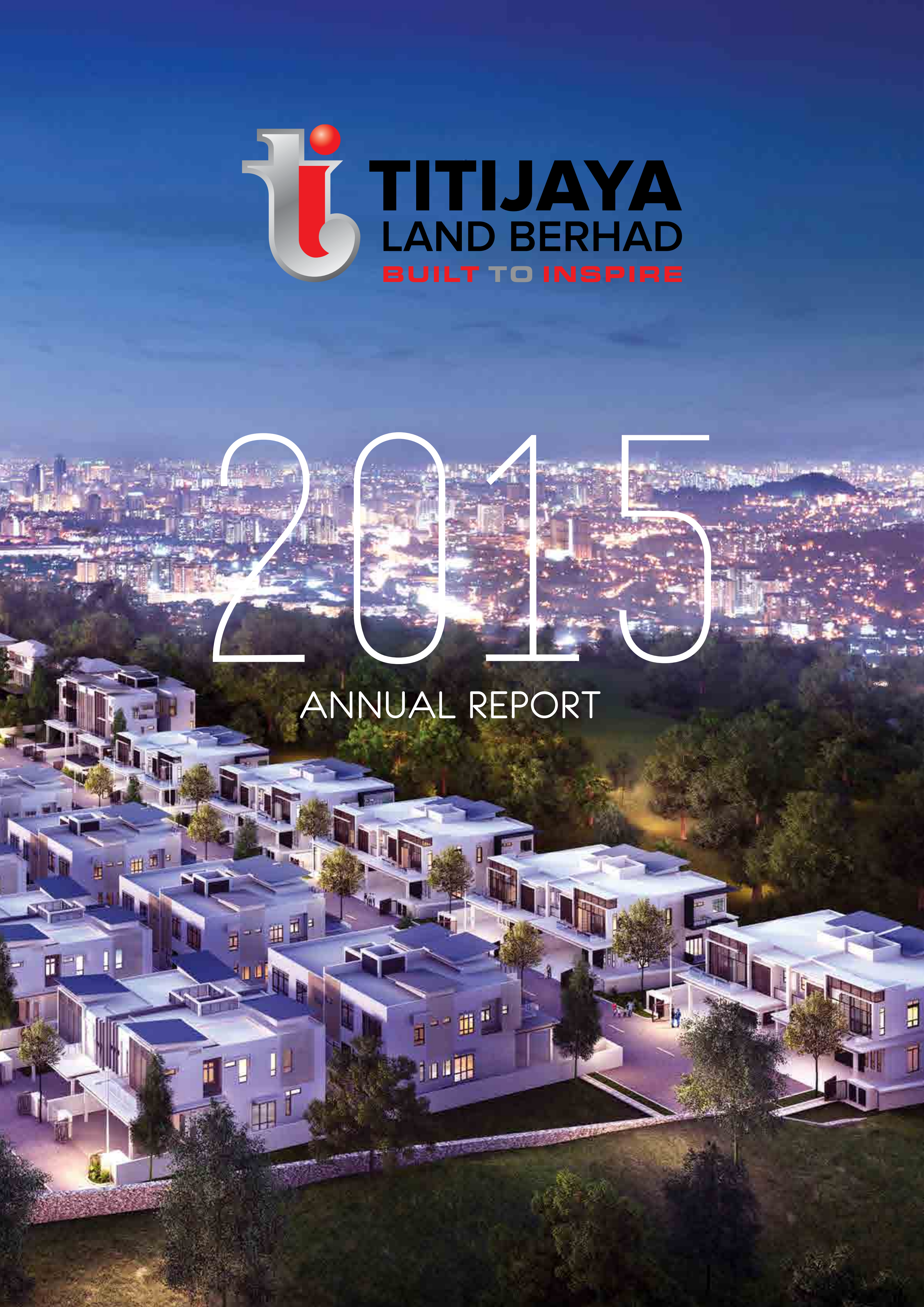

TITIJAYA LAND BERHAD

BUILT TO INSPIRE

2015 ANNUAL REPORT

MUTIARA
RESIDENCES

Inspired Living. Perfect Life

Exclusive Superlink House In Klang

GATED AND GUARDED | FREEHOLD

CONTENTS

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

FOUNDED BY THE GROUP MANAGING DIRECTOR, Y. BHG. TAN SRI DATO' LIM SOON PENG AND WITH THE INCORPORATION OF NPO DEVELOPMENT SDN BHD IN 1997, THE GROUP HAS GROWN SIGNIFICANTLY TO DATE.

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

Titijaya continues to strive for quality and excellence in all areas of its operations. Its property development projects are aesthetically conceptualised with impressive landscaping and architecture to cater for a modern and contemporary lifestyle – specifically targeted towards first time and younger generation property consumers.

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

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

Vision

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

Mission

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

HEBAT

HONESTY
EXCELLENCE
BOLD
AGILITY
TEAMWORK

Open and honest communication among employees and maintaining the highest integrity to the Company.	WOW! Beyond Expectations.	Move out of the comfort zone. Make it Happen!	Everyone is an entrepreneur. Be flexible.	We work as one.

RM8.6 BILLION

Development Project Value in The Pipeline

PROJECT HIGHLIGHTS

RIVERIA SENTRAL
@ KL

GDV RM1.4 billion

SERI RESIDENSI
@ Klang

GDV RM340 million

MUTIARA RESIDENCES
@ Klang

GDV RM30.3 million

ARECA
@ Penang

GDV RM2.6 billion

EMPORIA
@ Glenmarie

GDV RM1.5 billion

KLANG SENTRAL SERVICED APARTMENT
@ Klang

GDV RM700 million

EMBUN
@ Kemensah

GDV RM101 million

EMERY
@ Kemensah

GDV RM159 million

SERI ALAM INDUSTRIAL PARK @ Klang

GDV RM281.5 million

H2O
@ Ara Damansara

GDV RM794.1 million

PARK RESIDENCY
@ Cheras

GDV RM75 million

3ELEMENTS
@ Puchong South

GDV RM435 million

ZONE INNOVATION PARK
@ Klang

GDV RM228.7 million

**FOR MORE DETAILS
PLEASE CONTACT US**

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+6017 382 1117
+6012 293 1033
sales@titijaya.com.my

www.titijaya.com.my

TITIJAYA AWARDS ACHIEVEMENT FOR 2015/16

Awarded
The Brandlaureate Brand Icon Leadership Award
for 2014.

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

Awarded
Highly Commended Developer Website Malaysia at the Asia Pacific Property Awards 2014/15.

Awarded
HIGHLY COMMENDED Best Mid-Range Condo Development (Central Malaysia) at the South East Asia Property Awards 2015 for H2O @ Ara Damansara.

Awarded
Best Hi-Rise Development at the Property Insight Prestigious Developer Awards 2015 for H2O @ Ara Damansara.

Selected
as **Finalist for Developer of the Year 2015** by Iproperty People's Choice Awards.

Awarded
Malaysia's Top New Generation Property Developer Award (TOP 10)
for 2014.

Awarded
HIGHLY COMMENDED Residential Development
at the 2015/16 Asia Pacific Property Awards Development for Embun @ Kemensah.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Mr. Lim Poh Yit
Deputy Group
Managing Director

Ms. Lim Puay Fung, Charmaine
Executive Director

Mr. Chin Kim Chung
Independent Non-Executive Director

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

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

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

AUDIT COMMITTEE

Mr. Chin Kim Chung
Chairman

Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor
(Retired)

Y. Bhg. Dato' Ch'ng Toh Eng

NOMINATION COMMITTEE

Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor
(Retired)
Chairman

Mr. Chin Kim Chung

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

REMUNERATION COMMITTEE

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

Y. Bhg. Tan Sri Dato' Lim Soon Peng

Mr. Chin Kim Chung

COMPANY SECRETARY

Ms. Chua Siew Chuan
(MAICSA 0777689)

REGISTERED OFFICE

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

Tel : 603 2084 9000
Fax : 603 2094 9940

PRINCIPAL PLACE OF BUSINESS

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

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

www.titijaya.com.my

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

SHARE REGISTRAR

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

Tel : 603 7841 8000
Fax : 603 7841 8008

AUDITORS

Baker Tilly Monteiro Heng
(AF0117)
Chartered Accountants
Baker Tilly MH Tower
Level 10, Tower 1,
Avenue 5,
Bangsar South City.
59200 Kuala Lumpur

Tel : 603 2297 1000
Fax : 603 2282 9980

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

OCBC Bank Malaysia Berhad

United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

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

Emery
KEMENSAH

EXCLUSIVE SEMI-D VILLAS

Hillside Living Extraodinaire

FREEHOLD

Gated and guarded | Private clubhouse | Lush environment | Cool mountain air

FINANCIAL HIGHLIGHTS

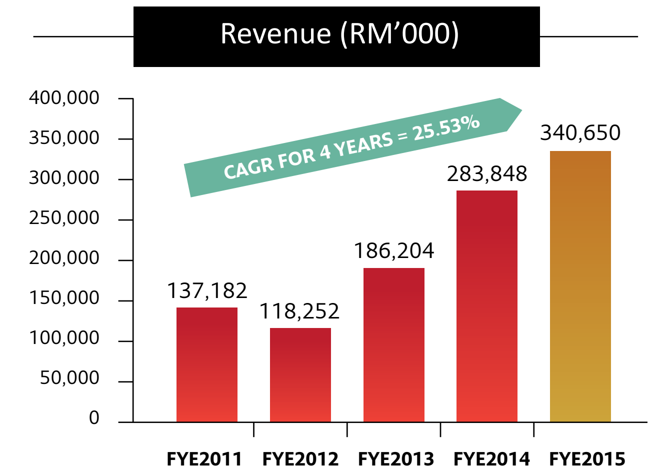
GROSS DEVELOPMENT VALUE
RM 8.6 BILLION

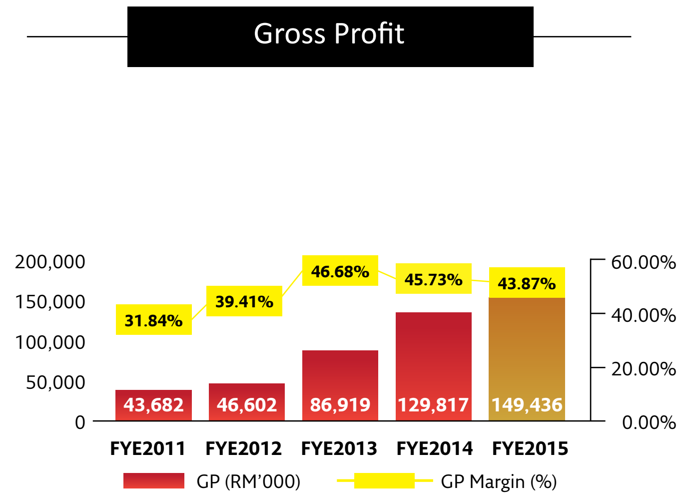
NET PROFIT
RM80.7 MILLION
(4-year CAGR of 37.57%)

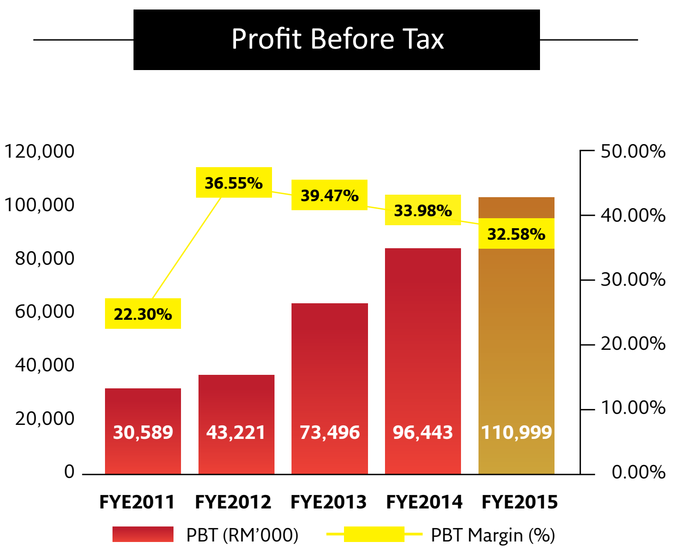
REVENUE
RM340.7 MILLION
(4-year CAGR of 25.53%)

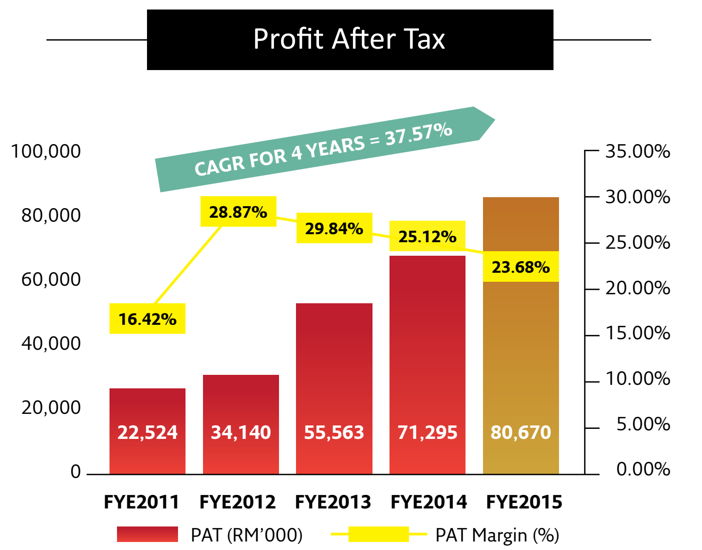
SHARE-HOLDERS' FUND
RM475.4 MILLION

FINANCIAL RESULTS









Note : Financial results for FYE2011 - FYE2013 are based on the pro-forma results as per the company's IPO prospectus dated 11 November 2013

BOARD OF DIRECTORS

Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)
Malaysian

Independent Non-Executive Chairman

Y. Bhg. Tan Sri Dato' Lim Soon Peng
Malaysian

Group Managing Director

Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor ("Tan Sri Dato' Setia Mohd Nor") aged 65, was appointed as the Independent Non-Executive Chairman of the Company on 31 July 2014. He is also the Chairman of the Nomination Committee and a member of the Audit Committee of the Company.

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 masters degree in Engineering Business Management from University of Warwick, United Kingdom and was conferred an Honorary Doctorate of Doctor of Management by the University Terengganu Malaysia.

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

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

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

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

Y. Bhg. Tan Sri Dato' Lim Soon Peng ("Tan Sri Dato' Lim") aged 60, is the Group Managing Director and was appointed to the Board on 24 September 2012. Tan Sri Dato' Lim is a member of the Remuneration Committee of the Company.

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

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

Subsequently, he spearheaded the development of Mutiara Bukit Raja as well as the Klang Sentral Commercial Centre which comprises a bus and taxi terminal and shop offices. In 2004, he successfully led NPO Development Sdn. Bhd. towards its first venture into high rise residential projects with the development of the E-Tiara Serviced Apartments in Subang Jaya. This successful project paved the way for further residential and commercial development projects.

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

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

Currently, he holds directorships in the Malaysian Chinese Women Entrepreneurs Foundation, Titijaya Foundation, Yayasan Penjaja Dan Peniaga Kecil 1 Malaysia and several other private limited companies.

BOARD OF DIRECTORS

Mr. Lim Poh Yit
Malaysian

Deputy Group Managing Director

Mr. Lim Poh Yit ("Mr. Lim") aged 33, is the Deputy Group Managing Director and was appointed to the Board on 28 August 2012. Mr. Lim was promoted to Deputy Group Managing Director on 31 July 2014.

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

He started his career when he joined the Group in 2004 as Business Development Executive. His role in this position included undertaking project development feasibility studies, identifying suitable land banks and was also the personal assistant to Tan Sri Dato' Lim in the day-to-day management of the Group. During his tenure as the Group's Business Development Executive, he supervised the various development projects of the Group. He was subsequently promoted to the position of Chief Operating Officer in 2005.

During his 10 years in the property development industry, he has been responsible for the Group's day-to-day management, strategic planning, property development projects, human resources, accounts and finance as well as overseeing the implementation of the Group's internal policies.

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

Currently, he holds directorship in Titijaya Foundation and several directorships in a number of private limited companies.

Ms. Lim Puay Fung, Charmaine
Malaysian

Executive Director

Ms. Lim Puay Fung ("Charmaine") aged 35, is an Executive Director of the Company and was appointed to the Board on 24 September 2012.

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

She started her career when she joined the property development industry in 2003 as a Marketing Executive in Titijaya Group. In 2007, when she was promoted as the Group's Sales and Marketing Director, she successfully managed the marketing, advertising and promotional activities for the various development projects of the Group.

During her 11 years in the property development industry, she led our sales and marketing division and was responsible for the marketing and promotional activities for ongoing and new development projects.

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

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

BOARD OF DIRECTORS

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

Independent Non-Executive Director

Y. Bhg. Dato' Ch'ng Toh Eng ("Dato' Ch'ng") aged 59, is an Independent Non-Executive Director and was appointed to the Board on 24 September 2012. Dato' Ch'ng is the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company.

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

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

During his eighteen (18) years in both federal and state government administrations, he had accumulated various experiences in the areas of administration of environment, information communication technology and state planning.

He does not hold any directorship in other public companies.

Mr. Chin Kim Chung
Malaysian

Independent Non-Executive Director

Mr. Chin Kim Chung ("Mr. Chin") aged 51, is an Independent Non-Executive Director and was appointed to the Board on 24 September 2012. Mr. Chin is the Chairman of the Audit Committee, and a member of the Nomination and Remuneration Committees of the Company.

He is a Chartered Accountant with the Malaysian Institute of Accountants, an Associate of the Malaysian Institute of Taxation and a Fellow of the Association of Chartered Certified Accountants. He is also a licensed auditor and liquidator and authorised tax agent and Good and Services Tax agent.

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

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

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

Currently, Mr. Chin holds directorship in the Malaysian Chinese Women Entrepreneurs Foundation, Musyarakah One Capital Berhad and several other private limited companies.

BOARD OF DIRECTORS

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

Non-Independent Non-Executive Director

Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir ("Tan Sri Syed") aged 68, is a Non-Independent Non-Executive Director and was appointed to the Board on 3 October 2014. Tan Sri Syed is a member of the Nomination Committee of the Company.

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

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

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

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

Mr. Adrian Cheok Eu Gene
Malaysian

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

Mr. Adrian Cheok Eu Gene ("Mr. Cheok") aged 58, is the Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir, and was appointed on 3 October 2014.

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

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

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

NOTE | Save as disclosed, all other Directors have no family relationship with any Director and/or Substantial Shareholder of the Company, have no conflict of interest with the Company and have not been convicted of any offence within the past ten (10) years other than traffic offence, if any.

CHAIRMAN'S STATEMENT

Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired)

Independent Non-Executive Director

Dear Valued Shareholders

As Group Chairman of Titijaya Land Berhad ("Titijaya" or the "Group") I am honoured to present to you the Annual Report and Financial Statements of Titijaya for the financial year ended 30 June 2015 ("FYE2015").

The local property market sentiment for 2015 has been somewhat challenging, with a decline in sales targets and delays in new launches. However, given the current conditions, I must say that the Group has performed commendably under the leadership of our Group Managing Director, Tan Sri Dato' Lim Soon Peng, with the support of an experienced and professional management team in Titijaya.

The Group has met both consensus and internal targets by delivering a profit after tax (PAT) of RM80.7 million backed by revenue of RM340.7 million. This translates to a consistent PAT margin ranging between 23% to 29% throughout the Group's years of operations. Titijaya has delivered a revenue Compounded Annual Growth Rate (CAGR) of 25.53% over the last four years.

For the financial year under review, Titijaya delivered a robust sales performance of RM499 million, which is strongly contributed from the management team's active planning of securing landbanks and developing properties in strategic locations.

The Group has grown its total unbilled sales to RM731.7 million which will be carried forward to contribute positively to the Group's earnings over the next few financial years.

DIVIDEND

The Board has recommended a final single-tier dividend of 4.5 sen per ordinary share for the financial year ended 30 June 2015, which is subject to shareholders' approval in the upcoming Annual General Meeting.

