CERTIFIED TRUE COPY

BAKER TILLY
MONTEIRO HENG
Chartered Accountants (AF 0117)

NG BOON HIANG

Designation : Partner
MIA no. : 13150

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2016

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

CONTENTS Page

DIRECTORS' REPORT	1 – 7
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	8 – 9
STATEMENTS OF COMPREHENSIVE INCOME	10
STATEMENTS OF CHANGES IN EQUITY	11 – 12
STATEMENTS OF CASH FLOWS	13 – 18
NOTES TO THE FINANCIAL STATEMENTS	19 – 99
SUPPLEMENTARY INFORMATION ON DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES	100
STATEMENT BY DIRECTORS	101
STATUTORY DECLARATION	102
INDEPENDENT AUDITORS' REPORT	103 – 105

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are stated in Note 7 to the financial statements.

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

RESULTS

	Group RM	Company RM
Net profit for the financial year, representing total comprehensive income for the financial year	68,296,601	43,211,539
Attributable to:		
Owners of the Company	68,351,715	43,211,539
Non-controlling interests	(55,114)	-
	68,296,601	43,211,539

DIVIDENDS

Since the end of the previous financial year, the Company paid a final single-tier of 4.5 sen per ordinary share totalling RM16,117,860/- in respect of the financial year ended 30 June 2015 on 15 December 2015.

The directors do not recommend the payment of any final dividend in respect of the financial year ended 30 June 2016.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 6,666,667 new ordinary shares of RM0.50 each arising from the conversion of 20,000,000 unit of redeemable convertible preference shares ("RCPS") on the basis of 1 new ordinary share for every 3 unit of RCPS. These new ordinary shares rank pari passu with the existing ordinary shares of the Company.

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

TREASURY SHARES

During the financial year, the Company repurchased 3,126,800 of its issued ordinary shares from the open market at an average price of RM1.50 per shares. The total consideration paid for the repurchase including transaction costs was RM4,700,669/-. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

As at 30 June 2016, the Company held as treasury shares a total of 3,148,800 of its 360,000,000 issued ordinary shares. Such treasury shares held at a carrying amount of RM4,742,235/-.

SHARE OPTION

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

DIRECTORS

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

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

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 30 June 2016 are as follows:-

DIRECTORS' INTERESTS (CONTINUED)

	Ordinary shares of RM0.50 each				
	At 1.7.2015	Bought	RCPS Conversion	Sold	At 30.6.2016
The Company					
Direct interest					
Tan Sri Dato' Lim Soon Peng	300,000	-	-	-	300,000
Lim Poh Yit	780,800	-	-	-	780,800
Lim Puay Fung	245,000	-	-	-	245,000
Chin Kim Chung	360,000	-	-	-	360,000
Dato' Ch'ng Toh Eng	250,000	-	-	-	250,000
Indirect interest					
Tan Sri Dato' Lim Soon Peng * #	222,228,333	-	6,666,667	-	228,895,000
Lim Poh Yit #	222,128,333	-	6,666,667	-	228,795,000
Lim Puay Fung #	222,128,333	-	6,666,667	-	228,795,000
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir ^	400,000	-	-	-	400,000
Adrian Cheok Eu Gene * (Alternate Director to Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir)	20,000	-	-	-	20,000

	Redeemable Convertible Preference Shares of RM0.50 each			
	At 1.7.2015	Bought	Converted	At 30.6.2016
Indirect interest				
Tan Sri Dato' Lim Soon Peng #	60,000,000	-	(20,000,000)	40,000,000
Lim Poh Yit #	60,000,000	-	(20,000,000)	40,000,000
Lim Puay Fung #	60,000,000	-	(20,000,000)	40,000,000

	At 1.7.2015	Bought	Sold	At 30.6.2016
The Holding Company				
Titijaya Group Sdn. Bhd.				
Direct interest				
Tan Sri Dato' Lim Soon Peng	1,500,000	-	-	1,500,000
Lim Poh Yit	2,550,000	-	-	2,550,000
Lim Puay Fung	950,000	-	-	950,000

DIRECTORS' INTERESTS (CONTINUED)

* Deemed interested by virtue of Section 134(12)(c) of the Companies Act, 1965 in Malaysia.

Deemed interested by virtue of Section 6A of the Companies Act, 1965 in Malaysia.

^ Deemed interested pursuant to Section 6A of the Companies Act, 1965 in Malaysia.

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

DIRECTORS' BENEFITS

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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

HOLDING COMPANY

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

AUDITORS

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

On behalf of the Board,

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

....
LIM POH YIT
Director

Kuala Lumpur

Date: 6 October 2016

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

		Group		Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	11,295,216	4,510,317	-	-
Land held for property development	6(a)	189,526,601	135,179,120	-	-
Investments in subsidiary companies	7	-	-	191,407,506	191,407,500
Investment properties	9	74,268,760	76,320,248	-	-
Goodwill on consolidation	10	3,706,047	3,706,047	-	-
Total non-current assets		278,796,624	219,715,732	191,407,506	191,407,500
Current assets					
Property development costs	6(b)	414,599,563	365,849,747	-	-
Inventories	11	20,951,591	23,405,993	-	-
Other investments	12	5,647	2,164,399	-	2,153,205
Trade and other receivables	13	213,402,827	217,714,605	208,775,005	114,952,488
Accrued billings in respect of property development costs		60,346,756	33,232,818	-	-
Tax recoverable		9,266,952	5,542,494	86,159	-
Fixed deposits placed with licensed banks	14	33,589,656	61,268,635	12,032,910	30,472,027
Cash and bank balances	15	61,351,274	127,990,104	1,434,206	20,864,130
Total current assets		813,514,266	837,168,795	222,328,280	168,441,850
TOTAL ASSETS		1,092,310,890	1,056,884,527	413,735,786	359,849,350

