

## ANNOUNCEMENT

### SUBJECT: TRANSACTION (CHAPTER 10 OF LISTING REQUIREMENTS)

#### TITIJAYA LAND BERHAD ("TITIJAYA" OR "THE COMPANY")

#### Related Party Transactions on Sale of Serviced Apartment and Small Office / Home Office to Directors and Major Shareholders

##### 1. Introduction

Pursuant to Paragraph 10.08(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors of the Company ("Board") wishes to announce that Epoch Property Sdn. Bhd. (Company No. 955473-D) ("EPOCH"), a wholly-owned subsidiary of the Company, has on 23 October 2014 entered into two (2) Sale and Purchase Agreements ("SPAs") with the following related parties for the sale of two (2) Serviced Apartments and Small Office / Home Office ("SOHO") under EPOCH's development project known as "H2O Serviced Apartment" in Mukim Damansara, District Petaling Jaya, Selangor Darul Ehsan (collectively referred to as "Sale"):-

<b>Related Parties / Purchasers</b>	<b>Relationship</b>	<b>Description of Property</b>	<b>Selling Price (RM)</b>
<b><u>Transaction 1</u></b>			
Lim Poh Yit	Lim Poh Yit is the Deputy Group Managing Director and a substantial shareholder of the Company	Lot No. : PT 1424, HSD 112756 Storey No. : A-15-06 Built-up area : 754 square feet.	581,000.00
		<b>Total Amount Transacted</b>	<b>581,000.00</b>
<b><u>Transaction 2</u></b>			
Lim Puay Fung and Lim Tze Chao	Lim Puay Fung is an Executive Director and a substantial shareholder of the Company	Lot No. : PT 1424, HSD 112756 Storey No. : A-15-08 Built-up area : 880 square feet.	676,000.00
		<b>Total Amount Transacted</b>	<b>676,000.00</b>

##### 2. Details of "H2O Serviced Apartment"

"H2O Serviced Apartment" is a residential and commercial project located at Ara Damansara. This project comprises of three (3) blocks of serviced apartment and one (1) block of SOHO. It is on a freehold land with a land area of six (6) acres. Total Gross Development Value for the project is RM750.0 million.

##### 3. Rationale of the Sale

The Sale is in the ordinary course of business of EPOCH and hence, will generate revenue and cash flow for EPOCH as part of its property development activities.

## **4. Consideration**

### **4.1 Basis and justification for the sale considerations**

The sale considerations for the respective serviced apartments and SOHO units are based on the selling prices as determined by EPOCH on terms and conditions not more favourable than those made available to the employees of the Company and its subsidiaries (“**Group**”) and the public.

### **4.2 Manner in which sale considerations will be satisfied**

The sale considerations will be satisfied by the related parties via cash and bank borrowing based on the payment manner in accordance with the third schedule of the respective SPAs entered into.

### **4.3 Intended application of sale proceeds**

As part of the sale of the property development project, the sale considerations will contribute towards revenue and generate cash flow for the Group.

### **4.4 Original cost and expected gains or losses to the Group**

The sale of the respective serviced apartments and SOHO which is part of the properties being developed and sold by EPOCH, is in the ordinary course of business of EPOCH. The original cost and expected gains or losses arising thereof to the Group are therefore not applicable.

### **4.5 Liabilities to be assumed by the Purchasers**

The Purchasers are liable to pay the Sale & Purchase Price of the SPAs.

Save for the obligations owing to the end-financiers (if any), there are no other liabilities to be assumed by the related parties from the Sale.

### **4.6 Completion of the Sale**

The sale is expected to be completed within three (3) years from the SPAs.

## **5. Risk relating to the Sale**

The Sale is not expected to have any associated material risk factor except for the business risk commonly associated with sale of properties by property developers.

## **6. Financial effects of the Sale**

### **6.1 Share capital and shareholdings of the substantial shareholders**

The Sale will not have any effect on the issued and paid-up share capital and substantial shareholders’ shareholdings of the Company.

## **6.2 Net assets ("NA") and NA per share**

The Sale is not expected to have any material effect on the NA and NA per share of the Company.

## **6.3 Earnings and earnings per share**

The Sale is not expected to have any material effect on the Earnings and earnings per share.

## **6.4 Gearing**

The Sale does not bear any effect on the gearing of the Company.

## **7. Approvals required**

The Sale is not subject to the approval of shareholders of the Company. No consent is needed for the transfer of the sale units to the respective related parties as the project is on freehold land.

## **8. Percentage ratios**

The respective highest percentage ratios for Transactions 1 and 2 pursuant to Paragraph 10.02(g) of the MMLR based on the Audited Financial Statements of TITIJAYA as at 30 June 2014 are as follows:-

<b>Transactions</b>	<b>Highest Percentage Ratios</b>
1	0.15%
2	0.17%

## **9. Interested directors, major shareholders and persons connected to them**

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

Ms. Lim Puay Fung is the daughter of Tan Sri Dato' Lim Soon Peng, the Group Managing Director and substantial shareholder of the Company and the sister to Mr. Lim Poh Yit, the Deputy Group Managing Director and substantial shareholder of the Company.

Save for the above, none of the other directors and major shareholders of the Company and persons connected with them has any interest, direct or indirect, in the Sale.

## **10. Total amount transacted with related parties for the preceding ten (10) months**

Titijaya was listed on the Main Market of Bursa Securities on 27 November 2013 and there is no transaction with the related parties for the preceding ten (10) months.

## **11. Statement by the Audit Committee**

Having reviewed and taken into consideration all aspects of the Sale, all members of the Audit Committee are of the opinion that the Sale is:-

- in the ordinary course of business, being part of EPOCH's property development activities and on terms not more favourable than those made available to the employees of the Group and the public;
- in the best interest of EPOCH and the Company;
- fair, reasonable and on normal commercial terms generally available to the public; and
- not detrimental to the interest of the minority shareholders

as the respective sale considerations for the serviced apartments and SOHO units and terms of the Sale are applicable to all, including members of the public.

## **12. Directors' statement**

The Board (save for Tan Sri Dato' Lim Soon Peng, Mr. Lim Poh Yit and Ms. Lim Puay Fung), having considered all aspects of the Sale and the Audit Committee's recommendation, is of the opinion that the Sale is:-

- in EPOCH's ordinary course of business;
- in the best interest of EPOCH and the Company;
- fair, reasonable and on normal commercial terms; and
- not detrimental to the interest of the minority shareholders

as the respective sale considerations for the serviced apartments and SOHO units and terms of the Sale are applicable to all, including members of the public.

## **13. Documents for inspection**

The SPAs dated 23 October 2014 are available for inspection at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur on Mondays to Fridays (except public holidays) during normal business hours for a period of three (3) months from the date of this announcement.

This announcement is dated 23 October 2014.