OUTLOOK AND FUTURE PROSPECTS

As we enter into a new financial year, the Group will stride cautiously due to the current market conditions but we remain fairly optimistic about the prospects that the next financial year will bring. Titijaya has been in the property market for nearly two decades and persevered through several economic and property market cycles. We have survived, learnt and grown from each cycle and we are confident that we have the ability and technical expertise to mitigate risks.

The Government has since introduced cooling measures into the property market to curb the overheating property prices. Furthermore, the Government has also initiated social housing assistance programmes such as PR1MA and Youth Housing Scheme to provide financial aid to first time home buyers.

In addition to the above, the Malaysia Property Incorporated has introduced an overseas branding programme to woo foreigners to buy Malaysian properties, focusing on Indonesian investors. The response has thus far reported to be good, and the Japanese have been consistently coming to Malaysia to invest.

Under the construction sector, the Economic Transformation Programme (ETP) and the 11th Malaysia Plan (11MP) will provide support for public infrastructure projects. Seven infrastructure projects that are in the pipeline for the year 2015 are as follows:

- LRT 3 linking Bandar Utama, Shah Alam and Klang
- MRT line from Selayang to Putrajaya
- Damansara – Shah Alam Elevated Expressway
- East Klang Valley Expressway
- Upgrading of East Coast Railway
- Sungai Besi – Ulu Klang Expressway
- West Coast Expressway from Taiping to Banting

These planned infrastructure projects will subsequently open up more opportunities for property development projects. Convenient access to public transportation and good road infrastructure are key considerations to property buyers. We are optimistic that the Group will be able to capitalise and leverage on these new infrastructure projects in the near future.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to take this opportunity to express our thanks to everyone for your continuous support and the team at Titijaya for their excellent work to strive for another year of success.

Y.B. Senator Admiral Tan Sri
Dato' Setia Mohd Anwar bin
Hj Mohd Nor (Retired)

GROUP MANAGING DIRECTOR'S REPORT

Y. Bhg. Tan Sri Dato'
Lim Soon Peng
Malaysian

Group Managing Director

Dear Valued Shareholders

As the Group Managing Director and on behalf of the Board of Directors of Titijaya Land Berhad ("Titijaya" or the "Group") it is my pleasure to present to you the Annual Report and Financial Statement of the Group for the financial year ended 30 June 2015 ("FYE2015").

2015 has been quite a challenging year so far for many businesses due to the economic slowdown not only locally but on the global scale. As anticipated by the management, the Malaysian property market has softened in response to the cooling measures that were introduced by Bank Negara Malaysia in 2013 and the implementation of the Goods and Services Tax ("GST") in April 2015. Notwithstanding the above, I am pleased to report the Group's sturdy performance during FYE2015.

NOT BUFFETED BY THE ECONOMIC WAVES

During FYE2015, Titijaya achieved an increase of 20% in revenue from RM283.8 million reported for the financial year ended 30 June 2014 ("FYE2014") to RM340.7 million in FYE2015. Mirroring Titijaya's revenue growth, the Group's profit after tax ("PAT") grew by 13% from RM71.3 million in FYE2014 to RM80.7 million achieved for the FYE2015.

Titijaya's profit growth for the financial year under review was largely contributed from the successful sales of 3Elements, Embun@ Kemensah, Zone Innovation Park and Seri Alam Industrial Park.

The Seri Alam Industrial Park achieved up to 93.7% of units sold, whilst the Zone Innovation Park achieved 86.9%. 3Elements is divided into three segments; shop offices, SOHO & SOFO and serviced apartments, in which the shop offices and serviced apartments are fully sold and 93% of SOHO & SOFO units taken up. Embun and Emery have attained a take up rate of 76.5% and 9.6% for its superlink houses and semi-detached houses respectively, whilst our H2O serviced apartments and the Mutiara Residence achieving a take up rate of 80.2% and 61.5% respectively as at 30 June 2015.

As at 30 June 2015, Titijaya's total unbilled sales amount to RM731.7 million and has a healthy balance sheet with a net cash position of RM30.8 million.

CONTINUED MOMENTUM

Despite the negative economic and external factors of our industry, Titijaya remains active with our current developing projects that include Seri Alam Industrial Park in Klang, Zone Innovation Park in Klang, 3Elements in Sri Kembangan, Embun & Emery in Ulu Kelang, H2O in Ara Damansara and Mutiara Residence in Klang.

In line with our unwavering strategies, Titijaya is committed to our on-going plans for new development projects in various strategic locations within the Klang Valley, and even expanding beyond that with our first development project in Penang. Acknowledging the varied market sentiments of the property industry, Titijaya is confident that there are still genuine buyers' demand for the Group's strategically located projects. In the pipeline for FYE2016, Titijaya has upcoming projects with an estimated gross development value ("GDV") of RM6.8 billion. Titijaya has plans for three (3) project launches for the financial year ahead, namely H2O – Block B, residential development in Cheras and the Emporia Offices block with total GDV of RM353.5 million.

PROJECTS HIGHLIGHTS

RIVERIA SENTRAL @ KL

Riveria is a mixed development comprising of retail units, SOHOs and serviced apartments located at Brickfields, Kuala Lumpur. It has an estimated GDV of RM1.4 billion with a total land area of 200,376 sq.ft. Strategically located in a prime area, it is easily accessible via roads and public transportation and within the vicinity of the KL Sentral railway station, hotel, shopping malls and offices.

SERI RESIDENSI @ KLANG

Seri Residensi is a community of clustered villas and 2 storey semi-detached located in Klang. It has an estimated GDV of RM340 million, with price from RM738,000 per unit.

H2O @ ARA DAMANSARA

The H2O project comprises of four (4) blocks of SOHOs and serviced apartments located at Ara Damansara. This project has a total land area of 263,059 sq.ft. with total estimated GDV of RM794.1 million. The development of Blocks A, B, C and D are expected to be completed by 2019. H2O is strategically located within the vicinity of convenient amenities, such as TESCO, Ara Damansara Medical Centre, shopping malls, LRT stations, hotels and Subang Airport.

EMPORIA @ GLENMARIE

Emporia is a modern integrated mixed development comprising of one (1) block of serviced apartment, one (1) block of SOHO, one (1) block of hotel and a shopping mall with an estimated GDV of RM1.5 billion. This project is located at Shah Alam with a total land area of 701,953 sq.ft.

KLANG SENTRAL SERVICED APARTMENT PROJECT

This serviced apartment development is located in Klang with an estimated GDV of RM700 million. It is located strategically within the vicinity of convenient amenities such as Giant Hypermarket, bus and taxi terminal, McDonald's and so forth.

PARK RESIDENCY @ CHERAS

This is a planned residential development project located in Cheras with a total land area of 217,364 sq.ft. and an estimated GDV of RM75.3 million.

ARECA @ PENANG

Areca, located at Batu Maung, Penang is Titijaya's first project outside the Klang Valley with a total land area of 889,530 sq.ft. It is a mixed development comprising of condomunium commercial units and SOHOs with a total estimated GDV of RM2.6 billion. The project is strategically located within a short distance from Penang's second link bridge with stunning water front views.

The plan of starting a development project in Penang is in view of Penang's master plan where it aims to increase the influx of international investors and tourism for Penang. Hence, we believe that this will create good opportunities and a captivating market for Titijaya's planned development project.

ASSIMILATING AND CAPITALISING ON CHANGE

Despite a wavering economy, we are confident that Titijaya's solid foundation has cultured the necessary capabilities and experiences to withstand the negative economic condition.

I believe that for every successful company, adaptability in a competitive business environment and being able to anticipate change is imperative. In the property sector, it is the location and the concept of the projects that is capable of fetching and maintaining high demand. There will always be interested buyers if the location, design and price of the property match market demands. According to the Property Industry Survey conducted by the Real Estate and Housing Developers' Association Malaysia ("REHDA"), properties ranging from RM200,000 to RM500,000 have the highest demand in the market. Being consistent with the needs of affordability, Titijaya has commanded a selection of the projects designed to cater to the needs of this market.

Moving forward, Titijaya recognises the demand from young, working class home buyers and long term property investors. Most of our current and future projects are strategically located within ready infrastructure such as convenient amenities, shopping malls, entertainment and public transportation - especially the new lines of the Mass Rapid Transit ("MRT").

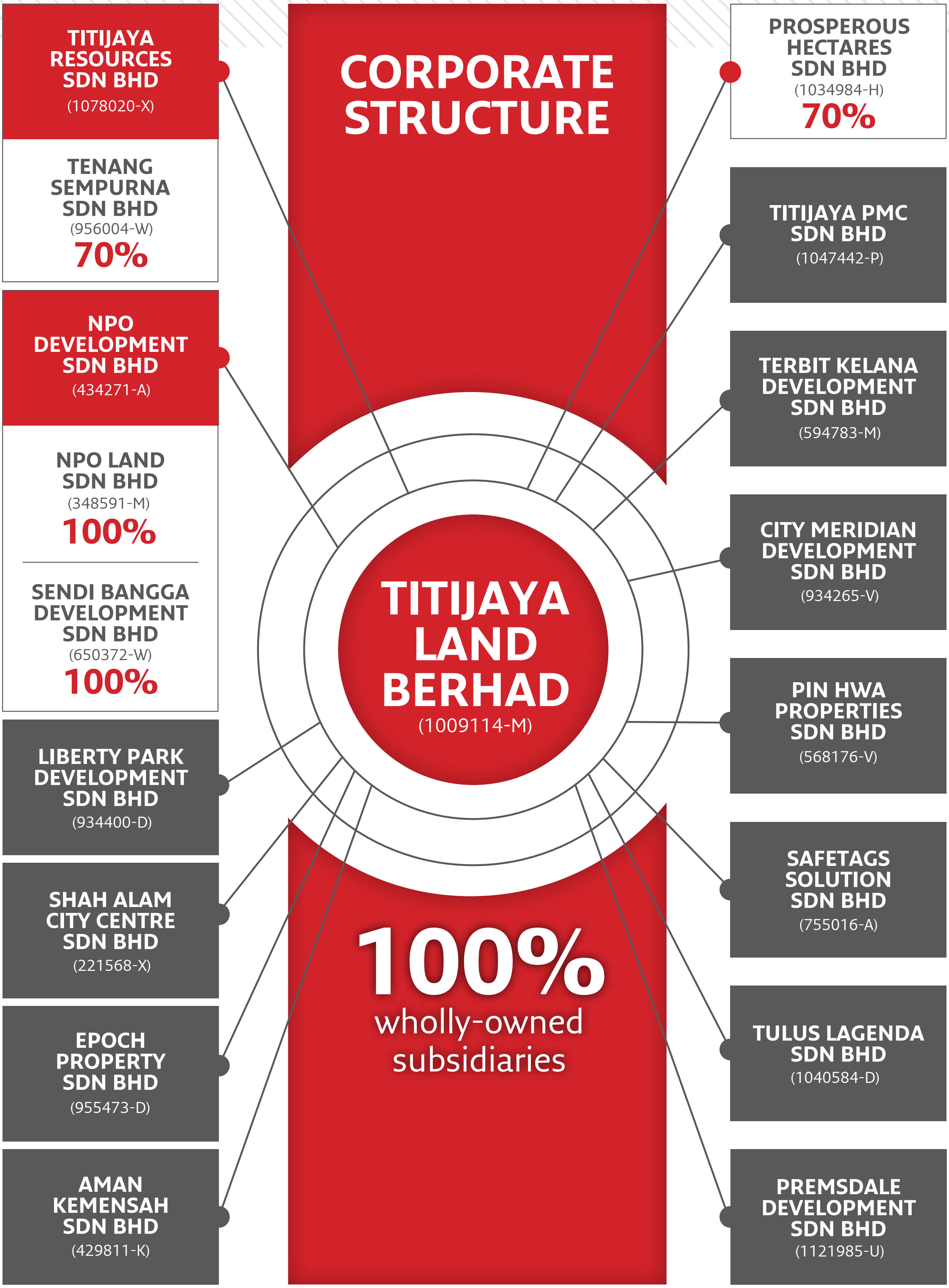
Titijaya will continue to build to inspire, and continue to tailor our projects based on the ever evolving market demands, taking into consideration the concept, design, location and prices as key factors. The property market in Malaysia is indeed a very competitive playground with many renowned players, however I believe that competition is essential for improvement. Titijaya has always been constantly innovating and adapting its development through quality driven and appealing concepts to home buyers.

APPRECIATION

Finally, I would like to take this opportunity to extend my heart-felt appreciation to all our customers, suppliers, consultants, bankers, business associates and partners and the relevant regulatory authorities for their support, loyalty, cooperation and trust in us and we will continue to strive for a positive growth moving forward.

I would also like to express my gratitude and appreciation to our Chairman, my fellow directors, management and employees for their continued hard-work, contribution and dedication to the Group.

To our valued shareholders, I thank you for your continued support, confidence and trust in us and we will continue to strive for a positive growth moving forward.


CORPORATE STRUCTURE
TITIJAYA LAND BERHAD (1009114-M)
100% wholly-owned subsidiaries
TITIJAYA RESOURCES SDN BHD (1078020-X)
TENANG SEMPURNA SDN BHD (956004-W) 70%
NPO DEVELOPMENT SDN BHD (434271-A)
NPO LAND SDN BHD (348591-M) 100%
SENDI BANGGA DEVELOPMENT SDN BHD (650372-W) 100%
LIBERTY PARK DEVELOPMENT SDN BHD (934400-D)
SHAH ALAM CITY CENTRE SDN BHD (221568-X)
EPOCH PROPERTY SDN BHD (955473-D)
AMAN KEMENSAH SDN BHD (429811-K)
PROSPEROUS HECTARES SDN BHD (1034984-H) 70%
TITIJAYA PMC SDN BHD (1047442-P)
TERBIT KELANA DEVELOPMENT SDN BHD (594783-M)
CITY MERIDIAN DEVELOPMENT SDN BHD (934265-V)
PIN HWA PROPERTIES SDN BHD (568176-V)
SAFETAGS SOLUTION SDN BHD (755016-A)
TULUS LAGENDA SDN BHD (1040584-D)
PREMSDALE DEVELOPMENT SDN BHD (1121985-U)

CONTENTS

AUDIT COMMITTEE REPORT

COMPOSITION
MEMBERS OF THE AUDIT COMMITTEE

Chairman

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

Members

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

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

TERMS OF REFERENCE

Composition and Membership of Audit Committee

1. The Audit Committee shall be appointed by the Board of Directors from amongst their number and shall consist of not less than three (3) members and at least one (1) member of the Committee:-
   (i) must be a member of the Malaysian Institute of Accountants; or
   (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
      (a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
      (b) he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
   (iii) fulfils such other requirements as prescribed or approved by the Exchange.
2. All the Audit Committee members must be Non-Executive Directors, with a majority of the Committee members being Independent Directors.
3. No alternate director is to be appointed as a member of the Committee.
4. The members of the Committee shall elect a chairman from among their number who shall be an Independent Director.
5. The Company Secretary or such other person(s) authorised by the Board of Directors shall act as the Secretary to the Committee.
6. The term of office and performance of the Committee and each of its members shall be reviewed by the Board of Directors at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.
7. If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result of the number of members being reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new member(s) as may be required to make up the minimum number of three (3) members.

Authority

1. The Committee is authorised by the Board of Directors to investigate any matter within its terms of reference.
2. The Committee is authorised to seek any information it requires with unrestricted access, for the discharge of its duties, from the external auditors and internal auditors as well as any employee of the Group and any other persons (if applicable) and all employees are directed to co-operate with any request made by the Committee.
3. The Committee shall have the resources which are required to perform its duties, at the Company's expense, where appropriate.
4. The Committee is authorised to obtain legal or independent professional advice or other expert advice if it considers necessary at the Company's expense, where appropriate.
5. The Committee shall have direct communication channels with the external auditors and internal auditors.
6. The Committee shall be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary, in order to enable the Committee and the external auditors or the internal auditors or both, to discuss problems and reservations and any other matter the external auditors or internal auditors may wish to bring up to the attention and consideration of the Committee.

AUDIT COMMITTEE REPORT (CONTINUED)
TERMS OF REFERENCE (CONTINUED)

Functions and Duties

1. The functions and duties of the Committee shall be:-

    (i) To review the following and report the same to the Board of Directors:-
    (a) with the external auditor, the audit plan;
    (b) with the external auditor, his evaluation of the system of internal controls;
    (c) with the external auditor, his audit report and audit findings;
    (d) the assistance given by the employees of the Company to the external auditor;
    (e) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
    (f) the internal audit plan, processes, the results of the internal audit assessment, financial and operational controls, including risk management; or investigation undertaken (if any) and whether or not appropriate action is taken on the recommendations of the internal auditors;
    (g) the quarterly results and year end's financial statements prior to the approval by the Board of Directors, focusing particularly on:-
    - changes in or implementation of major accounting policy changes;
    - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Company and the Group;
    - significant and unusual events;
    - compliance with applicable accounting standards and other regulatory or legal requirements;
    - compliance with the Main Market Listing Requirements ("MMLR") of the Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements of Bursa Securities");
    - significant adjustments arising from the audit;
    - material fluctuations in the financial position and results as reflected in the financial statements;
    - the going concern assumption; and
    - major judgmental areas.

    (h) any related party transaction and conflict of interest situation that may arise within the Company or any subsidiary within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
    (i) external auditors' management letter or report and management's response thereto; and
    (j) any letter of resignation from the external auditors of the Company.

    (ii) To consider the major findings of internal investigations (if any) and management's response thereto;
    (iii) To consider the suitability of the external auditors for re-appointment, their audit fees and any question of resignation or dismissal;
    (iv) To recommend the nomination of a person or persons for appointment as external auditors or internal auditors;
    (v) To ensure the internal audit function of the Company reports directly to the Committee;
    (vi) To consider and approve the non-audit service(s) to be provided by the external auditors subject to the confirmation from the external auditors, that such non-audit services(s) pose no threat to the independence of the external auditors;
    (vii) Promptly report to Bursa Securities on any matter reported by it to the Board of Directors which has not been satisfactorily resolved resulting in a breach of the MMLR of Bursa Securities; and
    (viii) To perform any other functions or duties as may be agreed to by the Committee and the Board of Directors.

Quorum and Attendance at Meetings

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

Frequency of Meetings and Minutes

1. Meetings shall be held not less than four (4) times in a financial year, although additional meetings may be called at any time at the Committee Chairman's discretion.
2. The Committee shall report to the Board of Directors on its recommendations and decisions. The minutes of the Committee are to be tabled and noted by the Board of Directors.
3. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office or the principal office of the Company, and shall be open for inspection by any member of the Committee and the Board of Directors.

AUDIT COMMITTEE REPORT (CONTINUED)

TERMS OF REFERENCE (CONTINUED)

Frequency of Meetings and Minutes (Continued)

4. A circular resolution in writing signed by the members of the Committee who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the Committee.

5. Any member of the Committee may participate in any meeting of the Committee via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Number of Meetings and Details of Attendance

Six (6) Audit Committee Meetings were held during the financial year ended 30 June 2015. The attendance record of each member is as follows:-

Directors	Number of meetings attended
Mr. Chin Kim Chung	6 / 6
Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	5 / 6
Y. Bhg. Dato' Ch'ng Toh Eng	6 / 6

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The Committee met six (6) times during the financial year to review the Company's and its subsidiaries' quarterly and annual financial statements prior to their approval by the Board. The Committee also acts as a forum for discussion on internal control issues and contributes to the Board's review of the Group's internal control and risk management systems.

