

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. If you have sold or transferred all your shares in our Company, you should immediately hand this AP together with the NPA and RSF (collectively referred to as "Documents") to the purchaser or transferee or agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. You should address all enquiries concerning the Rights Issue of ICPS to our share registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

The Documents are only despatched to our Entitled Shareholders (other than an authorised nominee who has subscribed for NRS) whose names appear in our Record of Depositors as at 5.00 p.m. on 30 August 2017 at their registered addresses in Malaysia. If you are an authorised nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominee. The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue of ICPS or the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue of ICPS in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renounees/transferees (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional advisers as to whether their acceptance or renunciation (as the case may be) of his/her entitlement to the Rights Issue of ICPS would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounees/transferees (if applicable) should note the additional terms and restrictions as set out in Section 9 of this AP. Neither our Company nor TA Securities shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or sale/renunciation made by the Entitled Shareholders, and/or their renounees/transferees (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholder and/or his renounee/transferee (if applicable) is a resident.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue of ICPS or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this AP, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

Our shareholders have approved the Rights Issue of ICPS at the Extraordinary General Meeting held on 7 July 2017. Bursa Securities had vide its letter dated 17 May 2017 approved the admission of the ICPS to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the ICPS and the new TLB Shares to be issued upon the conversion of the ICPS on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue of ICPS. Admission of the ICPS to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the ICPS and new TLB Shares to be issued upon conversion of the ICPS on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of ICPS. Neither Bursa Securities nor the SC takes any responsibility for the correctness of any statement made or opinions expressed in the Documents. The listing of and quotation for the ICPS will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS accounts of the Entitled Shareholders and/or their renounees/transferees (if applicable) have been duly credited and notices of allotment have been despatched to the Entitled Shareholders and/or their renounees/transferees (if applicable).

Our Board has seen and approved all the documentation relating to this Rights Issue of ICPS. Our Board collectively and individually accepts full responsibility for the accuracy of the information given and confirms that, after having made all reasonable inquiries, and to the best of our Board's knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these Documents false or misleading.

TA Securities, being the Adviser for the Rights Issue of ICPS, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue of ICPS.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 5 HEREIN.



TITIJAYA LAND BERHAD

(Company No. 1009114-M)

(Incorporated in Malaysia under the Companies Act 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 614,999,899 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN TLB ("ICPS") ON THE BASIS OF 3 ICPS FOR EVERY 2 EXISTING ORDINARY SHARES IN TLB ("TLB SHARES" OR "SHARES") HELD AS AT 5.00 P.M. ON 30 AUGUST 2017 AT AN ISSUE PRICE OF RM0.165 PER ICPS

Adviser



TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME

Entitlement date	: Wednesday, 30 August 2017 at 5.00 p.m.
Last date and time for:	
Sale of provisional allotment of ICPS	: Friday, 8 September 2017 at 5.00 p.m.
Transfer of provisional allotment of ICPS	: Wednesday, 13 September 2017 at 4.00 p.m.
Acceptance and payment	: Monday, 18 September 2017 at 5.00 p.m.
Excess application and payment	: Monday, 18 September 2017 at 5.00 p.m.

This Abridged Prospectus is dated 30 August 2017

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this AP unless stated otherwise.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF THE ICPS TO THE OFFICIAL LIST OF THE MAIN MARKET OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR THE ICPS AND THE NEW SHARES TO BE ISSUED PURSUANT TO THE CONVERSION OF THE ICPS ON THE MAIN MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE OF ICPS.

THE SC AND BURSA SECURITIES ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

WE AND OUR ADVISER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS AP.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP and the accompanying appendices:

“5D-VWAP”	:	5-day volume weighted average market price
“AADSB”	:	Ampang Avenue Development Sdn Bhd
“Acquisition of Land”	:	Acquisition of the Land from TGSB for a cash consideration of RM126,000,000 by CMD
“Act”	:	Companies Act 2016, as amended, modified or re-enacted from time to time
“Amendments”	:	Amendments to the Articles of Association of our Company to facilitate the Rights Issue of ICPS
“Announcement”	:	The announcement of, amongst others, the Rights Issue of ICPS dated 26 August 2016
“AP”	:	This Abridged Prospectus issued by our Company dated 30 August 2017
“ATM”	:	Automated teller machine within Malaysia
“Authorised Nominee”	:	A person who is authorised to act as nominee as defined under the Rules of Bursa Depository
“BNM”	:	Bank Negara Malaysia
“Board”	:	Board of Directors of our Company
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“CDS”	:	Central Depository System
“CMD”	:	City Meridian Development Sdn Bhd, our wholly-owned subsidiary
“CMSA”	:	Capital Markets and Services Act 2007
“Code”	:	Malaysian Code on Take-Overs and Mergers 2016
“Conversion Period”	:	(a) The ICPS may be converted at any time within 5 years commencing on and including the date of issuance of the ICPS up to and including the maturity date (b) Any remaining ICPS that are not converted by the maturity date shall be automatically converted into new TLB Shares at the conversion ratio of 10 ICPS to be converted into 1 new TLB Share
“Conversion Price”	:	The conversion price for the ICPS to be converted into 1 new TLB Share is RM1.65 based on the Conversion Ratio
“Conversion Ratio”	:	Conversion ratio of the ICPS for 1 new TLB Share is either: (a) 10 ICPS to be converted into 1 TLB Share; or (b) a combination of 1 ICPS and cash payment of RM1.485 for 1 TLB Share
“CRECD”	:	CREC Development (M) Sdn Bhd, a wholly-owned subsidiary of China Railway Engineering Corporation (M) Sdn Bhd, which is a wholly-owned subsidiary of China Railway Group Limited

DEFINITIONS (CONT'D)

“Director”	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2 of the Act and Section 2(1) of the CMSA
“EBITDA”	:	Earnings before interest, taxation, depreciation and amortisation
“EGM”	:	Extraordinary general meeting of our Company held on 7 July 2017
“Electronic Application”	:	Application for the ICPS through the ATMs of Participating Financial Institution
“Entitled Shareholders”	:	Our shareholders whose names appear in our Company’s Record of Depositors on the Entitlement Date
“Entitlement Date”	:	30 August 2017 at 5.00 p.m. being the date and time as at the close of business on which our shareholders must be registered on the Record of Depositors in order to be entitled to the Rights Issue of ICPS
“EPS”	:	Earnings per TLB Share
“FPE”	:	Financial period ended/ending, as the case may be
“FYE”	:	Financial year ended/ending, as the case may be
“GDC”	:	Gross development cost
“GDV”	:	Gross development value
“Government”	:	Government of Malaysia
“GP”	:	Gross profit
“GST”	:	Malaysian goods and services tax
“ICPS”	:	Up to 614,999,899 new irredeemable convertible preference shares to be issued pursuant to the Rights Issue of ICPS
“ICPS Subscription File”	:	An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee’s subscription of the ICPS
“Internet Application”	:	Application for the ICPS within Malaysia through an Internet Participating Financial Institution
“Internet Participating Financial Institution”	:	Participating financial institution for the Internet Application as referred to in Section 9.5.3 of this AP
“Issue Price”	:	The issue price of RM0.165 per ICPS
“Land”	:	A parcel of leasehold land held under PN4022, Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, including any amendments, modifications and additions thereto
“LPD”	:	7 August 2017, being the latest practicable date prior to the registration of this AP
“Market Day”	:	A day on which Bursa Securities is open for the trading of securities
“Maximum Scenario”	:	Assuming all the Entitled Shareholders fully subscribe for their ICPS entitlements
“Minimum Scenario”	:	Assuming only the Undertaking Shareholder subscribes for 353,192,500 ICPS pursuant to the Undertaking

DEFINITIONS (CONT'D)

“Minimum Subscription Level”	:	Minimum level of subscription of 353,192,500 ICPS pursuant to the Undertaking
“NA”	:	Net assets attributable to ordinary equity holders of our Company
“NPA”	:	Notice of Provisional Allotment in relation to the Rights Issue of ICPS
“NRS”	:	Nominee Rights Subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of ICPS through Bursa Depository’s existing network facility with the Authorised Nominees
“NTA”	:	Net tangible assets
“Official List”	:	A list specifying all securities listed which have been admitted for listing on the Main Market of Bursa Securities and not removed
“Participating Financial Institution”	:	Participating financial institution of Electronic Application as referred to in Section 9.5.2 of this AP
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“Price-Fixing Date”	:	16 August 2017, being the date on which the issue price of the ICPS was determined as announced
“Private Placement”	:	The issuance of 36,666,600 new TLB Shares at an issue price of RM1.35 each pursuant to the private placement which was completed on 23 September 2016
“RCPS”	:	Redeemable convertible preference shares in our Company which have been fully converted into TLB Shares on 13 June 2017, and the new TLB Shares were listed and quoted on the Main Market of Bursa Securities on 15 June 2017
“Record of Depositors”	:	A record of securities holders provided by Bursa Depository under the Rules of Bursa Depository
“Rights Issue Entitlement File”	:	An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee’s entitlements under the Rights Issue of ICPS as at the Entitlement Date
“Rights Issue of ICPS”	:	Renounceable rights issue of up to 614,999,899 ICPS on the basis of 3 ICPS for every 2 existing TLB Shares held on the Entitlement Date
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RSF”	:	Rights Subscription Form in relation to the Rights Issue of ICPS
“Rules”	:	Rules on Take-overs, Mergers and Compulsory Acquisitions
“Rules of Bursa Depository”	:	Rules of Bursa Depository including the rules in relation to a central depository as described in Section 2 of the SICDA
“SC”	:	Securities Commission Malaysia
“Share Registrar”	:	Symphony Share Registrars Sdn Bhd
“SICDA”	:	Securities Industry (Central Depositories) Act, 1991 as amended from time to time and any re-enactment thereof
“SKDSB”	:	Sri Komakmur Development Sdn Bhd

DEFINITIONS (CONT'D)

“SPA”	:	Conditional sale and purchase agreement dated 21 May 2014 entered into between CMD and TGSB for the Acquisition of Land
“Supplemental Agreement”	:	Supplemental agreement to the SPA dated 19 January 2015 entered into between CMD and TGSB
“TA Securities” or the “Adviser”	:	TA Securities Holdings Berhad
“TERP”	:	Theoretical ex-rights price
“TLB” or “Company”	:	Titijaya Land Berhad
“TLB Group” or “Group”	:	TLB and our subsidiaries, collectively
“TLB Shares” or “Shares”	:	Ordinary shares in our Company
“TRSB”	:	Titijaya Resources Sdn Bhd, a wholly-owned subsidiary of TLB
“Undertaking”	:	Irrevocable and unconditional written undertaking dated 26 August 2016 from the Undertaking Shareholder that it will not dispose any of its TLB Shares following the date of Announcement up to the Entitlement Date and that it will subscribe 353,192,500 of the ICPS to be issued pursuant to the Rights Issue of ICPS
“Undertaking Shareholder” or “TGSB”	:	Titijaya Group Sdn Bhd, our controlling shareholder

All references to “**our Company**” and/or “**TLB**” in this AP are to Titijaya Land Berhad. All references to “**our Group**” and/or “**TLB Group**” are to TLB and our subsidiaries and references to “**we**”, “**us**” “**our**” and “**ourselves**” are to TLB and where the context does require, shall include our subsidiaries.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Age	Nationality	Profession
Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor <i>(Retired)</i> <i>(Chairman / Independent Non-Executive Director)</i>	No. 18, Jalan Kent Satu Jalan Mentakab 54000 Kuala Lumpur Wilayah Persekutuan	67	Malaysian	Company Director
Y. Bhg. Tan Sri Dato' Lim Soon Peng <i>(Group Managing Director)</i>	No. 17, Jalan Rebung 4 Ambang Botanic 41200 Klang Selangor Darul Ehsan	62	Malaysian	Company Director
Lim Poh Yit <i>(Deputy Group Managing Director)</i>	No. 17, Jalan Rebung 4 Ambang Botanic 41200 Klang Selangor Darul Ehsan	34	Malaysian	Company Director
Lim Puay Fung <i>(Executive Director)</i>	No. 17, Jalan Rebung 4 Ambang Botanic 41200 Klang Selangor Darul Ehsan	37	Malaysian	Company Director
Chin Kim Chung <i>(Independent Non-Executive Director)</i>	19, Jalan BU 6/7 Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan	52	Malaysian	Company Director/ Accountant
Y. Bhg. Dato' Ch'ng Toh Eng <i>(Independent Non-Executive Director)</i>	No. 1, Jalan Jeram Satu 8/22A, Section 8 40000 Shah Alam Selangor Darul Ehsan	60	Malaysian	Company Director
Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir <i>(Non-Independent Non-Executive Director)</i>	8, Jalan Cekak 11/3B 40100 Shah Alam Selangor Darul Ehsan	69	Malaysian	Company Director
Adrian Cheok Eu Gene <i>(Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir)</i>	No. 6, Jalan Terasek Satu Bangsar Baru 59100 Kuala Lumpur Wilayah Persekutuan	59	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Chin Kim Chung	Chairman	Independent Non-Executive Director
Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor <i>(Retired)</i>	Member	Chairman / Independent Non-Executive Director
Y. Bhg. Dato' Ch'ng Toh Eng	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (CONT'D)

- COMPANY SECRETARIES** : Chua Siew Chuan (MAICSA 0777689 PRACTITIONER)
Tan Ley Theng (MAICSA 7030358 PRACTITIONER)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel. no. : 03-2084 9000
Fax. no. : 03-2094 9940
- REGISTERED OFFICE** : Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel. no. : 03-2084 9000
Fax. no. : 03-2094 9940
- HEAD/MANAGEMENT OFFICE/
PRINCIPAL PLACE OF BUSINESS** : N-16-01, Penthouse
Level 16, First Subang
Jalan SS15/4G
47500 Subang Jaya
Selangor Darul Ehsan
Tel. no. : 03-8022 9999
Fax. no. : 03-8022 9888
Website : www.titijaya.com.my
E-mail address : ir@titijaya.com.my
- SHARE REGISTRAR** : Symphony Share Registrars Sdn Bhd (Company No. 378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel. no. : 03-7849 0777 (Helpdesk)
Fax. no. : 03-7841 8151 / 8152
- AUDITORS AND REPORTING
ACCOUNTANTS** : Baker Tilly Monteiro Heng (AF 0117)
Chartered Accountants
Baker Tilly MH Tower
Level 10, Tower 1
Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel. no. : 03-2297 1000
Fax. no. : 03-2282 9980
- SOLICITORS FOR THE RIGHTS
ISSUE OF ICPS** : Azman Davidson & Co.
Suite 13.03, 13th Floor
Menara Tan & Tan
207 Jalan Tun Razak
50400 Kuala Lumpur
Tel. no. : 03-2164 0200
Fax. no. : 03-2164 0280

CORPORATE DIRECTORY (CONT'D)

- PRINCIPAL BANKERS** :
- HSBC Bank Malaysia Berhad
3rd Floor, North Tower
No. 2, Leboh Ampang
50100 Kuala Lumpur
Tel. no. : 03-2075 3000
Fax. no. : 03-2031 1254

 - Bank Islam Malaysia Berhad
Level 32, Menara Bank Islam
No 22 Jalan Perak
50450 Kuala Lumpur
Tel. no. : 03-2088 8000
Fax. no. : 03-2088 8028

 - OCBC Bank (Malaysia) Berhad
Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur
Tel. no. : 03-8317 5000
Fax. no. : 03-2693 9591

 - United Overseas Bank (Malaysia) Berhad
Level 7, Menara UOB
Jalan Raja Laut
50350 Kuala Lumpur
Tel. no. : 03-2692 7722
Fax. no. : 03-2691 2160
- ADVISER FOR THE RIGHTS ISSUE OF ICPS** :
- TA Securities Holdings Berhad
32nd Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Tel. no. : 03-2072 1277
Fax. no. : 03-2026 0127
- STOCK EXCHANGE LISTING** :
- Main Market of Bursa Securities

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TITIJAYA LAND BERHAD
(Company No. 1009114-M)
(Incorporated in Malaysia under the Companies Act 2016)

Registered Office:

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

30 August 2017

Our 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*)
Lim Poh Yit (*Deputy Group Managing Director*)
Lim Puay Fung (*Executive Director*)
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*)
Adrian Cheok Eu Gene (*Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir*)

To: Our Entitled Shareholders

Dear Sir / Madam,

RIGHTS ISSUE OF ICPS

1. INTRODUCTION

Our shareholders had, at the EGM held on 7 July 2017, approved the Rights Issue of ICPS.

A certified true extract of the ordinary resolution in relation to the Rights Issue of ICPS passed at the EGM is set out in Appendix I of this AP.

On 17 May 2017, Bursa Securities had given its approval for the:

- (i) admission to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the ICPS; and
- (ii) listing of and quotation for the new TLB Shares to be issued pursuant to the conversion of the ICPS,

on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the following conditions:

	Conditions imposed	Status of compliance
(i)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of ICPS;	To be complied
(ii)	Our Company and TA Securities to inform Bursa Securities upon the completion of the Rights Issue of ICPS;	To be complied
(iii)	To incorporate the comments from Bursa Securities in the circular to shareholders;	Complied
(iv)	Our Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of ICPS is completed;	To be complied
(v)	Our Company to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders at the EGM approving the Rights Issue of ICPS; and	Complied
(vi)	Payment of additional listing fees based on the final issue price of the ICPS together with a copy of the computation of the amount of listing fees payable, if relevant. In this respect, our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the ICPS as at the end of each quarter together with a details computation of the listing fees payable.	The payment of additional listing fees has been made. To be complied.

On 16 August 2017, TA Securities had on our behalf announced that the Entitlement Date has been fixed on 30 August 2017 at 5.00 p.m. and the other relevant dates pertaining to the Rights Issue of ICPS.

No person is authorised to give any information or to make any representation not contained in this AP in connection with the Rights Issue of ICPS and if given or made, such information or representation must not be relied upon as having been authorised by us or by TA Securities in connection with the Rights Issue of ICPS.

If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. DETAILS OF THE RIGHTS ISSUE OF ICPS

The Rights Issue of ICPS entails the issuance of up to 614,999,899 ICPS on the basis of 3 ICPS for every 2 existing TLB Shares held by the Entitled Shareholders at an issue price of RM0.165 per ICPS. The number of 614,999,899 ICPS was arrived at based on our existing number of issued ordinary shares as at the LPD of 409,999,933 TLB Shares.

The basis of 3 ICPS for every 2 existing TLB Shares was arrived at after taking into consideration, among others, the following:

- (i) the indicative issue price of the ICPS of RM0.165* each as disclosed in the Announcement;
- (ii) the funding requirements and purposes of our Group, the details of which are set out in Section 4 of this AP; and
- (iii) the rationale for the Rights Issue of ICPS as set out in Section 3 of this AP.

Note:

* *The Issue Price remained the same as the indicative issue price and the details are set out in Section 2.1 of this AP.*

The ICPS which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renounees/transferees (if applicable). It is the intention of our Board to allocate the excess ICPS in a fair and equitable manner on a basis specified under Section 9.8 herein. The entitlements for the ICPS are renounceable in full or in part. Any unsubscribed ICPS shall be offered to other Entitled Shareholders and/or their renounees/transferees (if applicable) under the excess ICPS application.

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted ICPS, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of ICPS. You will find enclosed with this AP, the NPA notifying you of the crediting of such provisional ICPS into your CDS Account and the RSF to enable you to subscribe for the provisional ICPS, as well as to apply for the excess ICPS if you choose to.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 9.5.4 and 9.8.4 of this AP for the procedures for acceptance as well as to apply for excess ICPS, if you choose to do so.