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

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

		Group		Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	16	180,000,000	176,666,666	180,000,000	176,666,666
Share premium	16	100,451,394	92,957,117	100,451,394	92,957,117
Treasury shares	16	(4,742,235)	(41,566)	(4,742,235)	(41,566)
Other reserves	17	(42,446,004)	(39,993,241)	4,979,851	7,432,614
Retained earnings		297,516,546	245,282,691	46,321,043	19,227,364
		530,779,701	474,871,667	327,010,053	296,242,195
Non-controlling interests		513,567	568,681	-	-
Total equity		531,293,268	475,440,348	327,010,053	296,242,195
Non-current liabilities					
Hire purchase payables	18	430,770	421,641	-	-
Bank borrowings	19	100,680,697	103,357,249	-	-
RCPS - liability component	20	17,036,177	23,584,925	17,036,177	23,584,925
Deferred tax liabilities	21	34,019,631	35,768,382	711,317	1,539,618
Total non-current liabilities		152,167,275	163,132,197	17,747,494	25,124,543
Current liabilities					
Trade and other payables	22	194,650,286	163,237,381	53,978,239	38,362,111
Provision	22	4,130,254	24,652	-	-
Progress billings in respect of property development costs		96,603,459	190,989,848	-	-
Hire purchase payables	18	119,178	175,839	-	-
Bank borrowings	19	104,619,025	54,536,919	15,000,000	-
Tax payables		8,728,145	9,347,343	-	120,501
Total current liabilities		408,850,347	418,311,982	68,978,239	38,482,612
Total liabilities		561,017,622	581,444,179	86,725,733	63,607,155
TOTAL EQUITY AND LIABILITIES		1,092,310,890	1,056,884,527	413,735,786	359,849,350

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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		Group		Company	
		2016	2015	2016	2015
	Note	RM	RM	RM	RM
Revenue	23	400,079,477	340,650,247	45,540,000	20,000,000
Cost of sales	24	(258,801,266)	(191,238,521)	-	-
Gross profit		141,278,211	149,411,726	45,540,000	20,000,000
Other income		6,239,505	4,808,033	636,140	1,111,154
Selling and distribution expenses		(20,672,258)	(21,300,382)	-	-
Administrative expenses		(17,812,030)	(17,574,456)	(2,571,204)	(2,855,787)
Other expenses		(15,724,985)	(3,498,203)	(597,890)	(629,856)
Operating profit		93,308,443	111,846,718	43,007,046	17,625,511
Finance costs	25	(1,894,780)	(763,521)	-	-
Profit before taxation	26	91,413,663	111,083,197	43,007,046	17,625,511
Income tax expense	27	(23,117,062)	(30,331,778)	204,493	161,443
Net profit for the financial year		68,296,601	80,751,419	43,211,539	17,786,954
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		68,296,601	80,751,419	43,211,539	17,786,954
Attributable to:-					
Owners of the Company		68,351,715	80,936,732	43,211,539	17,786,954
Non-controlling interests		(55,114)	(185,313)	-	-
		68,296,601	80,751,419	43,211,539	17,786,954
Earnings per ordinary share attributable to Owners of the Company (sen)					
- Basic	28(a)	19	23		
- Diluted	28(b)	18	22		

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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		Attributable to owners of the Company								
		Non-Distributable					Distributable			
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	RCPS - Equity Component RM	Other Reserve RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group										
At 1 July 2014		170,000,000	78,839,917	-	12,387,689	(47,425,855)	178,308,639	392,110,390	-	392,110,390
Conversion of RCPS		6,666,666	14,117,200	-	(4,955,075)	-	-	15,828,791	-	15,828,791
Purchase of treasury shares		-	-	(41,566)	-	-	-	(41,566)	-	(41,566)
Dividends on ordinary shares	36	-	-	-	-	-	(14,133,337)	(14,133,337)	-	(14,133,337)
Changes in ownership interests in subsidiaries		-	-	-	-	-	170,657	170,657	753,994	924,651
Total comprehensive income for the financial year		-	-	-	-	-	80,936,732	80,936,732	(185,313)	80,751,419
At 30 June 2015		176,666,666	92,957,117	(41,566)	7,432,614	(47,425,855)	245,282,691	474,871,667	568,681	475,440,348
Conversion of RCPS		3,333,334	7,494,277	-	(2,452,763)	-	-	8,374,848	-	8,374,848
Purchase of treasury shares		-	-	(4,700,669)	-	-	-	(4,700,669)	-	(4,700,669)
Dividends on ordinary shares	36	-	-	-	-	-	(16,117,860)	(16,117,860)	-	(16,117,860)
Total comprehensive income for the financial year		-	-	-	-	-	68,351,715	68,351,715	(55,114)	68,296,601
At 30 June 2016		180,000,000	100,451,394	(4,742,235)	4,979,851	(47,425,855)	297,516,546	530,779,701	513,567	531,293,268

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

		Attributable to owners of the Company					
		Non-Distributable				Distributable	
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Equity Component RM	Retained Earnings RM	Total Equity RM
Company							
At 1 July 2014		170,000,000	78,839,917	-	12,387,689	15,573,747	276,801,353
Conversion of RCPS		6,666,666	14,117,200	-	(4,955,075)	-	15,828,791
Purchase of treasury shares		-	-	(41,566)	-	-	(41,566)
Dividends on ordinary shares	36	-	-	-	-	(14,133,337)	(14,133,337)
Total comprehensive income for the financial year		-	-	-	-	17,786,954	17,786,954
At 30 June 2015		176,666,666	92,957,117	(41,566)	7,432,614	19,227,364	296,242,195
Conversion of RCPS		3,333,334	7,494,277	-	(2,452,763)	-	8,374,848
Purchase of treasury shares		-	-	(4,700,669)	-	-	(4,700,669)
Dividends on ordinary shares	36	-	-	-	-	(16,117,860)	(16,117,860)
Total comprehensive income for the financial year		-	-	-	-	43,211,539	43,211,539
At 30 June 2016		180,000,000	100,451,394	(4,742,235)	4,979,851	46,321,043	327,010,053

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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before taxation	91,413,663	111,083,197	43,007,046	17,625,511
Adjustments for:-				
Accretion of interest on RCPS	1,312,894	1,817,574	1,312,894	1,817,574
Depreciation of investment properties	92,972	92,972	-	-
Depreciation of property, plant and equipment	481,839	517,365	-	-
Dividend income	(119,065)	(153,567)	(45,118,938)	(20,153,205)
Impairment loss on investment property	1,958,516	-	-	-
Impairment on trade receivables	2,288,171	-	-	-
Interest expense	1,894,780	763,521	-	-
Interest income	(2,618,012)	(2,936,001)	(517,202)	(957,949)
Loss on disposal of property, plant and equipment	-	7,672	-	-
Other income	(1,400,000)	-	-	-
Provision for liquidated ascertain damages	4,106,316	-	-	-
Receivables written off	-	9,330	-	-
Operating profit/(loss) before working capital changes	99,412,074	111,202,063	(1,316,200)	(1,668,069)
Changes In Working Capital:-				
Inventories	2,454,402	4,988,453	-	-
Receivables	(25,088,331)	(41,125,956)	(593,535)	(580,325)
Payables	(58,161,147)	136,785,972	28,993	40,000
Property development costs	(57,540,034)	(21,913,592)	-	-
Net cash generated (used in)/from operations	(38,923,036)	189,936,940	(1,880,742)	(2,208,394)
Income tax paid	(28,696,263)	(33,213,654)	(317,262)	(283,358)
Income tax refunded	-	470,295	-	-
Interests paid	(1,370,622)	(261,836)	-	-
Interests received	2,618,012	2,936,001	517,202	957,949
Net Operating Cash Flows	(66,371,909)	159,867,746	(1,680,802)	(1,533,803)