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year ended 30 June 2015 includes the following:-

i) reviewed and recommended the quarterly financial results of the Group for approval by the Board of Directors prior to its release to Bursa Malaysia Securities Berhad;

ii) reviewed the Enterprise Risk Management Report submitted by Management.

iii) met with the External Auditors for private sessions without the presence of the executive Board members and the Management;

iv) discussed the scope of the statutory audit and to review the Audit Planning Memorandum prior to the commencement of the audit of the Group's financial statements for the financial year ended 30 June 2015;

v) reviewed the draft Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2015;

vi) undertook annual assessment on the effectiveness, independence and performance of External Auditors and recommend its re-appointment and remuneration to the Board;

vii) reviewed and briefed the Board of Directors on the work done and reports from the Internal Auditors;

viii) considered the findings of internal audit and Management's responses thereon and where relevant, recommended appropriate actions or further follow-up actions to be taken by either the Internal Auditors or the Management;

ix) reviewed recurrent related party transactions for compliance with both in-house procedures and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

x) reviewed the Statement on Risk Management and Internal Control, Audit Committee Report prior to submission to the Board for consideration and inclusion in the Annual Report of the Company;

xi) reviewed the Circular to Shareholders in relation to the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature prior to its approval by the Board;

xii) reviewed the Circular to Shareholders in relation to the proposed authority for the Company to purchase its own shares prior to its approval by the Board; and

xiii) reviewed and discussed the acquisition by City Meridian Development Sdn. Bhd., a wholly owned subsidiary of the Company, a parcel of leasehold land held under PN 4022, Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang from Titijaya Group Sdn. Bhd. for cash consideration of RM126,000,000, before making the Audit Committee's Statement for inclusion of the Circular to Shareholders dated 5 May 2015.

AUDIT COMMITTEE REPORT (CONTINUED)
INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional services firm 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 2015, internal audit activities have been carried out in accordance with the pre-approved internal audit plan. Representatives from the outsourced Internal Auditors, led the role of the internal audit functions of the Group (referred to as the "**IA Team**") to conduct 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 2015 amounted to RM 60,000.00

CORPORATE GOVERNANCE STATEMENT

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

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

The Board is pleased to report on the manner in which the Group has applied the Principles and Recommendations of the Malaysia Code on Corporate Governance 2012 ("**MCCG 2012**") and the governance standards in accordance with the Listing Requirements of Bursa Securities during the financial year ended 30 June 2015.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITY

1.1 CLEAR FUNCTIONS OF THE BOARD AND MANAGEMENT

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 and Remuneration 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 Chairmen of the respective Committees shall report the outcome of their meetings to the Board. 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.

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 responsibilities for implementing the Group's business plans and managing the business activities.

1.2 CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

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

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

1.3 FORMALISED ETHICAL STANDARDS THROUGH CODE OF CONDUCT

The Directors continue to observe the code of conduct expected of Directors of Companies as set out in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, and ensure implementation of appropriate internal systems to support, promote and ensure the compliance of the Company Directors' Code of Ethics.

1.4 STRATEGIES TO PROMOTE SUSTAINABILITY

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

The Group is committed to provide a safe workplace for its employees with emphasise of 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 optimise the use of natural resources.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITY (CONTINUED)

1.5 ACCESS TO INFORMATION AND ADVICE

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

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

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 minutes to be tabled at the respective Board Committees 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 Secretary and independent professional advice where necessary, at the Company's expense.

1.6 QUALIFIED AND COMPETENT COMPANY SECRETARY

The Board is supported by a qualified and experienced Company Secretary in carrying out its roles and responsibilities. The Company Secretary plays 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 Board and 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.

1.7 BOARD CHARTER

The Directors are expected to act in a professional manner and discharge their duties with high ethical values, honesty and accountability in their commitment to good corporate governance practices.

The Board Charter adopted by the Company clearly sets out the roles and responsibilities of the Board, the division of authority and responsibilities of the Board, Management and Committees and the composition of Board to ensure all Board members acting on behalf of the Company are aware of their duties and responsibilities. The Board Charter serves as a reference providing guidance and clarity to prospective and existing Board members and Management on the fiduciary and leadership functions of a Company's Directors.

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

PRINCIPLE 2: STRENGTHEN COMPOSITION

2.1 NOMINATION COMMITEE

The Nomination Committee is made up of three (3) Non-Executive Directors, a majority of whom are independent as follows:-

Name	Designation	Directorship
Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	Chairman	Independent Non-Executive Director
Mr. Chin Kim Chung	Member	Independent Non-Executive Director
Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	Member	Non-Independent Non-Executive Director

The Board is in the opinion that Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired), is an Independent Non-Executive Director, is an ideal Chairman of the Nomination Committee, given his experience and available time commitment although he is not a Senior Independent Non-Executive Director.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
PRINCIPLE 2: STRENGTHEN COMPOSITION (CONTINUED)
2.1 NOMINATION COMMITEE (CONTINUED)

The Terms of Reference of the Nomination Committee are as follows:-

A. MEMBERSHIP

1. The Nomination Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of not less than three (3) members, comprising exclusively of non-executive Directors, a majority of whom are independent.
2. The members of the Committee shall elect a Chairman from among the members.
3. The Company Secretary or such other person authorised by the Board shall act as the Secretary to the Committee.
4. If a member of the Committee resigns, dies or for any other reason ceases to be a member resulting in the number of members being reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

B. MEETINGS AND MINUTES

1. The Committee shall meet at least once a year. The Chairman of the Committee may request for additional meeting(s) as and when he deems necessary.
2. The quorum for the meeting of the Committee shall consist of not less than two (2) members.
3. In the absence of the Chairman of the Committee, the remaining members present shall elect one (1) of their members to preside as Chairman of the meeting.
4. The Committee shall report to the Board and its minutes tabled and noted by the Board of Directors. The book containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the Registered Office or the principal office of the Company and shall be open for inspection by any member of the Committee and the Board of Directors.
5. The Chairman of Committee shall be entitled, where deemed appropriate, to invite any person to a meeting of the Committee at which that person's expertise may be required having regard to the subject matter to be discussed.
6. A circular resolution in writing signed by the members of the Committee who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened. Any such resolution may consist of several documents in like form, each signed by one (I) or more members of the Committee and shall include signed copies via legible facsimile transmission or other written electronic means.

C. FUNCTIONS

i) Recommend to the Board, based on criteria set by the Board, candidate(s) for directorships including the post of the Chief Executive Officer, Chief Operating Officer or Chief Financial Officer proposed by senior management and, within the bounds of practicability, by any other Director or shareholder(s) of the Company, where applicable.
ii) Recommend to the Board, Directors to fill seats on Board Committees.
iii) Recommend to the Board, candidate(s) for key management positions as proposed by senior management, where appropriate.
iv) Annually assess the effectiveness of the Board as a whole, Board Committees and the contributions of each individual Director, taking into consideration the required mix of skills, expertise, experience, performance, commitment and other requisite qualities including core competencies of the Directors.
v) Formulate, develop, maintain and review criteria to be used for recruitment process, annual assessment of Directors including assessment of independence.
vi) Ensure new Directors are orientated and educated as to the nature of the business, current issues within the Company and Group as well as the corporate strategy, objectives, goals and the expectations of the Company from such directors relating to the general responsibilities and duties as Directors.
vii) Determine appropriate training for Directors and review the fulfillment of such training requirements, where applicable.
viii) Review succession plans for the Board and senior management, where appropriate.
ix) Consider other matters as referred to the Committee by the Board.

D. REPORTING PROCEDURES

1. The final decisions as to who shall be nominated to the Board as Director or Chief Executive Officer, Chief Operating Officer or Chief Financial Officer, where applicable, or to Board Committees or to fill key management positions, should be the responsibility of the full Board after considering the recommendations of the Committee.
2. The Committee reports to the full Board from time to time its recommendations and decisions for Board's consideration and implementation.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
PRINCIPLE 2: STRENGTHEN COMPOSITION (CONTINUED)
2.2 DEVELOP, MAINTAIN AND REVIEW CRITERIA FOR RECRUITMENT AND ANNUAL ASSESSMENT OF 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.

The Directors also observe the recommendation of MCCG 2012 that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

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

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

RE-ELECTION OF DIRECTORS

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

The Articles 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.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

GENDER, ETHNICITY AND AGE GROUP DIVERSITY POLICIES

The Board is cognisant of the gender diversity recommendation promoted by MCCG 2012 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 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.

The Nomination Committee met once (1) during the financial year ended 30 June 2015. The activities carried out by the Nomination Committee were as follows:-

- Adoption of the Performance Evaluations Forms to be carried out by the Nomination Committee to undertake evaluation on the performance of each Directors, Board Committees and Board as a whole.
- Reviewed and assessed the mix of skills, expertise, composition, size and experience of Board, including core-competencies of both Executive and Non-Executive Directors, effectiveness of the Board as a whole and the Board Committees. All assessments and evaluations carried out by the Nomination Committee were properly documented.
- Considered and assessed the list of Directors who are retiring by rotation to put forward for re-election, subject to the approval of shareholders at the Company's annual general meeting.
- Carried out the assessment of independence of the Independent Directors pursuant to Recommendation 3.1 of the MCCG 2012.

ANNUAL ASSESSMENT

The Nomination Committee conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each individual Directors in respect of the financial year ended 30 June 2015.

The Board is satisfied with the results of the annual assessment and that the current size and composition of the Board is appropriate and well-balanced with the right mix of skills with the Board composition comprising individual of high caliber, credibility and with necessary skills and qualifications to enable the Board to discharge its responsibility effectively.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
PRINCIPLE 2: STRENGTHEN COMPOSITION (CONTINUED)
2.3 REMUNERATION POLICIES

REMUNERATION COMMITTEE

The Remuneration Committee comprises two (2) Independent Non-Executive Directors and one (1) Executive Director as follows:-

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

The Terms of Reference of the Remuneration Committee are:-

Membership

1. The Remuneration Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of not less than three (3) members, consisting wholly or mainly non-executive directors.
2. The members of the Committee shall elect a Chairman from among their members.
3. The Company Secretary or such other person(s) authorised by the Board shall act as the Secretary to the Committee.
4. If a member of the Committee resigns, dies or for any other reason ceases to be a member resulting in the number of members being reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

Meetings And Minutes

1. The Committee shall meet at least once a year. The Chairman of the Committee may request for additional meeting(s) as and when he deems necessary.
2. The quorum for the meeting of the Committee shall consist of not less than two (2) members.
3. In the absence of the Chairman of the Committee, the remaining members present shall elect one (1) of their members to preside as chairman of the meeting.
4. The Committee shall report to the Board and its minutes tabled and noted by the Board of Directors. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office or the principal office of the Company and shall be open for inspection by any member of the Committee and the Board of Directors.
5. The Chairman of the Committee shall be entitled, where deemed appropriate, to invite any other person to a meeting of the Committee at which that person's expertise may be required having regard to the subject matter to be discussed.
6. A circular resolution in writing signed by the members of the Committee who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened. Any such resolution may consist of several documents in like form, each signed by one (1) or more members of the Committee and shall include signed copies via legible facsimile transmission or other written electronic means.
7. Any member of the Committee may participate in any meeting of the Committee via telephone conferencing, video conferencing or by means of any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

Functions

1. The Remuneration Committee shall establish and recommend to the Board a formal and transparent framework, structure or policy in determining the remuneration packages of the members of the Board, the Executive Directors, key management personnel and to review changes to the said framework or policy from time to time, so as to ensure that the Company attracts and retains high-calibre Directors and key management personnel who are needed to run the Group successfully.
2. The Committee should ensure that the remuneration framework, structure or policy so established for Executive Directors and key management personnel links level of remuneration with individual performance against agreed targets or key performance index, where appropriate, and shall include salaries, fees, benefits, bonuses, incentives, entitlements, pensions, fees, allowance, share options or compensation payable upon termination of service contract by the Company (if any).
3. Where necessary, the Committee may also review the terms of employment or service contracts of the Executive Directors and key management personnel, to the extent they relate to the level of remuneration of such Executive Directors and key management personnel.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
PRINCIPLE 2: STRENGTHEN COMPOSITION (CONTINUED)
2.3 REMUNERATION POLICIES (CONTINUED)

Functions (Continued)

4. The Committee shall review and recommend to the Board of Directors on an annual basis the remuneration packages of Executive Directors and key management personnel for the time being, drawing from outside advice as necessary.
5. The Committee shall also consider other matters as referred to the Committee by the Board of Directors.

Reporting Procedures

1. The remuneration packages of Executive Directors shall be the ultimate responsibility of the Board of Directors after considering the recommendations of the Committee.
2. Non-Executive Directors' remuneration packages will be a matter to be decided by the Board as a whole.
3. Directors, whether Executive or Non-Executive, shall not participate in deliberation, decisions and voting on their respective remuneration packages.
4. The Committee reports to the full Board from time to time its recommendations and decisions for Board's consideration and implementation.

Directors' Remuneration

The Remuneration Committee meets as and when required, has responsibility for determining all aspects of remuneration and terms and conditions of service of all the Directors, drawing from outside advice whenever necessary prior to making the relevant recommendation to the Board such that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. The individual concerned must abstain from deliberations and voting on decisions in respect of his individual remuneration.

Remuneration packages for Executive Directors are structured so as to link rewards to corporate and individual performance. The remuneration of Executive Directors includes salary, bonus, allowance and benefits-in-kind. In the case of Independent Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned and is determined by the Board and will be tabled to the Company's shareholders for approval at the Company's Annual General Meeting prior to payment to the Directors.

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

The aggregate remuneration paid to Executive Directors and Non-Executive Directors of the Company are described below:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive Directors				
Fees	108,000	108,000	108,000	108,000
Salaries and other emoluments	1,991,572	1,743,416	29,500	7,000
	2,099,572	1,851,416	137,500	115,000
Non-Executive Directors				
Fees	186,000	186,000	186,000	186,000
Salaries and other emoluments	33,000	33,500	33,000	33,500
	219,000	219,500	219,000	219,500

The remuneration paid to Executive Directors of the Company by category and in the bands of RM50,000 is as set out below:-

Range (RM)	No. of Executive Directors	No. of Non-Executive Directors
550,000 and below	–	4
550,001 – 600,000	1	–
600,001 – 650,000	–	–
650,001 – 700,000	1	–
700,001 – 750,000	–	–
750,001 – 800,000	–	–
800,001 – 850,001	1	–
Total	**3**	**4**

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
PRINCIPLE 2: STRENGTHEN COMPOSITION (CONTINUED)
2.3 REMUNERATION POLICIES (CONTINUED)

Directors' Remuneration (Continued)

During the financial year ended 30 June 2015, the Remuneration Committee met three (3) times to deliberate the following matters:-

- Reviewed the employment contract of the Deputy Group Managing Director and Group Chief Financial Officer of the Company and recommended the same for the approval of the Board.

- Reviewed and recommended the proposed Directors' fees and the benefits in-kind for the Directors of the Company, to the Board for approval.

- Reviewed the proposed bonus for the Executive Directors and the employees of the Group and recommended the same to the Board for approval.

PRINCIPLE 3: REINFORCE INDEPENDENCE

3.1 ANNUAL ASSESSMENT OF INDEPENDENCE

The Board recognises the importance of independence and objectivity in the decision-making process as advocated in MCCG 2012. 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.

In line with Recommendation 3.1 of the MCCG 2012, the Board via the Nomination Committee conducted an independent assessment of the Independent Directors. The Nomination Committee is satisfied with the results whereby all the Independent Directors fulfilled the criteria of "Independence" as prescribed under the Listing Requirements of Bursa Securities.

3.2 TENURE OF INDEPENDENT DIRECTORS

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

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

3.3 SEPARATION OF POSITION OF THE CHAIRMAN AND GROUP MANAGING DIRECTOR

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

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

3.4 COMPOSITION OF THE BOARD

The Board consists of eight (8) Directors, comprising three (3) Independent Non-Executive Directors, three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Alternate Director. This Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent. The profile of each Director is set out on Page (10) to Page (13) of this Annual Report.

The Executive Directors and the management team are responsible for making and implementing day-to-day operational decisions of the Company. Non-Executive Directors play supporting and impartial roles to the Company, providing check and balance ensuring a high standard of corporate governance, contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate objectives, policies and decisions.

The Board composition is appropriate in terms of membership and size with a good mix of skills and core competencies and is well represented by individuals with a diverse range of knowledge, experiences and ability to make independent judgments.

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

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
PRINCIPLE 4: FOSTER COMMITMENT

4.1 TIME COMMITMENT

Directors have demonstrated their commitment to the business of the Board and Board Committees and key events, towards discharging their roles and responsibilities and fiduciary duties as Directors of the Company, despite an extremely busy year both from the business and corporate perspectives. Commitment to the time necessary to carry out their duties as Directors, is a term of their appointment.

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

During the financial year, the Board met six (6) times, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions, the business direction of the Group, related party transaction and corporate governance matters. The Board also notes the decisions, recommendations and issues deliberated by the Board Committees through the minutes of these committees.

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

The details of attendance of each Director for the financial year ended 30 June 2015 are as follows:-

Name of Directors	Number of Meetings Attended
Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor	5/6
(Retired)	6/6
Y. Bhg. Tan Sri Dato' Lim Soon Peng	6/6
Mr. Lim Poh Yit	6/6
Ms. Lim Puay Fung	6/6
Mr. Chin Kim Chung	6/6
Y. Bhg. Dato' Ch'ng Toh Eng	5/6
Y. Bhg. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	

4.2 TRAINING

All Directors of the Company have attended the mandatory Accreditation Programme. Newly appointed Directors are invited to attend an in-house orientation programme which is usually conducted after their effective appointment date.

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

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

Name of Directors	Training/ courses attended
Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	- LIMA Expo 2015 - Forum-Veteran Polis And Military at University Pertahanan Malaysia - Syarahan Perdana Professor at University Pertahanan Malaysia - Nominating Committee Program Part 2 by ICLIF - Putrajaya Committee On GLC High Performance No. 28 - Putrajaya Committee On GLC High Performance No. 29 - Forum Perdana
Y. Bhg. Tan Sri Dato' Lim Soon Peng	- Invest Malaysia 2015- Economic Transformation in Malaysia

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
PRINCIPLE 4: FOSTER COMMITMENT (CONTINUED)
4.2 TRAINING (CONTINUED)

Name of Directors	Training/ courses attended
Mr. Lim Poh Yit	- Strategic Planning Workshop on Strategic Planning Management; - True Leadership: Achieving Results Through Other by Influence and Persuasion - Taste of the Four Taste Exercise - YPO-Fireside chat with the World Bank on Malaysia economy - Creating Strategic Value at the Board Level of an Organisation Quantifiable Strategic Impact; and - Lawrence Walter Seminars on Teaming with Passion.
Ms. Lim Puay Fung	- Lawrence Walter Seminars on Teaming with Passion - Building Great Brands With Content Marketing Strategies
Mr. Chin Kim Chung	- Malaysian Financial Reporting Standards/ Financial Reporting Standards Update 2013/2014 Seminar; - Goods and Services Tax ("GST") Training Course No. 2/2014; - Latest Developments on Real Property Gains Tax in 2014; - Tax Audit and Investigation Framework- A legal and Practical Perspective; - National Tax Conference 2014; and - 2015 Budget Seminar
Y. Bhg. Dato' Ch'ng Toh Eng	- Advocacy Session On Corporate Disclosure For Directors - Enhancing Internal Audit Practice
Y. Bhg. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	- New Expectations for Directors under New Companies Bill 2013

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board is committed to providing a balanced, clear and understandable assessment of the financial position, performance and prospects of 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 prospect and to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 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.

A statement by the Directors of their responsibilities in preparing the financial statements is set out on page (41) of this Annual Report.

5.2 ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The role of the Audit Committee in relation to the External Auditors is set out in the Audit Committee Report on Pages (22) to (25) 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 Group's independent External Auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of these financial statements.

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

The Audit Committee undertakes an annual assessment of the suitability and independence of the External Auditors. The External Auditors are invited to attend the Audit Committee Meeting twice a year to discuss their audit plan, audit findings and the Company's financial statements. 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 are invited to 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.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
PRINCIPLE 6: RECOGNISE AND MANAGE RISK REPORTING

6.1 SOUND FRAMEWORK TO MANAGE RISK

Risk Management is regarded by the Board to be an integral part of the business operations. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards.

The Board has put in place a formal risk management framework that allows more structured and focused approach to identify, evaluate, monitor and report the principal risks that affect the achievement of the Group's business objectives and enables the adoption of a risk-based internal control system.

The Board has established a Management level Risk Management Committee ("**RMC**") under the purview of the Deputy Group Managing Director, to spearhead risk management activities across the Group. The RMC undertakes various initiatives towards embedding a risk-based approach to the activities of the various business and support units.