Any dealing in our securities will be subject to the SICDA and the Rules of Bursa Depository. Accordingly, the ICPS and new Shares to be issued arising from the conversion of the ICPS will be credited directly to the respective CDS Accounts of the successful applicants. No physical ICPS certificates will be issued to the Entitled Shareholders and/or their renounees/transferees, nor will any physical share certificates be issued for new Shares to be issued pursuant to the conversion of the ICPS. A notice of allotment will be despatched to the successful applicants within 8 Market Days from the last date of acceptance and payment for the Rights Issue of ICPS and a notice of allotment will be despatched to the exercising ICPS holders within 8 Market Days after the date of receipt of the subscription form together with the requisite payment (for conversion of ICPS) from the date of conversion of ICPS. The ICPS will be quoted on the Main Market of Bursa Securities within 2 Market Days after the application for quotation is made to Bursa Securities as specified in the Listing Requirements.

2.1 Basis of determining the Issue Price of the ICPS

Our Board has fixed the issue price of the ICPS at RM0.165 per ICPS after taking into consideration the following:

- (i) the 5D-VWAP of TLB Shares up to and including 15 August 2017 (being the last trading date immediately preceding the Price-Fixing Date) of RM1.5321 per TLB Share;
- (ii) the Conversion Ratio and Conversion Price;
- (iii) the rationale for the Rights Issue of ICPS, as set out in Section 3 of this AP which includes, among others, the ICPS are expected to be converted over the Conversion Period of 5 years; and
- (iv) the funding requirements of our Group, as detailed in Section 4 of this AP.

The Conversion Price (of RM1.65) for the ICPS into 1 TLB Share represents a premium of approximately RM0.1179 or 7.70% over the TERP* of RM1.5321 per TLB Share, which is based on the 5D-VWAP of TLB Shares up to and including 15 August 2017 (being the last trading date immediately preceding the Price-Fixing Date) of RM1.5321 per TLB Share.

Note:

* *In view that the Conversion Price is at a premium to the 5D-VWAP, the adjusted share price, being the computed TERP will be higher than the 5D-VWAP. As such, the TERP adopted will be the same as the 5D-VWAP, being the lower price.*

The Conversion Price will provide the Entitled Shareholders with an opportunity to further increase their equity participation in our Company at a predetermined price.

It is the intention of our Board to fix the sum of the Conversion Price at the above-mentioned premium after taking into consideration the current and future prospects of our Group, Conversion Period as well as the historical share prices of the TLB Shares vis-à-vis the funding requirements of our Group.

2.2 Salient terms of the ICPS

The salient terms of the ICPS are as follows:

Terms	Details
Issue size	: Up to 614,999,899 ICPS.
Issue price	: RM0.165 per ICPS.
Dividend rate	: Subject to the compliance of Section 131 of the Act, our Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative. The dividends of the ICPS shall be paid in priority over our ordinary shares.
Tenure	: 5 years commencing from and inclusive of the date of issuance of the ICPS.
Maturity date	: The day immediately preceding the 5 th anniversary from the date of issuance of the ICPS. If such day falls on a non-market day, then the maturity date would be the preceding market day.
Redemption	: Not redeemable for cash.
Board lot	: For the purpose of trading on Bursa Securities, 1 board lot of ICPS shall comprise 100 ICPS, or such other denomination as determined by Bursa Securities from time to time.
Form and denomination	: The ICPS will be issued in registered form and will be constituted by our Company's Articles of Association.
Conversion rights	: (a) Each ICPS carries the entitlement to be converted into new TLB Shares at the Conversion Ratio through the surrender of the ICPS. (b) No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion. (c) If the conversion results in a fractional entitlement to the ordinary shares of our Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.

Terms	Details
Conversion period	: (a) The ICPS can be converted at any time within 5 years commencing on and including the date of issuance of the ICPS up to and including the maturity date. (b) Any remaining ICPS that are not converted by the maturity date shall be automatically converted into new TLB Shares at the conversion ratio of 10 ICPS to be converted into 1 new TLB Share.
Conversion Price	: The conversion price for the ICPS to be converted into 1 new TLB Share is RM1.65 based on the Conversion Ratio
Conversion Ratio	: Conversion ratio of the ICPS for 1 new TLB Share is either: (a) 10 ICPS to be converted into 1 TLB Share; or (b) a combination of 1 ICPS and cash payment of RM1.485 for 1 TLB Share
Ranking of the ICPS and liquidation preference	: The ICPS shall rank <i>pari passu</i> amongst themselves but shall rank in priority to the ordinary shares in the capital of our Company. In the event of liquidation, dissolution, winding-up, reduction of capital or other repayment of capital: (a) The ICPS shall confer on the holders the rights to receive in priority to the holders of ordinary shares in our Company, cash repayment in full of the amount of any non-cumulative preferential dividend that has been declared and remaining in arrears. After the payment of any dividends to the holders of ICPS, the remaining assets shall be distributed first to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of our Company. (b) In the event that our Company has insufficient assets to permit payment of the full issue price to the ICPS holders, the assets of our Company shall be distributed pro rata on an equal priority, to the ICPS holders in proportion to the amount that each ICPS holder would otherwise be entitled to receive.
Ranking of new TLB Shares to be issued pursuant to the conversion of the ICPS	: All new TLB Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank <i>pari passu</i> in all respects with the existing TLB Shares except that such new TLB Shares shall not be entitled to any dividends, rights, allotments and/or other distribution, the entitlement date of which is prior to the date of allotment and issuance of the new TLB Shares arising from the conversion of the ICPS.

Terms	Details
Adjustment to Conversion Price and Conversion Ratio	<p>: The Conversion Price and/or Conversion Ratio will be adjusted at the determination of our Company, in all or any of the following cases:</p> <ul style="list-style-type: none"> (a) an alteration to the number of TLB Shares by reason of consolidation or subdivision; or (b) a bonus issue of fully paid-up ordinary shares by our Company or any other capitalisation issue for accounting purposes; or (c) a capital distribution to shareholders made by our Company whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is loss or unrepresented by assets; or (d) a rights issue of ordinary shares by our Company; or (e) any other circumstances that our Board deems necessary, <p>provided that any adjustment to the Conversion Price will be rounded down to the nearest RM0.01. No adjustment to the Conversion Price and/or Conversion Ratio will be made unless the computation has been certified by our external auditors.</p>
Rights of the ICPS holders	<p>: The ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distribution in our Company except in the following circumstances until and unless such holders convert their ICPS into new Shares:</p> <ul style="list-style-type: none"> (a) when the dividend or part of the dividend on the ICPS is in arrears for more than 6 months; (b) on a proposal to reduce our Company's share capital; (c) on a proposal for sanctioning the sale of the whole of our Company's property, business and undertaking; (d) on a proposal that directly affects their rights and privileges attached to the ICPS; (e) on a proposal to wind-up our Company; and (f) during the winding-up of our Company.
Listing	<p>: The ICPS will be listed and traded on the Main Market of Bursa Securities. Approval has been obtained from Bursa Securities for the admission of the ICPS to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the ICPS and the new TLB Shares to be issued pursuant to the conversion of the ICPS on the Main Market of Bursa Securities.</p>

Terms	Details
Transfer	: The ICPS will be transferable only by instrument in writing in the usual or common form or such other form as our Directors and the relevant authorities may approve. As the ICPS will be listed on and traded on the Main Market of Bursa Securities, they will be deposited in a CDS and will be subject to the rules of such system.
Modification of rights	: Our Company may from time to time with the consent or sanction of all the holders of the ICPS make modifications to the terms of which in the opinion of our Company are not materially prejudicial to the interest of the holders of the ICPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.
Governing law	: The laws of Malaysia.

2.3 Ranking of the new TLB Shares to be issued pursuant to the conversion of the ICPS

The new TLB Shares to be issued arising from the conversion of the ICPS shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing TLB Shares, save and except that the new TLB Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the new TLB Shares arising from the conversion of the ICPS.

2.4 Minimum subscription level and shareholders' undertakings

The Rights Issue of ICPS will be implemented based on the Minimum Subscription Level. Based on the Issue Price, our Company will raise a minimum gross proceeds of RM58.28 million from the issuance of 353,192,500 ICPS pursuant to the Rights Issue of ICPS.

The Minimum Subscription Level was determined by our Board after considering, among others, the funding requirements of our Group as set out in Section 4 of this AP.

In order to achieve the Minimum Subscription Level, our Company has obtained an Undertaking from TGSB that it will not dispose any of its TLB Shares following the date of the Announcement up to the Entitlement Date of the Rights Issue of ICPS, and also that it will subscribe for its entitlement of 353,192,500 ICPS. At the time of the Undertaking (i.e., on 26 August 2016), TGSB held 235,461,667 TLB Shares and the Undertaking was for TGSB to subscribe in full for its then entitlement of 353,192,500 ICPS. Subsequently, TGSB's shareholding increased to 242,128,333 TLB Shares due to the conversion of the RCPS held by TGSB to TLB Shares on 13 June 2017. The Undertaking by TGSB remained at 353,192,500 ICPS as the minimum level of funds to be raised under the Minimum Subscription Level will be sufficient for our Group's funding plans set out in Section 4 of this AP.

In the event the Minimum Subscription Level is not achieved for whatever reason beyond our control such as TGSB is not able to fulfill its Undertaking obligation, whereby TGSB is being wound-up or under liquidation prior to the subscription of its ICPS entitlement pursuant to the Undertaking, our Company will abort the Rights Issue of ICPS. All subscription monies received in respect of the Rights Issue of ICPS will be refunded without interest and despatched to all subscribing parties.

Details of the Undertaking based on the Minimum Subscription Level are as follows:

Undertaking Shareholder	As at the LPD		ICPS entitlement		ICPS undertaken	
	No. of TLB Shares held	%	No. of ICPS	% ⁽¹⁾	No. of ICPS	% ⁽¹⁾
TGSB	242,128,333	59.06	363,192,499	59.06	353,192,500	57.43

Note:

- (1) *Percentage is calculated based on 614,999,899 ICPS available for subscription under the Rights Issue of ICPS based on our existing number of issued ordinary shares as at the LPD of 409,999,933 TLB Shares.*

The Undertaking Shareholder has confirmed that it has sufficient financial resources to subscribe for the 353,192,500 ICPS pursuant to the Undertaking. As the Adviser for the Rights Issue of ICPS, TA Securities has verified that the Undertaking Shareholder has sufficient financial resources to fulfil the Undertaking under the Minimum Subscription Level.

In view that the Minimum Subscription Level can be achieved via the Undertaking, no underwriting arrangement will be made for the balance of the ICPS for which no irrevocable undertaking to subscribe has been obtained.

After taking into consideration of the Undertaking, the subscription of the ICPS by the Undertaking Shareholder will not give rise to any consequences of mandatory general offer obligations pursuant to the Code and the Rules. In addition, the Undertaking Shareholder has undertaken to observe and comply at all times with the provisions of the Code and the Rules.

2.5 Details of other corporate exercises

As at the LPD, save as disclosed below and for the Rights Issue of ICPS, there is no other outstanding corporate proposal which has been announced but pending completion:

- (i) CMD had on 21 May 2014 entered into the SPA with TGSB for the Acquisition of Land.

On 19 January 2015, CMD had entered into the Supplemental Agreement (SPA and Supplemental Agreement are collectively referred to as the “SPAs”) with TGSB to vary, amend, modify or alter certain provisions, terms and conditions of the SPA and to extend the period for the fulfilment of the conditions precedent for 1 year from 21 September 2014 or any other period as mutually agreed between the parties.

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

Subsequently, pursuant to the letters between CMD and TGSB dated 21 September 2015, 10 November 2015, 15 February 2016 and 26 May 2016, the parties had mutually agreed to further extend the date for fulfilment of the conditions precedent of the SPAs to 31 December 2015, 10 February 2016, 10 May 2016 and 10 December 2016, respectively. On 22 September 2016, the conditions precedent had been fulfilled by the respective parties and the full purchase price amounting to RM126,000,000 has been released in accordance to the terms of the SPAs on 30 September 2016. CMD has been registered as the owner of the Land on 4 November 2016.

There is also a condition in the SPAs that TGSB shall, on behalf of CMD, procure and obtain the following written approvals from the relevant authority:

- (a) approval in varying the zoning of the land use to mixed development; and
(b) approval in undertaking the development with plot ratio of 1:4.

As at the LPD, TGSB, on behalf of CMD as stipulated in the SPAs, is in the midst of preparing its submission application to the Town and Country Planning Department of Penang and State Planning Committee of Penang, being the relevant authority for approval in varying the zoning of the land use to mixed development and approval in undertaking the development of the Land with plot ratio of 1:4. The SPAs will be completed upon fulfilment of the said condition.

- (ii) Our Company had on 30 September 2016 entered into 3 separate conditional share sale agreements (“SSAs”) with Titi Kaya Sdn Bhd, Lee Eng Wah and Lim Wen Yeh (collectively referred to as the “Vendors”) for the proposed acquisition of 2,040,816 ordinary shares in NPO Builders Sdn Bhd, representing its entire equity interest, and full settlement of advances from the Vendors for the total purchase consideration of RM115,612,302 (“Proposed Acquisition of NPOB”) to be satisfied via the issuance of 79,732,622 new TLB Shares at an issue price of RM1.45 per TLB Share to the Vendors in the proportion of their shareholdings (“Proposed Issuance of Consideration Shares”), upon the terms and conditions as stipulated in the SSAs.

Subsequently, pursuant to the letters dated 19 June 2017 between our Company and the Vendors, the said parties had mutually agreed to extend the extended completion date of the SSAs (“Extended Completion Date”) for 90 days to 25 September 2017 for the parties to obtain or fulfil the conditions precedent as stipulated in the SSAs. On 9 August 2017, our Company and Titi Kaya Sdn Bhd had entered into a supplemental share sale agreement to vary, among others, the late payment interest*, as consideration to extend the Extended Completion Date up to 25 September 2017.

As at the LPD, the Proposed Acquisition of NPOB is pending the fulfilment of the conditions precedent under the SSAs. The Proposed Acquisition of NPOB is expected to be completed upon the completion of the Proposed Issuance of Consideration Shares.

Bursa Securities had vide its letter dated 28 July 2017 approved, amongst others, the listing of and quotation for the 79,732,622 new TLB Shares to be issued pursuant to the Proposed Issuance of Consideration Shares on the Main Market of Bursa Securities. The circular to shareholders in relation to the said proposal was issued on 17 August 2017. The Proposed Acquisition of NPOB is expected to be completed by the 4th quarter of 2017.

Note:

* *On 9 August 2017, TLB and Titi Kaya Sdn Bhd entered into a supplemental share sale agreement to vary, among others, the late payment interest, as consideration to extend the Extended Completion Date up to 25 September 2017, from 6.00% to 7.35% per annum tabulated on daily basis over the balance purchase price (i.e., after excluding the refundable deposit of 10% of the purchase price payable to Titi Kaya Sdn Bhd) between the expiry of the Extended Completion Date to the date upon which the Company settles the balance purchase price to Titi Kaya Sdn Bhd.*

- (iii) Our Company had on 8 November 2016 announced that TRSB has entered into the following agreements:
- (a) a conditional share sale agreement between TRSB, CRECD (TRSB and CRECD are collectively referred to as the “Purchasers”), Chan Peng Koo and Rafidah binti Menan (Chan Peng Koo and Rafidah binti Menan are collectively referred to as the “Vendors of AADSB”) (“Share Sale Agreement”) to acquire 10,440,000 ordinary shares in AADSB, for a cash consideration of RM80,000,000 upon the terms and conditions as stipulated in the Share Sale Agreement (“Acquisition of AADSB”); and
 - (b) a shareholders’ agreement between the Purchasers to regulate, among others, the parties’ relationships as shareholders of AADSB. Pursuant to the shareholders’ agreement the percentage of shareholding shall be 70:30 (TRSB:CRECD).

Subsequently, pursuant to the letters dated 26 April 2017 and 8 August 2017 between the Purchasers and Vendors of AADSB, the said parties had mutually agreed to extend the date for fulfilment of all terms and conditions stipulated in the Share Sale Agreement for another 6 months to 7 November 2017.

As at the LPD, the Acquisition of AADSB is pending completion. The Acquisition of AADSB is expected to be completed by the 4th quarter of 2017.

- (iv) Our Company had on 11 November 2016 and 23 December 2016 announced to undertake, among others, the following:
- (a) proposed share split involving a subdivision of every 1 TLB Share into 2 new TLB Shares held at an entitlement date to be determined later (“**Proposed Share Split**”); and
 - (b) proposed amendments to our Articles of Association to facilitate the Proposed Share Split.

Bursa Securities had vide its letter dated 28 July 2017 approved, amongst others, the following:

- (a) the Proposed Share Split;
- (b) the listing of and quotation for up to additional 614,999,899 new additional ICPS (“**Additional ICPS**”) to be issued in consequence of the adjustments arising from the Proposed Share Split on the Main Market of Bursa Securities; and
- (c) the listing of and quotation for up to 614,999,899 new TLB Shares arising from the conversion of the Additional ICPS on the Main Market of Bursa Securities.

The circular to shareholders in relation to the said proposals was issued on 17 August 2017.

- (v) Our Company had on 27 February 2017 entered into a share sale agreement with Tan Chuan Cheong and Tee Tiong Lee to acquire 3,000,000 ordinary shares equivalent to RM3,000,000, representing the entire share capital of SKDSB for a purchase consideration of RM70,919,000, upon the terms and conditions as stipulated therein (“**Proposed Acquisition of SKDSB**”).

As at the LPD, the Proposed Acquisition of SKDSB is pending completion. The Proposed Acquisition of SKDSB is expected to be completed by the 4th quarter of 2017.

3. RATIONALE FOR THE RIGHTS ISSUE OF ICPS

After due consideration of the various methods of fund-raising available, our Board is of the opinion that the Rights Issue of ICPS is currently an appropriate avenue as:

- (i) it enables our Group to raise funds for purposes as set out in Section 4 of this AP, mainly to fund our property development expenditure and partial repayment of bank borrowings (under the Maximum Scenario), which are expected to contribute positively to the future earnings of our Group;
- (ii) the issuance of ICPS minimises the immediate dilution effects on the EPS, which would otherwise have an immediate upfront impact if the fund-raising exercise was a rights issuance of ordinary shares instead, as the ICPS are expected to be converted over a period of time, i.e., during the Conversion Period of the ICPS;
- (iii) the issuance of ICPS will allow our Company to have discretion in declaring dividends for the ICPS depending on our Group’s future profitability and cash flows without being burdened by a fixed funding cost (such as a fixed interest/ coupon rate, if any, for the loan stocks) or immediate interest payments (such as financing via bank borrowings);
- (iv) it provides an opportunity for our existing shareholders to increase their equity participation in our Company by converting the ICPS into new TLB Shares; and
- (v) the Undertaking will allow the Undertaking Shareholder of our Company to extend its support for the Rights Issue of ICPS which will facilitate our Group to raise the required funds without incurring underwriting costs.

4. UTILISATION OF PROCEEDS

At the Issue Price, the gross proceeds from the Rights Issue of ICPS will be utilised in the following manner based on the scenarios as illustrated below:

	Notes	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected time frame for utilisation of proceeds (from the date of listing of the ICPS)
Property development expenditure	(1)	57,627	70,825	Within 24 months
Partial repayment of bank borrowings	(2)	-	30,000	Within 12 months
Estimated expenses in relation to the Rights Issue of ICPS	(3)	650	650	Within 1 month
Total gross proceeds		58,277	101,475	

Notes:

- (1) Our Group intends to utilise up to RM57.63 million and up to RM70.83 million of the proceeds under the Minimum Scenario and Maximum Scenario, respectively, to fund our property development projects. Such utilisation will include, amongst others, the sales and marketing expenses, payments to contractors and consultants, and payments to the relevant authorities for the permits as well as approvals required.

Our Board envisages that the proceeds will mainly be utilised for our Group's existing projects as follows:

(i) H2O

H2O is located in Ara Damansara, Petaling Jaya, Selangor with an estimated GDV and GDC of RM794 million and RM510 million, respectively, which will provide an estimated gross profit of RM240 million over a period of 4 years. H2O consists of 3 blocks of service apartments and 1 block of SOHO (Small Office Home Office) with an aggregate of 1,357 units. Based on the latest architect's certification on 13 July 2017, the percentage of completion of H2O was approximately 56% and is expected to complete by the end of 2018.