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of subsidiary companies (Note A)	-	-	(6)	(3,000,002)
Additional investment in a subsidiary company	-	-	-	(4,899,998)
Investment in an associate	-	35,000	-	-
Other investments	2,277,817	(1,500,096)	2,272,143	(2,000,000)
Dividend received	-	264	45,000,000	20,000,000
Land held for property development costs incurred	(45,557,263)	(25,232,360)	-	-
Net cash outflow from acquisitions of subsidiary companies (Note A)	-	(1,845,290)	-	-
Proceed from disposal of property, plant and equipment	-	30,000	-	-
Purchase of property, plant and equipment (Note B)	(7,266,738)	(350,948)	-	-
Net Investing Cash Flows	(50,546,184)	(28,863,430)	47,272,137	10,100,000
CASH FLOWS FROM FINANCING ACTIVITIES:				
Dividend paid on ordinary shares	(16,117,860)	(14,133,337)	(16,117,860)	(14,133,337)
Proceed from issuance of share to non-controlling interest of a subsidiary	-	900,000	-	-
Fixed deposits pledged as security values	11,953,915	(11,840,703)	-	-
Interests paid	(524,158)	(501,685)	-	-
Net changes in amount due from/to related parties	(923,533)	(31,512,302)	(77,641,853)	26,434,114
Drawdown of bank borrowings	79,263,905	5,026,171	15,000,000	-

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES (CONTINUED):				
Amount due to directors	(2,491,518)	(3,330,275)	6	-
Drawdown of hire purchase	133,000	-	-	-
Purchase of treasury shares	(4,700,669)	(41,566)	(4,700,669)	(41,566)
Net repayment of bank borrowings	(57,071,884)	(39,759,394)	-	-
Repayment of hire purchase payables	(180,532)	(254,469)	-	-
Net Financing Cash Flows	9,340,666	(95,447,560)	(83,460,376)	12,259,211
NET CHANGE IN CASH AND CASH EQUIVALENTS	(107,577,427)	35,556,756	(37,869,041)	20,825,408
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	168,520,896	132,964,140	51,336,157	30,510,749
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	60,943,469	168,520,896	13,467,116	51,336,157
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Cash and bank balances	61,351,274	127,990,104	1,434,206	20,864,130
Fixed deposits placed with licensed banks	33,589,656	61,268,635	12,032,910	30,472,027
Bank overdrafts	(29,803,253)	(4,589,720)	-	-
	65,137,677	184,669,019	13,467,116	51,336,157
Less: Fixed deposits held as security values	(4,194,208)	(16,148,123)	-	-
	60,943,469	168,520,896	13,467,116	51,336,157

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

A. EFFECTS ON ACQUISITIONS OF SUBSIDIARY COMPANIES

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

	Group 2016 RM	Group 2015 RM
Land held for property development	-	2,933,113
Trade receivables	-	103,853,746
Cash and bank balances	6	1,259,712
Minority interest	-	(24,651)
Trade and other payables	-	(38,026,418)
Bank borrowings	-	(69,000,659)
Net identifiable assets	6	994,843
Add: Goodwill on consolidation (Note 10)	-	2,110,159
Total purchase consideration	6	3,105,002
Less: Cash and cash equivalents of subsidiary companies acquired	(6)	(1,259,712)
Cash outflow on acquisitions	-	1,845,290

Effects on acquisitions of the following subsidiary companies:-

2016

(a) **High Splendour Sdn. Bhd. ("High Splendour")**

On 21 January 2016, the Company acquired 2 ordinary shares of RM1.00 each from Aziah Binti Musa and Radijah Binti Abdul Razak (collectively referred to as the "High Splendour Vendors") representing the entire issued and paid-up share capital in High Splendour for a total purchase consideration of RM2/- satisfied by cash. High Splendour is now a wholly-owned subsidiary company of the Company.

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

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

2016 (continued)

(b) **Titijaya Development (Pulau Pinang) Sdn. Bhd. ("Titijaya Devlopment") (formerly known as Golden Integrity Sdn. Bhd.)**

On 21 January 2016, the Company acquired 2 ordinary shares of RM1.00 each from Aziah Binti Musa and Radijah Binti Abdul Razak (collectively referred to as the "Titijaya Development Vendors") representing the entire issued and paid-up share capital in Titijaya Development for a total purchase consideration of RM2/- satisfied by cash. Titijaya Development is now a wholly-owned subsidiary company of the Company.

(c) **Tamarind Heights Sdn. Bhd. ("Tamarind Heights")**

On 23 February 2016, the Company acquired 2 ordinary shares of RM1.00 each from Rafidah Binti Menan and Nur Diana Binti Arifin (collectively referred to as the "Tamarind Heights Vendors") representing the entire issued and paid-up share capital in Tamarind Heights for a total purchase consideration of RM2/- satisfied by cash. Tamarind Heights is now a wholly-owned subsidiary company of the Company.

2015

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

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

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

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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

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

2015 (continued)

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

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

B. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM7,266,738/- (2015: RM599,948/-), of which RM 6,083,000/- (2015: RM249,000/-) were acquired by means of borrowings.