The following activities have taken place as part of establishing this formal framework:

- Risk profile has been developed for the Group.
- Risk Management Policy has been developed which incorporates amongst others a structure process for identifying, evaluating and prioritising risks as well as clearly defining the risk responsibilities and escalation process.
- Risk Management Reports are tabled to the Audit Committee summarising identified risks and controls taken to mitigate or manage the identified risks.

6.2 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 2015, internal audit reviews were carried out and the findings of the reviews, including the recommended management actions plans were presented directly to the Audit Committee. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The information on the Group's risk management and internal control is presented in the Statement of Risk Management and Internal Control as set out on Pages (37) to (38) of this Annual Report.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 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 Secretary, 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.

7.2 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 assessed.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 ENCOURAGE SHAREHOLDER PARTICIPATION AT GENERAL MEETING

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

Annual General Meeting

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

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

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

8.2 ENCOURAGE POLL VOTING

Recommendation 8.2 of the MCCG 2012 recommends that the Board should encourage poll voting for substantive resolutions. In line with this recommendation, the Chairman informs the shareholders of their right to demand a poll vote at the commencement of the general meeting.

8.3 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.

At the last AGM, the Deputy Group Managing Director 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.

Statement of Compliance

The Principles and Recommendations of the MCCG 2012 have been considered in making this Statement.

The Board has taken reasonable steps to ensure the Group has implemented as far as possible the governance standards and recommendations of MCCG 2012. The Board considers that the recommendations of MCCG 2012 have been substantially implemented. Nevertheless, there are still areas for further enhancement and efforts will continue in this regard.

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

BOARD'S RESPONSIBILITIES

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

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

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

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

INTERNAL CONTROL

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)
RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)
INTERNAL CONTROL (CONTINUED)

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

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

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to a professional service firm, as part of its efforts in ensuring that the Group's systems of internal controls are adequate and effective. The internal audit activities of the Group are carried out according to an annual audit plan approved by the Audit Committee. The internal audit function adopts a risk-based approach and prepares its audit plans based on significant risks identified. The internal audit provides an assessment of the adequacy and integrity of the Group's system of internal controls, and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the internal audit assessments are reported periodically to the Audit Committee.

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

A total of RM60,000 was spent on internal audit activities for the financial year ended 30 June 2015.

REVIEW BY THE BOARD

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

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

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

The Audit Committee will address and monitor the implementation of key risk action plans and any internal control weakness and ensure continuous process improvement.

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

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

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

The above statement is made in accordance with the resolution of the Board dated 15 October 2015.

CORPORATE SOCIAL RESPONSIBILITY

Titijaya Land Berhad ("Titijaya" or "the Group") recognises the significance of Corporate Social Responsibility ("CSR") that creates value for customers, society and the environment. Our strong sense of commitment towards CSR will ensure that Titijaya strengthens our business relationships and make positive contributions to our shareholders, employees, society, the environment and the community at large.

COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

As a property developer, Titijaya is consciously aware that the business activities engaged have a direct impact towards the environment. As such, the Group endeavours to have development projects which are designed and built with green technology and environmentally friendly building materials and resources in mind. The Group consciously practises various environmental policies as well as preventive measures to minimise the negative environmental impact and carbon footprint.

COMMITMENT TO THE EMPLOYEES

Employees are an invaluable asset to the Group and Titijaya acknowledges the importance of upkeeping their welfare in relation to the following aspects:

- Providing a conducive working environment;
- Providing highest safety and health standards; and
- Providing a healthy lifestyle together with a work-life balance.

Titijaya aims to provide employees with a total work satisfaction with no compromise either on their health or safety issues by adopting good occupational health and safety practices.

In addition to the above, Titijaya believes that the commitment towards our employees also includes motivating them to continuously develop and improve their proficiency by constantly engaging them with various in-house training programmes and seminars such as time management training, management retreats, motivational training, and Malaysia Accounting Standards Board ("**MFRS**")/FRS Update Seminars.

COMMITMENT TO THE COMMUNITY

Titijaya remains committed towards giving back to the community by addressing the needs of the community at large. The Group has been active in various CSR programmes that reflect Titijaya's philosophy of best practices that can aid those in need.

TITIJAYA FOUNDATION

In November 2014, Titijaya launched the Group's charity aid foundation, Titijaya Foundation by donating a total of RM1.0 million to its establishment.

Titijaya Foundation embarked on its first activity with a contribution to the Love and Care Charitable Association whose main objective is to help reduce starvation and prevent food wastage. The Love and Care Charitable was implemented by the Lim Association.

Charitable commitment and assistance is not something new to Tan Sri Dato' Lim Soon Peng; from the first day that he was able he had started unmeasurable assistance and donations to the less fortunate of his community. It's one of his main life principles and he preaches whole-heartedly not only to his own family but everyone that he is acquainted. Titijaya Foundation is Tan Sri Dato' Lim's extended commitment and vision for Titijaya Group to practice the culture of helping those in need.

EDUCATION IS THE ROOT TO BUILDING EXCELLENCE

Titijaya Foundation has recently established the Titijaya Scholarship Fund, which provides students with positive attitudes the opportunity to pursue their first full-time university degree. Titijaya Scholarship Fund's preferred disciplines for scholarship cover:

- Civil Engineering/M&E Engineering/ Housing, Building and Property
- Architectural / Building Surveying / Quantity Surveying
- Accountancy & Finance / Business Administration
- Marketing & Sales / Computer Studies

Titijaya Foundation aims to support the community at large, including but not limited to school children, single mothers, the homeless and elderly. This support does not only include financial aspects but also social inclusion and skill-endowment.

A GLIMPSE OF CSR EVENTS


Donated RM30,000 for Greater KL initiatives


Participated at the launch of the Love and Care Charitable Association Selangor and raising RM1 million

10/8/2014	GST talk for consumers
25/11/2014	Pledged RM1 million at the launch of Titijaya Foundation
29/11/2014	Donated RM30,000 for Greater KL initiatives
11/4/2015	Participated at the launch of the Love and Care Charitable Association Selangor and raising RM1 million
24/4/2015	Donated RM500,000 to various bodies to support education and improve the welfare of schools and associations in Klang
29/4/2015	Educating consumers on how to build a factory


Donated RM500,000 to various bodies to support education and improve the welfare of schools and associations in Klang


GST talk for consumers


Educating consumers on how to build a factory

Pledged RM1 million at the launch of Titijaya Foundation

STATEMENT OF DIRECTORS' RESPONSIBILITY

As required under the Companies Act, 1965 ("**the Act**"), the Directors of Titijaya Land Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company for the financial year ended 30 June 2015.

In preparing the financial statements for the financial year ended 30 June 2015, the Directors have:

- Adopted suitable accounting policies and practices to ensure that they were consistently applied throughout the year;
- Made judgements and estimates that are prudent and reasonable;
- Ensured all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- Prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

This statement is made in accordance with a resolution of the Board of Directors dated 15 October 2015.

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

CONTENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM	Company RM
Net profit for the financial year, representing total comprehensive income for the financial year	80,751,419	17,786,954
Attributable to:		
Owners of the Company	80,936,732	17,786,954
Non-controlling interests	(185,313)	-
	80,751,419	17,786,954

DIVIDENDS

Since the end of the previous financial year, the Company paid a final single-tier of 4.0 sen per ordinary share totalling RM14,133,337/- in respect of the financial year ended 30 June 2014 on 18 December 2014.

The directors propose a final single-tier dividend of 4.5 sen per ordinary share in respect of the current financial year, subject to the shareholders' approval at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (CONTINUED)

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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.

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

DIRECTORS' REPORT (CONTINUED)

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 13,333,333 new ordinary shares of RM0.50 each arising from the conversion of 40,000,000 unit of RCPS on the basis of 1 new ordinary share for every 3 unit of RCPS. These new ordinary shares rank pari passu with the existing ordinary shares of the Company.

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

TREASURY SHARES

During the financial year, the Company repurchased 22,000 of its issued ordinary shares from the open market at an average price of RM1.89 per shares. The total consideration paid for the repurchase including transaction costs was RM41,566/-. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

As at 30 June 2015, the Company held as treasury shares a total of 22,000 of its 353,333,333 issued ordinary shares. Such treasury shares held at a carrying amount of RM41,566/-.

SHARE OPTION

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

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

Laksamana Tan Sri Dato' Sri Mohd Anwar Bin Hj Mohd Nor
Tan Sri Dato' Lim Soon Peng
Lim Poh Yit
Lim Puay Fung
Chin Kim Chung
Dato' Ch'ng Toh Eng
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
(Alternate Director: Adrian Cheok Eu Gene)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 30 June 2015 are as follows:-

	Ordinary shares of RM0.50 each				
	At 1.7.2014	**Bought**	**RCPS Conversion**	**Sold**	**At 30.6.2015**
The Company					
Direct interest					
Tan Sri Dato' Lim Soon Peng	300,000	-	-	-	300,000
Lim Poh Yit	355,000	425,800	-	-	780,800
Lim Puay Fung	245,000	-	-	-	245,000
Chin Kim Chung	360,000	-	-	-	360,000
Dato' Ch'ng Toh Eng	230,000	20,000	-	-	250,000
Indirect interest					
Tan Sri Dato' Lim Soon Peng * #	208,895,000	-	13,333,333	-	222,228,333
Lim Poh Yit #	208,795,000	-	13,333,333	-	222,128,333
Lim Puay Fung #	208,795,000	-	13,333,333	-	222,128,333
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir ^	400,000	-	-	-	400,000
Adrian Cheok Eu Gene * (Alternate Director to Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir)	20,000	-	-	-	20,000

DIRECTORS' REPORT (CONTINUED)

	Redeemable Convertible Preference Shares of RM0.50 each			
	At 1.7.2014	Bought	Sold	At 30.6.2015
Tan Sri Dato' Lim Soon Peng #	100,000,000	-	(40,000,000)	60,000,000
Lim Poh Yit #	100,000,000	-	(40,000,000)	60,000,000
Lim Puay Fung #	100,000,000	-	(40,000,000)	60,000,000

	Ordinary shares of RM1.00 each			
	At 1.7.2014	Bought	Sold	At 30.6.2015
The Holding Company				
Titijaya Group Sdn. Bhd.				
Direct interest				
Tan Sri Dato' Lim Soon Peng	1,500,000	-	-	1,500,000
Lim Poh Yit	2,550,000	-	-	2,550,000
Lim Puay Fung	950,000	-	-	950,000

* Deemed interested by virtue of Section 134(12)(c) of the Companies Act, 1965 in Malaysia.
# Deemed interested by virtue of Section 6A of the Companies Act, 1965 in Malaysia.
^ Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholding in ISY Holdings Sdn. Bhd.

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

DIRECTORS' BENEFITS

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

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

DIRECTORS' REPORT (CONTINUED)

HOLDING COMPANY

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

AUDITORS

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

On behalf of the Board,

……………………………………………..
TAN SRI DATO' LIM SOON PENG
Director

…………………………………………….
LIM POH YIT
Director

Kuala Lumpur
Date: 15 October 2015

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	4,510,317	4,465,406	-	-
Land held for property development	5(a)	135,179,120	114,288,799	-	-
Investments in subsidiary companies	6	-	-	191,407,500	183,507,500
Investments in an associate company	7	-	35,000	-	-
Investment properties	8	76,320,248	76,413,220	-	-
Goodwill on consolidation	9	3,706,047	1,595,888	-	-
Total non-current assets		219,715,732	196,798,313	191,407,500	183,507,500
Current assets					
Property development costs	5(b)	365,849,747	343,828,142	-	-
Inventories	10	23,405,993	21,227,307	-	-
Other investments	11	2,164,399	511,000	2,153,205	-
Trade and other receivables	12	217,714,605	95,196,371	114,952,488	108,656,163
Accrued billings in respect of property development costs		33,232,818	10,800,374	-	-
Tax recoverable		5,542,494	1,383,951	-	-
Fixed deposits placed with licensed bank	13	61,268,635	50,541,756	30,472,027	30,145,640
Cash and bank balances	14	127,990,104	93,585,901	20,864,130	365,109
Total current assets		837,168,795	617,074,802	168,441,850	139,166,912
TOTAL ASSETS		1,056,884,527	813,873,115	359,849,350	322,674,412

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (CONTINUED)

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	15	176,666,666	170,000,000	176,666,666	170,000,000
Share premium	15	92,957,117	78,839,917	92,957,117	78,839,917
Treasury shares	15	(41,566)	-	(41,566)	-
Other reserves	16	(39,993,241)	(35,038,166)	7,432,614	12,387,689
Retained earnings		245,282,691	178,308,639	19,227,364	15,573,747
		474,871,667	392,110,390	296,242,195	276,801,353
Non-controlling interests		568,681	-	-	-
Total equity		475,440,348	392,110,390	296,242,195	276,801,353
Non-Current liabilities					
Hire purchase payables	17	421,641	387,237	-	-
Bank borrowings	18	103,357,249	104,610,950	-	-
RCPS - liability component	19	23,584,925	36,278,919	23,584,925	36,278,919
Deferred tax liabilities	20	35,768,382	38,658,227	1,539,618	3,293,059
Total non-current liabilities		163,132,197	179,935,333	25,124,543	39,571,978
Current liabilities					
Trade and other payables	21	163,262,033	132,746,414	38,362,111	6,171,996
Progress billings in respect of property development costs		190,989,848	81,555,348	-	-
Hire purchase payables	17	175,839	215,712	-	-
Bank borrowings	18	54,536,919	21,282,159	-	-
Tax payables		9,347,343	6,027,759	120,501	129,085
Total current liabilities		418,311,982	241,827,392	38,482,612	6,301,081
Total liabilities		581,444,179	421,762,725	63,607,155	45,873,059
TOTAL EQUITY AND LIABILITIES		1,056,884,527	813,873,115	359,849,350	322,674,412

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	22	340,650,247	283,847,715	20,000,000	20,000,000
Cost of sales	23	(191,238,521)	(154,039,800)	-	-
Gross profit		149,411,726	129,807,915	20,000,000	20,000,000
Other income		4,808,033	3,358,365	1,111,154	543,514
Selling and distribution expenses		(21,300,382)	(17,808,843)	-	-
Administrative expenses		(17,574,456)	(13,936,285)	(2,855,787)	(3,374,230)
Other expenses		(3,498,203)	(3,621,136)	(629,856)	(1,098,924)
Operating profit		111,846,718	97,800,016	17,625,511	16,070,360
Finance costs	24	(763,521)	(1,356,929)	-	-
Profit before taxation	25	111,083,197	96,443,087	17,625,511	16,070,360
Income tax expense	26	(30,331,778)	(25,147,681)	161,443	707,085
Net profit for the financial year		80,751,419	71,295,406	17,786,954	16,777,445
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		80,751,419	71,295,406	17,786,954	16,777,445
Attributable to:-					
Owners of the Company		80,936,732	71,295,406	17,786,954	16,777,445
Non-controlling interests		(185,313)	-	-	-
		80,751,419	71,295,406	17,786,954	16,777,445
Earnings per ordinary share attributable to Owners of the Company (sen)					
- Basic	27(a)	23	23		
- Diluted	27(b)	22	21		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	Share Capital RM	Share Premium RM	Treasury Share RM	RCPS - Equity Component RM	Reserve Arising from Reverse Acquisition RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
		Attributable to owners of the Company								
		Non-Distributable					Distributable			
Group										
At 1 July 2013		129,147,500	-	-	12,387,689	(47,425,855)	107,013,233	201,122,567	-	201,122,567
Issuance of shares		40,852,500	78,839,917	-	-	-	-	119,692,417	-	119,692,417
Total comprehensive income for the financial year		-	-	-	-	-	71,295,406	71,295,406	-	71,295,406
At 30 June 2014		170,000,000	78,839,917	-	12,387,689	(47,425,855)	178,308,639	392,110,390	-	392,110,390
Conversion of RCPS		6,666,666	14,117,200	-	(4,955,075)	-	-	15,828,791	-	15,828,791
Purchase of treasury shares		-	-	(41,566)	-	-	-	(41,566)	-	(41,566)
Dividends on ordinary shares	34	-	-	-	-	-	(14,133,337)	(14,133,337)	-	(14,133,337)
Changes in ownership interests in subsidiaries		-	-	-	-	-	170,657	170,657	753,994	924,651
Total comprehensive income for the financial year		-	-	-	-	-	80,936,732	80,936,732	(185,313)	80,751,419
At 30 June 2015		176,666,666	92,957,117	(41,566)	7,432,614	(47,425,855)	245,282,691	474,871,667	568,681	475,440,348

	Note	Share Capital RM	Share Premium RM	Treasury Share RM	RCPS - Equity Component RM	(Accumulated Losses)/ Retained Earnings RM	Total Equity RM
		Attributable to owners of the Company					
		Non-Distributable				Distributable	
Company							
At 1 July 2013		129,147,500	-	-	12,387,689	(1,203,698)	140,331,491
Issuance of shares		40,852,500	78,839,917	-	-	-	119,692,417
Total comprehensive income for the financial year		-	-	-	-	16,777,445	16,777,445
At 30 June 2014		170,000,000	78,839,917	-	12,387,689	15,573,747	276,801,353
Conversion of RCPS		6,666,666	14,117,200	-	(4,955,075)	-	15,828,791
Purchase of treasury shares		-	-	(41,566)	-	-	(41,566)
Dividends on ordinary shares	34	-	-	-	-	(14,133,337)	(14,133,337)
Total comprehensive income for the financial year		-	-	-	-	17,786,954	17,786,954
At 30 June 2015		176,666,666	92,957,117	(41,566)	7 ,432,614	19,227,364	296,242,195

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:				
Profit before taxation	111,083,197	96,443,087	17,625,511	16,070,360
Adjustments for:-				
Accretion of interest on RCPS	1,817,574	2,795,837	1,817,574	2,795,837
Depreciation of investment properties	92,972	92,972	-	-
Depreciation of property, plant and equipment	517,365	397,059	-	-
Dividend income	(153,567)	(85)	(20,153,205)	(20,000,000)
Interest expense	763,521	1,356,929	-	-
Interest income	(2,936,001)	(1,863,626)	(957,949)	(543,514)
Loss on disposal of motor vehicle	7,672	-	-	-
Receivables written off	9,330	-	-	-
Operating profit/(loss) before working capital changes	111,202,063	99,222,173	(1,668,069)	(1,677,317)
Changes In Working Capital:-				
Inventories	4,988,453	8,747,180	-	-
Receivables	(41,125,956)	26,828,243	(580,325)	(1,004,500)
Payables	136,785,972	(9,314,049)	40,000	279,000
Property development costs	(21,913,592)	(130,129,320)	-	-
Net cash generated from/(used in) operations	189,936,940	(4,645,773)	(2,208,394)	(2,402,817)
Income tax paid	(33,213,654)	(26,964,786)	(283,358)	-
Income tax refunded	470,295	2,453,091	-	-
Interests paid	(261,836)	(490,180)	-	-
Interests received	2,936,001	1,863,626	957,949	543,514
Net Operating Cash Flows	159,867,746	(27,784,022)	(1,533,803)	(1,859,303)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES:				
Acquisition of subsidiary companies (Note A)	-	-	(3,000,002)	(6)
Additional investment in a subsidiary company	-	-	(4,899,998)	(1,759,998)
Investment in an associate	35,000	(35,000)	-	-
Investment in unit trusts	(1,500,096)	(505,483)	(2,000,000)	-
Deposit paid for acquisition of land held for property development	-	-	-	-
Dividend received	264	43	20,000,000	20,000,000
Land held for property development costs incurred	(25,232,360)	(19,963,375)	-	-
Net cash outflow from acquisitions of subsidiary companies (Note A)	(1,845,290)	-	-	-
Proceed from disposal of property, plant and equipment	30,000	-	-	-
Purchase of property, plant and equipment (Note B)	(350,948)	(226,168)	-	-
Net Investing Cash Flows	(28,863,430)	(20,729,983)	10,100,000	18,239,996
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES:				
Dividend paid on ordinary shares	(14,133,337)	-	(14,133,337)	-
Proceed from issuance of share to non-controlling interest of a subsidiary	900,000	-	-	-
Fixed deposits pledged as security values	(11,840,703)	(609,619)	-	-
Interests paid	(501,685)	(866,749)	-	-
Net changes in amount due from/to related parties	(34,842,577)	(8,777,389)	26,434,114	(105,574,188)
Drawdown of bank borrowings	5,026,171	91,700,000	-	-
Purchase of treasury shares	(41,566)	-	(41,566)	-
Proceeds from issuance of shares	-	119,692,417	-	119,692,417
Net repayment of bank borrowings	(39,759,394)	(31,528,619)	-	-
Repayment of hire purchase payables	(254,469)	(178,331)	-	-
Net Financing Cash Flows	(95,447,560)	169,431,710	12,259,211	14,118,229

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
NET CHANGE IN CASH AND CASH EQUIVALENTS	35,556,756	120,917,705	20,825,408	30,498,922
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	132,964,140	12,046,435	30,510,749	11,827
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	168,520,896	132,964,140	51,336,157	30,510,749
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Cash and bank balances	127,990,104	93,585,901	20,864,130	365,109
Fixed deposits placed with licensed banks	61,268,635	50,541,756	30,472,027	30,145,640
Bank overdrafts	(4,589,720)	(6,856,097)	-	-
	184,669,019	137,271,560	51,336,157	30,510,749
Less: Fixed deposits held as security values	(16,148,123)	(4,307,420)	-	-
	168,520,896	132,964,140	51,336,157	30,510,749

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

A. EFFECTS ON ACQUISITIONS OF OTHER SUBSIDIARY COMPANIES

Effects on acquisitions of the following subsidiary companies:-

2015

(a) Tenang Sempurna Sdn. Bhd. ("Tenang Sempurna")

On 14 July 2014, the Company through its subsidiary, Titijaya Resouces Sdn. Bhd., acquired 105,000 of new ordinary shares of RM1.00 each in Tenang Sempurna representing 70% of the equity interest in Tenang Sempurna for a total consideration of RM105,000/- satisfied by cash. Tenang Sempurna is now a wholly-owned subsidiary company of the Company.