(ii) Emery

Emery is located in Kemensah, Ampang, Kuala Lumpur with an estimated GDV and GDC of RM150 million and RM120 million, respectively, which will provide an estimated gross profit of RM30 million over a period of 2 years. Emery consists of 50 units of semi-detached houses to be developed in 2 phases. Based on the latest architect's certification on 21 July 2017 for the phase 1 of Emery, the percentage of completion was approximately 78% and is expected to complete by the 4th quarter of 2017. As at the LPD, the phase 2 of Emery has not commenced.

The allocation of funding for the above-mentioned projects and other existing projects (i.e., Fennel, Primrose and Roseville located at Klang, Selangor and 3rdNvenue located at Jalan Ampang, Kuala Lumpur) will be determined over the progress of the projects based on their status and the estimated costs required then. In the event of, among others, any termination of and/or delays in the above-mentioned projects, the surplus arising therefrom will be adjusted to the proceeds allocated for other existing property development projects and/or future projects of our Group, depending on their respective funding requirements.

Our Group intends to fund any shortfall in the property development expenditure via internally-generated funds and/or bank borrowings.

- (2) Under the Maximum Scenario, our Company intends to utilise up to RM30.00 million of the proceeds to partially repay the bank borrowings of our Group.

As at the LPD, our Group's total bank borrowings were approximately RM397.28 million, comprising term loans, bank overdrafts, revolving credit and hire purchase payables.

The breakdown of the utilisation of proceeds for the partial repayment of the bank borrowings is as follows:

Type of bank borrowings	Balance as at the LPD (RM'000)	Proposed utilisation (RM'000)	Average interest rate (%)	Annual interest savings (RM'000)
Term loans	347,145	-	6.39	-
Bank overdrafts	33,131	30,000	6.42	1,926
Revolving credit	15,000	-	5.50	-
Hire purchase payables	2,005	-	4.65	-
Total	397,281	30,000		1,926

Hence, our Group expects to have interest savings of approximately RM1.93 million per annum from the partial repayment of the bank borrowings.

- (3) The estimated expenses consist of professional fees, fees payable to the relevant authorities, expenses to convene EGM, printing, advertising and other ancillary expenses. Any surplus or shortfall for the estimated expenses in relation to the Rights Issue of ICPS will be adjusted accordingly to/from the funding for property development expenditure of our Group.

The actual gross proceeds to be raised from the Rights Issue of ICPS are dependent on the actual number of ICPS to be issued. Any variation in the actual gross proceeds raised will be adjusted against the proceeds allocated for property development expenditure and/or partial repayment of bank borrowings of our Group.

Pending utilisation of the proceeds from the Rights Issue of ICPS for the abovementioned purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments as our Board may deem fit. The interests derived from the deposits with the financial institutions or any gain arising from the short-term money market instruments will be used as working capital of our Group. This would include staff costs, other administration and operating expenses such as professional fees as well as marketing and promotional activities for our Group's property development projects.

The exact quantum of proceeds that may be raised by our Company pursuant to the conversion of the ICPS will depend upon the actual number of ICPS converted during the tenure of the ICPS as well as the Conversion Ratio and Conversion Price.

The proceeds to be raised from the conversion of ICPS shall be utilised for the working capital of our Group, of which the exact timeframe and the breakdown for the utilisation cannot be determined at this juncture.

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5. RISK FACTORS

You and/or your renounees/transferees (if applicable) should consider carefully the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Rights Issue of ICPS.

5.1 Risks relating to our business and industry

(i) Operational/ Business risks

Our Company is an investment holding company, while our subsidiary companies are principally involved in property development, investment holding and joint venture for property development, money lending business, provision of management services and general construction contractor. Therefore, our Group is subject to risks inherent to property development and related businesses in which we operate.

Such risks may include constraints in labour supply, changes in economic and business conditions in the global and regional economy, property development schedule risk (i.e., late completion or primarily risks associated with the completion of the property development works within planned schedules), project defects, entry of new players, dependency on operating permits, licenses, certificates and/or regulatory approvals, availability of building materials and labour, adverse weather conditions, changes in the demand and supply of properties and changes in the regulatory framework industry governing the property development sector.

(ii) Dependency on key management personnel

Our Group's sustainability in our business depends largely on the abilities, skills, experience and competency of our existing Directors and the key management personnel, namely Tan Kian Whoo (Group Chief Financial Officer), Chong Swee Hoe (General Manager – Property Development & Project), Lee Hee Guan (General Manager – Property Development & Project), Teh Kian Joo (General Manager – Property Development & Project), Ng Che Chin (Assistant General Manager – Contract & Administration) and Yap Lay Ching (Assistant General Manager – Marketing & Sales). Recognising the importance of the key personnel, our Group continuously adopts appropriate approaches/measures to retain them, strives to attract qualified and experienced employees and addresses succession planning by grooming junior employees to complement the management team. Nevertheless, the loss of our Directors and/or any of the relevant key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, could adversely affect our Group's business operations and consequently, its revenue and profitability.

(iii) Project completion risk

Timely completion and hand-over of our projects is critical in ensuring costs are contained and our Group's reputation is safeguarded. However, delays in completion could result from unforeseen circumstances such as natural disasters, shortage of construction materials, adverse weather conditions, major labour disputes, unfavourable credit terms, unsatisfactory performance of building contractors appointed for development and construction projects, delays in obtaining the necessary approvals from local authorities, major changes in government/local authorities' approval policies and/or other unforeseen circumstances.

There is no assurance that our Group will not experience significant delays in the completion and/or delivery of the properties to end purchasers. If any of the abovementioned circumstances occur for a prolonged period, our Group may incur substantial additional costs such as liquidated and ascertained damages payable to purchasers, rectification costs to repair defects or higher material/labour costs and these may result in our financial performance being materially impacted.

(iv) Risk of property overhang and/or unsold properties

Property overhang is commonly caused by oversupply and/or low take-up rate of new property launches by property developers. Other factors contributing to property overhang may include economic downturn and unfavourable market conditions. Any prolonged rise in the property overhang situation would inevitably result in us potentially holding a high number of unsold properties. Apart from the general property overhang situation, an increase in the number of unsold properties in the property market may also be due to other factors such as weak response to the launched properties, location of the development and changes in consumer preferences.

Although our Group takes such measures into account in planning our new projects and managing ongoing projects, there can be no assurance that the risk of property overhang will not have a material impact on our financial performance.

(v) Risk of scarcity of lands in prime locations

Property developers rely heavily on land banks to deliver sustainable growth in business operations and financial performance. As such, property developers constantly replenish their land banks for future development. Intense competition among property developers vying for strategically located parcels of land has resulted in scarcity of such lands as well as corresponding increase in land costs.

As at the LPD, our Group has approximately 273 acres of land located around Klang Valley and Penang Island held for on-going and future development. Although our Group is able to purchase relatively attractive and sizeable land parcels in the past, there can be no assurance that our Group will be able to continue to do so at commercially viable prices or terms.

Replenishment of land banks is dependent on various factors, including, amongst others, size and suitability of the lands, location, government policies and future prospects of the location. Our Group may not be able to identify and acquire new sites at commercially acceptable prices which may impair our ability to compete effectively with other property developers and in turn may have a material and adverse effect on our Group's profitability and business growth.

Our Group will continue to look for strategic parcels of lands as well as monitor the costs of land in our effort to sustain our Group's business.

(vi) Competition risk

Whilst the property development industry generally has a higher barrier to entry, our Group faces competition from existing industry players as well as new market entrants in areas, such as securing strategically located land banks. In addition to location and pricing, the track record and reputation of property developers play an important role in ensuring the successful launch of new property development projects.

Although our Group seeks to remain competitive by taking pro-active measures via marketing strategies as well as adopting different concepts and innovative designs to correctly position the Group in meeting the needs of its target market. Our Group's marketing strategies serve to create market awareness and to capture the interest of potential customers towards the property as well as gathering feedbacks from end purchasers and incorporating such feedbacks, if practicable, into our Group's new property development projects to enhance our Group's competitiveness in the industry. Nevertheless, there can be no assurance that these measures will be effective to minimise the effects of competition on our Group's business.

(vii) Dependence on third party contractors and consultants

Our Group engages third party contractors and consultants to provide our Group's with various services such as design, construction, piling and foundation, mechanical and electrical engineering and interior design services. There can be no assurance that the services rendered by these third party contractors and consultants will be satisfactory or match the quality level expected by our Group and the end purchasers. Moreover, contractors may experience financial and/or other difficulties such as procuring labour that may affect their ability to carry out the work for which they were contracted for, thus giving rise to additional costs to be incurred as a result of the delay in completion of our Group's projects. Delay by third party contractors may cause our Group to absorb the damages and not pass the costs to our customers. Any of these factors could materially and adversely affect the results of our Group's operations and reputation. Consequently, any adverse effect to our Group's reputation may adversely affect the take up rate of our future development projects and hence, our Group's future financial performance.

(viii) Financing risk

Banking facilities and borrowings are among our major main source of financing for our business operations and expansion. Hence, an increase in interest rates could lead to higher borrowing costs and in turn, may affect the profitability of our Group.

While our Group actively reviews our debt portfolio taking into consideration the level and nature of borrowings and seeks to adopt appropriate cost effective financing options, there can be no assurance that the performance of our Group would not be materially affected in the event of any adverse changes in interest rates.

(ix) Covenants in bank borrowings

Pursuant to credit facility agreements that our Group may have entered into and/or will enter into with banks and/or financiers, our Group may be bound by certain covenants which may limit our operating and financial flexibility. The aforesaid covenants are commonly contained in credit facility agreements.

Any of our Group's actions falling within the ambit or scope of such covenants will require the consent of the relevant banks or financiers. Breach of such covenants may give rise to a right by the bank and/or financier to terminate the relevant credit facility and/or enforce any security granted in relation to that credit facility. During the past 12 months up to the LPD, our Group has not breached any terms and conditions or covenants associated with our Group's credit facility agreements which resulted in any of our Group's credit facilities being terminated due to such breaches. However, there can be no assurance that any breach in the terms and conditions or covenants associated with our Group's credit facility agreements will not have a material impact on our financial performance.

(x) Environmental issues

Our Group's property development operations may experience adverse impact arising from environmental issues such as soil erosion, flood, noise and air pollution. Land clearing activities carried out on project sites expose the earth to erosion by water of which its rate of erosion is dependent on factors such as soil characteristics, climate, topography and soil cover.

Our Group also faces the risk of noise and air pollution which are inevitable in construction sites/works as machineries used will be noisy and may have emissions of carbon monoxide and hydrocarbons as well as dust caused by moving vehicles and machineries at the construction sites. There can be no assurance that our Group will not be subject to regulatory action and remediation costs to be incurred which could have a material adverse impact our financial performance and operations.

(xi) Defects liability

Our Group's property development operations involve extending defects liability period of 12 to 24 months from the official handover date of the development properties. During the defects liability period, our Group is liable for any repair work, reconstruction or rectification of any defects that may arise during this period at our own cost. Any increases in the number of defects would inadvertently increase the development cost of a property development project and consequently may have an adverse impact on the overall profitability of our Group.

During the past 12 months up to the LPD, our Group has experienced claims for rectification work during the defect liability period. However, there was no financial impact on our Group as such rectification was carried out by the respective contractors directly. Nevertheless, there can be no assurance that any defects liability arising in the future will not have a material impact on our financial performance.

(xii) Adequacy of insurance coverage and timely crisis

There are certain losses for which insurance coverage is not available as it is not commercially viable to do so, such as losses due to natural disasters, war or civil disorders. If our Group suffers any uninsured losses and/or delays in claims for damages and liabilities in the course of their operations and property development, our Group may not have sufficient funds to cover any such losses, damages or liabilities or to replace any property development which has been destroyed. In addition, any payment our Group makes to cover any losses, damages or liabilities could have a material adverse effect on our Group's business, operations and financial condition and put a strain on our Group's cash flows for other development projects.

During the past 12 months up to the LPD, our Group has not submitted any insurance claims. However, there can be no assurance that these risks will continue to be insurable in the future and/or that the amount insured would equal the replacement cost of these insured assets or the predictability on the timely claims process.

(xiii) Political, economic and regulatory conditions

Adverse changes in political, economic and regulatory conditions in Malaysia could materially affect the financial position of our Group. Amongst the political, economic and regulatory uncertainties are the changes in the risks of economic downturn, unfavourable monetary and fiscal policy changes, exchange control regulations or introduction of new rules or regulation, changes in interest rates, inflation and taxation and political leadership.

Much of the above changes are beyond our Group's control. There can be no assurance that any adverse economic, political and regulatory developments will not materially affect the performance of our Group.

5.2 Risks relating to the Rights Issue of ICPS

(i) No prior market for the ICPS

The Rights Issue of ICPS comprises a new issuance of securities for which there is currently no public market. No assurance can be given that an active market for the ICPS will develop upon or subsequent to the listing of and quotation for the ICPS on the Main Market of Bursa Securities or, if developed, that such a market will be sustainable or adequately liquid during the tenure of the ICPS.

The market price of the ICPS, like other securities traded on Bursa Securities, is subject to fluctuations and will be influenced by, amongst others, prevailing market sentiments, volatility of the stock market, the market price of the underlying TLB Shares, interest rate movements, trades of substantial amounts of the ICPS on Bursa Securities in the future, corporate developments as well as the future prospects of the construction and property development industries.

There is no assurance that the market price of the ICPS will trade at or above its issue price of RM0.165 subsequent to its listing.

(ii) Investment and capital market risks

The market price of the ICPS is influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the liquidity of the ICPS and TLB Shares, the outlook for the construction and property development industries, changes in regulatory requirements or market conditions, the financial performance and fluctuations in our Group's operating results. In addition, the performance of the local stock market (where our ICPS and Shares are listed) is dependent on the economic and political condition in Malaysia as well as external factors such as, amongst others, the performance of the world bourses, flows of foreign funds and prices of commodities. In view of this, there can be no assurance that the ICPS will trade above the Issue Price for the ICPS upon or subsequent to the listing of and quotation for the ICPS on the Main Market of Bursa Securities.

(iii) Delay in or failure of the Rights Issue of ICPS

The Rights Issue of ICPS is exposed to the risk that it may be aborted or delayed on the occurrence of force majeure events or circumstances which are beyond the control of our Company arising prior to the implementation of the Rights Issue of ICPS. Such events or circumstances include, *inter alia*, natural disasters, adverse developments in political, economic and government policies in Malaysia, including changes in inflation and interest rates, global economic downturn, acts of war, acts of terrorism, riots, expropriations and changes in political leadership.

In this respect, all proceeds arising from the Rights Issue of ICPS will be refunded without interest to the Entitled Shareholders and/or their renounees/transferees (if applicable) in the event the Rights Issue of ICPS is aborted and if such monies are not repaid within 14 days after TLB becomes liable, we will repay such monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA. Notwithstanding the above, our Company will exercise our best endeavor to ensure the successful implementation of the Rights Issue of ICPS. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue of ICPS.

In the event that the ICPS have been allotted to the successful Entitled Shareholders and/or their renounees/transferees (if applicable) and the Rights Issue of ICPS is subsequently cancelled or terminated, a return of monies to the shareholders can only be achieved by way of cancellation of our share capital as provided under the Act. Such cancellation requires the approval of our shareholders by way of special resolution in a general meeting, consent of our creditors (where applicable) and may require the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time or at all under such circumstances.

(iv) Forward-looking statements

Certain statements in this AP are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this AP are based on forecasts and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, amongst others, the risk factors as set out in this section. In view of the above, the inclusion of any forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

5.3 Other risks

(i) We may not be able to pay dividends

Our ability to pay future dividends to both ICPS holders and shareholders is largely dependent on the performance of our Group.

In determining the size of any dividend recommendation, we will take into consideration a number of factors, including but not limited to our financial performance, cash flow requirements, future plans, availability of distributable reserves and compliance with regulatory requirements. While we endeavor to make dividend payments, no assurance can be given that we are able to pay dividends in the future due to the factors stated above.

In this regard, shareholders should also note that the dividends of the ICPS shall be paid in priority over our ordinary shares (i.e., no dividend shall be paid on the ordinary shares of our Company unless the dividends of the ICPS have first been paid). As such, there is no assurance that dividends will be declared to the ordinary shares of our Company after the declaration of dividends to the ICPS.

6. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

6.1 Overview and outlook of the Malaysian economy

In 2016, the Malaysian economy recorded a growth of 4.2% (2015: 5.0%) despite considerable external and domestic headwinds. The global economic landscape was challenging given the subdued global demand and low commodity prices. Domestically, the economy continued to face headwinds from the higher cost of living amid soft employment conditions. Concurrently, business and consumer sentiments were affected by a confluence of global and domestic factors, including the heightened volatility in financial markets and the significant underperformance of the ringgit.

Against these external and domestic challenges, all sectors of the economy recorded a modest expansion during the year. Domestic demand continued to anchor growth, supported mainly by private sector spending. Private consumption growth, in particular, was sustained at 6.1% (2015: 6.0%), supported by continued employment and wage growth following the increase in minimum wage and civil servant salaries. Public consumption growth moderated to 1.0% (2015: 4.4%) following the expenditure rationalisation adopted by the Government in early 2016 given the lower petroleum-related revenue because of low crude oil prices. Public investment recorded a smaller rate of decline in 2016 (-0.5%; 2015: -1.0%) due to the smaller contraction in spending on fixed assets by public corporations given the higher investment in the downstream oil and gas industry, and the transportation and utilities sub-sectors.

On the supply side, all economic sectors continued to expand in 2016, with the exception of the agriculture sector. Agriculture production declined by 5.1% (2015: 1.2%), as crude palm oil output was affected by the El Niño weather phenomenon. While growth in the services sector was higher at 5.6% (2015: 5.1%) following sustained demand in the consumer-related sectors, other sectors expanded more moderately.

Global economic activity is projected to improve in 2017, underpinned by an expansion in domestic demand in the advanced and emerging market economies, boosted in part by expansionary fiscal policies in selected major economies. With the gradual improvement in global growth, recovery in global commodity prices and the continued growth of domestic demand are expected to collectively support Malaysia's growth performance. The Malaysian economy is projected to register a sustained growth of 4.3% - 4.8% in 2017.

(Source: Annual Report 2016, BNM)

The Malaysian economy recorded a stronger growth of 5.8% in the second quarter of 2017 (1Q 2017: 5.6%). Private sector spending continued to be the main driver of growth. On the external front, growth was further supported by the robust expansion in real exports of goods and services (9.6%; 1Q 2017: 9.8%) following strong demand for manufactured and commodity products. Real imports moderated slightly to 10.7% (1Q 2017: 12.9%) following more moderate expansion in investment. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.3% (1Q 2017: 1.8%).

Domestic demand grew by 5.7% in the second quarter of the year (1Q 2017: 7.7%), supported by continued expansion in both private sector expenditure (7.2%; 1Q 2017: 8.2%) and public sector spending (0.2%; 1Q 2017: 5.8%). Private consumption recorded a growth of 7.1% (1Q 2017: 6.6%), supported by the improvement in private sector wages amid continued strength in employment growth. During the quarter, consumer sentiments continued to improve, providing further impetus to household spending. Public consumption growth moderated to 3.3% (1Q 2017: 7.5%) following slower growth in the spending on emoluments, and supplies and services.

Given the continued strong performance in the second quarter of 2017, the Malaysian economy recorded a strong growth of 5.7% in first half of 2017. Private consumption will be underpinned by continued wage and employment growth, with support from various policy measures to raise disposable income. On the external front, exports are expected to benefit from the improvement in global growth, especially among Malaysia's key trading partners. Overall, the economy is expected to record a stronger growth in 2017.

(Source: Economic and Financial Developments in the Malaysian Economy in the 2nd Quarter of 2017, BNM)

The Malaysian economy is expected to remain on its growth trajectory in the second quarter of 2017. The growth will be supported primarily by domestic demand. Private sector expenditure will remain the key driver of growth attributed to strong household spending and investment activities. On the supply side, growth will be largely contributed by expansion in services and manufacturing sectors.