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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are stated in Note 7 to the financial statements.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 6 October 2016.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2. BASIS OF PREPARATION (CONTINUED)

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective

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

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
Amendments/Improvements to FRSs		
FRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
FRS 7	Financial Instruments: Disclosures	1 January 2016
FRS 10	Consolidated Financial Statements	Deferred/ 1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosure of Interest in Other Entities	1 January 2016
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 107	Statement of Cash Flows	1 January 2017
FRS 112	Income Taxes	1 January 2017
FRS 116	Property, Plant and Equipment	1 January 2016
FRS 119	Employee Benefits	1 January 2016
FRS 127	Separate financial statements	1 January 2016
FRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2016
FRS 138	Intangible Assets	1 January 2016

2. BASIS OF PREPARATION (CONTINUED)

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (continued)

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

FRS 9 Financial Instruments

Key requirements of FRS 9:-

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

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

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

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

2. BASIS OF PREPARATION (CONTINUED)

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (continued)

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

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

Amendments to FRS 7 Financial Instruments: Disclosures

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

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

Amendments to FRS 11 Joint Arrangements

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

Amendments to FRS 101 Presentation of Financial Statements

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

Amendments to FRS 107 Statement of Cash Flows

Amendments to FRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

2. BASIS OF PREPARATION (CONTINUED)

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (continued)

Amendments to FRS 112 Income Taxes

Amendments to FRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

Amendments to FRS 116 Property, Plant and Equipment

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

Amendments to FRS 119 Employee Benefits

Amendments to FRS 119 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to FRS 127 Separate Financial Statements

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

2. BASIS OF PREPARATION (CONTINUED)

2.2 New FRS and amendments/improvements to FRSs that have been issued, but yet to be effective (continued)

Amendments to FRS 138 Intangible Assets

Amendments to FRS 138 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate. This presumption can be overcomed only in the following limited circumstances:

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

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

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

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

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

These amendments address the following issues that have arisen in the application of the consolidation exception for investment entities:

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

2. BASIS OF PREPARATION (CONTINUED)

2.3 MASB Approved Accounting Standards, MFRSs

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

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2018. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ended 31 December 2018. The main effects arising from the transition to the MFRSs Framework are discussed below.

The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effects may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

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

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

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

2. BASIS OF PREPARATION (CONTINUED)

2.3 MASB Approved Accounting Standards, MFRSs (continued)

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:
(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract;
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

MFRS 141 Agriculture

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

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

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

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

2. BASIS OF PREPARATION (CONTINUED)

2.3 MASB Approved Accounting Standards, MFRSs (continued)

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture (continued)

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

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

2.4 Basis of measurement

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

2.5 Use of estimate and judgement

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(b) Non-controlling interests

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

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

(c) Associates

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

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(d) Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).
- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with FRS 128 *Investments in Associates and Joint Ventures*.

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

(e) Transactions eliminated on consolidation

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Separate financial statements

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

3.3 Financial instruments

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

Financial instruments are recognised initially at fair value, except for financial instruments not measured at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

(a) Subsequent measurement

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

(i) Financial assets

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial assets are either held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or are designated into this category upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(a) Subsequent measurement (continued)

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

(i) Financial assets (continued)

Financial assets at fair value through profit or loss (continued)

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at costs.

Loans and receivables

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

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a). Gains and losses are recognised in profit or loss through the amortisation process.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a). Gains and losses are recognised in profit or loss through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets comprise investment in equity and debt securities that are designated as available-for-sale or are not classified in any of the three preceding categories.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(a) Subsequent measurement (continued)

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

(i) Financial assets (continued)

Available-for-sale financial assets (continued)

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

Unquoted equity instruments carried at cost

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a).

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(a) Subsequent measurement (continued)

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

(ii) Financial liabilities (continued)

<u>Financial liabilities at fair value through profit or loss (continued)</u>

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

<u>Other financial liabilities</u>

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

(b) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(c) Regular way purchase or sale of financial assets

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

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

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

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

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

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

(e) Offsetting of financial instruments

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(f) Hedge accounting

Fair value hedge

In a fair value hedge, the gain or loss from remeasuring the hedging instrument at fair value or the foreign currency component of its carrying amount translated at the exchange rate prevailing at the reporting date is recognised in profit or loss. For a hedged item that is otherwise measured at cost, the gain or loss attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profit or loss. For a hedged item categorised as available-for-sale, the fair value gain or loss attributable to the hedged risk is recognised in profit or loss.

Fair value hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective or the hedge designation is revoked.

Cash flow hedge

In a cash flow hedge, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income are transferred from equity and included in the initial amount of the asset or liability.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(f) Hedge accounting (continued)

Hedge of a net investment

In a net investment hedge, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

The cumulative gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss on disposal of the foreign operation.

3.4 Property, plant and equipment

(a) Recognition and measurement

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

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment (continued)

(b) Subsequent costs

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

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

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

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

(d) Derecognition

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

3.5 Leases

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (continued)

(a) Lessee accounting

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

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

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

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

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

(b) Lessor accounting

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Investment properties

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

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

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

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

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

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

(b) Reclassification to/from investment property

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b).

In respect of equity-accounted associates and joint ventures, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost includes:

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

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

3.9 Property development activities

(a) Land held for property development

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Property development activities (continued)

(a) Land held for property development (continued)

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

(b) Property development costs

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

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

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

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

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

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

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts and fixed deposits held as security values.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Impairment of asset

(a) Impairment and uncollectibility of financial assets

At each reporting date, all financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries, associates and joint ventures) are assessed whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables and held-to-maturity investments

The Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If no objective evidence for impairment exists for an individually assessed financial asset, whether significant or not, the Group and the Company may include the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that are individually assessed for impairment for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases due to an event occurring after the impairment that was recognised, the previously recognised impairment loss is then reversed by adjusting an allowance account to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If a write-off is later recovered, the recovery is credited to the profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Impairment of asset (continued)

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

Available-for-sale financial assets

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment. The Group and the Company use their judgement to determine what is considered as significant or prolonged decline, evaluating past volatility experiences and current market conditions.

Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of cumulative loss that is reclassified from equity to profit or loss shall be the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss.

Impairment losses on available-for-sale equity investments are not reversed through profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss, is recognised in other comprehensive income.

For available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to a loss event occurring after the recognition of the impairment loss in profit or loss.

Unquoted equity instruments carried at cost

In the case of unquoted equity instruments carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Impairment of asset (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from customers for contract work, deferred tax assets, assets arising from employee benefits, investment properties measured at fair value, biological assets and non-current assets or disposal groups classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Impairment of asset (continued)

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

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

3.12 Equity instruments

(a) Ordinary Shares

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

(b) Redeemable Convertible Preference Shares ("RCPS")

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Equity instruments (continued)

(c) Treasury Shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

3.13 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

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

3.14 Provisions

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Revenue and other income

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

(a) Property development

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

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

(b) Interest income

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

(c) Dividend income

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

(d) Rental income

Rental income is recognised on an accrual basis.