(b) Premsdale Development Sdn. Bhd. ("Premsdale Development")

On 24 March 2015, the Company acquired 1 ordinary share of RM1.00 each from Aziah Binti Musa and Radijah Binti Abdul Razak (collectively referred to as "Premsdale Development Vendors") representing the entire issued and paid-up share capital in Premsdale Development for a total purchase consideration of RM2/- satisfied by cash. Premsdale Development is now a wholly-owned subsidiary company of the Company.

(c) Tulus Lagenda Sdn. Bhd. ("Tulus Lagenda")

On 8 May 2015, the Company acquire 500,000 ordinary shares of RM1.00 each from Fazidah Binti Abdullah and Chan Peng Kooh (collectively referred to as "Tulus Lagenda Vendors") representing the entire issued and paid-up share capital in Tulus Lagenda for a total consideration of RM3,000,000/- satisfied by cash. Tulus Lagenda is now a wholly owned-subsidiary company of the Company.

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

	Group 2015 RM
Land held for property development	2,933,113
Trade and other receivables	103,853,746
Cash and bank balances	1,259,712
Minority interests	(24,651)
Trade and other payables	(38,026,418)
Bank borrowings	(69,000,659)
Net identifiable assets	994,843
Add: Goodwill on consolidation (Note 9)	2,110,159
Total purchase consideration	3,105,002
Less: Cash and cash equivalents of subsidiary companies acquired	(1,259,712)
Cash outflow on acquisitions	1,845,290

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

A. EFFECTS ON ACQUISITIONS OF OTHER SUBSIDIARY COMPANIES (CONTINUED)

2014

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

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

(b) Titijaya PMC Sdn. Bhd. ("Titijaya PMC")

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

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

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

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

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

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

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

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

B. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM599,948/- (2014: RM535,968/-), of which RM249,000/- (2014: RM309,800/-) were acquired by means of finance lease.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at N-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 October 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

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

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 NEW FRSS, AMENDMENTS/IMPROVEMENTS TO FRSS AND NEW IC INTERPRETATIONS ("IC INT")

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

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

Amendments/Improvements to FRSs

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 8	Operating Segments
FRS 10	Consolidated Financial Statements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 124	Related Party Disclosures
FRS 127	Separate Financial Statements
FRS 132	Financial Instruments: Presentation
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 139	Financial Instruments: Recognition and Measurement
FRS 140	Investment Property

New IC Int

IC Int 21	Levies

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

Amendments to FRS 3 Business Combinations

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

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

Amendments to FRS 8 Operating Segments

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

The Amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker. The Amendments only impact the presentation of the disclosure in the financial statements it has no impact on the financial results and positions of the Group.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 NEW FRSS, AMENDMENTS/IMPROVEMENTS TO FRSS AND NEW IC INTERPRETATIONS ("IC INT" (CONTINUED)

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

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

In addition, amendments to FRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of FRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with FRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 132 does not change the current offsetting model in FRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria. This Amendments only impacts the presentation in the financial statements but has no impact on the financial results and positions of the Group and of the Company.

Amendments to FRS 136 Impairment of Assets

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

Amendments to FRS 139 Financial Instruments: Recognition and Measurement

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

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

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

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments/Improvements to FRSs		
FRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
FRS 7	Financial Instruments: Disclosures	1 January 2016
FRS 10	Consolidated Financial Statements	1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosure of Interests in Other Entities	1 January 2016
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 116	Property, Plant and Equipment	1 January 2016
FRS 119	Employee Benefits	1 January 2016
FRS 127	Separate Financial Statements	1 January 2016
FRS 128	Investments in Associates and Joint Ventures	1 January 2016
FRS 134	Interim Financial Reporting	1 January 2016
FRS 138	Intangible Assets	1 January 2016

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 NEW FRSS, AMENDMENTS/IMPROVEMENTS TO FRSS AND NEW IC INTERPRETATIONS ("IC INT" (CONTINUED)

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

FRS 9 Financial Instruments

FRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification and measurement
FRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

Impairment
FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a timelier basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Hedge accounting
FRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

FRS 14 Regulatory Deferral Accounts

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

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

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 5 introduces specific guidance when an entity reclassifies an asset (or disposal group) from held-for-sale to held-for-distribution to owners (or vice versa), or when held-for-distribution is discontinued.

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 7 provides additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of FRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 7) to condensed interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 NEW FRSS, AMENDMENTS/IMPROVEMENTS TO FRSS AND NEW IC INTERPRETATIONS ("IC INT" (CONTINUED)

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

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

These Amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 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 (whether it is housed in a subsidiary or not), as defined in FRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosures of Interests in Other Entities and FRS 128 Investments in Associates and Joint Ventures

These Amendments addresses the following issues that have arisen in the application of the consolidation exception for investment entities:-

- Exemption from presenting consolidated financial statements:- the Amendments clarifies that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities:- the Amendments clarifies that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures:- the Amendments allows a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

Amendments to FRS 11 Joint Arrangements

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

Amendments to FRS 101 Presentation of Financial Statements

Amendments to FRS 101 improves the effectiveness of disclosures. The Amendments clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to FRS 116 Property, Plant and Equipment

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

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

Amendments to FRS 116 prohibits revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 NEW FRSS, AMENDMENTS/IMPROVEMENTS TO FRSS AND NEW IC INTERPRETATIONS ("IC INT") (CONTINUED)

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

Amendments to FRS 119 Employee Benefits

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

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

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

In addition, the Amendments clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to FRS 127 Separate Financial Statements

Amendments to FRS 127 allows a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to FRS 138 Intangible Assets

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

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

(c) MASB Approved Accounting Standards, MFRSs

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

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2017. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ended 31 July 2018.

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

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 NEW FRSS, AMENDMENTS/IMPROVEMENTS TO FRSS AND NEW IC INTERPRETATIONS ("IC INT") (CONTINUED)

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

MFRS 15 Revenue from Contracts with Customers

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

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

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

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

Amendments to MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises.

The Group does not expect any impact on the financial statements arising from the adoption of this standard.

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the Amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

The Group does not expect any impact on the financial statements arising from the adoption of this standard.

2.3 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Consolidation

(i) Subsidiaries

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Consolidation (Continued)

(ii) Business combination

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

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

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

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

(iii) Acquisition of non-controlling interests

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

(iv) Loss of control

Upon loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and other components of equity related to the former subsidiary from consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Associates

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Consolidation (Continued)

(v) Associates (Continued)

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

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

(vi) Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vii) Non-controlling interests

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

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

(viii) Transactions eliminated on consolidation

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

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

(ix) Goodwill

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, Plant and Equipment

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

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

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

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

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

No depreciation is provided on freehold land.

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

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

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

(c) Investment Properties

(i) Investment property carried at cost less accumulated depreciation and impairment loss

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

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalise borrowing costs.

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

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

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

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property Development Activities

(i) Land Held for Property Development

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

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

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

(ii) Property Development Costs

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

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

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

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

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

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

(e) Financial Instruments

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

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

An embedded derivatives 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 and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognosed separately, is accounted for in accordance with the nature of the host contract.

The Group and the Company categorise financial instruments as follows:

(i) Financial Assets

- ***Financial Assets at Fair Value Through Profit or Loss***

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

(i) Financial Assets (Continued)

- ***Financial Assets at Fair Value Through Profit or Loss (Continued)***

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

- ***Loans and Receivables***

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

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

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

- ***Held-to-Maturity Investments***

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

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

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

- ***Available-for-Sale Financial Assets***

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

(ii) Financial Liabilities

- **Financial Liabilities at Fair Value Through Profit or Loss**
  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

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

- **Other Financial Liabilities**
  The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

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

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

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

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

(f) 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.

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

(g) Impairment of Assets

(i) Financial Assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of Assets (Continued)

(i) Financial Assets (Continued)

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

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

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

- **Unquoted Equity Securities Carried at Cost**

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

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

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

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

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

(ii) Non-Financial Assets

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

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Inventories

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

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

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

(i) Provisions for Liabilities

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

Provision are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(j) Leases

(i) Finance Lease

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

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

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

(ii) Operating leases

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

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

(k) Contingent Liabilities

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

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

(l) Equity Instruments

(i) Ordinary Shares

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Equity Instruments (Continued)

(i) Ordinary Shares (Continued)

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

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

(ii) Redeemable Cumulative Preference Shares ("RCPS")

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

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

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

(iii) Treasury Shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid, including directly attributable costs, net of any tax effects, is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sales, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(m) Borrowing Costs

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

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

(n) Taxation

(i) Current Tax

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

(ii) Deferred Tax

Deferred tax is provided for, using the liability method, on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets, if any, is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Taxation (Continued)

(ii) Deferred Tax (Continued)

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and current tax liabilities on a net basis.

(o) Currencies

Functional and Presentation Currency

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

(p) Revenue Recognition

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

(i) Property Development

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

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

(ii) Interest Income

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

(iii) Rental Income

Rental income is recognised on an accrual basis.

(iv) Dividend Income

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

(q) Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post-Employment Benefits

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

(r) Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Segment Information

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

(t) 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 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.

(u) Earnings per ordinary share

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

Basics EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own share held.

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

(i) Revenue Recognition on Property Development Projects

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Key Sources of Estimation Uncertainty

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

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

The Company tests investments in subsidiary companies for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiary companies affects the result of the impairment test. Costs of investments in subsidiary companies which have ceased operations were impaired up to net assets of the subsidiary companies. The impairment made on investment in subsidiary companies entails an allowance for doubtful debts to be made to the amount owing by these subsidiary companies.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiary companies, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investments in subsidiary companies.

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

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

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

(iii) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated.

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Useful lives of property, plant and equipment

The Group estimate the useful lives of property, plant and equipment based on period over which the assets ar expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectation differs from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of useful lives of property, plant and equipment are based on experience with similar assets in the industries. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(v) Taxation

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(vi) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land and Building RM	Computers RM	Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Renovation RM	Cabins RM	Total RM
Group								
Cost								
At 1 July 2013	3,547,576	230,608	102,475	300,044	1,870,180	75,061	22,460	6,148,404
Additions	16,635	132,923	6,566	30,399	349,445	-	-	535,968
At 30 June 2014	3,564,211	363,531	109,041	330,443	2,219,625	75,061	22,460	6,684,372
Additions	-	252,395	2,380	30,280	310,993	3,900	-	599,948
Disposal	-	-	-	-	(48,324)	-	-	(48,324)
At 30 June 2015	3,564,211	615,926	111,421	360,723	2,482,294	78,961	22,460	7,235,996
A ccumulated Depreciation								
At 1 July 2013	-	157,109	97,019	164,691	1,323,496	57,133	22,459	1,821,907
Depreciation for the financial year	71,284	29,576	1,625	40,863	248,369	5,342	-	397,059
At 30 June 2014	71,284	186,685	98,644	205,554	1,571,865	62,475	22,459	2,218,966
Depreciation for the financial year	71,284	72,225	2 ,741	47,999	317,126	5,990	-	517,365
Disposal	-	-	-	-	(10,652)	-	-	(10,652)
At 30 June 2015	142,568	258,910	101,385	253,553	1,878,339	68,465	22,459	2,725,679
Net Carrying Amounts								
At 30 June 2015	3,421,643	357,016	10,036	107,170	603,955	10,496	1	4,510,317
At 30 June 2014	3,492,927	176,846	10,397	124,889	647,760	12,586	1	4,465,406

Included in the freehold land and building of the Group with a net book value totaling RM3,421,643/- (2014: RM3,492,927/-) are pledged to financial institutions to secure credit facilities granted to the Group.

Motor vehicles with a total carrying amount of RM603,952/- (2014: RM647,756/-) were acquired under hire purchase arrangements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT

(a) Land Held for Property Development

	Freehold land RM	Leasehold land RM	Development cost RM	Total RM
Group				
At 1 July 2013	140,669,826	-	24,474,771	165,144,597
Additions during the financial year	-	-	19,963,375	19,963,375
Transfer to property development costs (Note 5(b))	(62,227,382)	-	(8,591,791)	(70,819,173)
At 30 June 2014	78,442,444	-	35,846,355	114,288,799
Acquisition of subsidiary company	-	-	2 ,933,113	2,933,113
Additions during the financial year	-	15,000,000	10,232,360	25,232,360
Transfer to property development costs (Note 5(b))	(6,782,695)	-	(492,457)	(7,275,152)
At 30 June 2015	71,659,749	15,000,000	48,519,371	135,179,120

Land held for property development amounting to RM71,125,735/- (2014: RM75,124,560/-) have been pledged to financial institutions to secure credit facilities granted to the Group.

Included in the land held for property development costs of the Group are RM746,978/- (2014: RM1,097,660/-) being interest expense capitalised during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT (CONTINUED)

(b) Property Development Costs

	Freehold land RM	Leasehold land RM	Development cost RM	Total RM
Group				
Cumulative Property Development Costs				
At 1 July 2013	67,743,867	18,800,000	102,841,263	189,385,130
Cost incurred during the financial year	137,383,263	-	138,018,510	275,401,773
Transfer from land held for property development (Note 5(a))	62,227,382	-	8,591,791	70,819,173
Reversal of completed projects	(333,140)	-	(3,507,458)	(3,840,598)
Unsold units transferred to inventories	(1,372,959)	-	(14,455,167)	(15,828,126)
At 30 June 2014	265,648,413	18,800,000	231,488,939	515,937,352
Cost incurred during the financial year	50,000	-	208,089,448	208,139,448
Transfer from land held for property development (Note 5(a))	6,782,695	-	492,457	7,275,152
Reversal of completed projects	(5,361,107)	(2,658,146)	(105,432,739)	(113,451,992)
Unsold units transferred to inventories	(531,323)	-	(6,635,816)	(7,167,139)
At 30 June 2015	266,588,678	16,141,854	328,002,289	610,732,821
Cumulative Costs Recognised in Profit or Loss				
At 1 July 2013	(1,037,637)	(1,171,774)	(28,467,944)	(30,677,355)
Recognised during the financial year	(18,515,585)	(2,995,768)	(123,761,100)	(145,272,453)
Reversal of completed projects	333,140	-	3,507,458	3,840,598
At 30 June 2014	(19,220,082)	(4,167,542)	(148,721,586)	(172,109,210)
Recognised during the financial year	(28,329,100)	(689,963)	(157,206,793)	(186,225,856)
Reversal of completed projects	5,361,107	2,658,146	105,432,739	113,451,992
At 30 June 2015	(42,188,075)	(2,199,359)	(200,495,640)	(244,883,074)
Property Development Costs				
At 30 June 2015	224,400,603	13,942,495	127,506,649	365,849,747
At 30 June 2014	246,428,331	14,632,458	82,767,353	343,828,142

Included in the property development costs of the Group are RM6,021,478/- (2014: RM910,587/-) being interest expense capitalised during the financial year.

The freehold land under property development costs amounting to RM186,952,047/- (2014: RM188,128,742/-) have been pledged to financial institutions to secure credit facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENTS IN SUBSIDIARY COMPANIES COSTS

	Company	
	2015 RM	2014 RM
Unquoted shares - at cost	191,407,500	183,507,500

The details of the subsidiary companies are as follows:

Name of entity	Country of Incorporation	Effectivecost Equity Interest 2015	Effectivecost Equity Interest 2014	Principal Activities
Direct subsidaries				
Aman Kemensah Sdn. Bhd.	Malaysia	100%	100%	Property development
Epoch Property Sdn. Bhd.	Malaysia	100%	100%	Property development
NPO Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Safetags Solution Sdn. Bhd.	Malaysia	100%	100%	Property development
Shah Alam City Centre Sdn. Bhd.	Malaysia	100%	100%	Property development
Prosperous Hectares Sdn. Bhd.	Malaysia	70%	100%	Property development
Pin Hwa Properties Sdn. Bhd.	Malaysia	100%	100%	Investment holding and joint venture for property development
Terbit Kelana Development Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Titijaya Resources Sdn. Bhd.	Malaysia	100%	100%	Property development
Titijaya PMC Sdn. Bhd.	Malaysia	100%	100%	Providing management services
City Meridian Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Liberty Park Development Sdn. Bhd.	Malaysia	100%	100%	Dormant
Premsdale Development Sdn. Bhd.	Malaysia	100%	-	Property development
Tulus Lagenda Sdn. Bhd. *	Malaysia	100%	-	Dormant
Indirect subsidaries				
Subsidairies of NPO Development Sdn. Bhd.				
NPO Land Sdn. Bhd.	Malaysia	100%	100%	Property development
Sendi Bangga Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Subsidairies of Titijaya Resources Sdn. Bhd.				
Tenang Sempurna Sdn. Bhd. *	Malaysia	70%	23%	Dormant

** Not audited by Baker Tilly Monteiro Heng.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENTS IN AN ASSOCIATE COMPANY

	Group	
	2015 RM	2014 RM
Unquoted shares - at cost	35,000	35,000
Transfer to investment in subsidiary companies	(35,000)	-
	-	35,000

The associate company is Tenang Sempurna Sdn. Bhd., incorporated in Malaysia. The principal activity of the associate is that of property development.

On 14 July 2014, the Company increased its shareholding in Tenang Sempurna Sdn. Bhd. ("TSSB"), an associate company from 23% to 70% through the acquisition of 70,000 ordinary shares of RM1/- each in TSSB for a total consideration of RM70,000/-. TSSB has then become the subsidiary of the Company.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVESTMENT PROPERTIES

	Freehold land RM	Buildings RM	Total RM
Group			
Costs			
At 1 July 2013	71,989,369	4,648,613	76,637,982
Addition	-	-	-
At 30 June 2014	71,989,369	4,648,613	76,637,982
Addition	-	-	-
At 30 June 2015	71,989,369	4,648,613	76,637,982
Accumulated Depreciation			
At 1 July 2013	-	131,790	131,790
Depreciation for the financial year	-	92,972	92,972
At 30 June 2014	-	224,762	224,762
Depreciation for the financial year	-	92,972	92,972
At 30 June 2015	-	317,734	317,734
Net Carrying Amount			
At 30 June 2015	71,989,369	4,330,879	76,320,248
At 30 June 2014	71,989,369	4,423,851	76,413,220

	Group	
	2015 RM	2014 RM
Fair value of investment properties	81,620,000	80,173,120
Rental income generated	1,210,218	1,238,634
Direct operating expenses arising from investment properties	24,211	8,670

Buildings consist of office unit and a food court.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
8. INVESTMENT PROPERTIES (CONTINUED)

(a) Fair value information

The fair value of investment properties of approximately RM81,620,000/- (2014: RM80,173,120/-) is determined based on the valuation performed by the independent professional valuers with recent experience in the location and categories of land being valued. The fair value of investment properties is measured at Level 2 hierarchy.