(Source: Quarterly Update on the Malaysian Economy – 1st Quarter 2017, Ministry of Finance Malaysia)

6.2 Overview and outlook of the construction and property development industries in Malaysia

Value-added of the construction sector recorded a strong growth of 8.4% during the first half of 2016 (January – June 2015: 7.6%). The acceleration of civil engineering works and sustained expansion in residential activities outweighed the tapering growth in the non-residential subsector. Overall, these three property subsectors contributed the highest share (more than 80%) of all construction activities. Total value of construction works completed during the first half of 2016 expanded 11.4% to RM62 billion with 11,881 projects (January – June 2015: 11.6%; RM56 billion; 12,158 projects). The civil engineering subsector contributed 33.2% to the total value of construction works, followed by non-residential (32.1%), residential (29.8%) and specialised construction activities (4.9%) subsectors. The private sector continued to dominate construction activity with a share of 66.3% in the first half of 2016. For the year, the construction sector is expected to expand 8.7% (2015: 8.2%).

The residential subsector grew 10.4% supported by steady growth in incoming supply at 13.1% to 816,174 units (January – June 2015: 13.5%; 10.3%; 721,730 units). Klang Valley, accounting for 26.2%, continued to contribute the most of the incoming supply mainly due to increasing affordable housing schemes (January – June 2015: 25.6%). However, during the period, new approvals declined significantly by 32% to 44,389 units as developers are clearing unsold properties, while buyers are more cautious amid increasing uncertainties in the global environment (January – June 2015: -2.1%; 65,231 units). Likewise, housing starts declined 16.8% to 60,378 units (January – June 2015: 15%; 72,545 units). Of which, terrace houses and condominiums/apartments accounted for 43.6% (26,324 units) and 29.9% (18,070 units), respectively, while low-end houses 11% (6,617 units). The take-up rate for residential units was lower at 25.6% in the first half of 2016 largely reflecting softer demand for high-end units (January – June 2015: 29.8%).

During the first half of 2016, a total of 102,096 residential properties valued at RM32.7 billion were transacted, accounting for 62.4% of total property transactions (January – June 2015: 119,446 transactions; RM36.5 billion; 64.1%). Residential properties transacted in Kuala Lumpur recorded a marked contraction of 20.1%, followed by Selangor (-14.1%), Pulau Pinang (-13.5%), and Johor (-10.9%). The softening of the transaction was partly due to the buyers' cautious sentiment and measures to contain the accelerating house prices. The residential overhang increased 63.1% to 13,438 units with a total value of RM7.6 billion during the first half of 2016 (January – June 2015: -24.1%; 8,238 units; RM2.7 billion) with Johor accounting for the highest overhang units at 21.1% (2015: 23.3%).

Malaysia House Price Index (“MHPI”) continues to moderate reflecting implementation of various measures to contain spiralling prices. The MHPI stood at 235.4 points (at based year 2000) during the second quarter of 2016, increasing 5.3%, the lowest since the fourth quarter of 2009 (Q2 2015: 223.5 points; 7.5%). All states recorded a positive growth except Kelantan (-0.2%) and Sabah (-0.6%). Johor registered the highest increase of 7%, followed by Kuala Lumpur (6.9%), Selangor (6.6%), Kedah (6.5%) and Negeri Sembilan (6.2%). The average all-house price increased to RM326,241 in the second quarter of 2016 relative to RM309,705 for the corresponding period in 2015, with detached houses recording the highest increase at 6.5%, followed by high rise units (6%) and terrace houses (5.6%).

(Source: Economic Report 2016/2017, Ministry of Finance Malaysia)

For home buyers, bank financing for the purchase of residential properties for qualified borrowers continued to be available. Growth in loans outstanding for home purchase averaged at 13.2% during 2012 - 2014 (2008 - 2009: 9.8%). While this moderated to 9.2% in 2016, this moderation was due to the softer housing market. The demand for affordable housing had supported the expansion in end-financing by banks for residential property purchases. As at end-2016, about 56% of loans outstanding were for houses priced below RM250,000, while loans for houses priced between RM250,000 to RM500,000 accounted for another 25%. Rejection rates for housing loan applications also fell further to 23.6% in 2016 (2012 - 2015: 26.1%). These trends are evidence that financing remains ample for eligible home buyers.

Similarly, house builders continued to have access to bank financing. Loans for real estate activities and residential property construction increased at a healthy rate of 11.7% in 2016 (2012 - 2014: 18.5%), reflecting the fewer property launches and incoming supply.

The growth in household debt continued to moderate during the year to 5.4% (2015: 7.3%). This was attributable to the moderate growth in domestic demand, and was in part due to the preemptive macro and micro prudential measures implemented by the Bank to ensure prudent levels of household debt. The moderation was observed across most loan types, particularly loans for the purchase of non-residential properties; purchase of securities and purchase of passenger cars. The growth in residential property loans, which accounted for 50.0% of total household debt, also moderated to 9.1% during the year (2015: 11.0%). Nevertheless, borrowers with the capacity to service their debt continued to have access to residential property financing during the year, supported by stable approval rates across all house price segments.

The construction sector recorded moderate growth in 2016 (7.4%; 2015: 8.2%). The faster pace of expansion in the civil engineering and residential sub-sectors was partially offset by a decline in non-residential activity. Growth in the civil engineering sub-sector was driven by higher activity in existing multi-year projects, particularly in the petrochemical, transportation and utilities segments. Activity in the residential sub-sector was supported by large property launches in the previous years while growth in the special trade sub-sector continued to be supported by early and end-works activity. Growth in the non-residential sub-sector, however, was weighed down by slower activity in the commercial property segment amid the oversupply of office and retail space.

Growth in the construction sector is projected to expand at a faster pace in 2017, driven mainly by new and existing civil engineering projects in the utilities, transportation and petrochemical segments.

(Source: Annual Report 2016, BNM)

The construction sector increased 6.5% during the first quarter of 2017 (Q1 2016: 8%) driven by higher civil engineering activities. The subsector grew 12.1% (Q1 2016: 17.9%) supported by petrochemical and transportation-related projects. The residential buildings subsector expanded 7% (Q1 2016: 4.9%), attributed to construction of high-end service apartments and affordable housing projects, particularly in Klang Valley and Johor. The specialised construction activities subsector grew 4.2% (Q1 2016: 8.9%), reflecting activity for electrical system installation and transportation-related earthworks. During the quarter, the total value of construction work done rose 9.7% to RM35 billion involving 9,572 projects (Q1 2016: 11.1%; RM31.9 billion; 10,043 projects). The expansion in total value was driven by civil engineering and residential segments which grew by 16% and 9.5%, respectively accounting for 64.3% of total value. For the ownership of the projects, private sector continued to propel the construction activity (63.5%) as compared with public sector (36.5%).

(Source: Quarterly Update on the Malaysian Economy – 1st Quarter 2017, Ministry of Finance Malaysia)

6.3 Prospects of our Group

Our Group is principally involved in property development and related businesses. As the construction and property sectors in year 2016 experienced moderate growth and slower activity in the commercial property segment, our Group will stride cautiously in its operations.

Nevertheless, the Government has been continuously introducing initiatives to spur the property market for the younger generation and our goal of offering affordable and quality housing to first time home buyers is very much in line with the Government's initiatives. There are a number of initiations to improve the infrastructure of the country, for example, enhancing connectivity via enhancement and development of new highways and rail transportation which will bring about opportunities for the property sector in the future.

Our Group has identified the need to address the demands of 2 market categories – the new generation of home buyers, i.e., Generation Y (generation of people born during the 1980s and early 1990s) and beyond, and affordable housing. We recognise that the decisions and expectations of the new generation of home buyers are driven not only by what they can afford but also their lifestyle needs. Among some of our notable developments are as follows:

(i) Seri Residensi

Seri Residensi is a development in Klang which comprises 4 phases with total land area of 1,951,401 square feet which will be launched consecutively over the next few years. 3 phases, Fennel, Primrose and Roseville, which comprise cluster and semi-detached houses, have been launched with a GDV of RM102.10 million. It is located within the vicinity of amenities such as shopping malls, bus and taxi terminal and education facilities.

(ii) H2O

As disclosed in Section 4 of this AP, H2O is located in Ara Damansara. The first 2 blocks of serviced apartments and 1 block of SOHO (Small Office Home Office) were launched in FYE 30 June 2015. The last block of serviced apartments was subsequently launched in June 2017.

The H2O development has a total land area of 263,059 square feet, with a total GDV of RM794 million. H2O is located within the vicinity of amenities, such as TESCO, Ara Damansara Medical Centre, shopping malls, LRT stations, hotels and Subang Airport.

In addition, we have recently announced the following initiatives as part of our Group's plan to seek new strategic growth and future expansion plan within property development in Klang Valley as well as to ensure earnings sustainability.

On 8 November 2016, our Company organised a signing ceremony with China Railway Group Limited in relation to a development project collaboration. Through this signing, TRSB and CRECD, via a shareholders' agreement, acquired AADSB to undertake the business of construction and development on all that leasehold land held under title Geran 53452 Lot 104 Sek. 88 Bandar & Daerah Kuala Lumpur Negeri Wilayah Persekutuan of Kuala Lumpur (now known as PN 51538, Lot 104, Seksyen 88, Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur) measuring approximately 6.06 acres. As at the LPD, the Acquisition of AADSB is pending completion. The Acquisition of AADSB is expected to be completed by the 4th quarter of 2017.

On 27 February 2017, our Company entered into a share sale agreement for the Proposed Acquisition of SKDSB. The Proposed Acquisition of SKDSB will enable our Group, through SKDSB, to gain access to 75.444 acres of prime land within the high-growth and fast maturing central development spine of Sabah. As at the LPD, the Proposed Acquisition of SKDSB is pending completion. The Proposed Acquisition of SKDSB is expected to be completed by the 4th quarter of 2017.

On 27 February 2017, our Company also entered into a framework agreement with CRECD ("**Framework Agreement**") to record the provisional intention of our Company and CRECD with respect of the engineering procurement construction and commission agreement of a project known as The Shore, Kota Kinabalu, Sabah on a leasehold land held under title TL017526475 (Kota Kinabalu, District of Kota Kinabalu) ("**The Shore Project**"), as well as the participation in business opportunity with Laksana Wawasan Sdn Bhd and the joint marketing collaboration with respect to The Shore Project.

By entering into the Framework Agreement, our Company will be able to leverage on CRECD's strength in the construction sector to further enhance project quality and implementation. With the strong China Railway Engineering Corporation (ultimate holding company of CRECD) branding, our Company's developments shall attract more tourists and investors from overseas, particularly those who favour the commercial and residential property industry. As at the LPD, a letter of award has been issued to CRECD to commence on the piling work for The Shore Project.

Besides that, our Group is adopting a more prudent management on our property development business by, amongst others, undertaking efforts to reduce our reliance on bank borrowings. The Rights Issue of ICPS will be an avenue for our Group to continue our growth in the property development industry while reducing our reliance on financing via bank borrowings as high financing costs will lower the profits of our Group. In this regard, under the Maximum Scenario, our Group intends to utilise part of the proceeds arising from the Rights Issue of ICPS to partially repay our bank borrowings and expects to have interest savings of approximately RM1.93 million per annum arising (as set out in Section 4 of this AP) to reduce our Group's credit risk exposure. This in turn will accord the management of our Group greater flexibility in managing our operations and undertaking business strategies for our Group's future growth.

Premised on the above, our Board is of the opinion that the prospects of our Group are expected to be positive in the future.

7. EFFECTS OF THE RIGHTS ISSUE OF ICPS

7.1 Issued share capital

The pro forma effects of the Rights Issue of ICPS on our issued share capital are as follows:

	Minimum Scenario			Maximum Scenario		
	No. of TLB Shares*	RM	No. of ICPS*	No. of TLB Shares*	RM	No. of ICPS*
Existing share capital and number of issued shares as at the LPD	409,999,933	353,096,888 ⁽¹⁾	-	409,999,933	353,096,888 ⁽¹⁾	-
To be issued pursuant to the Rights Issue of ICPS	-	(650,000) ⁽²⁾	353,192,500	-	(650,000) ⁽²⁾	614,999,899
To be issued pursuant to the full conversion of the ICPS	409,999,933	352,446,888	353,192,500	409,999,933	352,446,888	614,999,899
Enlarged share capital and number of issued shares	445,319,183	410,723,651	-	1,024,999,832	1,367,196,721	-

Notes:

* Pursuant to Section 74 of the Act, all shares issued before or upon the commencement of this Act shall have no par or nominal value.

(1) Comprising the share capital of RM213,570,810 and share premium of RM139,526,078.

Pursuant to Section 618(2) of the Act, upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital. A company may within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account for certain purposes as prescribed in the Act.

(2) After deducting the estimated expenses of RM650,000 for the Rights Issue of ICPS from share premium. Pursuant to Section 618(3)(b)(ii) of the Act, a company may, within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, to write off expenses incurred, or commission or brokerages paid or discount allowed, before or upon the commencement of Section 74, for any duty, fee or tax payable on or in connection with any issue of shares of the company.

(3) Assuming the Conversion Ratio of 10 ICPS for 1 new TLB Share.

(4) Assuming the Conversion Ratio of a combination of 1 ICPS and cash payment of RMI.485 for 1 new TLB Share.

(1) Taking into consideration of the following:

- (a) the conversion of 20,000,000 RCPS on 1 August 2016;
 - (b) disposal of 450,000 treasury shares, 1,500,000 treasury shares and 1,198,800 treasury shares at RM1.56, RM1.55 and RM1.56, respectively, in the open market after deducting the expenses of RM16,157 for the disposal of treasury shares;
 - (c) arising from the issuance of 36,666,600 new TLB Shares at an issue price of RM1.35 each pursuant to the Private Placement and after deducting the expenses of RM260,000 for the Private Placement; and
 - (d) the conversion of 20,000,000 RCPS on 13 June 2017.
- (2) After deducting the estimated expenses of RM650,000 for the Rights Issue of ICPS from share premium. Pursuant to Section 618(3)(b)(ii) of the Act, a company may, within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, to write off expenses incurred, or commissions or brokerages paid or discount allowed, before or upon the commencement of Section 74, for any duty, fee or tax payable on or in connection with any issue of shares of the company.
- (3) Arising from the issuance of 353,192,500 ICPS at the Issue Price.
- (4) Assuming full conversion of the 353,192,500 ICPS at the Conversion Ratio of 10 ICPS for 1 new TLB Share.

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Maximum Scenario

	(I) As at 30 June 2016 (RM)	(II) After subsequent events up to the LPD ⁽¹⁾ (RM)	(III) After (II) and assuming full conversion of the ICPS (RM)
Share capital/ Contributed share capital*	180,000,000	353,096,888*	1,367,196,721 ⁽⁴⁾
Share premium*	100,451,394	-	-
Treasury shares	(4,742,235)	-	-
Reserve arising from reverse acquisition	(47,425,855)	(47,425,855)	(47,425,855)
Equity component of RCPS	4,979,851	-	-
Equity component of ICPS	-	101,474,983 ⁽³⁾	-
Retained earnings	297,516,546	296,805,340	296,805,340
Shareholders' funds / NA	530,779,701	602,476,373	1,616,576,206
No. of TLB Shares in issue**	356,851,200***	409,999,933	1,024,999,832
NA per TLB Share (RM)	1.49	1.47	1.58
NTA per TLB Share (RM)	1.48	1.46	1.57
Total borrowings (RM)	205,849,670	205,849,670	175,849,670
Gearing (times)	0.39	0.34	0.11

Notes:

* Comprising the share capital of RM213,570,810 and share premium of RM139,526,078.

Pursuant to Section 618(2) of the Act, upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital. A company may within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account for certain purposes as prescribed in the Act.

** Pursuant to Section 74 of the Act, all shares issued before or upon the commencement of this Act shall have no par or nominal value.

*** After excluding 3,148,800 treasury shares as at 30 June 2016.

(1) Taking into consideration of the following:

(a) the conversion of 20,000,000 RCPS on 1 August 2016;

(b) disposal of 450,000 treasury shares, 1,500,000 treasury shares and 1,198,800 treasury shares at RM1.56, RM1.55 and RM1.56, respectively, in the open market after deducting the expenses of RM16,157 for the disposal of treasury shares;

- (c) *arising from the issuance of 36,666,600 new TLB Shares at an issue price of RM1.35 each pursuant to the Private Placement and after deducting the expenses of RM260,000 for the Private Placement; and*
- (d) *the conversion of 20,000,000 RCPS on 13 June 2017.*
- (2) *After deducting the estimated expenses of RM650,000 for the Rights Issue of ICPS from share premium. Pursuant to Section 618(3)(b)(ii) of the Act, a company may, within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, to write off expenses incurred, or commissions or brokerages paid or discount allowed, before or upon the commencement of Section 74, for any duty, fee or tax payable on or in connection with any issue of shares of the company.*
- (3) *Arising from the issuance of 614,999,899 ICPS at the Issue Price.*
- (4) *Assuming full conversion of the 614,999,899 ICPS at the Conversion Ratio of 1 ICPS and cash payment of RM1.485 for 1 new TLB Share.*

7.3 Earnings and EPS

The Rights Issue of ICPS is not expected to have an immediate material effect on the consolidated earnings and EPS of our Group for the FYE 30 June 2017 as the Rights Issue of ICPS is only expected to be completed in the 4th quarter of 2017 whilst the proceeds to be raised are expected to be utilised within 24 months from the date of listing of the ICPS. However, the Rights Issue of ICPS is expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds are realised.

The EPS of our Group shall be correspondingly diluted as a result of the increase in the number of TLB Shares arising from the conversion of the ICPS in the future. The effect of any conversion of the ICPS on our consolidated EPS would be dependent on the conversion ratio chosen for the ICPS and the returns generated by our Group from the utilisation of proceeds arising from the Rights Issue of ICPS and/or conversion of the ICPS with cash option.

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For illustration purposes, assuming the Rights Issue of ICPS is completed on 1 July 2015, being the commencement for the FYE 30 June 2016, the EPS of our Group shall be as follows:

Minimum Scenario

	(Audited) As at 30 June 2016 (RM)	(I) After subsequent events up to the LPD ⁽¹⁾ (RM)	(II) After (I) and the Rights Issue of ICPS (RM)	(III) After (II) and assuming full conversion of the ICPS ⁽²⁾ (RM)
PAT attributable to our equity holders (RM)	68,351,715	68,351,715	68,351,715	68,351,715
No. of TLB Shares in issue	356,851,200***	409,999,933	409,999,933	445,319,183
No. of outstanding RCPS in issue	40,000,000	-	-	-
No. of ICPS in issue	-	-	353,192,500	-
Basic EPS (sen)	19.13 [^]	16.67	16.67	15.35
Diluted EPS (sen)	18.44 [#]	-	15.35 ⁽²⁾	-

Notes:

*** After excluding 3,148,800 treasury shares as at 30 June 2016.

[^] Based on the PAT attributable to owners of our Company of RM68,351,715 divided by the weighted average number of TLB Shares in issue of 357,247,528 TLB Shares for the FYE 30 June 2016.

[#] Based on the PAT attributable to owners of our Company of RM68,351,715 divided by the weighted average number of TLB Shares in issue plus the weighted average number of Shares that would be issued on conversion of all the dilutive potential Shares from the exercise of RCPS of 370,580,861 TLB Shares for the FYE 30 June 2016.

(1) Taking into consideration of the following:

(a) the conversion of 20,000,000 RCPS on 1 August 2016;

(b) disposal of 450,000 treasury shares, 1,500,000 treasury shares and 1,198,800 treasury shares at RM1.56, RM1.55 and RM1.56, respectively, in the open market after deducting the expenses of RM16,157 for the disposal of treasury shares;

(c) arising from the issuance of 36,666,600 new TLB Shares at an issue price of RM1.35 each pursuant to the Private Placement and after deducting the expenses of RM260,000 for the Private Placement; and

(d) the conversion of 20,000,000 RCPS on 13 June 2017.