3.16 Borrowing costs

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Borrowing costs (continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.17 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) **Current tax**

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) **Deferred tax**

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Income tax (continued)

(b) Deferred tax (continued)

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Operating segments

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

3.19 Fair value

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

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

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The Group and the Company recognise transfers between levels of the fair.

3.20 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 Earnings per ordinary share

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

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

(a) Revenue recognition on property development projects

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

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

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(b) Impairment of investments in subsidiary companies and recoverability of amount owing by subsidiary companies

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

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

(c) Impairment of non-current assets and current assets

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(d) Impairment of goodwill

The Group assesses at each reporting date whether there is any indication that goodwill may be impaired. For the purpose of assessing impairment, assets (including goodwill) are grouped at the lowest level where there are separately identifiable cash flows (cash-generating units). In determining the value-in-use of a cash-generating unit, management estimates the discounted cash flows using reasonable and supportable inputs about sales, costs of sales and other expenses based on past experience, current events and reasonably possible future developments. Cash flows that are projected based on those inputs or assumptions and the discount rate applied in the measurement of value-in-use may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected. The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 10.

(e) Useful lives of property, plant and equipment

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

(f) Taxation

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

(g) Contingent liabilities

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

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land and Building RM	Computers RM	Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Renovation RM	Cabins RM	Total RM
Cost								
At 1 July 2014	3,564,211	363,531	109,041	330,443	2,219,625	75,061	22,460	6,684,372
Additions	-	252,395	2,380	30,280	310,993	3,900	-	599,948
Disposal	-	-	-	-	(48,324)	-	-	(48,324)
At 30 June 2015	3,564,211	615,926	111,421	360,723	2,482,294	78,961	22,460	7,235,996
Additions	7,000,000	76,935	1,840	25,464	147,259	15,240	-	7,266,738
Disposal	-	-	-	-	-	-	-	-
At 30 June 2016	10,564,211	692,861	113,261	386,187	2,629,553	94,201	22,460	14,502,734
Accumulated Depreciation								
At 1 July 2014	71,284	186,685	98,644	205,554	1,571,865	62,475	22,459	2,218,966
Depreciation for the financial year	71,284	72,225	2,741	47,999	317,126	5,990	-	517,365
Disposal	-	-	-	-	(10,652)	-	-	(10,652)
At 30 June 2015	142,568	258,910	101,385	253,553	1,878,339	68,465	22,459	2,725,679
Depreciation for the financial year	94,617	103,727	2,824	51,712	222,314	6,645	-	481,839
Disposal	-	-	-	-	-	-	-	-
At 30 June 2016	237,185	362,637	104,209	305,265	2,100,653	75,110	22,459	3,207,518
Net Carrying Amounts								
At 30 June 2016	10,327,026	330,224	9,052	80,922	528,900	19,091	1	11,295;216
At 30 June 2015	3,421,643	357,016	10,036	107,170	603,955	10,496	1	4,510,317

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Included in the freehold land and building of the Group with a net book value totaling RM10,327,026/- (2015: RM3,421,643/-) are pledged to financial institutions to secure credit facilities granted to the Group.

Motor vehicles with a total carrying amount of RM528,900/- (2015: RM603,952/-) were acquired under hire purchase arrangements.

6. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
At 1 July 2014	78,442,444	-	35,846,355	114,288,799
Acquisition of subsidiary company	-	-	2,933,113	2,933,113
Additions during the financial year	-	15,000,000	10,232,360	25,232,360
Transfer to property development costs (Note 6(b))	(6,782,695)	-	(492,457)	(7,275,152)
At 30 June 2015	71,659,749	15,000,000	48,519,371	135,179,120
Additions during the financial year	37,364,598	-	8,192,665	45,557,263
Transfer from/(to) property development costs (Note 6(b))	8,188,751	(15,000,000)	15,601,467	8,790,218
At 30 June 2016	117,213,098	-	72,313,503	189,526,601

Land held for property development amounting to RM139,076,812/- (2015: RM71,125,735/-) have been pledged to financial institutions to secure credit facilities granted to the Group.

Included in the land held for property development costs of the Group are RM152,751/- (2015: RM746,978/-) being interest expense capitalised during the financial year.

6. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Property Development Costs

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
Cumulative Property Development Costs				
At 1 July 2014	265,648,413	18,800,000	231,488,939	515,937,352
Cost incurred during the financial year	50,000	-	208,089,448	208,139,448
Transfer from land held for property development (Note 6(a))	6,782,695	-	492,457	7,275,152
Reversal of completed projects	(5,361,107)	(2,658,146)	(105,432,739)	(113,451,992)
Unsold units transferred to inventories	(531,323)	-	(6,635,816)	(7,167,139)
At 30 June 2015	266,588,678	16,141,854	328,002,289	610,732,821
Cost incurred during the financial year	1,700	-	313,428,479	313,430,179
Transfer (to)/from land held for property development (Note 6(a))	(8,188,751)	15,000,000	(15,601,467)	(8,790,218)
At 30 June 2016	258,401,627	31,141,854	625,829,301	915,372,782

6. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Property Development Costs (continued)

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
Cumulative Costs Recognised in Profit or Loss				
At 1 July 2014	(19,220,082)	(4,167,542)	(148,721,586)	(172,109,210)
Recognised during the financial year	(28,329,100)	(689,963)	(157,206,793)	(186,225,856)
Reversal of completed projects	5,361,107	2,658,146	105,432,739	113,451,992
At 30 June 2015	(42,188,075)	(2,199,359)	(200,495,640)	(244,883,074)
Recognised during the financial year	(33,997,518)	(4,679,804)	(217,212,823)	(255,890,145)
Reversal of completed projects	-	-	-	-
At 30 June 2016	(76,185,593)	(6,879,163)	(417,708,463)	(500,773,219)
Property Development Costs				
At 30 June 2016	182,216,034	24,262,691	208,120,838	414,599,563
At 30 June 2015	224,400,603	13,942,495	127,506,649	365,849,747

Included in the property development costs of the Group are RM10,041,724/- (2015: RM6,021,478/-) being interest expense capitalised during the financial year.

The freehold land under property development costs amounting to RM187,468,497/- (2015: RM186,952,047/-) have been pledged to financial institutions to secure credit facilities granted to the Group.

7. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company 2016 RM	Company 2015 RM
Unquoted shares - at cost	191,407,506	191,407,500

The details of the subsidiary companies are as follows:

Name of entity	Country of Incorporation	Effective Equity Interest 2016	Effective Equity Interest 2015	Principal Activities
Direct subsidiaries				
Aman Kemensah Sdn. Bhd.	Malaysia	100%	100%	Property development
Epoch Property Sdn. Bhd.	Malaysia	100%	100%	Property development
NPO Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Safetags Solution Sdn. Bhd.	Malaysia	100%	100%	Property development
Shah Alam City Centre Sdn. Bhd.	Malaysia	100%	100%	Property development
Prosperous Hectares Sdn. Bhd.	Malaysia	70%	70%	Property development
Pin Hwa Properties Sdn. Bhd.	Malaysia	100%	100%	Investment holding and joint venture for property development
Terbit Kelana Development Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Titijaya Resources Sdn. Bhd.	Malaysia	100%	100%	Property development
Titijaya PMC Sdn. Bhd.	Malaysia	100%	100%	Providing management services
City Meridian Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Titijaya Capital Sdn. Bhd. (Formerly known as Liberty Park Development Sdn. Bhd.)	Malaysia	100%	100%	Dormant
Premsdale Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Tulus Lagenda Sdn. Bhd.	Malaysia	100%	100%	Property development
High Splendour Sdn. Bhd.	Malaysia	100%	-	Dormant
Titijaya Development (Pulau Pinang) Sdn. Bhd. (Formerly known as Golden Integrity Sdn. Bhd.)	Malaysia	100%	-	Dormant
Tamarind Heights Sdn. Bhd.	Malaysia	100%	-	Joint venture for property development
Indirect subsidiaries				
Subsidiaries of NPO Development Sdn. Bhd.				
NPO Land Sdn. Bhd.	Malaysia	100%	100%	Property development
Sendi Bangga Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Subsidiaries of Titijaya Resources Sdn. Bhd.				
Tenang Sempurna Sdn. Bhd.	Malaysia	70%	70%	Dormant

8. INVESTMENTS IN AN ASSOCIATE COMPANY

	Group	
	2016	2015
	RM	RM
Unquoted shares - at cost	-	35,000
Transfer to investment in subsidiary companies	-	(35,000)
	-	-

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

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

9. INVESTMENT PROPERTIES

	Freehold land	Buildings	Total
Group	RM	RM	RM
Costs			
At 1 July 2014	71,989,369	4,648,613	76,637,982
Addition	-	-	-
At 30 June 2015	71,989,369	4,648,613	76,637,982
Addition	-	-	-
At 30 June 2016	71,989,369	4,648,613	76,637,982
Accumulated Depreciation			
At 1 July 2014	-	224,762	224,762
Arising from reverse acquisition	-	92,972	92,972
At 30 June 2015	-	317,734	317,734
Depreciation for the financial year	-	92,972	92,972
Impairment during the financial year	-	1,958,516	1,958,516
At 30 June 2016	-	2,369,222	2,369,222
Net Carrying Amount			
At 30 June 2016	71,989,369	2,279,391	74,268,760
At 30 June 2015	71,989,369	4,330,879	76,320,248

9. INVESTMENT PROPERTIES (CONTINUED)

	Group	
	2016	2015
	RM	RM
Fair value of investment properties	79,020,000	81,620,000
Rental income generated	1,229,157	1,210,218
Direct operating expenses arising from investment properties	11,696	24,211

Buildings consist of office unit and a food court.

(a) **Fair value information**

The fair value of investment properties of approximately RM79,020,000/- (2015: RM81,620,000/-) is determined based on the valuation performed by the independent professional valuers with recent experience in the location and categories of land being valued. The fair value of investment properties is measured at Level 2 hierarchy.

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

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

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

9. INVESTMENT PROPERTIES (CONTINUED)

(a) Fair value information (continued)

Transfer between level 1 and level 2 fair values

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

Level 3 fair value

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

(b) The investment properties with net carrying amount of RM49,220,000/- (2015: RM50,620,000/-) have been pledged to financial institutions to secure credit facilities granted to the Group.

10. GOODWILL ON CONSOLIDATION

	Group	
	2016 RM	2015 RM
At the beginning of the financial year	3,706,047	1,595,888
Acquisition of subsidiary companies	-	2,110,159
At the end of the financial year	3,706,047	3,706,047

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

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

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

The recoverable amount of the CGU is determined from value in use calculation. The key assumptions for the value in use calculation are those regarding number of development units sold and progress development, discount rate and expected changes to selling prices and direct costs during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. A discount rate factor of 8.84% has been applied in arriving at the present value of future cash flows. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

11. INVENTORIES

	Group 2016 RM	Group 2015 RM
Completed properties held for sale, at cost	20,951,591	23,405,993

The Group's cost of inventories recognised as cost of sales during the financial year amounted to RM2,899,425/- (2015: RM4,680,834/-).

12. OTHER INVESTMENTS

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Current				
Financial assets at fair value through profit or loss -held for trading	5,647	2,164,399	-	2,153,205

13. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2016	2015	2016	2015
		RM	RM	RM	RM
Trade					
Trade receivables	(a)	31,887,346	73,454,121	-	-
Less: Impairment for trade receivables	(a)	(2,288,171)	-	-	-
		29,599,175	73,454,121	-	-
Non-trade					
Amount due from:					
- holding company	(b)	2,000	-	-	-
- subsidiary companies	(b)	-	-	206,596,645	113,367,663
Other receivables	(c)	49,897,872	29,036,310	1,173,860	580,325
Deposits	(d)	133,808,637	112,977,624	1,004,500	1,004,500
Prepayments	(e)	95,143	2,246,550	-	-
		183,803,652	144,260,484	208,775,005	114,952,488
Total trade and other receivables		213,402,827	217,714,605	208,775,005	114,952,488

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

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

Ageing analysis of trade receivables is as follows:-

	Group	
	2016	2015
	RM	RM
Neither past due nor impaired	15,748,112	26,212,773
1 to 30 days past due not impaired	1,995,005	23,041,641
31 to 75 days past due not impaired	4,397,040	543,554
More than 75 days past due but not impaired	7,459,018	23,656,153
	29,599,175	73,454,121
Impaired	2,288,171	-
	31,887,346	73,454,121

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables is as follows:

	Group	
	2016	2015
	RM	RM
At 1 July	-	-
Charge for the financial year	-	-
- Impairment loss	2,288,171	-
At 30 June	2,288,171	-

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have default on payment.