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the property, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square foot of comparable properties.

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

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

(b) The investment properties amounting to RM50,620,000/- (2014: RM50,980,000/-) have been pledged to financial institutions to secure credit facilities granted to the Group.

9. GOODWILL ON CONSOLIDATION

	Group	
	2015 RM	2014 RM
At the beginning of the financial year	1,595,888	1,595,888
Acquisition of subsidiary companies	2,110,159	-
At the end of the financial year	3,706,047	1,595,888

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

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

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value in use calculation. The key assumptions for the value in use calculation are those regarding number of development unitssold and progress development, discount rate and expected changes to selling prices and direct costs during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. A discount rate factor of 6.75% 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. INVENTORIES

	Group	
	2015 RM	2014 RM
Completed properties held for sale, at cost	23,405,993	21,227,307

The Group's cost of inventories recognised as cost of sales during the financial year was amounted to RM4,680,834/- (2014: RM8,747,180/-).

11. OTHER INVESTMENTS

	Group		Company	
Current	2015 RM	2014 RM	2015 RM	2014 RM
Financial assets at fair value through profit or loss -Held for trading	2,164,399	511,000	2,153,205	-

12. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
Trade receivables	(a)	73,454,121	80,705,216	-	-
Amount due from:	(b)				
- holding company		-	2,000	-	-
- subsidiary companies		-	-	113,367,663	107,651,663
- a subsidiary company of the holding company		-	17,694	-	-
Other receivables	(c)	29,036,310	11,250,457	580,325	1,000,000
Deposits	(d)	112,977,624	3,167,725	1,004,500	4,500
Prepayments	(e)	2,246,550	53,279	-	-
		144,260,484	14,491,155	114,952,488	108,656,163
Total trade and other receivables		217,714,605	95,196,371	114,952,488	108,656,163

(a) Trade receivables

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

Ageing analysis of trade receivables is as follows:-

	Group	
	2015 RM	2014 RM
Neither past due nor impaired	26,212,773	60,204,616
1 to 30 days past due not impaired	23,041,641	16,263,900
31 to 75 days past due not impaired	543,554	586,307
More than 75 days past due but not impaired	23,656,153	3,650,393
	73,454,121	80,705,216

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (Continued)

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

The balance of trade receivables that are past due but not impaired, representing approximately 64% (2014: 25%) of the Group's trade receivables are unsecured in nature.

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

(b) Amounts due from holding company, subsidiary companies and a subsidiary company of the holding company

The amounts due from holding company, subsidiary companies and a subsidiary company of the holding company are unsecured, interest free and receivable upon demand.

(c) Other receivables

(i) Included in the other receivables of the Group is an amount of RM17,393,194/- (2014: RM7,770,615/- deposited with a lawyer as stakeholders' sum from house buyers.

(ii) Included in the other receivables of the Group is an amount of RM799,512/- (2014: Nil) due from entities which the directors have interests.

(d) Deposits

Included in deposits of the Group as follows:

(i) RM2,031,505/- (2014: RM2,031,505/-) in relation to the deposits paid for the purchase of land held for property development for a total consideration of RM131,570,080/- (2014: RM131,570,080/-). The balance of the purchase considerations are disclosed as capital commitment in Note 29 to the financial statements.

(ii) RM70,000,000/- (2014: Nil) paid in connection to proposed development. The deposit is secured by a third party charge over a parcel of leasehold land.

(e) Prepayments

Included in prepayments of the Group is an amount totaling RM1,937,017/- (2014: Nil) in relation to the amount paid for the property development cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. FIXED DEPOSITS PLACED WITH LICENSED BANKS

Group

Fixed deposits placed with licensed banks have maturity dates of one (1) month which bear interests rates ranging from 2.90% to 3.40% (2014: 2.75% to 3.00%) per annum for the financial year.

Fixed deposits of RM16,148,123/- (2014: RM4,307,420/-) placed with licensed banks have been pledged to the licensed banks to secure credit facilities granted to the Group.

Company

Fixed deposits placed with licensed banks have maturity dates of one (1) month which bear interests rates at 3.15% (2014: 3.00%) per annum for the financial year.

14. CASH AND BANK BALANCES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash in hand	7,609	7,713	2	2
Housing development accounts	23,694,212	57,368,223	-	-
Cash at banks	104,288,283	36,209,965	20,864,128	365,107
	127,990,104	93,585,901	20,864,130	365,109

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Group and Company				
	Ordinary Shares of RM0.50 each		Amount		
	Share capital (Issued and fully paid) Unit	**Treasury shares** Unit	**Share capital (Issued and fully paid)** RM	**Share premium** RM	**Treasury shares** RM
At 1 July 2013	258,295,000	-	129,147,500	-	-
Issued during the financial year	81,705,000	-	40,852,500	78,839,917	-
At 30 June 2014/1 July 2014	340,000,000	-	170,000,000	78,839,917	-
Conversion of RCPS	13,333,333	-	6,666,666	14,117,200	-
Purchase of treasury shares	-	(22,000)	-	-	(41,566)
At 30 June 2015	353,333,333	(22,000)	176,666,666	92,957,117	(41,566)

	Group and Company			
	2015		2014	
	Number of Shares Unit	RM	**Number of Shares** Unit	RM
Authorised share capital				
Ordinary Shares of RM0.50 each				
At the beginning/end of the financial year	500,000,000	250,000,000	500,000,000	250,000,000

(a) **Share Capital**

The holders of ordinary shares (except treasury shares) are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

(b) **Share premium**

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

(c) **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.

The Company acquired 22,000 (2014: Nil) shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the financial year at an average price of RM1.89 per shares. The total consideration paid to acquire the shares was RM41,566/-(2014: Nil) and this was presented as component within shareholders' equity.

The directors of the Company are committed to enhancing 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 67A of the Companies Act, 1965 in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. OTHER RESERVES

	Reserve arising from reverse acquisition RM	Equity component of redeemable convertible preference RM	Total RM
Group			
At 1 July 2013	(47,425,855)	12,387,689	(35,038,166)
Transaction during the year	-	-	-
At 30 June 2014/1 July 2014	(47,425,855)	12,387,689	(35,038,166)
Conversion of RCPS	-	(4,955,075)	(4,955,075)
At 30 June 2015	(47,425,855)	7,432,614	(39,993,241)
Company			
At 1 July 2013		12,387,689	12,387,689
Transaction during the year		-	-
At 30 June 2014/1 July 2014		12,387,689	12,387,689
Conversion of RCPS		(4,955,075)	(4,955,075)
At 30 June 2015		7,432,614	7,432,614

(a) **Reserve Arising From Reserve Acquisition**

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

(b) **Equity component of redeemable convertible preference shares**

This represents the residual amount of redeemable convertible preference shares ("RCPS") after deducting the fair value of the liability component. This amount is presented net of transaction costs and deferred tax liability arising from RCPS.

17. HIRE PURCHASE PAYABLES

	Group	
	2015 RM	2014 RM
Minimum hire purchase payments		
- within twelve months	200,002	238,624
- more than twelve months	460,472	419,298
	660,474	657,922
Less: Future interest charges	(62,994)	(54,973)
Present value of hire purchase payables	597,480	602,949
Analysis of present value of hire purchase payables		
- not later than one year	175,839	215,712
- later than one year and not later than five years	421,641	387,237
	597,480	602,949

The hire purchase payables bear interest at the effective interest rates ranging from 3.59% to 7.13% (2014: 2.93% to 6.08%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. BANK BORROWINGS

	Group	
	2015 RM	2014 RM
Short term bank borrowings - secured		
Bank overdrafts	4,589,720	6,856,097
Term loans	49,947,199	14,426,062
	54,536,919	21,282,159
Long term bank borrowings - secured		
Term loans	103,357,249	104,610,950
	103,357,249	104,610,950
Total bank borrowings	157,894,168	125,893,109
Comprising portion repayable		
Within one year	59,971,318	21,282,159
More than one year but less than two years	53,291,177	24,290,899
More than two years but less than five years	38,816,168	73,930,155
More than five years	5,815,505	6,389,896
	157,894,168	125,893,109

Bank Overdrafts

i) The bank overdraft bear interests of 8.44% (2014: 8.17%) per annum.

(ii) The bank overdraft of the Group are secured by way of:

(a) Third party and second legal charge over the development land;
(b) Specific debenture over all the fixed and floating assets on the property development land;
(c) Deed of assignment over the property, plant and equipment of the Group;
(d) Corporate guarantee granted by the company; and
(e) Jointly and severally guarantee by certain Directors of the Group.

Term loans

(i) The bank borrowings bear interests at rates ranging from 5.50% to 7.63% (2014: 5.23% to 7.36%) per annum.

(ii) The term loans of the Group are secured by way of:

(a) Fresh 1st party, 2nd and 3rd legal charge over the Group's development land;
(b) Fixed legal charged over the development properties;
(c) First legal charge over the investment property of a subsidiary;
(d) Specific debenture over all the fixed and floating assets on the property development land;
(e) Third party 1st legal charge over a vacant land and creation of a third party charge in escrow over the said land;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. BANK BORROWINGS (CONTINUED)

Term Loans (Continued)

(ii) The term loans of the Group are secured by way of: (Continued)

(f) An open all monies facilities agreement;
(g) Power of Attorney in favour of the bank to appoint a contractor at the bank's discretion to proceed and complete the entire development in the event of repayment default and/or inability to complete the project;
(h) Deed of subordination of advances from the ultimate holding company/immediate holding company directors;
(i) Assignment of all the rights, title and interest in respect of the rental proceeds for a property from the tenant in favour of the lender;
(j) Facility agreement;
(k) Personal guarantee by a Director of the Group;
(l) Letter of undertaking from the holding company; and
(m) Corporate guarantee from the company and the holding company.

19. RCPS – LIABILITY COMPONENT

	Group and Company	
	2015 RM	2014 RM
At the beginning of the financial year/period	36,278,919	33,483,082
Conversion of RCPS	(14,511,568)	-
Accretion- amortised cost	1,817,574	2,795,837
At the end of the financial year	23,584,925	36,278,919

On 29 March 2013, the Company had issued 100,000,000 5-years RCPS of RM0.50 each at the nominal amount of RM0.50 as partial settlement of the purchase consideration for the acquisitions of certain subsidiary companies.

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

The principal terms of the RCPS are as follows:-

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

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

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

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

(i) any proposal to wind up the Company;
(ii) during the winding up of the Company;
(iii) on any proposal directly or indirectly varies or affects the rights, privileges or conditions attached to the RCPS, or the exercise of any those rights, privileges or conditions;
(iv) on a proposal to reduce the Company's share capital;
(v) on a proposal for the disposal of the whole of the Company's property, business and undertaking; or
(vi) when the dividend or part of the dividend on the RCPS is in arrears for more than six (6) months (if any).

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. DEFERRED TAX LIABILITIES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Deferred tax liabilities				
At the beginning of the financial year	38,658,227	39,498,220	3,293,059	4,129,229
Recognised in profit or loss during the financial year	(1,572,622)	(839,993)	(436,218)	(836,170)
Conversion of RCPS	(1,317,223)	-	(1,317,223)	-
At the end of the financial year	35,768,382	38,658,227	1,539,618	3,293,059

The deferred tax liabilities comprise the following:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Tax effects on temporary differences arising from:-				
Property, plant and equipment	70,464	12,915	-	-
Investment properties	15,755,033	15,755,033	-	-
Land held for property development	18,403,267	19,597,220	-	-
RCPS	1,539,618	3,293,059	1,539,618	3,293,059
	35,768,382	38,658,227	1,539,618	3,293,059

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Deferred tax assets				
Unutilised tax losses	6,658,995	2,717,120	-	-
Potential deferred tax benefit at 24% (2014: 24%)	1,598,159	652,109	-	-

The unutilised tax losses are available for offset against future taxable profits of the subsidiary companies

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. TRADE AND OTHER PAYABLES

		Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
Trade payables	(a)	73,080,475	34,666,745	-	-
Amount due to:	(b)				
- Holding company		923,533	944,552	120	-
- Subsidiary companies		-	-	37,151,171	5,001,176
- Directors		2,982,114	6,312,389	-	-
- Subsidiary companies of the holding company		217,465	31,728,442	-	-
Other payables	(c)	55,395,659	23,732,425	885,820	885,820
Accruals	(d)	28,733,697	29,173,049	325,000	285,000
Deposits	(e)	1,929,090	6,188,812	-	-
		90,181,558	98,079,669	38,362,111	6,171,996
Total trade and other payables		163,262,033	132,746,414	38,362,111	6,171,996

(a) **Trade payables**

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

Included in trade payables is an amount of RM27,704,916/- (2014: RM10,988,903/-) held as retention sum payable to contractors.

(b) **Amounts due to holding company, subsidiary companies, directors and subsidiary companies of the holding company**

The amounts due to holding company, subsidiary companies, directors and subsidiary companies of the holding company are unsecured, interest free and repayable on demand.

(c) **Other payables**

(i) Included in other payable is an amount of RM33,975,100/- (2014: Nil) owing to previous shareholder of a subsidiary. The amount due is unsecured, interest free and repayable on demand.

(ii) Included in other payable is an amount of RM72,387/- (2014: RM84,172/-) owing to companies in which persons connected to certain directors have interests.

(iii) Included in other payables is an amount of RM3,482,729/- (2014: RM3,482,729/-) owing to companies in which certain directors have interests.

(d) **Accruals**

Included in accruals are an amount totalling RM23,952,892/- (2014: RM28,260,069/-) which represents costs accrued for the development projects undertaken by the Group.

(e) **Deposits**

Included in deposits are in relation to partial payments towards the sales of development properties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. REVENUE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Property development revenue	339,440,029	282,609,081	-	-
Rental income	1,210,218	1,238,634	-	-
Dividend income from a subsidiary company	-	-	20,000,000	20,000,000
	340, 650,247	283,847,715	20,000,000	20,000,000

23. COST OF SALES

	Group	
	2015 RM	2014 RM
Property development costs	191,214,310	154,031,130
Direct operating expenses arising from investment properties	24,211	8,670
	191,238,521	154,039,800

24. FINANCE COSTS

	Group	
	2015 RM	2014 RM
Interest expense on:		
- Hire purchase	28,517	25,625
- Bank overdrafts	261,836	490,180
- Term loans	473,168	841,124
	763,521	1,356,929

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. PROFIT BEFORE TAXATION

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
After charging:-				
Accretion of interest on RCPS	1,817,574	2,795,837	1,817,574	-
Auditors' remuneration:				
- statutory audit				
- current financial year	221,500	185,000	35,000	30,000
- under provision in prior year	-	9,880	-	9,000
- non-statutory	22,000	91,000	22,000	91,000
Depreciation of investment properties	92,972	92,972	-	-
Depreciation of property, plant and equipment	517,365	397,059	-	-
Directors' remuneration (Note 30(c))	2,318,572	2,070,916	356,500	334,500
Listing expenses	64,537	636,565	64,537	636,565
Liquidated ascertain damage expenses	6,755	-	-	-
Loss on disposal of property, plant and equipment	7,672	-	-	-
Rental of sales office	337,000	384,200	-	-
Rental of equipment	18,872	12,250	-	-
Receivables written off	9,330	-	-	-
Salaries, allowances and bonuses	7,464,407	5,332,728	-	-
Defined contribution plan	870,678	629,120	-	-
Other staff related expenses	520,542	447,101	-	-
And crediting:-				
Bank interest income	1,045,420	725,897	-	-
Dividend income from other investments	153,567	85	153,205	-
Fixed deposit interest income	1,098,173	648,175	957,949	543,514
Other interest income	792,408	489,554	-	-
Rental income	676,114	529,544	-	-
Liquidated ascertain damages income	94,000	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. INCOME TAX EXPENSE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Income tax				
- current financial year	31,455,031	26,197,011	270,502	129,085
- under/(over) provision in prior year	449,369	(209,337)	4,273	-
	31,904,400	25,987,674	274,775	129,085
Deferred taxation (Note 20)				
- current financial year	(1,572,432)	(680,219)	-	(671,001)
- over provision in prior year	(190)	(159,774)	(436,218)	(165,169)
	30,331,778	25,147,681	(161,443)	(707,085)

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

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before taxation	111,083,197	96,443,087	17,625,511	16,070,360
Taxation at applicable statutory tax rate of 25% (2014: 25%)	27,770,799	24,110,772	4,406,378	4,017,590
Tax effect arising from:-				
- Expenses not deductible for tax purposes	1,134,181	1,496,410	427,906	440,494
- Income not subject to tax	(59)	-	(5,000,000)	(5,000,000)
- Deferred tax recognised in different tax rate	31,628	29,395	-	-
- Deferred tax assets not recognised in the financial statements	946,050	(119,785)	-	-
- Under/(Over) accrual of tax in prior year	450,203	(209,337)	4,273	(165,169)
- Over provision of deferred tax in prior year	(1,024)	(159,774)	-	-
Tax expense for the financial year	30,331,778	25,147,681	(161,443)	(707,085)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
27. EARNINGS PER ORDINARY SHARE

(a) Basic

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

	Group	
	2015 RM	**2014 RM**
Net profit attributable to owners of the Company (RM)	80,936,732	71,295,406
Weighted average number of ordinary shares (units)	352,783,700	306,870,301
Basic earnings per share for the financial year (sen)	23	23

(b) Diluted

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

	Group	
	2015 RM	**2014 RM**
Profit attributable to owners of the Company (RM)	80,936,732	71,295,406
Weighted average number of ordinary shares (units)	352,783,700	306,870,301
Effect of dilution for:		
Conversion of RCPS	20,000,000	33,333,333
Adjusted weighted average number of ordinary shares in issue and issuable	372,783,700	340,203,634
Diluted earnings per share (sen)	22	21

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. CONTINGENT LIABILITIES

(a) Corporate guarantees

	Company	
	2015 RM	2014 RM
Corporate guarantees for credit facilities granted to subsidiary companies	467,822,000	145,302,000

The Group also provided bank guarantees amounting to RM16,148,123/- (2014: RM4,307,420/-).

(b) Legal suits

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

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

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

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

On 22 May 2015, the Court upon hearing submissions of all parties and evaluating all the evidence adduced, dismissed the Plaintiff's claim against Sendi Bangga with cost of RM30,000/- to be paid by Plaintiff to Sendi Bangga.