(2) Assuming full conversion of 353,192,500 ICPS at the Conversion Ratio of 10 ICPS into 1 TLB Share.

Maximum Scenario

	(Audited) As at 30 June 2016 (RM)	(I) After subsequent events up to the LPD ⁽¹⁾ (RM)	(II) After (I) and the Rights Issue of ICPS (RM)	(III) After (II) and assuming full conversion of the ICPS ⁽²⁾ (RM)
PAT attributable to our equity holders (RM)	68,351,715	68,351,715	68,351,715	68,351,715
No. of TLB Shares in issue	356,851,200***	409,999,933	409,999,933	1,024,999,832
No. of ICPS in issue	-	-	614,999,899	-
Basic EPS (sen)	19.13 [^]	16.67	16.67	6.67
Diluted EPS (sen)	18.44 [#]	-	6.67 ⁽²⁾	-

Notes:

*** After excluding 3,148,800 treasury shares as at 30 June 2016.

[^] Based on the PAT attributable to owners of our Company of RM68,351,715 divided by the weighted average number of TLB Shares in issue of 357,247,528 TLB Shares for the FYE 30 June 2016.[#] Based on the PAT attributable to owners of our Company of RM68,351,715 divided by the weighted average number of TLB Shares in issue plus the weighted average number of Shares that would be issued on conversion of all the dilutive potential Shares from the exercise of RCPS of 370,580,861 TLB Shares for the FYE 30 June 2016.

(1) Taking into consideration of the following:

(a) the conversion of 20,000,000 RCPS on 1 August 2016;

(b) disposal of 450,000 treasury shares, 1,500,000 treasury shares and 1,198,800 treasury shares at RM1.56, RM1.55 and RM1.56, respectively, in the open market after deducting the expenses of RM16,157 for the disposal of treasury shares;

(c) arising from the issuance of 36,666,600 new TLB Shares at an issue price of RM1.35 each pursuant to the Private Placement and after deducting the expenses of RM260,000 for the Private Placement; and

(d) the conversion of 20,000,000 RCPS on 13 June 2017.

(2) Assuming full conversion of 614,999,899 ICPS via combination of 1 ICPS and cash payment of RM1.485 for 1 new TLB Share.

8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

8.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds from the Rights Issue of ICPS, cash in hand, funds generated from our operations and banking facilities available, our Group will have adequate working capital for the next 12 months from the date of this AP.

8.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of RM397.28 million, all of which are interest-bearing and from local financial institutions as follows:

	As at the LPD (RM'000)
Short-term borrowings:	
Term loans	114,239
Bank overdrafts	33,131
Revolving credit	15,000
Hire purchase payables	278
Long-term borrowings:	
Term loans	232,906
Hire purchase payables	1,727

Our Group has no non-interest bearing and foreign currency-denominated borrowings as at the LPD.

Our Group did not default on the payment of any interest or principal sums in respect of any borrowing, throughout the past 1 FYE 30 June 2016, and the subsequent financial period up to the LPD.

8.3 Contingent liabilities

Save as disclosed below, as at the LPD, there is no other contingent liability incurred by our Company or our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group:

	Company level	
	As at the LPD (RM'000)	As at 30 June 2016 (RM'000)
Corporate guarantees for credit facilities granted to subsidiary companies	237,730	150,622
Bank guarantees	8,732	4,194

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8.4 Material commitments

Save as disclosed below, as at the LPD, there is no other material commitment incurred by our Company or our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group:

	(RM'000)
Approved and contracted but not provided for:	
- Land held for property development	
Purchase consideration	5,570
Less: deposits paid	(1,031)
	<u>4,539</u>
Proposed Acquisition of NPOB pursuant to the execution of the SSAs:	
- Lands held for property development	
Purchase consideration	115,612
Less: security deposit paid	(4,518)
	<u>111,094</u>
Proposed Acquisition of SKDSB pursuant to the execution of the share sale agreement:	
- Lands held for property development	
Purchase consideration	70,919
Less: security deposit paid	(7,092)
	<u>63,827</u>
Capital commitments	<u><u>179,460</u></u>

9. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUE OF ICPS**9.1 General**

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisional ICPS which you are entitled to subscribe for in full or in part, under the terms of the Rights Issue of ICPS. You will find enclosed with this AP, the NPA notifying you of the crediting of such provisional ICPS into your CDS Account and the RSF to enable you to subscribe for the provisional ICPS, as well as to apply for excess ICPS if you choose to do so.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this AP and the Rights Issue Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominee. Please refer to Sections 9.5.4 and 9.8.4 of this AP for the procedures for acceptance as well as to apply for excess ICPS, if you choose to do so.

9.2 NPA

The provisionally allotted ICPS are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the provisional ICPS will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renounees/transferees (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

9.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the provisional ICPS is at **5.00 p.m. on 18 September 2017**.

9.4 Methods of application

You may subscribe for such number of ICPS that you have been provisionally allotted as well as to apply for excess ICPS, if you so choose, using either of the following methods:

Method of application	Category of Entitled Shareholders
RSF ⁽¹⁾	All Entitled Shareholders
Electronic Application ⁽²⁾ or Internet Application ⁽³⁾	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS

Notes:

- (1) *A copy of the RSF is enclosed together with this AP. The RSF is also available on the website of Bursa Securities (<http://www.bursamalaysia.com>).*
- (2) *The following surcharge per Electronic Application will be charged by the Participating Financial Institution:*
- *Public Bank Berhad – RM4.24 (inclusive of 6% GST); and*
 - *Affin Bank Berhad – RM4.24 (inclusive of 6% GST);*
- (3) *The following processing fee per Internet Application will be charged by the respective Internet Participating Financial Institution:*
- *Public Bank Berhad (<http://www.pbebank.com>) – RM4.24 (inclusive of 6% GST); and*
 - *Affin Bank Berhad (<https://www.affinbank.com.my>) – RM4.24 (inclusive of 6% GST).*

9.5 Procedure for full acceptance and payment by Entitled Shareholders and acceptance by renounees/transferees

9.5.1 By way of RSF

If you wish to accept your entitlement to the provisional ICPS, the acceptance of and payment for the provisional ICPS must be made on the respective RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this AP, the NPA or the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

Renounees/Transferees who wish to accept the provisional ICPS must obtain a copy of the RSF from their stockbrokers or our Share Registrar or at our Registered Office or from the Bursa Securities' website at <http://www.bursamalaysia.com> and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders also applies to renounees/transferees who wish to accept the provisional ICPS.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ICPS, EXCESS APPLICATION FOR THE ICPS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEES/TRANSFEREES (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you wish to accept your entitlement/acceptance, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions provided in the RSF. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar by **ORDINARY POST** or **DELIVERED BY HAND AND/OR COURIER** at the following address:

**FOR DELIVERY BY HAND AND/OR
COURIER:**

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

FOR ORDINARY POST:

Symphony Share Registrars Sdn Bhd
Peti Surat 9150
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel. no.: 03-7849 0777 (Helpdesk)

Fax no.: 03-7841 8151 / 8152

so as to arrive **not later than 5.00 p.m. on 18 September 2017**, being the last time and date for acceptance and payment.

1 RSF can only be used for acceptance of provisional ICPS standing to the credit of 1 CDS Account. Separate RSF(s) must be used for separate CDS Account(s). If successful, the ICPS subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by our Share Registrar for the ICPS, you are advised to use 1 reply envelope for each completed RSF.

You and/or your renounees/transferees (if applicable) should take note that a trading board lot for the ICPS comprises 100 ICPS. The minimum number of security that can be subscribed for or accepted is 3 ICPS for every 2 existing TLB Shares held.

If acceptance of and payment for the provisional ICPS is not received by our Share Registrar by **5.00 p.m. on 18 September 2017**, being the last time and date for acceptance of and payment for the provisional ICPS, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the ICPS are not fully taken up by such applicants, our Board will then have the right to allot such ICPS to the applicants who have applied for the excess ICPS in the manner as set out in Section 9.8 of this AP. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website at <http://www.bursamalaysia.com>, our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "TLB RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE OF ICPS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR ICPS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES/TRANSFEREES (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN 8 MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF ICPS.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF ICPS BY ORDINARY POST TO THE ADDRESS SHOWN ON BURSA DEPOSITORY'S RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

9.5.2 By way of Electronic Application

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs of the Participating Financial Institution before making an Electronic Application.

(i) Steps for Electronic Application through a Participating Financial Institution's ATM within Malaysia

The procedures for Electronic Application at the ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Application at ATMs are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms of this AP, the Steps and the Terms and Conditions for Electronic Application set out below before making an Electronic Application:

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institution cannot be used to apply for the ICPS at an ATM belonging to other Participating Financial Institutions;
- (b) You are advised to read and understand this AP **BEFORE** making the application; and
- (c) You shall apply for the ICPS via the ATM of the Participating Financial Institution by choosing the Electronic Application option. Mandatory statements required in the application are as set out in “**Terms and conditions for Electronic Application**” (please refer to Section 9.5.2(iii) below). You shall enter at least the following information through the ATM when the instructions on the ATM screen requires you to do so:
 - Personal Identification Number (“PIN”);
 - Select TLB Rights Issue;
 - CDS Account number;
 - Number of ICPS applied for and/or the RM amount to be debited from the account;
 - Current contact number (for e.g. your mobile phone number); and
 - Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or the Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTION, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

(ii) Participating Financial Institution

Electronic Application may be made through an ATM of the following Participating Financial Institutions and their branches within Malaysia:

- Public Bank Berhad
- Affin Bank Berhad

(iii) Terms and conditions of Electronic Application

The Electronic Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:

- (a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:

- (i) You have attained 18 years of age as at the last day for application and payment;
- (ii) You have read the relevant AP and understood and agreed with the terms and conditions of the application; and
- (iii) You hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institutions and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the ICPS as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
- (c) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.
- (d) You agree and undertake to subscribe for or purchase and to accept the number of ICPS applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of ICPS applied for shall signify, and shall be treated as, your acceptance of the number of ICPS that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.

- (e) By making and completing your Electronic Application, you, if successful, requests and authorises our Company to credit the ICPS allotted to you into your CDS Account.
- (f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository and irrevocably agrees that if:
 - (i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
 - (ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository for the ICPS applied for or for any compensation, loss or damage relating to the application for the ICPS.

- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institution at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (i) By making and completing an Electronic Application, you agree that:
 - (i) In consideration of our Company agreeing to allow and accept your application for the ICPS via the Electronic Application facility established by the Participating Financial Institution at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the ICPS for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said ICPS; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (k) Notification on the outcome of your application for the ICPS will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

- (i) successful application – a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the ICPS; or
- (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the ICPS.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 9.5.2(iii) of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

9.5.3 By way of Internet Application

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

(i) Step 1: Set up of account

Before making an application by way of Internet Application, you **must have all** of the following:

- (a) an existing account with access to internet financial services with **Public Bank Berhad** at <http://www.pbebank.com> or **Affin Bank Berhad** at <http://www.affinbank.com.my>. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and
- (b) a CDS Account held in your name.

(ii) Step 2: Read the AP

You are advised to read and understand this AP **BEFORE** making your application.

(iii) Step 3: Apply through Internet

While we will attempt to provide you with assistance in your application for the ICPS through Internet Application, please note that the actual steps for Internet Application through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only:

- (a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have a bank account;
- (b) Log in to the internet financial services facility by entering your user identification and PIN/password;
- (c) Navigate to the section of the website on applications in respect of the ICPS;

- (d) Select the counter in respect of the ICPS to launch the terms and conditions of the Internet Application;
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;
- (f) At the next screen, complete the online application form;
- (g) Check that the information contained in your online application form, such as the share counter (in this case, TLB Rights Issue Account), your current contact number (for e.g. your mobile phone number), your CDS Account number, number of ICPS applied for, the amount of payment of subscription monies, the payment of bank charges and the account number to debit are correct. Then select confirm and submit the online application form;
- (h) As soon as the transaction is completed, a message from the Authorised Financial Institution (as defined below) with details of your application appear on the screen of the website; and
- (i) You are advised to print out the confirmation screen for your reference and record.

(iv) Terms and conditions of Internet Application

The Internet Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Internet Participating Financial Institution and those appearing herein:

- (a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:
 - (i) You have attained 18 years of age as at the last day for application and payment;
 - (ii) You have, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of this AP, the contents of which you have read and understood;
 - (iii) You agree to all the terms and conditions of the Internet Application as set out in this AP and have carefully considered the risk factors set out in this AP, in addition to all other information contained in this AP, before making the Internet Application;
 - (iv) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the ICPS (including the processing fee as mentioned in Section 9.4 (Note 3) of this AP) from your bank account with the said financial institution (“**Authorised Financial Institution**”); and

(v) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Internet Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, of information pertaining to yourself, the Internet Application made by you, your account with the Internet Participating Financial Institutions and/or the Authorised Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/refund.

(b) You confirm that you are not applying for the ICPS as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this AP.

(c) You agree and undertake to subscribe for or purchase and to accept the number of ICPS applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of ICPS applied for shall signify, and shall be treated as, your acceptance of the number of ICPS that may be allotted to you.

Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institution.

(d) By making and completing your Internet Application, you, if successful, requests and authorises our Company to credit the ICPS allotted to you into your CDS Account.

(e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Internet Participating Financial Institutions or Bursa Depository and irrevocably agrees that if:

(i) Our Company, our Share Registrar or Bursa Depository does not receive your Internet Application; or

(ii) Data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Internet Participating Financial Institutions or Bursa Depository for the ICPS applied for or for any compensation, loss or damage relating to the application for the ICPS.

(f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, our Share Registrar, the relevant Internet Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.

- (g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (h) By making and completing an Internet Application, you agree that:
- (i) In consideration of our Company agreeing to allow and accept your application for the ICPS via the Internet Application facility established by the Internet Participating Financial Institutions at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the Internet Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the ICPS for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said ICPS; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (i) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.
- (j) Notification on the outcome of your application for the ICPS will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
- (i) successful application – a notice of allotment will be despatched within 8 Market Days from the last day for application and payment for the ICPS; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the ICPS.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 9.5.3(iv) of this AP and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (k) A surcharge is imposed on each Internet Application which will be charged by the Internet Participating Financial Institution as mentioned in Section 9.4 (Note 3) of this AP.
- (l) You authorise the Internet Participating Financial Institutions to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue of ICPS, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institutions, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue of ICPS. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institutions in connection with the use of the Internet Application services.

9.5.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) Steps for applications via NRS

- (a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this AP, the RSF nor the NPA by post.
- (b) Instead, this AP and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.
- (c) A notification of the delivery of the AP and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this AP, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue of ICPS.

- (f) To apply for the ICPS, you will be required to submit your subscription information via a ICPS Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.
- (g) Once completed, you will need to submit the ICPS Subscription File to Bursa Depository at any time daily before 5.00 p.m., but in any event no later than the last day and time for acceptance and payment.
- (h) Together with the ICPS Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:
 - (i) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this AP, the contents of which you have read, understood and agreed; and
 - (ii) Consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the ICPS which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:

Bank: **Alliance Bank Malaysia Berhad**
Account Name: **TLB RIGHTS ISSUE ACCOUNT**
Bank Account No.: **120150010156771**

prior to submitting the ICPS Subscription File to Bursa Depository.

- (j) Upon completion of the transfer/payment, you may receive a transaction slip ("**Transaction Record**") from the transacting financial institution confirming the details of your transfer/payment. The Transaction Record is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the ICPS electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
 - (i) successful application – an electronic notification will be sent to you within 8 Market Days from the last day for application and payment for the ICPS; or
 - (ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the last day for application and payment for the ICPS.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 9.5.4(ii)(a) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the ICPS Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (l) Upon crediting of the ICPS allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (m) You should note that all applications made for the ICPS submitted under NRS will be irrevocable upon submission of the ICPS Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) Terms and conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this AP, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.
- (b) You agree and undertake to subscribe for or purchase and to accept the number of ICPS applied for as stated on your ICPS Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of ICPS that may be allotted to you.
- (c) You acknowledge that by completing and submitting the ICPS Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the ICPS allotted to you into the respective CDS Account(s) as indicated in the ICPS Subscription File.
- (d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:
 - (i) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or
 - (ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the ICPS applied for or for any compensation, loss or damage relating to the application for the ICPS.

- (e) By completing and submitting the ICPS Subscription File to Bursa Depository, you agree that:
- (i) In consideration of our Company agreeing to allow and accept your application for the ICPS via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the ICPS issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said ICPS; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (f) Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

9.6 Procedure for part acceptance by Entitled Shareholders and/or renounees/transferees

9.6.1 By way of RSF

You must complete both Part I(A) of the RSF by specifying the number of the ICPS which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 9.5.1 of this AP.

9.6.2 By way of Electronic Application and Internet Application

If you are an individual who is an Entitled Shareholder and wish to accept part of your provisional ICPS via Electronic Application or Internet Application, you may do so by following the same steps as set out in Sections 9.5.2 and 9.5.3, respectively of this AP.

9.6.3 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and wish to accept part of your provisional ICPS, you may do so by following the same steps as set out in Section 9.5.4 of this AP.

The portion of the provisional ICPS that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the provisional ICPS.

9.7 Procedure for sale/transfer of provisional ICPS

As the provisional ICPS are prescribed securities, you may dispose of or transfer all or part of your entitlement to the ICPS to 1 or more person(s) through your stockbrokers without first having to request for a split of the provisional ICPS standing to the credit of your CDS Accounts. To dispose or transfer all or part of your entitlement to the provisional ICPS, you may sell such entitlement in the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have sold or transferred only part of the provisional ICPS, you may still accept the balance of the provisional ICPS by completing Parts I(A) and II of the RSF. Please refer to Section 9.5 of this AP for the procedure, acceptance and payment.

In disposing/transferring all or part of your provisionally ICPS, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient provisional ICPS standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

9.8 Procedure for application of excess ICPS

9.8.1 By way of RSF

You and/or your renounees/transferees (if applicable) who accepted the provisional ICPS may apply for excess ICPS by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a separate remittance for the full amount payable in respect of the excess ICPS applied for) to our Share Registrar **not later than 5.00 p.m. on 18 September 2017**, being the last time and date for acceptance and payment.

PAYMENT FOR THE EXCESS ICPS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 9.5.1 OF THIS AP, WHERE THE BANKER'S DRAFT(S)/CASHIER'S ORDER(S)/MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "TLB EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

It is the intention of our Board to allot the excess ICPS, if any, on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for the excess ICPS, based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for excess ICPS, based on the quantum of their respective excess application; and
- (iv) lastly, on a pro-rata basis and in board lots, to our transferees and/or renounees who have applied for excess ICPS, based on the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any excess ICPS applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 9.8.1 (i) to (iv) above are achieved. Our Board also reserves the right to accept any excess ICPS application, in full or in part, without assigning any reason.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

9.8.2 By way of Electronic Application

If you are an individual who is an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any provisional ICPS, and wish to apply for additional ICPS via Electronic Application in excess of your entitlement, you may do so by following the same steps as set out in Section 9.5.2 of this AP save and except that you shall proceed with the option for Excess ICPS Application and the amount payable to be directed to "**TLB EXCESS RIGHTS ISSUE ACCOUNT**" for the excess ICPS applied.

It is the intention of our Board to allot the excess ICPS, if any, on a fair and equitable basis as set out in Section 9.8.1 of this AP.

The Electronic Application for excess ICPS shall be made on, and subject to, the same terms and conditions appearing in Section 9.5.2 of this AP.

9.8.3 By way of Internet Application

If you are an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any provisional ICPS, and wish to apply for additional ICPS via Internet Application in excess of your entitlement, you may do so by following the same steps as set out in Section 9.5.3 of this AP save and except that you shall proceed with the option for Excess ICPS Application and the amount payable to be directed to "**TLB EXCESS RIGHTS ISSUE ACCOUNT**" for the excess ICPS applied.

It is the intention of our Board to allot the excess ICPS, if any, on a fair and equitable basis as set out in Section 9.8.1 of this AP.