13. **TRADE AND OTHER RECEIVABLES (CONTINUED)**

(a) **Trade receivables (continued)**

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

The balance of trade receivables that are past due but not impaired, representing approximately 47% (2015: 64%) of the Group's trade receivables are unsecured in nature.

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

(b) **Amounts due from holding company and subsidiary companies**

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

(c) **Other receivables**

(i) Included in the other receivables of the Group is an amount of RM35,609,551/- (2015: RM Nil) in relation to the consideration paid for a joint development project.

(ii) Included in the other receivables of the Group is an amount of RM1,561,042/- (2015: RM799,512/-) due from entities which certain directors have interests.

(iii) Included in the other receivables of the Group is an amount of RM1,287,340/- (2015: RM17,393,194/-) deposited with a lawyer as stakeholders' sum from house buyers.

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(d) **Deposits**

Included in deposits of the Group as follows:

(i) RM70,000,000/- (2015: RM70,000,000/-) paid in connection to proposed development. The deposit is secured by a third party charge over a parcel of leasehold land.

(ii) RM35,410,106/- (2015: RM Nil) in relation to deposit paid for a joint development project.

(iii) RM2,032,005/- (2015: RM2,031,505/-) in relation to the deposits paid for the purchase of land held for property development for a total consideration of RM131,570,080/- (2015: RM131,570,080/-). The balance of the purchase considerations are disclosed as capital commitment in Note 30 to the financial statements.

(e) **Prepayments**

Included in prepayments of the Group is an amount totalling RM Nil (2015: RM1,937,017/-) in relation to the amount paid for the property development cost.

14. FIXED DEPOSITS PLACED WITH LICENSED BANKS

Group

Fixed deposits placed with licensed banks have maturity dates of one (1) month, six (6) months, twelve (12) months, and fifteen (15) months which bear interests rates ranging from 2.9% to 4.3% (2015: 2.90% to 3.40%) per annum for the financial year.

Fixed deposits of RM4,194,208/- (2015: RM16,148,123/-) placed with licensed banks have been pledged to the licensed banks to secure bank guarantees facilities granted to a third party.

Company

Fixed deposits placed with licensed banks have maturity dates of six (6) months and fifteen (15) months which bear interests rates ranging from 3.15% to 4.30% (2015: 3.15%) per annum for the financial year.

15. CASH AND BANK BALANCES

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Cash in hand	12,615	7,609	2	2
Housing development accounts	43,079,675	23,694,212	-	-
Cash at banks	18,258,984	104,288,283	1,434,204	20,864,128
	61,351,274	127,990,104	1,434,206	20,864,130

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

16. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Group and Company				
	Ordinary Shares of RM0.50 each		← *Amount* →		
	Share capital (Issued and fully paid)	Treasury shares	Share capital (Issued and fully paid)	Share premium	Treasury shares
	Unit	Unit	RM	RM	RM
At 1 July 2014	340,000,000	-	170,000,000	78,839,917	-
Conversion of RCPS	13,333,333	-	6,666,666	14,117,200	-
Purchase of treasury shares	-	(22,000)	-	-	(41,566)
At 30 June 2015/1 July 2015	353,333,333	(22,000)	176,666,666	92,957,117	(41,566)
Conversion of RCPS	6,666,667	-	3,333,334	7,494,277	-
Purchase of treasury shares	-	(3,126,800)	-	-	(4,700,669)
At 30 June 2016	360,000,000	(3,148,800)	180,000,000	100,451,394	(4,742,235)

16. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (CONTINUED)

	Group and Company			
	2016		2015	
	Number of Shares Unit	RM	Number of Shares Unit	RM
Authorised share capital				
Ordinary Shares of RM0.50 each				
At the beginning/end of the financial year	500,000,000	250,000,000	500,000,000	250,000,000
Redeemable Convertible Preference Shares of RM0.50 each				
At the beginning/end of the financial year (Note 17(b) & 20)	100,000,000	50,000,000	100,000,000	50,000,000

(a) **Share capital**

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

(b) **Share premium**

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

(c) **Treasury shares**

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

The Company acquired 3,126,800 (2015: 22,000) shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the financial year at an average price of RM1.57 (2015: RM1.89) per shares. The total consideration paid to acquire the shares was RM4,700,669/- (2015: RM41,566/-) and this was presented as component within shareholders' equity.

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

17. OTHER RESERVES

	Other reserve RM	Equity component of redeemable convertible preference shares RM	Total RM
Group			
At 1 July 2014	(47,425,855)	12,387,689	(35,038,166)
Conversion of RCPS	-	(4,955,075)	(4,955,075)
At 30 June 2015/1 July 2015	(47,425,855)	7,432,614	(39,993,241)
Conversion of RCPS	-	(2,452,763)	(2,452,763)
At 30 June 2016	(47,425,855)	4,979,851	(42,446,004)
Company			
At 1 July 2014		12,387,689	12,387,689
Conversion of RCPS		(4,955,075)	(4,955,075)
At 30 June 2015/1 July 2015		7,432,614	7,432,614
Conversion of RCPS		(2,452,763)	(2,452,763)
At 30 June 2016		4,979,851	4,979,851

(a) **Other reserve**

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

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

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

18. HIRE PURCHASE PAYABLES

	Group 2016 RM	Group 2015 RM
Minimum hire purchase payments		
- within twelve months	141,373	200,002
- more than twelve months	480,001	460,472
	621,374	660,474
Less: Future interest charges	(71,426)	(62,994)
Present value of hire purchase payables	549,948	597,480
Analysis of present value of hire purchase payables		
- not later than one year	119,178	175,839
- later than one year and not later than five years	430,770	421,641
	549,948	597,480

The hire purchase payables bear interest at the effective interest rates ranging from 3.59% to 5.72% (2015: 3.59% to 7.13%) per annum.