29. COMMITMENTS

	Group	
	2015 RM	2014 RM
Appproved and contracted but not provided for:-		
- Land held for property development		
Purchase considerations	131,570,080	131,570,080
Less: Deposits paid *	(2,031,505)	(2,031,505)
Capital commitments	129,538,575	129,538,575

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification of related parties

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

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

Name of Related Parties	Nature of Relationship
Titijaya Group Sdn. Bhd.	Immediate and ultimate holding company
Titijaya PMC Sdn. Bhd.	Direct subsidiary
NPO Development Sdn. Bhd.	Direct subsidiary

(b) Significant related party transactions

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Titijaya PMC Sdn. Bhd.				
- Project management fee	-	-	72,000	72,000
NPO Development Sdn. Bhd.				
- Dividend income	-	-	20,000,000	20,000,000
Titijaya Group Sdn. Bhd.				
- Deposit paid for proposed acquisition of land	-	1,000,000	-	-

(c) Directors' remuneration

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive Directors:				
Salaries, allowance and bonus	1,769,500	1,497,500	29,500	7,000
Other emoluments	222,072	245,916	-	-
Directors' fees	108,000	108,000	108,000	108,000
	2,099,572	1,851,416	137,500	115,000
Non-Executive Directors:				
Allowance	33,000	33,500	33,000	33,500
Directors' fees	186,000	186,000	186,000	186,000
	219,000	219,500	219,000	219,500
Total directors' remuneration	2,318,572	2,070,916	356,500	334,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) Directors' remuneration (Continued)

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

	Number of directors	
	2015 RM	2014 RM
Executive Directors:		
Below RM550,000	-	-
RM550,001 - RM600,000	1	1
RM600,001 - RM650,000	-	2
RM650,001 - RM700,000	1	-
RM700,001 - RM750,000	-	-
RM750,001 - RM800,000	-	-
RM800,001 - RM850,000	1	-
Non-executive Directors:		
RM1 - RM50,000	1	2
RM50,001 - RM100,000	3	2

(d) Key management personnel compensation

	Group	
	2015 RM	2014 RM
Included in staff costs were remunerations		
for key management personnel other than directors		
- Salaries, bonuses and allowances	1,153,591	815,242
- Defined contribution plan	129,246	88,124
	1,282,837	903,366

Other key management personnel comprise persons other than the directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31. SEGMENT INFORMATION

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

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

(i) Property development
(ii) Investment holding

Group	Property development	Investment holding	Total
2015	RM	RM	RM
Segment profit	136,229,968	19,629,043	155,859,011
Included in the measure of segment profit are:			
Revenue from external customers	340,569,397	80,850	340,650,247
Inter-segment revenue	23,609,017	35,951,555	59,560,572
Finance income	1,928,655	1,007,346	2,936,001
Finance cost	748,885	14,636	763,521
Depreciation	464,693	145,644	610,337
Accretion of interest on RCPS	-	1,817,574	1,817,574
Not included in the measure of segment profit but provided to the Management:			
Tax expenses	(30,030,099)	(301,679)	(30,331,778)
Segment assets	1,136,820,985	386,321,582	1,523,142,567
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	197,031	402,917	599,948
Segment liabilities	872,288,273	85,493,942	957,782,215

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. SEGMENT INFORMATION (CONTINUED)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31. SEGMENT INFORMATION (CONTINUED)

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

	Group	
	2015 RM	2014 RM
Total revenue for reportable segments	400,210,819	335,601,596
Elimination of inter-segment revenue	(59,560,572)	(51,753,881)
Consolidated total	340,650,247	283,847,715
Total profit or loss for reportable segments	155,859,011	116,443,087
Elimination of inter-segment profits	(44,775,814)	(20,000,000)
Consolidated profit before taxation	111,083,197	96,443,087
Total reportable segments assets	1,523,142,567	1,114,269,118
Elimination of inter-segment transactions or balances	(466,258,040)	(300,396,003)
Consolidated total	1,056,884,527	813,873,115
Total reportable segments liabilities	957,782,215	641,715,426
Elimination of inter-segment transactions or balances	(376,338,036)	(219,952,701)
Consolidated total	581,444,179	421,762,725

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. FINANCIAL INSTRUMENTS

(a) **Classification of Financial Instruments**

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

Group 2015	**Loans and receivables** RM	**Available for sale** RM	**Other financial liabilities** RM	**Total** RM
Financial assets:				
Other investments	-	2,164,399	-	2,164,399
Trade and other receivables (exclude prepayments)	215,468,055	-	-	215,468,055
Fixed deposits placed with licensed banks	61,268,635	-	-	61,268,635
Cash and bank balances	127,990,104	-	-	127,990,104
Total financial assets	404,726,794	2,164,399	-	406,891,193
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	161,332,943	161,332,943
Hire purchase payables	-	-	597,480	597,480
Bank borrowings	-	-	157,894,168	157,894,168
RCPS - liability component	-	-	23,584,925	23,584,925
Total financial liabilities	-	-	343,409,516	343,409,516
2014				
Financial assets:				
Other investments	-	511,000	-	511,000
Trade and other receivables (exclude prepayments)	95,143,092	-	-	95,143,092
Fixed deposits placed with licensed banks	50,541,756	-	-	50,541,756
Cash and bank balances	93,585,901	-	-	93,585,901
Total financial assets	239,270,749	511,000	-	239,781,749

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
32. FINANCIAL INSTRUMENTS (CONTINUED)

(a) **Classification of Financial Instruments (Continued)**

Group **2014**	**Loans and receivables** RM	**Available for sale** RM	**Other financial liabilities** RM	**Total** RM
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	126,557,602	126,557,602
Hire purchase payables	-	-	602,949	602,949
Bank borrowings	-	-	125,893,109	125,893,109
RCPS - liability component	-	-	36,278,919	36,278,919
Total financial liabilities	-	-	289,332,579	289,332,579
Company				
2015				
Financial assets:				
Other investments	-	2,153,205	-	2,153,205
Trade and other receivables (exclude prepayments)	114,952,488	-	-	114,952,488
Fixed deposits placed with licensed banks	30,472,027	-	-	30,472,027
Cash and bank balances	20,864,130	-	-	20,864,130
Total financial assets	166,288,645	2,153,205	-	168,441,850
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	38,362,111	38,362,111
RCPS - liability component	-	-	23,584,925	23,584,925
Total financial liabilities	-	-	61,947,036	61,947,036
2014				
Financial assets:				
Trade and other receivables (exclude prepayments)	108,656,163	-	-	108,656,163
Fixed deposits placed with licensed banks	30,145,640	-	-	30,145,640
Cash and bank balances	365,109	-	-	365,109
Total financial assets	139,166,912	-	-	139,166,912
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	6,171,996	6,171,996
RCPS - liability component	-	-	36,278,919	36,278,919
Total financial liabilities	-	-	42,450,915	42,450,915

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
32. FINANCIAL INSTRUMENTS (CONTINUED)

(b) **Fair Values**

(i) **Recognised Financial Instruments**

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

(ii) **Unrecognised Financial Instruments**

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

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

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

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

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

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

There were no other unrecognised financial instruments as at 30 June 2015 that are required to be disclosed.

33. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The directors of the Company review and agree policies and procedures for the management of these risks.

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

(a) **Credit Risk**

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

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

Exposure to credit risk

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

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

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

Credit risk concentration profile

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
33. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (CONTINUED)

(b) **Liquidity Risk**

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

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

		Contractual undiscounted cash flows			
2015	**Carrying amount**	**On demand or within 1 year**	**1 - 5 Years**	**> 5 years**	**Total**
Group	RM	RM	RM	RM	RM
Financial liabilities:					
Trade and other payables	163,262,033	163,262,033	-	-	163,262,033
Hire purchase payables	597,480	200,002	460,472	-	660,474
Bank borrowings	157,894,168	69,299,160	102,620,352	6,023,318	177,942,830
RCPS - liability component	23,584,925	-	23,584,925	-	23,584,925
	345,338,606	232,761,195	126,665,749	6,023,318	365,450,262
Company					
Financial liabilities:					
Trade and other payables	38,362,111	38,362,111	-	-	38,362,111
RCPS - liability component	23,584,925	-	23,584,925	-	23,584,925
	61,947,036	38,362,111	23,584,925	-	61,947,036

		Contractual undiscounted cash flows			
2014	**Carrying amount**	**On demand or within 1 year**	**1 - 5 Years**	**> 5 years**	**Total**
Group	RM	RM	RM	RM	RM
Financial liabilities:					
Trade and other payables	132,746,414	132,746,414	-	-	132,746,414
Hire purchase payables	602,949	238,624	419,298	-	657,922
Bank borrowings	125,893,109	27,751,691	111,083,186	7,755,620	146,590,497
RCPS - liability component	36,278,919	-	36,278,919	-	36,278,919
	295,521,391	160,736,729	147,781,403	7,755,620	316,273,752
Company					
Financial liabilities:					
Trade and other payables	6,171,996	6,171,996	-	-	6,171,996
RCPS - liability component	36,278,919	-	36,278,919	-	36,278,919
	42,450,915	6,171,996	36,278,919	-	42,450,915

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
33. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (CONTINUED)

(c) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings and cash deposits placed with the financial institutions. Most of the Group's loans and borrowings are charged a fixed spread above the financial institutions' base lending rate or cost of fund per annum. The spread rate is reviewed annually. Whilst, the base lending rate and cost of fund used by the financial institutions vary according to the rates set by Bank Negara Malaysia. Meanwhile, interest rates charged on hire purchase are fixed at the inception of the hire purchase arrangements. For interest income from cash deposits, the Group managed the interest rate risks by placing cash deposits with reputable financial institutions with varying maturities and interest rate terms.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit after tax:-

	Carrying amount RM	Movement in basis point	Effect on profit after tax RM
2015			
Group			
Fixed deposits placed with licensed banks	61,268,635	0.50%	229,757
Bank borrowings	157,894,168	0.50%	592,103
Net effect			821,860
Company			
Fixed deposits placed with licensed banks	30,472,027	0.50%	114,270
Net effect			114,270
2014			
Group			
Fixed deposits placed with licensed banks	50,541,756	0.50%	189,532
Bank borrowings	125,893,109	0.50%	(472,099)
Net effect			(282,567)
Company			
Fixed deposits placed with licensed banks	30,145,640	0.50%	113,046
Net effect			113,046

The profit after tax will be higher/lower when the interest rates decrease/increase.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. DIVIDEND

	Group and Company	
	2015 RM	2014 RM
Dividends paid in respect of the financial year ended 30 June 2014 - final interim single tier dividend of 4.0 sen per ordinary share	14,133,337	-

35. CAPITAL MANAGEMENT

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

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

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

The capital structure of the Group and of the Company consists of equity attributable to the 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	
	2015 RM	2014 RM	2015 RM	2014 RM
Total liabilities	581,444,179	421,762,725	63,607,155	45,873,059
Equity attributable to the owner of the Company	475,440,348	392,110,390	296,242,195	276,801,353
Debt-to-equity ratio	122%	108%	21%	17%

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 14 July 2014, Titijaya Resources Sdn. Bhd. ("TRSB") has further acquired 70,000 new ordinary shares of RM1.00 each for a total consideration of RM70,000/- in Tenang Sempurna Sdn. Bhd. ("TSSB"). The acquisition has increased the shareholding of TRSB in the capital of TSSB to 105,000 ordinary shares of RM1.00 each representing 70% of the equity interest in TSSB and subsequently TSSB becomes an indirect subsidiary of the Company.

(ii) On 16 July 2014, the Company increased its issued and paid-up ordinary share capital from RM170,000,000/- to RM176,666,667/- by way of issuance of 13,333,333 ordinary shares of RM0.50 each through a conversion of the 40,000,000 of RCPS into ordinary shares.

(iii) On 18 March 2015, pursuant to the terms and conditions of the joint venture agreement between Bina Puri Constuction Sdn. Bhd. ("BPCSB") and the Company, the Company and BPCSB have subscribed for new ordinary shares of RM1.00 each in Prosperous Hectares Sdn. Bhd. ("PHSB"), resulting in the enlarged and issued share capital of PHSB being held by the Company and BPCSB and subsequent thereto, the Company's equity interest in PHSB has decreased from 100% to 70% of the issued and paid-up share capital of PHSB, thus resulting in PHSB ceased to be a wholly owned subsidiary of the Company, but remains as a subsidiary of the Company.

(iv) On 8 May 2015, the Company entered into a Share Sale Agreement with Fazidah Binti Abdullah and Chan Peng Kooh to aquire 100% equity interest in Tulus Lagenda Sdn Bhd comprising 1,000,000 ordinary shares of RM1.00 each for purchase consideration of RM3,000,000/-.

(v) On 27 May 2015, the shareholders of the Company at the Extraordinary General Meeting ("EGM") have approved the resolution as set out in the Notice of EGM dated 5 May 2015 in respect of the proposed acquisition by City Meridian Development Sdn. Bhd. ("CMD"), a wholly-owned subsidiary of the Company, of a parcel of leasehold land held under PN 4022, Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang from Titijaya Group Sdn. Bhd. ("TGSB") for cash consideration of RM126,000,000/-.

37. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

(i) On 21 August 2015, the Company increased its issued and paid-up ordinary share capital from RM176,666,666/- to RM180,000,000/- by way of issuance of 6,666,667 ordinary shares of RM0.50 each through a conversion of the 20,000,000 of RCPS into ordinary shares.

(ii) On 28 September 2015, City Meridian Development ("CMD") and the Vendor had on 21 September 2015 mutually agreed to extend the date for fulfilment of the Conditions Precedent stipulated in the SPA and Supplmental Agreement from 21 September 2015 until 10 November 2015.

SUPPLEMENTARY INFORMATION ON DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 30 June 2015 are as follows:-

	Group		**Company**	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings				
- Realised	265,745,599	197,372,057	19,227,364	15,573,747
- Unrealised	(1,610,083)	(3,305,975)	-	-
	264,135,516	194,066,082	19,227,364	15,573,747
Less: Consolidation adjustments	(18,852,825)	(15,757,443)	-	-
Total retained earnings as per statements of financial position	245,282,691	178,308,639	19,227,364	15,573,747

The determination of realised and unrealised profits is based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

STATEMENT BY DIRECTORS

We, **TAN SRI DATO' LIM SOON PENG** and **LIM POH YIT** being two of the Directors of Titijaya Land Berhad, do hereby state that in the opinion of the Directors, the financial statements set out on pages 7 to 97 are properly drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of their financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out on page 98 have been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement*, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

……………………………………………......
TAN SRI DATO' LIM SOON PENG
Director

……………………………………………......
LIM POH YIT
Director

Kuala Lumpur

Date: 15 October 2015

STATUTORY DECLARATION

I, **TAN KIAN WHOO**, being the officer primarily responsible for the financial management of Titijaya Land Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

………………………………………….
TAN KIAN WHOO

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 15 October 2015.

Before me,

………………………………………….
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITIJAYA LAND BERHAD

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Titijaya Land Berhad, which comprise the statements of financial position as at 30 June 2015 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 111.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITIJAYA LAND BERHAD (CONTINUED)

(Incorporated in Malaysia)

Other Reporting Responsibilities

The supplementary information set out in page 98 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Ng Boon Hiang
No. 2916/03/16 (J)
Chartered Accountant

Kuala Lumpur
Date: 15 October 2015

ANALYSIS OF SHAREHOLDINGS AS AT 29 SEPTEMBER 2015

AUTHORISED SHARE CAPITAL

RM300,000,000.00 divided into:-
(i) 500,000,000 Ordinary Shares of RM0.50 each; and
(ii) 100,000,000 Redeemable Convertible Preference Shares of RM0.50 each

ISSUED AND FULLY PAID-UP

RM180,000,000.00 comprising:-
(i) 360,000,000 Ordinary Shares of RM0.50 each (inclusive of the 1,676,100 Titijaya Shares that had been purchased and retained as Treasury Shares); and
(ii) 40,000,000 Redeemable Convertible Preference Shares of RM0.50 each

CLASS OF SHARES

Ordinary Shares of RM0.50 each
Redeemable Convertible Preference Shares of RM0.50 each

NO. OF SHAREHOLDERS

Holder of Ordinary Shares - 1,070
Holder of Redeemable Convertible Preference Shares - 1

VOTING RIGHTS

One Vote Per Ordinary Share Held
The Redeemable Convertible Preference Share does not carry any voting right except in circumstances set out in the Company's Articles of Association

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders/	% of Shareholders	No. of Ordinary Shares	% of Issued Share Capital
Less than 100	10	0.93	100	0.00
100 – 1,000	142	13.27	109,200	0.03
1,001 – 10,000	594	55.51	2,980,500	0.83
10,001 – 100,000	250	23.37	8,370,700	2.34
100,001 to less than 5% of the issued shares	72	6.73	94,038,600	26.24
5% and above issued shares	2	0.19	252,824,800	70.56
Total	**1,070**	**100.0**	**358,329,900**	**100.00**

DISTRIBUTION OF SHAREHOLDINGS IN RCPS

Size of Shareholdings	No. of RCPS Holder	No. of RCPS	% of Issued RCPS Holding
Less than 100	-	-	-
100 – 1,000	-	-	-
1,001 – 10,000	-	-	-
10,001 – 100,000	-	-	-
100,001 to less than 5% of the issued shares	-	-	-
5% and above issued shares	1	40,000,000	100
Total	**1**	**40,000,000**	**100**

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES

Name of Directors	Direct Shareholdings	% of Direct Shareholding*	Indirect Shareholdings	% of Indirect Shareholding*
YB Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired)	-	-	-	-
Tan Sri Dato' Lim Soon Peng	300,000	0.08	228,895,000 (a)	63.88
Lim Poh Yit	780,800	0.22	228,795,000 (b)	63.85
Lim Puay Fung	245,000	0.07	228,795,000 (c)	63.85
Chin Kim Chung	360,000	0.10	-	-
Dato' Ch'ng Toh Eng	250,000	0.07	-	-
Tan Sri Syed Mohd Yusof bin Tun Syed Nasir	-	-	400,000 (d)	0.11

ANALYSIS OF SHAREHOLDINGS AS AT 29 SEPTEMBER 2015 (CONTINUED)
DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES (CONTINUED)

Name of Directors	Direct Shareholdings	% of Direct Shareholding*	Indirect Shareholdings	% of Indirect Shareholding*
Adrian Cheok Eu Gene (*Alternate Director to Tan Sri Syed Mohd Yusof bin Tun Syed Nasir*)	-	-	20,000 (e)	0.01

Notes:-
- * Calculated based on 358,323,900 Shares (issued and paid up share capital of 360,000,000 Shares less Treasury Shares of 1,676,100)
- (a) Deemed interested pursuant to Section 6A of the Companies Act, 1965 ("**the Act**") by virtue of his substantial shareholdings in Titijaya Group Sdn Bhd. ("**TGSB**") and disclosure made pursuant to Section 134(12)(c) of the Act by virtue of his spouse's shareholdings in the Company.
- (b) Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in TGSB.
- (c) Deemed interested pursuant to Section 6A of the Act by virtue of her substantial shareholdings in TGSB.
- (d) Deemed interested pursuant to Section 134(12)(c) of the Act by virtue of his shareholdings in ISY Holdings Sdn. Bhd.
- (e) Deemed interested pursuant to Section 134(12)(c) of the Act by virtue of the shareholdings of his spouse and children in the Company.

DIRECTORS' SHAREHOLDINGS IN RCPS

Name of Directors	Direct holdings	% of Direct holding*	Indirect holdings	% of Indirect holding*
YB Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired)	-	-	-	-
Tan Sri Dato' Lim Soon Peng	-	-	40,000,000 (1)	100
Lim Poh Yit	-	-	40,000,000 (1)	100
Lim Puay Fung	-	-	40,000,000 (1)	100
Chin Kim Chung	-	-	-	-
Dato' Ch'ng Toh Eng	-	-	-	-
Tan Sri Syed Mohd Yusof bin Tun Syed Nasir	-	-	-	-
Adrian Cheok Eu Gene (Alternate Director to Tan Sri Syed Mohd Yusof bin Tun Syed Nasir)	-	-	-	-

Notes:
(1) Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in TGSB.

SUBSTANTIAL ORDINARY SHAREHOLDERS

Name of Substantial Shareholders	Direct Shareholdings	% of Direct Shareholding*	Indirect Shareholdings	% of Indirect Shareholding*
Tan Sri Dato' Lim Soon Peng	300,000	0.08	228,795,000 (a)	63.85
Lim Poh Yit	780,800	0.22	228,795,000 (b)	63.85
Lim Puay Fung	245,000	0.07	228,795,000 (c)	63.85
Titijaya Group Sdn. Bhd.	228,795,000	63.85	-	-
AIA Bhd.	24,029,800	6.71	448,500 (d)	0.13
AIA Company Limited	-	-	24,478,300 (e)	6.83
AIA Group Limited	-	-	24,478,300 (e)	6.83
Premium Policy Berhad	-	-	24,478,300 (f)	6.83
Orange Policy Sdn. Bhd.	-	-	24,478,300 (f)	6.83
Employees' Provident Fund Board	18,138,100	5.06	-	-

Notes:-
- * Calculated based on 358,323,900 Shares (issued and paid up share capital of 360,000,000 Shares less Treasury Shares of 1,676,100)
- (a) Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in TGSB.
- (b) Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in TGSB.
- (c) Deemed interested pursuant to Section 6A of the Act by virtue of her substantial shareholdings in TGSB.
- (d) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA PUBLIC Takaful Bhd.("AIA PUBLIC") and AIA Pensions and Assets Management Sdn. Bhd. ("APAM").
- (e) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA Bhd.
- (f) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA Bhd., AIA PUBLIC and APAM.