The Internet Application for excess ICPS shall be made on, and subject to, the same terms and conditions appearing in Section 9.5.3 of this AP.

9.8.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and/or a renounee and/or a transferee and/or if you have purchased any provisional ICPS, and wish to apply for additional ICPS via NRS in excess of your entitlement, you may do so by following the same steps as set out in Section 9.5.4 of this AP save and except for the amount payable to be directed to "**TLB EXCESS RIGHTS ISSUE ACCOUNT**" (**Bank Account No. 120150010156782 with Alliance Bank Malaysia Berhad**) for the excess ICPS applied and also that you should complete the details for excess rights application at the designated fields for excess applications in the ICPS Subscription File.

It is the intention of our Board to allot the excess ICPS, if any, on a fair and equitable basis as set out in Section 9.8.1 of this AP.

The Application for excess ICPS via NRS shall be made on, and subject to, the same terms and conditions appearing in Section 9.5.4 of this AP, Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who wish to register for NRS).

9.9 Notice of allotment

Upon allotment of the ICPS in respect of your acceptance and/or your renounee's/transferee's acceptance (if applicable) and excess ICPS application (if any), the ICPS shall be credited directly into the respective CDS Account. No physical share certificates will be issued in respect of the ICPS. However, a notice of allotment will be despatched to you and/or your renounees/transferees (who are not an Authorised Nominee who has subscribed for NRS) (if applicable), by ordinary post within 8 Market Days from the last date of acceptance and payment for the ICPS and excess ICPS application, or such other period as may be prescribed or allowed by Bursa Securities, at the address shown on the Record of Depositors at your own risk.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic notification will be sent to you within 8 Market Days from the last day for application and payment for the ICPS and excess ICPS application, or such other period as may be prescribed or allowed by Bursa Securities through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS.

Where any application for the ICPS is not accepted due to non-compliance with the terms of the Rights Issue of ICPS or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you within 15 Market Days from the last date and time for acceptance and payment of the ICPS by ordinary post to the address shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof once lodged with our Share Registrar for the Rights Issue of ICPS cannot be withdrawn subsequently.

9.10 Form of issuance

Bursa Securities has prescribed that our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the ICPS and the new Shares to be issued arising from the conversion of the ICPS is prescribed securities and as such the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the ICPS.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. Your subscription for the ICPS shall mean your consent to receiving such ICPS as deposited securities which will be credited directly into your CDS Account. No physical share certificate will be issued to you under the Rights Issue of ICPS. Instead, the ICPS will be credited directly into your CDS Accounts, and notices of allotment will be sent to you in the manner as stated in Section 9.9.

Any person who has purchased the provisional ICPS or to whom provisional ICPS has been transferred and intends to subscribe for the ICPS must state his/her CDS Account number in the space provided in the RSF. The ICPS will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issue.

The excess ICPS, if allotted to the successful applicant who applies for excess ICPS, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the excess ICPS will be made on a fair and equitable basis as disclosed in Section 9.8.1 of this AP.

9.11 Laws of foreign jurisdictions

This AP and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue of ICPS will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this AP together with the accompanying documents will not be sent to the foreign Entitled Shareholders and/or their renounees/transferees (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renounees/transferees (if applicable) may collect this AP including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to the Rights Issue of ICPS.

Foreign Entitled Shareholders and/or their renounees/transferees (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of ICPS only to the extent that it would be lawful to do so.

TA Securities, our Company and our Directors and officers would not, in connection with the Rights Issue of ICPS, be in breach of, responsible or liable under the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renounees/transferees (if applicable) are or may be subject to. He shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. TA Securities, our Company and our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renounees/transferees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The foreign Entitled Shareholders and/or their renounees/transferees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renounees/transferees (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against our Company and/or TA Securities in respect of their rights and entitlements under the Rights Issue of ICPS. Such foreign Entitled Shareholders and/or their renounees/transferees (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of ICPS.

By signing the RSF, the foreign Entitled Shareholders and/or their renounees/transferees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) TA Securities, our Company and our Directors and officers that:

- (i) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue of ICPS, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or renounees/transferees (if applicable) is or may be subject to;
- (ii) the foreign Entitled Shareholders and/or their renounees/transferees (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the provisional ICPS;
- (iii) the foreign Entitled Shareholders and/or their renounees/transferees (if applicable) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation of the provisional ICPS, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the foreign Entitled Shareholders and/or their renounees/transferees (if applicable) are aware that the ICPS can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

- (v) the foreign Entitled Shareholders and/or their renounees/transferees (if applicable) have received a copy of this AP and have been provided the opportunity to post such questions to the representatives and receive answers thereto as the foreign Entitled Shareholders and/or their renounees/transferees (if applicable) deem necessary in connection with the foreign Entitled Shareholders and/or their renounees/transferees (if applicable) decision to subscribe for or purchase the ICPS. However, any information relevant to an investment shall be contained in this AP; and
- (vi) the foreign Entitled Shareholders and/or their renounees/transferees (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the ICPS, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the ICPS.

Persons receiving this AP, the NPA and the RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this AP, the NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this AP, the NPA and the RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the ICPS from any such application by foreign Entitled Shareholders and/or their renounees/transferees (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the ICPS as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

10. TERMS AND CONDITIONS

The issuance of the ICPS is governed by the terms and conditions set out in this AP, the NPA and the RSF enclosed herewith.

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11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully
For and behalf of the Board of
TITIJAYA LAND BERHAD


Y. BHG. TAN SRI DATO' LIM SOON PENG
Group Managing Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTION IN RELATION TO THE RIGHTS ISSUE OF ICPS PASSED AT OUR EGM HELD ON 7 JULY 2017

TITIJAYA LAND BERHAD

(Company No : 1009114-M)

(Incorporated in Malaysia)

CERTIFIED EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 7 JULY 2017

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 614,999,899 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN TITIJAYA LAND BERHAD ("TLB") ("ICPS") ON THE BASIS OF 3 ICPS FOR EVERY 2 EXISTING ORDINARY SHARES IN TLB ("TLB SHARES") HELD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE OF ICPS")

Based on the poll results, Tan Sri Dato' Chairman declared that the Ordinary Resolution was **CARRIED** as follows:-

*"**THAT** subject to the passing of the Special Resolution and the approvals of all relevant parties and/or authorities being obtained (where required), the Board of Directors of the Company ("**Board**") be and is hereby authorised:*

- (i) to provisionally issue and allot by way of a renounceable rights issue of up to 614,999,899 ICPS on the basis of 3 ICPS for every 2 existing TLB Shares held by the shareholders of TLB whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board;*
- (ii) to determine the final issue price of the ICPS after taking into consideration the following:*
 - (i) the 5-day volume weighted average market price of TLB Shares immediately preceding the price fixing date;*
 - (ii) the conversion ratio and conversion price of the ICPS;*
 - (iii) the rationale for the Proposed Rights Issue of ICPS as set out in Section 4.1 of the circular dated 6 June 2017 ("**Circular**");* and
 - (iv) the funding requirements of the Company and its subsidiaries, as detailed in Section 3 of the Circular; and*
- (iii) to utilise the proceeds to be derived from the Proposed Rights Issue of ICPS in the manner as set out in Section 3 of the Circular and that the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit and in the best interest of the Company, necessary and/or expedient, subject to the approvals of the relevant authorities, where required.*

***THAT** the ICPS which are not taken up or validly taken up shall be made available for excess applications by the entitled shareholders and/or their renouncee(s) (if applicable) and such excess ICPS shall be allocated in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company.*

***THAT** the new TLB Shares to be issued arising from the conversion of the ICPS shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing TLB Shares, save and except that the new TLB Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the new TLB Shares arising from the conversion of the ICPS.*

CERTIFIED TRUE EXTRACT OF THE RESOLUTION IN RELATION TO THE RIGHTS ISSUE OF ICPS PASSED AT OUR EGM HELD ON 7 JULY 2017 (CONT'D)

TITIJAYA LAND BERHAD
(Company No : 1009114-M)
(Incorporated in Malaysia)

(Certified Extract of the Minutes of Extraordinary General Meeting held on 7 July 2017
-cont'd)

AND THAT the Board be and is hereby authorised to take all such necessary steps to give full effect to the Proposed Rights Issue of ICPS with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue of ICPS."

CERTIFIED TRUE COPY



DIRECTOR
LIM POH YIT



SECRETARY
TAN LEY THENG (F)
(MAICSA 7030358)
(PRACTITIONER)

Dated: 7 July 2017

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated on 9 July 2012 in Malaysia under the Act as a private limited company under the name of Meridian Flagship Sdn Bhd. Subsequently, we converted to a public limited company on 30 July 2012 and changed our name to Titijaya Land Berhad on 17 August 2012. Our Company was listed on the Main Market of Bursa Securities on 27 November 2013.

Our Company is an investment holding company, while our subsidiary companies are principally involved in property development, investment holding and joint venture for property development, money lending business, provision of management services and general construction contractor.

Further details of the principal activities of our subsidiary companies are set out in Section 6 of this Appendix II.

2. SHARE CAPITAL

Our issued share capital as at the LPD is RM353,096,888* comprising 409,999,933 TLB Shares. The changes in our issued share capital from the date of incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Consideration	Cumulative total (RM)
<u>TLB Shares</u>			
13 June 2017	6,666,666	Conversion of RCPS	213,570,810
22 September 2016	36,666,600	Cash (via the Private Placement)	201,666,634
1 August 2016	6,666,667	Conversion of RCPS	183,333,334
19 August 2015	6,666,667	Conversion of RCPS	180,000,000
16 July 2014	13,333,333	Conversion of RCPS	176,666,667
25 November 2013	81,705,000	Cash	170,000,000
29 March 2013	258,294,996	Acquisitions via issuance of shares	129,147,500
27 July 2012	4	Share Split	2
9 July 2012	2	Subscribers' shares	2
<u>RCPS</u>			
13 June 2017	(20,000,000)	Conversion of RCPS	-
1 August 2016	(20,000,000)	Conversion of RCPS	10,000,000
19 August 2015	(20,000,000)	Conversion of RCPS	20,000,000
16 July 2014	(40,000,000)	Conversion of RCPS	30,000,000
29 March 2013	100,000,000	Acquisitions	50,000,000

Note:

* Comprising the share capital of RM213,570,810 and share premium of RM139,526,078.

Pursuant to Section 618(2) of the Act, upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital. A company may within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account for certain purposes as prescribed in the Act.

INFORMATION ON OUR COMPANY (CONT'D)
3. BOARD OF DIRECTORS

Please refer to the Corporate Directory on page 1 of this AP for details of the members of our Board.

4. DIRECTORS' SHAREHOLDINGS

The issuance of the ICPS will not have any effect on the shareholdings of our Directors until the ICPS are converted into TLB Shares. The pro forma effects of the Rights Issue of ICPS on the shareholdings of our Directors based on our Record of Depositors as at the LPD are as follows:

Minimum Scenario

Name	As at the LPD		Assuming full conversion of the ICPS*		%
	Direct		Indirect		
	No. of TLB Shares	%	No. of TLB Shares	%	
Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (<i>Retired</i>)	-	-	-	-	-
Y. Bhg. Tan Sri Dato' Lim Soon Peng	300,000	0.07	242,228,333 ⁽¹⁾	59.08	62.33
Lim Poh Yit	780,800	0.19	242,128,333 ⁽²⁾	59.06	62.30
Lim Puay Fung	245,000	0.06	242,128,333 ⁽²⁾	59.06	62.30
Chin Kim Chung	360,000	0.09	-	-	-
Y. Bhg. Dato Ch'ng Toh Eng	250,000	0.06	-	-	-
Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir	-	-	400,000 ⁽³⁾	0.10	0.09
Adrian Cheok Eu Gene (<i>Alternative Director to Y.A.D Tan Sri Syed Mohd Yusof bin Tun Syed Nasir</i>)	-	-	20,000 ⁽⁴⁾	Neg	Neg

INFORMATION ON OUR COMPANY (CONT'D)

Notes:

* Assuming the Conversion Ratio of 10 ICPS into 1 new TLB Share.

Neg Negligible

- (1) Deemed interested pursuant to Section 8(4) of the Act by virtue of his substantial shareholding in TGSB and disclosure made pursuant to Section 59(1)(c) of the Act by virtue of TLB Shares held by his spouse.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.
- (3) Deemed interested pursuant to Section 8(4) of the Act by virtue of TLB Shares held by ISY Holdings Sdn. Bhd.
- (4) Disclosure made pursuant to Section 59(1)(c) of the Act by virtue of TLB Shares held by his spouse and children.

Maximum Scenario

Name	As at the LPD				(I) Assuming full conversion of the ICPS*				
	Direct		Indirect		Direct		Indirect		
	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%	
Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired)	-	-	-	-	-	-	-	-	-
Y. Bhg. Tan Sri Dato' Lim Soon Peng	300,000	0.07	242,228,333 ⁽¹⁾	59.08	750,000	0.07	605,570,832 ⁽¹⁾	59.08	59.08
Lim Poh Yit	780,800	0.19	242,128,333 ⁽²⁾	59.06	1,952,000	0.19	605,320,832 ⁽²⁾	59.06	59.06
Lim Puay Fung	245,000	0.06	242,128,333 ⁽²⁾	59.06	612,500	0.06	605,320,832 ⁽²⁾	59.06	59.06
Chin Kim Chung	360,000	0.09	-	-	900,000	0.09	-	-	-
Y. Bhg. Dato Ch'ng Toh Eng	250,000	0.06	-	-	625,000	0.06	-	-	-
Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir	-	-	400,000 ⁽³⁾	0.10	-	-	1,000,000 ⁽³⁾	0.10	0.10
Adrian Cheok Eu Gene (Alternative Director to Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir)	-	-	20,000 ⁽⁴⁾	Neg	-	-	50,000 ⁽⁴⁾	Neg	Neg

INFORMATION ON OUR COMPANY (CONT'D)*Notes:*

* *Assuming the Conversion Ratio of a combination of 1 ICPS and cash payment of RM1.485 for 1 new TLB Share.*

Neg Negligible

- (1) *Deemed interested pursuant to Section 8(4) of the Act by virtue of his substantial shareholding in TGSB and disclosure made pursuant to Section 59(11)(c) of the Act by virtue of TLB Shares held by his spouse.*
- (2) *Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.*
- (3) *Deemed interested pursuant to Section 8(4) of the Act by virtue of TLB Shares held by ISY Holdings Sdn. Bhd.*
- (4) *Disclosure made pursuant to Section 59(11)(c) of the Act by virtue of TLB Shares held by his spouse and children.*

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INFORMATION ON OUR COMPANY (CONT'D)

5. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The issuance of the ICPS will not have any effect on the shareholdings of our substantial shareholders until the ICPS are converted into TLB Shares. The pro forma effects of the Rights Issue of ICPS on the shareholdings of our substantial shareholders based on our Record of Depositors as at the LPD are as follows:

Minimum Scenario

Name	As at the LPD				(1) Assuming full conversion of the ICPS*			
	Direct		Indirect		Direct		Indirect	
	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%
Y. Bhg. Tan Sri Dato' Lim Soon Peng	300,000	0.07	242,128,333 ⁽¹⁾	59.06	300,000	0.07	277,447,583 ⁽¹⁾	62.30
Lim Poh Yit	780,800	0.19	242,128,333 ⁽¹⁾	59.06	780,800	0.18	277,447,583 ⁽¹⁾	62.30
Lim Puay Fung	245,000	0.06	242,128,333 ⁽¹⁾	59.06	245,000	0.06	277,447,583 ⁽¹⁾	62.30
TGSB	242,128,333	59.06	-	-	277,447,583	62.30	-	-
AIA Bhd	32,050,800	7.82	1,255,200 ⁽²⁾	0.31	32,050,800	7.20	1,255,200 ⁽²⁾	0.28
AIA Company Limited	-	-	33,306,000 ⁽³⁾	8.12	-	-	33,306,000 ⁽³⁾	7.48
AIA Group Limited	-	-	33,306,000 ⁽³⁾	8.12	-	-	33,306,000 ⁽³⁾	7.48
Premium Policy Berhad (In Members' Voluntary Liquidation)	-	-	33,306,000 ⁽³⁾	8.12	-	-	33,306,000 ⁽³⁾	7.48
Orange Policy Sdn Bhd	-	-	33,306,000 ⁽³⁾	8.12	-	-	33,306,000 ⁽³⁾	7.48

Notes:

* Assuming the Conversion Ratio of 10 ICPS into 1 new TLB Share.

(1) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

(2) Deemed interested pursuant to Section 8(4) of the Act by virtue of TLB Shares held by AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd.

(3) Deemed interested pursuant to Section 8(4) of the Act by virtue of TLB Shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd.

INFORMATION ON OUR COMPANY (CONT'D)

Maximum Scenario

Name	As at the LPD				(I) Assuming full conversion of the ICPS*			
	Direct		Indirect		Direct		Indirect	
	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%
Y. Bhg. Tan Sri Dato' Lim Soon Peng	300,000	0.07	242,128,333 ⁽¹⁾	59.06	750,000	0.07	605,320,832 ⁽¹⁾	59.06
Lim Poh Yit	780,800	0.19	242,128,333 ⁽¹⁾	59.06	1,952,000	0.19	605,320,832 ⁽¹⁾	59.06
Lim Puay Fung	245,000	0.06	242,128,333 ⁽¹⁾	59.06	612,500	0.06	605,320,832 ⁽¹⁾	59.06
TGSB	242,128,333	59.06	-	-	605,320,832	59.06	-	-
AIA Bhd	32,050,800	7.82	1,255,200 ⁽²⁾	0.31	80,127,000	7.82	3,138,000 ⁽²⁾	0.31
AIA Company Limited	-	-	33,306,000 ⁽³⁾	8.12	-	-	83,265,000 ⁽³⁾	8.12
AIA Group Limited	-	-	33,306,000 ⁽³⁾	8.12	-	-	83,265,000 ⁽³⁾	8.12
Premium Policy Berhad (In Members' Voluntary Liquidation)	-	-	33,306,000 ⁽³⁾	8.12	-	-	83,265,000 ⁽³⁾	8.12
Orange Policy Sdn Bhd	-	-	33,306,000 ⁽³⁾	8.12	-	-	83,265,000 ⁽³⁾	8.12

Notes:

* Assuming the Conversion Ratio of a combination of 1 ICPS and cash payment of RMI.485 for 1 new TLB Share.

(1) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

(2) Deemed interested pursuant to Section 8(4) of the Act by virtue of TLB Shares held by AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd.

(3) Deemed interested pursuant to Section 8(4) of the Act by virtue of TLB Shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd.

INFORMATION ON OUR COMPANY (CONT'D)**6. SUBSIDIARY AND ASSOCIATED COMPANIES**

The details of our subsidiary and associate companies as at the LPD are as follows:

Company	Date and place of incorporation	Principal activities	Issued share capital (RM)	Effective equity interest (%)
<u>Subsidiary companies</u>				
Aman Kemensah Sdn Bhd	2 May 1997, Malaysia	Property development	1,000,000	100%
Epoch Property Sdn Bhd	2 August 2011, Malaysia	Property development	2,500,000	100%
NPO Development Sdn Bhd	9 June 1997, Malaysia	Property development and general construction contractor	2,000,000	100%
Safetags Solution Sdn Bhd	1 December 2006, Malaysia	Property development	500,000	100%
Shah Alam City Centre Sdn Bhd	24 July 1991, Malaysia	Property development	4,800,000	100%
Prosperous Hectares Sdn Bhd	15 February 2013, Malaysia	Property development	3,000,000	70%
Pin Hwa Properties Sdn Bhd	9 January 2002, Malaysia	Investment holding and joint venture for property development	1,000,000	100%
Terbit Kelana Development Sdn Bhd	4 October 2002, Malaysia	Investment holding	1,000,000	100%
TRSB	20 January 2014, Malaysia	Property development	10,000	100%
Tirijaya PMC Sdn Bhd	23 May 2013, Malaysia	Provision of management services and general construction contractor	2	100%
CMD	1 March 2011, Malaysia	Property development	250,000	100%

INFORMATION ON OUR COMPANY (CONT'D)

Company	Date and place of incorporation	Principal activities	Issued share capital (RM)	Effective equity interest (%)
Titijaya Capital Sdn Bhd	1 March 2011, Malaysia	Money lending	2,000,000	100%
Premisdale Development Sdn Bhd	9 December 2014, Malaysia	Property development	250,000	100%
Tulus Lagenda Sdn Bhd	1 April 2013, Malaysia	Investment company	1,000,000	100%
High Splendour Sdn Bhd	17 August 2015, Malaysia	Property development	2	100%
Titijaya Development (Pulau Pinang) Sdn Bhd	9 November 2015, Malaysia	Property development	2	100%
Tamarind Heights Sdn Bhd	22 January 2016, Malaysia	Property development	2	100%
Subsidiaries of NPO Development Sdn Bhd				
NPO Land Sdn Bhd	28 June 1995, Malaysia	Property development	2,000,000	100%
Sendi Bangsa Development Sdn Bhd	24 April 2004, Malaysia	Property development	3,000,000	100%
Subsidiaries of TRSB				
Tenang Sempurna Sdn Bhd	5 August 2011, Malaysia	Property development	150,000	70%
AADSB	28 July 2008, Malaysia	Property development	10,440,000	70%
Subsidiary of AADSB				
Nipah Valley Sdn Bhd	20 May 2010, Malaysia	Dormant	1,235,000	63%

INFORMATION ON OUR COMPANY (CONT'D)

Company	Date and place of incorporation	Principal activities	Issued share capital (RM)	Effective equity interest (%)
<u>Associate company of TRSB</u> Amona Titijaya Sdn Bhd	30 June 2015, Malaysia	Dormant	1,000,000	40%

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INFORMATION ON OUR COMPANY (CONT'D)
7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements for the FYE 30 June 2014, FYE 30 June 2015, and FYE 30 June 2016, as well as for the 9-month FPE 31 March 2016 and 31 March 2017, are summarised as follows:

	← Unaudited →		← Audited →		
	9-month FPE 31 March 2017 (RM'000)	9-month FPE 31 March 2016 (RM'000)	2016 (RM'000)	FYE 30 June 2015 (RM'000)	2014 (RM'000)
Revenue	258,700	293,459	400,079	340,650	283,848
GP	109,810	103,633	141,278	149,412	129,808
Other income	9,709	4,750	6,240	4,808	3,358
Selling and distribution expenses	(13,480)	(18,244)	(20,672)	(21,300)	(17,809)
Administrative expenses	(13,113)	(13,751)	(17,812)	(17,575)	(13,936)
Other expenses	(7,410)	(4,045)	(15,725)	(3,498)	(3,621)
Operating profit	85,516	72,343	93,309	111,847	97,800
Finance costs	(2,433)	(1,145)	(1,895)	(764)	(1,357)
PBT	83,083	71,198	91,414	111,083	96,443
Income tax expense	(23,368)	(17,761)	(23,117)	(30,332)	(25,148)
PAT	59,715	53,437	68,297	80,751	71,295
PAT attributable to:					
Owners of our Company	59,723	53,434	68,352	80,936	71,295
Non-controlling interests	(8)	3	(55)	(185)	-
PAT	59,715	53,437	68,297	80,751	71,295
EBITDA	83,016	69,907	91,266	109,522	96,426
Number of TLB Shares in issue (i.e., after excluding treasury shares) ('000)	403,333	356,859	356,851	353,311	340,000
Weighted average number of Shares in issue ('000)	390,924	354,125	357,248	352,784	306,870
Weighted average number of Shares in issue plus the weighted average number of Shares that would be issued on conversion of all the dilutive potential Shares from the exercise of RCPS ('000)	397,590	367,458	370,581	372,784	340,204
Basic EPS ⁽¹⁾ (sen)	15.28	15.09	19.13	22.94	23.23
Diluted EPS ⁽²⁾ (sen)	15.02	14.54	18.44	21.71	20.96
GP margin (%)	42.45	35.31	35.31	43.86	45.73
PBT margin (%)	32.12	24.26	22.85	32.61	33.98
PAT margin (%)	23.08	18.21	17.07	23.71	25.12
Dividend (sen)	-	-	0.50	4.50	4.00

INFORMATION ON OUR COMPANY (CONT'D)*Notes:*

N/A Not applicable

- (1) *Based on the PAT attributable to owners of our Company divided by the weighted average number of TLB Shares in issue for the financial periods/years under review.*
- (2) *Based on the PAT attributable to owners of our Company divided by the weighted average number of TLB Shares in issue plus the weighted average number of Shares that would be issued on conversion of all the dilutive potential Shares from the exercise of RCPS for the financial periods/years under review.*

(i) FYE 30 June 2014 vs FYE 30 June 2015

Our Group's revenue for the FYE 30 June 2015 increased by 20.01% to RM340.65 million from RM283.85 million for the FYE 30 June 2014. The increase in revenue was mainly from property development revenue contributions from our development projects namely 3 Elements, Embun@Kemensah, Zone Innovation Park and Seri Alam Industrial Park.

Our Group's GP increased in line with the increased revenue to RM149.41 million while GP margin decreased to 43.86% for FYE 30 June 2015 (FYE 30 June 2014: RM129.81 million, 45.73%). The GP margin was lower as the profit contributions were mainly from lower margin projects namely 3 Elements and Embun@Kemensah.

Other income for the FYE 30 June 2015 increased by 43.18% to RM4.81 million (FYE 30 June 2014: RM3.36 million). Other income for the FYE 30 June 2015 comprised mainly bank interest income of RM1.05 million, fixed deposit interest income of RM1.10 million, other interest income of RM0.79 million and rental income of RM0.68 million. Other income for the FYE 30 June 2014 comprised mainly bank interest income of RM0.73 million, fixed deposit interest income of RM0.65 million, other interest income of RM0.49 million and rental income of RM0.53 million.

In line with the increased revenue and GP, our Group's PAT for the FYE 30 June 2015 increased by 13.26% to RM80.75 million from RM71.30 million for the FYE 30 June 2014. PAT margin decreased slightly to 23.71% for the FYE 30 June 2015 (FYE 30 June 2014: 25.12%).

(ii) FYE 30 June 2016 vs FYE 30 June 2015

Our Group's revenue for the FYE 30 June 2016 increased by 17.45% to RM400.08 million from RM340.65 million for the FYE 30 June 2015. The increase in revenue was mainly from property development revenue i.e., progressive recognition of our property development projects, namely H2O, 3 Elements, Zone Innovation Park and Embun@Kemensah.

Notwithstanding the increased revenue, our Group's GP and GP margin decreased to RM141.28 million and 35.31% for FYE 30 June 2016 (FYE 30 June 2015: RM149.41 million, 43.86%) mainly due to higher contribution of lower GP margin projects. The GP margins of the projects undertaken in the FYE 30 June 2016 were relatively lower compared to the previous financial years.

Other income for the FYE 30 June 2016 increased by 29.78% to RM6.24 million (FYE 30 June 2015: RM4.81 million). Other income for the FYE 30 June 2016 comprised mainly bank interest income of RM0.65 million, fixed deposit interest income of RM1.03 million, other interest income of RM0.93 million, rental income of RM0.73 million and liquidated and ascertained damages income of RM1.40 million from a contractor of 3 Elements as a result of delay in delivery of project. Other income for the FYE 30 June 2015 comprised mainly bank interest income of RM1.05 million, fixed deposit interest income of RM1.10 million, other interest income of RM0.79 million and rental income of RM0.68 million.

INFORMATION ON OUR COMPANY (CONT'D)

Our Group's PAT decreased by 15.42% to RM68.30 million for the FYE 30 June 2016 from RM80.75 million for the FYE 30 June 2015. PAT margin also decreased to 17.07% for the FYE 30 June 2016 (FYE 30 June 2015: 23.71%). The decreased PAT and PAT margin were mainly due to higher other expenses as follows:

- (i) impairment loss on trade receivables of RM2.29 million (FYE 30 June 2015: Nil);
- (ii) impairment loss on investment property of RM1.96 million (FYE 30 June 2015: Nil); and
- (iii) liquidated and ascertained damages expense of RM4.11 million (FYE 30 June 2015: RM6,755), being compensation paid to purchasers of 3 Elements as a result of delay in delivery of project.

(iii) 9-month FPE 31 March 2017 vs 9-month FPE 31 March 2016

Our Group's revenue for the 9-month FPE 31 March 2017 decreased by 11.84% to RM258.70 million (9-month FPE 31 March 2016: RM293.46 million). The decrease in revenue was mainly due to:

- (i) completion of Zone Innovation in December 2016; and
- (ii) lower contribution of revenue from 3 Elements as the project was approaching completion thus there was lower recognition of revenue.

Notwithstanding the decreased revenue, our Group's GP and GP margin increased to approximately RM109.81 million and 42.45%, respectively for the 9-month FPE 31 March 2017 (9-month FPE 31 March 2016: RM103.63 million, 35.31%). The improved GP and GP margin were mainly due to:

- (i) higher profit recognition from H2O as the project was in the stage where Group would recognise higher revenue and profit contributions; and
- (ii) better cost management for 3 Elements via the adoption of value engineering technique during the 9-month FPE 31 March 2017, which enable our Group to reduce development cost.

Other income for the 9-month FPE 31 March 2017 increased by more than 100% to RM9.71 million (9-month FPE 31 March 2016: RM4.75 million). Other income for the 9-month FPE 31 March 2017 comprised mainly bank interest income of RM1.03 million, other interest income of RM1.76 million, liquidated and ascertained damages income of RM5.15 million from a contractor of 3 Elements as a result of delay in delivery of project and rental income of RM1.18 million. Other income for the 9-month FPE 31 March 2016 comprised mainly fixed deposit interest income of RM1.48 million, other interest income of RM1.0 million and rental income of RM1.45 million.

Our Group recorded an increased PAT by 11.75% to RM59.72 million with a PAT margin of 23.08% for the 9-month FPE 31 March 2017 (9-month FPE 31 March 2016: RM53.44 million, 18.21%) mainly due to the improved GP, higher other income and better cost management as reflected in the overall lower operating expenses.

INFORMATION ON OUR COMPANY (CONT'D)**8. HISTORICAL PRICES OF TLB SHARES**

The monthly highest and lowest transacted market prices of TLB Shares for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
2016		
August	1.62	1.45
September	1.62	1.45
October	1.93	1.61
November	1.90	1.64
December	1.75	1.65
2017		
January	1.74	1.66
February	1.75	1.64
March	1.82	1.67
April	1.80	1.68
May	1.74	1.58
June	1.68	1.57
July	1.66	1.56

The last transacted market price of TLB Shares on 25 August 2016 (being the last trading date prior to the Announcement) was RM1.60.

The last transacted market price of TLB Shares on 7 August 2017 (being the LPD) was RM1.58.

The last transacted market price of TLB Shares on 25 August 2017 (being the last day on which TLB Shares were traded prior to the ex-date of the Rights Issue of ICPS) was RM1.51.

(Source: Bloomberg Finance L.P.)

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON



BAKER TILLY

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18 AUG 2017

The Board of Directors
Titijaya Land Berhad
N-16-01, Penthouse, Level 16
First Subang, Jalan SS15/4G
47500 Subang Jaya
Selangor Darul Ehsan

Dear Sirs/Madam,

PRIVATE & CONFIDENTIAL

TITIJAYA LAND BERHAD ("TLB" or the "Company")

REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of TLB and its subsidiaries (the "Group") as at 30 June 2016 for which the directors of TLB are solely responsible. The Pro Forma Consolidated Statements of Financial Position consists of the Pro Forma Consolidated Statements of Financial Position as at 30 June 2016 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the directors of TLB have compiled the Pro Forma Consolidated Statements of Financial Position are as described in Note 1 to the Pro Forma Consolidated Statements of Financial Position ("Applicable Criteria").

The Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2016 has been compiled by the directors of TLB to illustrate the impact of the renounceable rights issue of up to 614,999,899 new irredeemable convertible preference shares in TLB ("ICPS") on the basis of three (3) ICPS for every two (2) existing ordinary shares in TLB ("TLB Shares" or "Shares") held as at 5.00 p.m. on 30 August 2017 at an issue price of RM0.165 per ICPS ("Rights Issue of ICPS") on the Group's financial position as at 30 June 2016, as if the Rights Issue of ICPS had taken place on 30 June 2016.

As part of this process, information about the Group's financial position has been extracted by the directors of TLB from the audited consolidated financial statements of the Group for the financial year ended 30 June 2016, which were reported by us to its members on 6 October 2016 without any modification.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The directors of TLB are responsible for compiling the Pro Forma Consolidated Statements of Financial Position based on the Applicable Criteria.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD

Report on the Compilation of the Pro Forma Consolidated Statements of Financial Position as at 30 June 2016



Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the By-Laws (on Professional Ethics, Conduct and Practice) issued by the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, by the directors of TLB based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of TLB have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in completing the Pro Forma Consolidated Statements of Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position included in the Abridged Prospectus of TLB is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of TLB in the compilation of the Pro Forma Consolidated Statements of Financial Position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue of ICPS, and to obtain sufficient appropriate evidence about whether:

- (a) The related pro forma adjustments give appropriate effect to those criteria; and
- (b) The Pro Forma Consolidated Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD

Report on the Compilation of the Pro Forma Consolidated Statements of Financial Position as at 30 June 2016



The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion:

- (i) the Pro Forma Consolidated Statements of Financial Position of the Group have been properly compiled on the basis set out in the accompanying notes to the Pro Forma Consolidated Statements of Financial Position based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2016 (which have been prepared by directors of TLB), and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 30 June 2016 and the adoption of new accounting policy as described in Note 1.2; and
- (ii) each material adjustment made to the information used in the preparation of the Pro Forma Consolidated Statements of Financial Position is appropriate for the purposes of preparing the Pro Forma Consolidated Statements of Financial Position.

Other matters

This report has been prepared solely for inclusion in the Abridged Prospectus of TLB in connection with the Rights Issue of ICPS. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Heng Fu Joe".

Heng Fu Joe
No. 02966/11/2018 J
Chartered Accountant

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

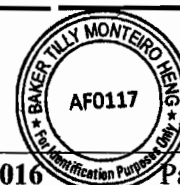
TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

The Pro Forma Consolidated Statements of Financial Position of Titijaya Land Berhad ("TLB" or the "Company") and its subsidiaries (the "Group") as at 30 June 2016 as set out below for which the directors of TLB are solely responsible, have been prepared for illustrative purposes only to show the effects on the audited consolidated statement of financial position of the Group as at 30 June 2016 had the rights issue of irredeemable convertible preference shares as described in Note 2 and the transactions as described in Notes 3 been effected on that date, and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position.

Minimum scenario

	Audited Consolidated Statement of Financial Position as at 30 June 2016 RM	Adjusted Consolidated Statement of Financial Position as at 30 June 2016 RM	Pro Forma I After the Rights Issue of ICPS RM	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM
ASSETS				
Non-current assets				
Property, plant and equipment	11,295,216	11,295,216	11,295,216	11,295,216
Land held for property development	189,526,601	189,526,601	189,526,601	189,526,601
Investment properties	74,268,760	74,268,760	74,268,760	74,268,760
Goodwill on consolidation	3,706,047	3,706,047	3,706,047	3,706,047
	278,796,624	278,796,624	278,796,624	278,796,624
Current assets				
Property development costs	414,599,563	414,599,563	472,226,326	472,226,326
Inventories	20,951,591	20,951,591	20,951,591	20,951,591
Other investments	5,647	5,647	5,647	5,647
Trade and other receivables	213,402,827	213,402,827	213,402,827	213,402,827
Accrued billings in respect of property development costs	60,346,756	60,346,756	60,346,756	60,346,756
Tax recoverable	9,266,952	9,266,952	9,266,952	9,266,952
Fixed deposits placed with licensed banks	33,589,656	33,589,656	33,589,656	33,589,656
Cash and bank balances	61,351,274	115,471,154	115,471,154	115,471,154
	813,514,266	867,634,146	925,260,909	925,260,909
TOTAL ASSETS	1,092,310,890	1,146,430,770	1,204,057,533	1,204,057,533



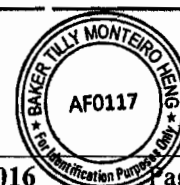
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

Minimum scenario (continued)

	Audited Consolidated Statement of Financial Position as at 30 June 2016 RM	Adjusted Consolidated Statement of Financial Position as at 30 June 2016 RM	Pro Forma I After the Rights Issue of ICPS RM	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM
EQUITY AND LIABILITIES				
Equity				
Share capital/Contributed share capital*	180,000,000	353,096,888*	352,446,888	410,723,651
Share premium*	100,451,394	-	-	-
Treasury shares	(4,742,235)	-	-	-
RCPS - equity component	4,979,851	-	-	-
ICPS	-	-	58,276,763	-
Reserve arising from reverse acquisition	(47,425,855)	(47,425,855)	(47,425,855)	(47,425,855)
Retained earnings	297,516,546	296,805,340	296,805,340	296,805,340
Total equity attributable to owners of the Company	530,779,701	602,476,373	660,103,136	660,103,136
Non-controlling interests	513,567	513,567	513,567	513,567
Total equity	531,293,268	602,989,940	660,616,703	660,616,703
LIABILITIES				
Non-current liabilities				
Hire purchase payables	430,770	430,770	430,770	430,770
Bank borrowings	100,680,697	100,680,697	100,680,697	100,680,697
RCPS - liability component	17,036,177	-	-	-
Deferred tax liabilities	34,019,631	33,479,016	33,479,016	33,479,016
	152,167,275	134,590,483	134,590,483	134,590,483
Current liabilities				
Trade and other payables	194,650,286	194,650,286	194,650,286	194,650,286
Provision	4,130,254	4,130,254	4,130,254	4,130,254
Progress billings in respect of property development costs	96,603,459	96,603,459	96,603,459	96,603,459
Hire purchase payables	119,178	119,178	119,178	119,178
Bank borrowings	104,619,025	104,619,025	104,619,025	104,619,025
Tax payables	8,728,145	8,728,145	8,728,145	8,728,145
	408,850,347	408,850,347	408,850,347	408,850,347
Total liabilities	561,017,622	543,440,830	543,440,830	543,440,830
TOTAL EQUITY AND LIABILITIES	1,092,310,890	1,146,430,770	1,204,057,533	1,204,057,533



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

Minimum scenario (continued)

	Audited Consolidated Statement of Financial Position as at 30 June 2016 RM	Adjusted Consolidated Statement of Financial Position as at 30 June 2016 RM	Pro Forma I After the Rights Issue of ICPS RM	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM
Number of ordinary shares in issue***: - RM0.50 each **	356,851,200	409,999,933	409,999,933	445,319,183
Net assets ("NA")	530,779,701	602,476,373	660,103,136	660,103,136
NA per share (RM)	1.49	1.47	1.61	1.48

* *Comprising the share capital of RM213,570,810 and share premium of RM139,526,078.*

Pursuant to Section 618(2) of the Companies Act 2016 ("Act"), upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital. A company may within twenty-four (24) months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, for certain purposes as prescribed in the Act.