ANALYSIS OF SHAREHOLDINGS STATISTICS ON SHAREHOLDINGS AS AT 29 SEPTEMBER 2015 (CONTINUED)
LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%*
1	TITIJAYA GROUP SDN BHD	228,795,000	63.85
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	24,029,800	6.71
3	LEMBAGA TABUNG HAJI	17,461,200	4.87
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	12,467,100	3.48
5	HSBC NOMINEES (ASING) SDN BHD HSBC-FS FOR LEGG MASON WESTERN ASSET SOUTHEAST ASIA SPECIAL SITUATIONS TRUST (201061)	5,500,000	1.53
6	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO SUAT CHIN (021)	5,006,300	1.40
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (CIMB EQUITIES)	4,995,900	1.39
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	3,800,000	1.06
9	LEMBAGA TABUNG ANGKATAN TENTERA	3,685,800	1.03
10	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR KUMPULAN SENTIASA CEMERLANG SDN BHD (TSTAC/CLNT)	2,737,500	0.76
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA TAKAFUL BERHAD (FAMILY PRF EQ)	2,604,200	0.73
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA INSURANCE BERHAD (GROWTH FUND)	2,500,000	0.70
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	2,460,000	0.69
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CIMB COMMERCE TRUSTEE BERHAD (PB-BTR2058)	2,000,000	0.56
15	BEH ENG PAR	1,911,000	0.53
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	1,840,100	0.51
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (RHB INV)	1,702,900	0.48

ANALYSIS OF SHAREHOLDINGS STATISTICS ON SHAREHOLDINGS AS AT 29 SEPTEMBER 2015 (CONTINUED)
LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS (CONTINUED)

No.	Name of Shareholders	No. of Shares	%*
18	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE BANK AG SINGAPORE FOR KSC (S) PTE LTD (LEE HAU HIAN)	1,622,000	0.45
19	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD-AMB SMALLCAP TRUST FUND	1,535,800	0.43
20	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED BCF)	1,500,000	0.42
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA INSURANCE BERHAD (DANA EKT PRIMA)	1,122,000	0.31
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	1,101,000	0.31
23	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	935,300	0.26
24	RHB NOMINEES (TEMPATAN) SDN BHD RHB ASSET MANAGEMENT SDN BHD FOR RHB INSURANCE BERHAD	900,000	0.25
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	840,700	0.23
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM POH YIT	780,800	0.22
27	MAYBANK NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LIMITED (CLIENT A/C)	631,000	0.18
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	600,000	0.17
29	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KENG KOK	592,000	0.17
30	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR HENG HOLDINGS SDN BERHAD (PBCL-0G0083)	500,000	0.14
	TOTAL	**336,157,400**	**93.81**

Notes:-
* Calculated based on 358,323,900 Shares (issued and paid up share capital of 360,000,000 Shares less Treasury Shares of 1,676,100)

LIST OF RCPS HOLDERS

No.	Name of RCPS Holders	No. of Shares	%
1	TITIJAYA GROUP SDN. BHD.	40,000,000	63.85

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

Gross proceeds of RM122.558 million was raised by the Company from the initial public offering ("**IPO**") of the Company. The status of utilisation of the proceeds raised from the IPO as at 29 September 2015 is as below:-

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Balance RM'000	Time frame for Utilisation (from the listing date)
(i) Working Capital	49,458	49,677	(219)	Within 12 months
(ii) Repayment of bank borrowing	15,000	15,000	-	Within 6 months
(iii) Repayment of advances from previous shareholders of Epoch Property Sdn. Bhd.	24,300	24,300	-	Within 6 months
(iv) Purchase of Land Bank *	30,000	15,000	15,000	Within 30 months
(v) Estimated listing expenses	3,800	3,581	219	Within 3 months
Total	**122,558**	**107,558**	**15,000**	

As disclosed in the Prospectus dated 11 November 2013, if the actual listing expenses are lower than budgeted, the excess will be utilised for working capital purposes. Actual listing expenses incurred were less than the estimated listing expenses by RM0.219 million due mainly to lower than expected underwriting commission, placement fee and brokerage fee incurred in conjunction with the listing exercise. The excess has been utilised for working capital purposes.

Notes:

As announced by the Company on 28 May 2015, the time frame for the utilisation of the IPO proceeds for purchase of land bank has been extended for a further period of twelve (12) months until 25 May 2016.

2. SHARE BUY-BACK

Details of the shares purchased and retained as treasury shares during the financial year ended 30 June 2015 were as follows:-

Month	No. of shares purchased and retained as treasury shares	Lowest price paid per share (RM)	Highest price paid per share (RM)	Average price paid per share (RM)	Total consideration paid* (RM)
June 2015	22,000	1.85	1.92	1.87	41,556.47

** Inclusive of transaction costs.*

There was no resale or cancellation of treasury shares during the financial year ended 30 June 2015.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options, warrants or convertible securities during the financial year.

CONVERSION OF REDEEMABLE CONVERTIBLE PREFERENCE SHARES

During financial year, a total of 40,000,000 Redeemable Convertible Preference Shares of RM0.50 each ("RCPS") were converted into 13,333,333 ordinary shares of RM0.50, in accordance with the Company's Articles of Association:-

Date	No. of conversion of RCPS	No. of ordinary share
16 July 2014	40,000,000	13,333,333

ADDITIONAL COMPLIANCE INFORMATION (CONTINUED)

4. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme in the financial year ended 30 June 2015.

5. IMPOSITION OF SANCTIONS AND PENALTIES

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

6. NON-AUDIT FEES

The amount of non-audit fees paid and payable to the external auditors and their affiliates by the Group for the financial year ended 30 June 2015 is RM11,000.

7. VARIATION IN RESULTS

There was no significant variance in the Company's audited results for the financial year ended 30 June 2015 from the unaudited results as previously announced.

The Company did not issue any profit estimates, forecast or projections in the financial year ended 30 June 2015.

8. PROFIT GUARANTEE

There Company did not issue any profit guarantee during the financial year under review.

9. 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 Director and major shareholders other than contracts entered into in the ordinary course of business:-

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

On 19 January 2015, CMD had entered into a supplemental agreement with TGSB to vary, amend, modify or alter certain provisions, terms and conditions of the SPA.

On 21 September 2015, CMD and TGSB mutually agreed to extend the date for fulfilment of the Conditions Precedent stipulated in the SPA and supplemental agreement from 21 September 2015 until 10 November 2015.

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

At an Extraordinary General Meeting of the Company held on 27 May 2015, the Company had obtained a mandate from its shareholders ("**Shareholders' Mandate**") for a recurrent related party transactions of a revenue and trading nature ("**RRPTs**").

There were no RRPTs conducted pursuant to the Shareholders' Mandate during the financial year ended 30 June 2015.

LIST OF TOP 10 PROPERTIES

No.	Registered Owner	Location	Usage	Tenure	Land Area (sq. ft)	Net Book Value As At 30 June 2015 RM'000	Date of Acquisition (DD/MM/YYYY)
1	Epoch Property Sdn Bhd	Lot No. PT 1424, HSD 112756, Mukim Damansara, District Of Petaling, Selangor Darul Ehsan.	On Going Development Project, H2O	Freehold	263,059	153,316	30/08/2012
2	Shah Alam City Centre Sdn Bhd	Lot 1204, 386-391, GRN 39772, GM 44-49, Mukim Of Damansara Section U1, Shah Alam, Selangor Darul Ehsan	Mixed Development Project	Freehold	701,953	70,576	06/09/2007
3	NPO Land Sdn Bhd	Lot No. PT 72782 - PT 72876, Lot No. PT 72961 - PT 73454, HSD 153036 - HSD 153130, HSD 153215 - HSD 153593, All in the Mukim Kapar, District Of Klang, State of Selangor Darul Ehsan	On Going Development Project Seri Alam Industrial park Subsequent phase	Freehold	10,972,849	57,430	30/10/2006 30/06/2006
4	Aman Kemensah Sdn Bhd	Lot PT 18223, HSD 14774 Mukim Ulu Kelang, District Of Gombak, Selangor Darul Ehsan	On Going Development Project Embun @ Kemensah Emery @ Kemensah	Freehold	641,152	44,621	03/07/2007
5	Safetags Solution Sdn Bhd	Lot 100010, PN 91580, Mukim Petaling Daerah Petaling, Selangor Darul Ehsan	On Going Development Project 3Elements	99 year lease expiring on 20 July 2108	262,965	39,862	29/04/2010
6	NPO Land Sdn Bhd	Lot 71175, GRN 301892, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan	On Going Development Project Zone Innovation Park @ Sungai Kapar Indah	Freehold	1,821,107	23,680	27/12/2004
7	Premsdale Development Sdn Bhd	PT 56555, Mukim of Cheras, District of Hulu Langat Selangor	Future Development	99 year lease expiring on 04 August 2109	217,431	15,000	31/03/2015
8	NPO Development Sdn Bhd	Lot 58954 - 59010, Mukim of Kapar, District Of Klang, Selangor HS (D) 122572 - 122618	On Going Development Project Mutiara Residence	Freehold	135,472	7,753	15/12/2003
9	Terbit Kelana Development Sdn Bhd	Lot No. PT 50364 - PT 50372, PT 64317 - PT 64328, PT 64250 - PT 64265, PT 64305 - PT 64316, PT 64266 - PT 64330, HSD 113044 - HSD 113052, HSD 136015 - HSD 136022, HSD 135948 - HSD 135963, HSD 136003 - HSD 136014, HSD 135965 - HSD 136022, HSD 135964 All within Mukim of Kapar, District Of Klang, Selangor Darul Ehsan	Commercial Development Land	Freehold	399,215	4,377	30/09/2002
10	Pin Hwa Properties Sdn Bhd	Lot Nos. PT 65496 - PT 65561, PT 65563, HSD 137229 - HSD 137294, HSD 137296, Mukim of Kapar, District Of Klang, Selangor Darul Ehsan	Commercial Development Land	Freehold	188,133	3,983	11/02/2003

TITIJAYA LAND BERHAD
(Company No. 1009114-M)

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting ("AGM") of TITIJAYA LAND BERHAD will be held at Concorde II, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 25 November 2015 at 10:00 a.m. or at any adjournment thereof for the following purposes:-

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 30 June 2015 together with the Reports of the Directors and Auditors Reports thereon.	**[Please refer to Explanatory Note (a)]**
2.	To approve the declaration of a final single tier dividend of 4.5 sen per ordinary share for the financial year ended 30 June 2015.	**Resolution 1**
3.	To approve the payment of Directors' fees amounting to RM294,000.00 in respect of the financial year ended 30 June 2015.	**Resolution 2**
4.	To re-elect the following Directors who retire pursuant to Article 81 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-	
	i. Ms. Lim Puay Fung	**Resolution 3**
	ii. Mr. Chin Kim Chung	**Resolution 4**
5.	To re-appoint Messrs. Baker Tilly Monteiro Heng as the Company's Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration.	**Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following ordinary resolutions:-

6. **ORDINARY RESOLUTION 1** — **Resolution 6**

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"**THAT** subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being; **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

7. ORDINARY RESOLUTION 2 **Resolution 7**

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

"**THAT**, subject to the provisions of the 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 ("**RRPT**") as set out in Part A, Section 2.5 of the Circular to Shareholders dated 3 November 2015, provided such transactions are necessary for the day-to-day operations of the Company and/or its subsidiaries and are carried out in the ordinary course of business, on arm's length basis and on normal commercial 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 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); 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."

8. ORDINARY RESOLUTION 3 **Resolution 8**

Proposed Renewal of Authority for the Company to Purchase its own Shares ("Proposed Renewal of Share Buy-Back")

"**THAT**, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

(i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Malaysia Securities Berhad as at the point of purchase;

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits and share premium account of the Company based on the latest audited financial statement and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividend.

THAT the authority conferred by this resolution will commence immediately and will, subject to renewal thereat, and shall continue to be in force until:

(a) at the conclusion of the next AGM of the Company following the General Meeting at which such resolution was passed at which time it will lapse, unless by 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 after the date is required by law to be held; or;

(c) revoked or varied by a resolution of the shareholders of the Company in a general meeting; whichever occurs first.

8. ORDINARY RESOLUTION 3 (Continued)
Proposed Renewal of Authority for the Company to Purchase its own Shares ("Proposed Renewal of Share Buy-Back") (Continued)

AND THAT the Directors of the Company be and are hereby generally empowered to do all acts and things to give full effect to the aforesaid purchase with full power to assets to any conditions, modifications, revaluations, variation and/or amendments (if any) as may be imposed by the relevant authorities and/or to do all such acts and things act the Directors may deem fit and expedient in the best interest of the Company.

9. To transact any other ordinary business for which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT a final single tier final dividend of 4.5 sen per ordinary share in respect of the financial year ended 30 June 2015, if approved by the shareholders at the Third AGM of the Company, will be payable on 15 December 2015 to the depositors whose names appear on in the Record of Depositors at the close of business on 3 December 2015.

A Depositor shall qualify for entitlement only in respect of:

(a) shares transferred into the Depositor's Securities Account before 4:00 p.m. on 3 December 2015 in respect of ordinary transfers; and

(b) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
Company Secretary

Kuala Lumpur
3 November 2015

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at **18 November 2015** shall be eligible to attend the Meeting or appoint proxies to attend and/or vote in his/her stead.

2. A member entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.

3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.

6. Where a member appoints more than one (1) proxy [not more than two (2) proxies], the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

7. The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company at Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTE A

This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:-

(a) Resolution 6– Authority to Issue Shares Pursuant To Section 132D Of The Companies Act, 1965

This is the renewal of the general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965 obtained from the Shareholders of the Company at the AGM of the Company held on 27 November 2014 (hereinafter referred to as the "**Previous Mandate**").

As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate granted to the Directors at the AGM and which will lapse at the conclusion of the Third AGM.

The proposed resolution is primarily to give a renewal mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company.

(b) Resolution 7– Proposed Renewal of Shareholders' Mandate

This proposed resolution, 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 the Circular to Shareholders dated 3 November 2015.

(c) Resolution 8– Proposed Renewal of Share Buy-Back

The proposed adoption of the resolution, if passed, will renew the authority given to the Directors to exercise the power of the Company to purchase not more than ten per centum (10%) of the issued and paid-up share capital of the Company at any time within the time period stipulated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back is set out in Part B of the Share Buy-Back Statement dated 3 November 2015.

FORM OF PROXY

TITIJAYA LAND BERHAD
(Company No. 1009114-M)

NO. OF SHARES HELD
CDS ACCOUNT NO.

I/We ____
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

being a member of **TITIJAYA LAND BERHAD**, hereby appoint ____

____
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

or failing him/her ____
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Third Annual General Meeting of the Company to be held at Concorde II, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 25 November 2015 at 10:00 a.m. or at any adjournment thereof.

My/Our proxy(ies) is/are to vote as indicated below:-

Item	Agenda		FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2015 together with the Reports of the Directors and Auditors thereon.			
2.	To approve the declaration of a final single tier dividend of 4.5 sen per ordinary share for the financial year ended 30 June 2015.	Resolution 1		
3.	To approve the payment of Directors' fees amounting to RM 294,000.00 in respect of the financial year ended 30 June 2015.	Resolution 2		
4. i.	To re-elect Ms. Lim Puay Fung who retires in accordance with Article 81 of the Company's Articles of Association.	Resolution 3		
4. ii.	To re-elect Mr. Chin Kim Chung who retires in accordance with Article 81 of the Company's Articles of Association.	Resolution 4		
5.	To re-appoint Messrs. Baker Tilly Monteiro Heng as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.	Resolution 5		
6.	Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965.	Resolution 6		
7.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Resolution 7		
8.	Proposed Renewal of Authority for the Company to Purchase its Own Shares	Resolution 8		

Please indicate with a "X" in the space provided on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this ________ day of _______________ 2015.

____
Signature of Member/Common Seal

Notes:
1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 18 November 2015 shall be eligible to attend the Meeting or appoint proxies to attend and/or vote in his/her stead.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
6. Where a member appoints more than one (1) proxy [not more than two (2) proxies], the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
7. The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company at Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

Please fold along this line

Postage Stamp

The Share Registrar
TITIJAYA LAND BERHAD
(Company No. 1009114-M)

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1,
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan

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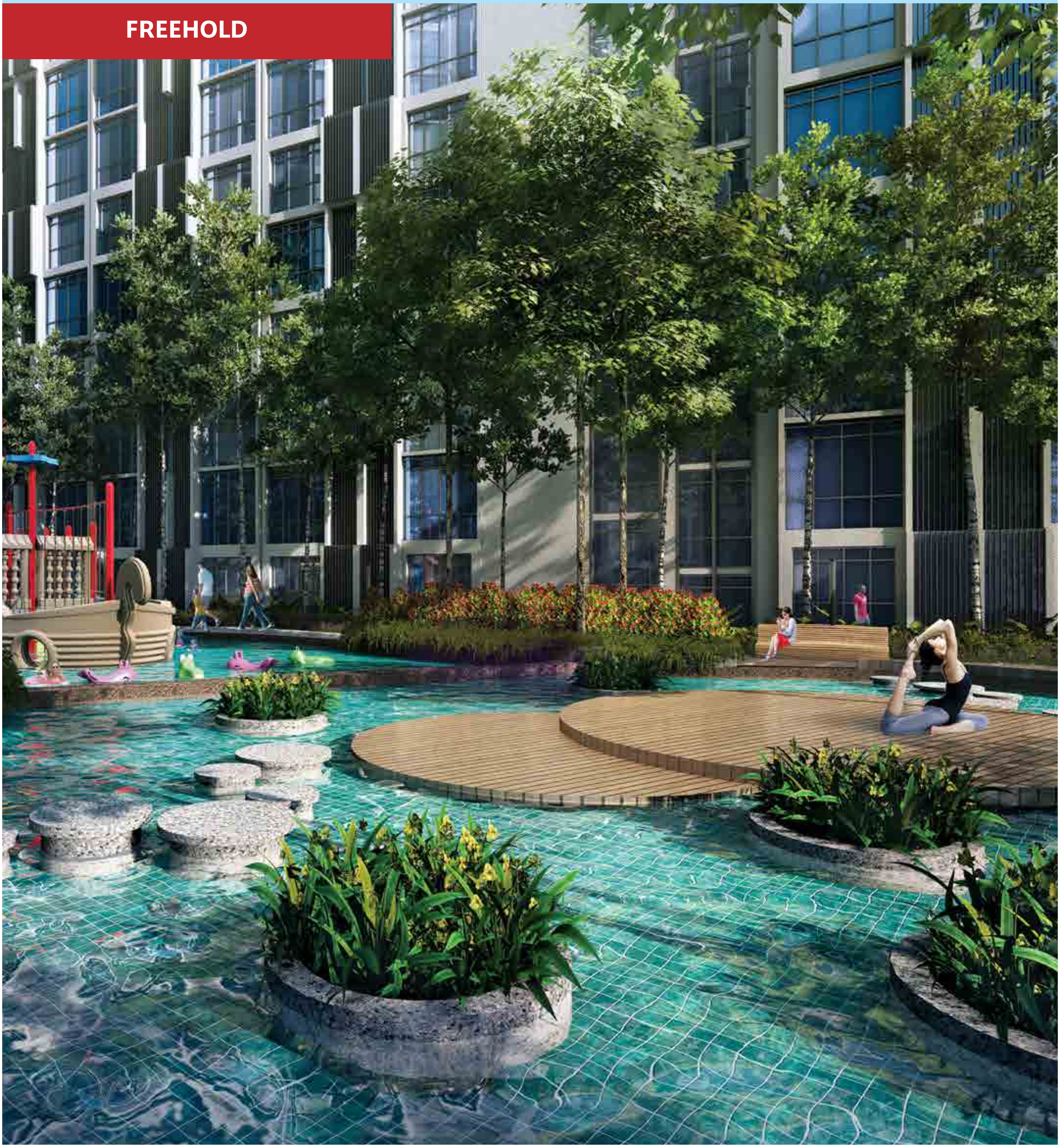

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