** *Pursuant to Section 74 of the Act, all shares issued before or upon the commencement of this Act shall have no par or nominal value.*

*** *After excluding 3,148,800 treasury shares as at 30 June 2016.*



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

Maximum scenario

	Audited Consolidated Statement of Financial Position as at 30 June 2016 RM	Adjusted Consolidated Statement of Financial Position as at 30 June 2016 RM	Pro Forma I After the Rights Issue of ICPS RM	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM
ASSETS				
Non-current assets				
Property, plant and equipment	11,295,216	11,295,216	11,295,216	11,295,216
Land held for property development	189,526,601	189,526,601	189,526,601	189,526,601
Investment properties	74,268,760	74,268,760	74,268,760	74,268,760
Goodwill in consolidation	3,706,047	3,706,047	3,706,047	3,706,047
	278,796,624	278,796,624	278,796,624	278,796,624
Current assets				
Property development costs	414,599,563	414,599,563	485,424,546	485,424,546
Inventories	20,951,591	20,951,591	20,951,591	20,951,591
Other investments	5,647	5,647	5,647	5,647
Trade and other receivables	213,402,827	213,402,827	213,402,827	213,402,827
Accrued billings in respect of property development costs	60,346,756	60,346,756	60,346,756	60,346,756
Tax recoverable	9,266,952	9,266,952	9,266,952	9,266,952
Fixed deposits placed with licensed banks	33,589,656	33,589,656	33,589,656	33,589,656
Cash and bank balances	61,351,274	115,471,154	115,471,154	1,028,746,004
	813,514,266	867,634,146	938,459,129	1,851,733,979
TOTAL ASSETS	1,092,310,890	1,146,430,770	1,217,255,753	2,130,530,603



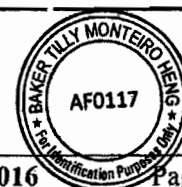
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

Maximum scenario (continued)

	Audited Consolidated Statement of Financial Position as at 30 June 2016 RM	Adjusted Consolidated Statement of Financial Position as at 30 June 2016 RM	Pro Forma I After the Rights Issue of ICPS RM	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM
EQUITY AND LIABILITIES				
Equity				
Share capital/Contributed share capital*	180,000,000	353,096,888*	352,446,888	1,367,196,721
Share premium*	100,451,394	-	-	-
Treasury shares	(4,742,235)	-	-	-
RCPS - equity component	4,979,851	-	-	-
ICPS	-	-	101,474,983	-
Reserve arising from reverse acquisition	(47,425,855)	(47,425,855)	(47,425,855)	(47,425,855)
Retained earnings	297,516,546	296,805,340	296,805,340	296,805,340
Total equity attributable to owners of the Company	530,779,701	602,476,373	703,301,356	1,616,576,206
Non-controlling interests	513,567	513,567	513,567	513,567
Total equity	531,293,268	602,989,940	703,814,923	1,617,089,773
LIABILITIES				
Non-current liabilities				
Hire purchase payables	430,770	430,770	430,770	430,770
Bank borrowings	100,680,697	100,680,697	100,680,697	100,680,697
RCPS - liability component	17,036,177	-	-	-
Deferred tax liabilities	34,019,631	33,479,016	33,479,016	33,479,016
	152,167,275	134,590,483	134,590,483	134,590,483
Current liabilities				
Trade and other payables	194,650,286	194,650,286	194,650,286	194,650,286
Provision	4,130,254	4,130,254	4,130,254	4,130,254
Progress billings in respect of property development costs	96,603,459	96,603,459	96,603,459	96,603,459
Hire purchase payables	119,178	119,178	119,178	119,178
Bank borrowings	104,619,025	104,619,025	74,619,025	74,619,025
Tax payables	8,728,145	8,728,145	8,728,145	8,728,145
	408,850,347	408,850,347	378,850,347	378,850,347
Total liabilities	561,017,622	543,440,830	513,440,830	513,440,830
TOTAL EQUITY AND LIABILITIES	1,092,310,890	1,146,430,770	1,217,255,753	2,130,530,603



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

Maximum scenario (continued)

	Audited Consolidated Statement of Financial Position as at 30 June 2016 RM	Adjusted Consolidated Statement of Financial Position as at 30 June 2016 RM	Pro Forma I After the Rights Issue of ICPS RM	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM
Number of ordinary shares in issue***: - RM0.50 each **	356,851,200	409,999,933	409,999,933	1,024,999,832
NA	530,779,701	602,476,373	703,301,356	1,616,576,206
NA per share (RM)	1.49	1.47	1.72	1.58

* *Comprising the share capital of RM213,570,810 and share premium of RM139,526,078.*

Pursuant to Section 618(2) of the Act, upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital. A company may within twenty-four (24) months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, for certain purposes as prescribed in the Act.

** *Pursuant to Section 74 of the Act, all shares issued before or upon the commencement of this Act shall have no par or nominal value.*

*** *After excluding 3,148,800 treasury shares as at 30 June 2016.*



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

1. Basis of Preparation

- 1.1 The Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2016, for which the directors are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 30 June 2016 had the Rights Issue of ICPS as described in Note 2 and the transactions as described in Note 3 been effected on that date, and should be read in conjunction with the notes accompanying thereto.
- 1.2 The Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2016 have been prepared in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 30 June 2016, which have been prepared in accordance with the Malaysian Financial Reporting Standards, and the adoption of the following new accounting policy:

Irredeemable Convertible Preference Shares ("ICPS")

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividend payments are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

- 1.3 The audited financial statements of TLB for the financial year ended 30 June 2016 were reported by the auditors to the members of TLB on 6 October 2016 without any modification.

2. Rights Issue of ICPS

Renounceable rights issue of up to 614,999,899 new ICPS in TLB on the basis of three (3) ICPS for every two (2) existing ordinary shares in TLB ("TLB Shares" or "Shares") held as at 5.00 p.m. on 30 August 2017 ("Entitlement Date") at an issue price of RM0.165 per ICPS ("Rights Issue of ICPS").



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

2. Rights Issue of ICPS (continued)

Utilisation of Proceeds from the Rights Issue of ICPS

The proceeds from the Rights Issue of ICPS will be utilised in the following manner:

	Minimum Scenario RM	Maximum Scenario RM
Property development expenditure	57,626,763	70,824,983
Partial repayment of bank borrowings	-	30,000,000
Estimated expenses for the Right Issue of ICPS	650,000	650,000
Total gross proceeds	58,276,763	101,474,983

3. Adjusted Consolidated Statement of Financial Position as at 30 June 2016

The audited consolidated statement of financial position of the Group as at 30 June 2016 had been adjusted for the following transactions prior to the implementation of the Rights Issue of ICPS as described in Note 2.

3.1 Conversion of RCPS into TLB Shares

Subsequent to the financial year ended 30 June 2016 and up to the latest practicable date of the Abridged Prospectus on 7 August 2017 ("LPD"), 20,000,000 RCPS had been converted into 6,666,667 new TLB Shares on 1 August 2016.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

3. Adjusted Consolidated Statement of Financial Position as at 30 June 2016 (continued)

3.1 Conversion of RCPS into TLB Shares (continued)

The 20,000,000 RCPS conversion had the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2016:

	Increase/(Decrease)	
	Effects on Total Assets	Effects on Total Equity and Liabilities
	RM	RM
RCPS - Liability Component	-	(7,806,882)
RCPS - Equity Component	-	(2,489,925)
Deferred tax liabilities	-	(355,659)
Share capital	-	3,333,333
Share premium	-	8,030,339
Retained earnings	-	(711,206)
	-	-

3.2 Disposal of Treasury Shares

Subsequent to the financial year ended 30 June 2016 and up to the LPD, there were disposals of 450,000 treasury shares, 1,500,000 treasury shares and 1,198,800 treasury shares at RM1.56, RM1.55 and RM1.56, respectively in the open market ("Disposal of Treasury Shares").

The estimated expenses to the Disposal of Treasury Shares of RM16,157 has been debited to the Share Premium account.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

3. Adjusted Consolidated Statement of Financial Position as at 30 June 2016 (continued)

3.2 Disposal of Treasury Shares (continued)

The Disposal of Treasury Shares had the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2016:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Cash and cash equivalents	4,879,970	-
Treasury shares	-	4,742,235
Share premium	-	137,735
	4,879,970	4,879,970

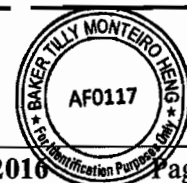
3.3 Private Placement

Subsequent to the financial year ended 30 June 2016 and up to the LPD, TLB issued 36,666,600 new TLB Shares at an issue price of RM1.35 per placement shares, pursuant to the private placement which was approved by Bursa Malaysia Securities Berhad on 27 June 2016 ("Private Placement").

The estimated expenses to the Private Placement of RM0.26 million has been debited to the Share Premium account.

The Private Placement will have the following impact on the Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2016:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Cash and cash equivalents	49,239,910	-
Share capital	-	18,333,300
Share premium	-	30,906,610
	49,239,910	49,239,910



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

3. Adjusted Consolidated Statement of Financial Position as at 30 June 2016 (continued)

3.4 Conversion of RCPS into TLB Shares

Subsequent to the financial year ended 30 June 2016 and up to the LPD, 20,000,000 RCPS had been converted into 6,666,666 new TLB Shares on 13 June 2017.

The 20,000,000 RCPS conversion had the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2016:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity and Liabilities RM
RCPS - Liability Component	-	(9,229,295)
RCPS - Equity Component	-	(2,489,926)
Deferred tax liabilities	-	(184,956)
Contributed share capital	-	11,904,177
	-	-

4. Pro Forma Consolidated Statements of Financial Position

4.1 Minimum scenario

The minimum scenario assumes that:

- (i) The controlling shareholder of TLB, namely Titijaya Group Sdn. Bhd. ("Undertaking Shareholder"), has irrevocably and unconditionally undertaken to apply and subscribe for its entitlement of 353,192,500 ICPS on the Entitlement Date based on the issue price of RM0.165 per ICPS ("Minimum Subscription Level").
- (ii) The 353,192,500 new ICPS issued pursuant to the Rights Issue of ICPS will be converted on a basis of ten (10) ICPS into one (1) TLB Share.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

4. Pro Forma Consolidated Statements of Financial Position (continued)

4.1 Minimum scenario (continued)

4.1.1 Pro Forma I

Pro Forma I incorporates the effects on the adjusted consolidated statement of financial position of the Group as at 30 June 2016 and the Rights Issue of ICPS as described in Note 4.1(i) and the utilisation of proceeds arising from the Rights Issue of ICPS as described in Note 2.

The salient terms of the ICPS are set out below:

Terms	Details
Issue price	: RM0.165 per ICPS.
Dividend rate	: Subject to the compliance of Section 131 of the Act, TLB has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative. The dividends of the ICPS shall be paid in priority over the ordinary shares of the Company.
Tenure	: Five (5) years commencing from and inclusive of the date of issuance of the ICPS.
Redemption	: Not redeemable for cash.
Conversion period	: (a) The ICPS can be converted at any time within five (5) years commencing on and including the date of issuance of the ICPS up to and including the maturity date. (b) Any remaining ICPS that are not converted by the maturity date shall be automatically converted into new TLB Shares at the conversion ratio of ten (10) ICPS to be converted into one (1) new TLB Share.
Conversion Price	: The conversion price for the ICPS to be converted into one (1) new TLB Share is RM1.65 based on the Conversion Ratio.
Conversion Ratio	: Conversion ratio of the ICPS for one (1) new TLB Share is either: (a) Ten (10) ICPS to be converted into one (1) TLB Share; or (b) A combination of one (1) ICPS and cash payment of RM1.485 for one (1) TLB Share.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 June 2016 (CONTINUED)

4. Pro Forma Consolidated Statements of Financial Position (continued)

4.1 Minimum scenario (continued)

4.1.1 Pro Forma I (continued)

Accordingly, the ICPS is classified as equity and credited into ICPS account.

The estimated expenses incidental to the Rights Issue of ICPS of RM0.65 million will be debited to contributed share capital*.

The Rights Issue of ICPS will have the following impact on the Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2016:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Property development costs	57,626,763	-
Contributed share capital*	-	(650,000)
ICPS	-	58,276,763
	57,626,763	57,626,763

* Pursuant to Section 618(3)(b)(ii) of the Act, a company may, within twenty-four (24) months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, to write off expenses incurred, or commission or brokerages paid or discount allowed, before or upon the commencement of Section 74, for any duty, fee or tax payable on or in connection with any issue of shares of the company.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 June 2016 (CONTINUED)

4. Pro Forma Consolidated Statements of Financial Position (continued)

4.1 Minimum scenario (continued)

4.1.2 Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and full conversion of ICPS into TLB Shares as describe in Note 4.1(ii).

The full conversion of the ICPS will have the following impact on the Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2016:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
ICPS	-	(58,276,763)
Contributed share capital	-	58,276,763
	<u>-</u>	<u>-</u>

4.2 Maximum scenario

The maximum scenario assumes that the 614,999,899 new ICPS issued pursuant to the Rights Issue of ICPS will be fully converted on the basis of one (1) ICPS and cash payment of RM1.485 for one (1) new TLB Share.

4.2.1 Pro Forma I

Pro Forma I incorporates the effects on the adjusted consolidated statement of financial position of the Group as at 30 June 2016 and the Right Issue of ICPS as described in Note 4.2 and the utilisation of proceeds arising from the Right Issue of ICPS as described in Note 2.

Accordingly, the ICPS is classified as equity and credited into ICPS account as described in Note 4.1.1.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 June 2016 (CONTINUED)

4. Pro Forma Consolidated Statements of Financial Position (continued)

4.2 Maximum scenario (continued)

4.2.1 Pro Forma I (continued)

The estimated expenses incidental to the Rights Issue of ICPS of RM0.65 million will be debited to contributed share capital account*.

The Rights Issue of ICPS will have the following impact on the Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2016:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Property development costs	70,824,983	-
Contributed share capital*	-	(650,000)
ICPS	-	101,474,983
Bank Borrowings	-	(30,000,000)
	70,824,983	70,824,983

* Pursuant to Section 618(3)(b)(ii) of the Act, a company may, within twenty-four (24) months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, to write off expenses incurred, or commission or brokerages paid or discount allowed, before or upon the commencement of Section 74, for any duty, fee or tax payable on or in connection with any issue of shares of the company.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 June 2016 (CONTINUED)

4. Pro Forma Consolidated Statements of Financial Position (continued)

4.2 Maximum scenario (continued)

4.2.2 Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and assuming full conversion of 614,999,899 ICPS on a basis of one (1) ICPS and cash payment of RM1.485 for one (1) TLB Share as described in Note 4.2.

The full conversion of 614,999,899 ICPS will have the following impact on the Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2016:

	Increase/(Decrease)	
	Effects on Total Assets RM	Effects on Total Equity RM
Cash and cash equivalents	913,274,850	-
ICPS	-	(101,474,983)
Contributed share capital	-	1,014,749,833
	913,274,850	913,274,850



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

5. Movements in Share Capital and Reserves

	Share capital/		Share Premium RM	Treasury Shares RM	RCPS - Equity Component RM	ICPS RM	Reserve arising from reverse acquisition RM	Retained Earnings RM
	Number of Shares	Amount RM						
Audited consolidated statement of financial position as at 30 June 2016	360,000,000	180,000,000	100,451,394	(4,742,235)	4,979,851	-	(47,425,855)	297,516,546
Arising from the conversion of RCPS on 1 August 2016	6,666,667	3,333,333	8,030,339	-	(2,489,925)	-	-	(711,206)
Arising from Disposal of Treasury Shares - defrayment of estimated expenses	-	-	153,892	4,742,235	-	-	-	-
Arising from the Private Placement - defrayment of estimated expenses	36,666,600	18,333,300	31,166,610	-	-	-	-	-
Arising from the conversion of RCPS on 13 June 2017	6,666,666	11,904,177	-	-	(2,489,926)	-	-	-
Pursuant to Section 618(2) of the Act	-	139,526,078	(139,526,078)	-	-	-	-	-
Adjusted consolidated statement of financial position as at 30 June 2016	409,999,933	353,096,888	-	-	-	-	(47,425,855)	296,805,340
Arising from the Rights Issue of ICPS - defrayment of estimated expenses	-	-	-	-	-	58,276,763	-	-
As per Pro Forma I	409,999,933	352,446,888	-	-	-	58,276,763	(47,425,855)	296,805,340
Arising from assuming full conversion of ICPS	35,319,250	58,276,763	-	-	-	(58,276,763)	-	-
As per Pro Forma II	445,319,183	410,723,651	-	-	-	-	(47,425,855)	296,805,340



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONTINUED)

5. Movements in Share Capital and Reserves (continued)

5.2 Maximum scenario

	Share capital/ Contributed share capital		Share Premium RM	Treasury Shares RM	RCPS - Equity Component RM	ICPS RM	Reserve arising from reverse acquisition RM	Retained Earnings RM
	Number of Shares	Amount RM						
Audited consolidated statement of financial position as at 30 June 2016	360,000,000	180,000,000	100,451,394	(4,742,235)	4,979,851	-	(47,425,855)	297,516,546
Arising from the conversion of RCPS on 1 August 2016	6,666,667	3,333,333	8,030,339	-	(2,489,925)	-	-	(711,206)
Arising from Disposal of Treasury Shares - defrayment of estimated expenses	-	-	153,892	4,742,235	-	-	-	-
Arising from the Private Placement - defrayment of estimated expenses	36,666,600	18,333,300	(16,157)	-	-	-	-	-
Arising from the conversion of RCPS on 13 June 2017	6,666,666	11,904,177	(260,000)	-	-	-	-	-
Pursuant to Section 618(2) of the Act	-	139,526,078	(139,526,078)	-	(2,489,926)	-	-	-
Adjusted consolidated statement of financial position as at 30 June 2016	409,999,933	353,096,888	-	-	-	-	(47,425,855)	296,805,340
Arising from the Rights Issue of ICPS - defrayment of estimated expenses	-	-	-	-	-	101,474,983	-	-
As per Pro Forma I	409,999,933	352,446,888	-	-	-	-	-	-
Arising from assuming full conversion of ICPS	614,999,899	1,014,749,833	-	-	-	(101,474,983)	(47,425,855)	296,805,340
As per Pro Forma II	1,024,999,832	1,367,196,721	-	-	-	-	(47,425,855)	296,805,340

Pro Forma Consolidated Statements of Financial Position as at 30 June 2016

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 June 2016 (CONTINUED)

6. Movements in Cash and Cash equivalents

6.1 Minimum scenario

	RM
Audited consolidated statement of financial position as at 30 June 2016	61,351,274
Arising from the conversion of RCPS on 1 August 2016	-
Arising from Disposal of Treasury Shares	
- proceeds from Disposal of Treasury Shares	4,896,127
- defrayment of expenses in relation to the Disposal of Treasury Shares	(16,157)
Arising from the Private Placement	
- proceeds from issuance of shares	49,499,910
- defrayment of estimated expenses in relation to the Private Placement	(260,000)
Arising from the conversion of RCPS on 13 June 2017	-
Adjusted consolidated statement of financial position as at 30 June 2016	115,471,154
Arising from the Rights Issue of ICPS	
- proceeds from issuance of ICPS	58,276,763
- payment for property development costs	(57,626,763)
- defrayment of estimated expenses in relation to the Right Issue of ICPS	(650,000)
As per Pro Forma I	115,471,154
Arising from assuming full conversion of ICPS	-
As per Pro Forma II	115,471,154



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 June 2016 (CONTINUED)

6. Movements in Cash and Cash equivalents (continued)

6.2 Maximum scenario

	RM
Audited consolidated statement of financial position as at 30 June 2016	61,351,274
Arising from the conversion of RCPS on 1 August 2016	-
Arising from Disposal of Treasury Shares	
- proceeds from Disposal of Treasury Shares	4,896,127
- defrayment of expenses in relation to the Disposal of Treasury Shares	(16,157)
Arising from the Private Placement	
- proceeds from issuance of shares	49,499,910
- defrayment of estimated expenses in relation to the Private Placement	(260,000)
Arising from the conversion of RCPS on 13 June 2017	-
Adjusted consolidated statement of financial position as at 30 June 2016	<u>115,471,154</u>
Arising from the Rights Issue of ICPS	
- proceeds from issuance of ICPS	101,474,983
- payment for property development costs	(70,824,983)
- partial repayment of bank borrowings	(30,000,000)
- defrayment of estimated expenses in relation to the Right Issue of ICPS	(650,000)
As per Pro Forma I	<u>115,471,154</u>
Arising from assuming full conversion of ICPS	913,274,850
As per Pro Forma II	<u>1,028,746,004</u>



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (CONT'D)

TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Titijaya Land Berhad in accordance with a resolution dated



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



.....
Name: Lim Poh Yit
Deputy Group Managing Director