19. BANK BORROWINGS

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Short term bank borrowings - secured				
Bank overdrafts	29,803,253	4,589,720	-	-
Bridging loans	1,732,784	-	-	-
Revolving credits	15,000,000	-	15,000,000	-
Term loans	58,082,988	49,947,199	-	-
	104,619,025	54,536,919	15,000,000	-
Long term bank borrowings - secured				
Term loans	100,680,697	103,357,249	-	-
	100,680,697	103,357,249	-	-
Total bank borrowings	205,299,722	157,894,168	15,000,000	-
Comprising portion repayable				
Within one year	104,619,025	54,536,919	15,000,000	-
More than one year but less than two years	52,507,423	85,131,919	-	-
More than two years but less than five years	48,173,274	12,409,825	-	-
More than five years	-	5,815,505	-	-
	205,299,722	157,894,168	15,000,000	-

19. BANK BORROWINGS (CONTINUED)

Bank Overdrafts

(i) The bank overdraft bear interests ranging from 6.85% to 9.20% (2015: 8.44%) per annum.

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

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

Revolving credits

(i) The revolving credits of the Group and of the Company bear interest rate at rates ranging from 5.45% to 5.50% (2015: Nil) per annum.

Term loans

(i) The bank borrowings bear interests at rates ranging from 5.35% to 7.35% (2015: 5.50% to 7.63%) per annum.

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

(a) 1st party 1st, 2nd and 3rd legal charge over the Group's development land;
(b) Fixed legal charged over the development properties;
(c) First legal charge over the investment property of a subsidiary;
(d) Specific debenture over all the fixed and floating assets on the property development land;
(e) Third party 1st legal charged over a vacant land and creation of a third party charge in escrow over the said land;
(f) An open all monies facilities agreement;
(g) Power of Attorney in favour of the bank to appoint a contractor at the bank's discretion to proceed and complete the entire development in the event of repayment default and/or inability to complete the project;
(h) Deed of subordination of advances from the ultimate holding company/immediate holding company/directors;
(i) Assignment of all the rights, title and interest in respect of the rental proceeds for a property from the tenant in favour of the lender;
(j) Facility agreement;
(k) Personal guarantee by a Director of the Group;
(l) Letter of undertaking from the holding company; and
(m) Corporate guarantee from the holding company and the ultimate holding company.

20. RCPS – LIABILITY COMPONENT

	Group and Company	
	2016	2015
	RM	RM
At the beginning of the financial year	23,584,925	36,278,919
Conversion of RCPS	(7,861,642)	(14,511,568)
Accretion- amortised cost	1,312,894	1,817,574
At the end of the financial year	17,036,177	23,584,925

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

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

The principal terms of the RCPS are as follows:-

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

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

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

20. RCPS – LIABILITY COMPONENT (CONTINUED)

The principal terms of the RCPS are as follows (continued):-

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

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

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

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

21. DEFERRED TAX LIABILITIES

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Deferred tax liabilities				
At the beginning of the financial year	35,768,382	38,658,227	1,539,618	3,293,059
Recognised in profit or loss during the financial year	(1,235,545)	(1,572,622)	(315,095)	(436,218)
Conversion of RCPS	(513,206)	(1,317,223)	(513,206)	(1,317,223)
At the end of the financial year	34,019,631	35,768,382	711,317	1,539,618

21. DEFERRED TAX LIABILITIES (CONTINUED)

The deferred tax liabilities comprise the following:-

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Tax effects on temporary differences arising from:-				
Property, plant and equipment	78,034	70,464	-	-
Investment properties	15,755,032	15,755,033	-	-
Land held for property development	17,475,248	18,403,267	-	-
RCPS	711,317	1,539,618	711,317	1,539,618
	34,019,631	35,768,382	711,317	1,539,618

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

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Deferred tax assets				
Unutilised tax losses	393,740	7,576,144	-	-
Temporary difference	408,456	289,655	-	-
	802,196	7,865,799	-	-
Potential deferred tax benefit at 24% (2015: 24%)	192,527	1,887,792	-	-

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

22. TRADE AND OTHER PAYABLES

		Group		Company	
		2016	2015	2016	2015
		RM	RM	RM	RM
Trade					
Trade payables	(a)	109,534,700	73,080,475	29,065	-
Non-trade					
Amount due to:	(b)				
- Holding company		-	923,533	-	120
- Subsidiary companies		-	-	52,738,420	37,151,171
- Directors		492,596	2,982,114	6	-
Other payables	(c)	48,760,657	55,613,124	829,570	885,820
Accruals	(d)	32,237,732	28,709,045	381,178	325,000
Deposits	(e)	3,624,601	1,929,090	-	-
		85,115,586	90,156,906	53,949,174	38,362,111
Total trade and other payables		194,650,286	163,237,381	53,978,239	38,362,111
Provision	(f)	4,130,254	24,652	-	-

(a) **Trade payables**

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

Included in trade payables is an amount of RM38,683,146/- (2015: RM27,704,916/-) held as retention sum payable to contractors.

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

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

(c) **Other payables**

(i) Included in other payable is an amount of RM24,475,099/- (2015: RM33,975,100/-) owing to previous shareholder of a subsidiary. The amount due is unsecured, interest free and repayable on demand.

(ii) Included in other payables is an amount of RM3,426,479/- (2015: RM3,482,729/-) owing to companies in which certain directors have interests.

(iii) Included in other payable is an amount of RM72,387/- (2015: RM72,387/-) owing to companies in which persons connected to certain directors have interests.

22. TRADE AND OTHER PAYABLES (CONTINUED)

(d) Accruals

Included in accruals are an amount totalling RM31,277,346/- (2015: RM27,339,382/-) which represents costs accrued for the development projects undertaken by the Group.

(e) Deposits

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

(f) Provision

	Group	
	2016	2015
	RM	RM
Provision for liquidated and ascertained damages		
At the beginning of the financial year	24,652	-
Recognised in profit or loss	4,106,316	24,652
Reversed during the financial year	(714)	-
At the end of the financial year	4,130,254	24,652

23. REVENUE

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Property development revenue	393,818,223	339,440,029	-	-
Revenue from sale of completed properties	5,032,097	-	-	-
Rental income	1,229,157	1,210,218	-	-
Dividend income from a subsidiary company	-	-	45,000,000	20,000,000
Corporate management fees	-	-	540,000	-
	400,079,477	340,650,247	45,540,000	20,000,000

24. COST OF SALES

	Group	
	2016	2015
	RM	RM
Property development costs	255,890,145	191,214,310
Costs of completed properties sold	2,899,425	-
Direct operating expenses arising from investment properties	11,696	24,211
	258,801,266	191,238,521

25. FINANCE COSTS

	Group	
	2016	2015
	RM	RM
Interest expense on:		
- Hire purchase	26,162	28,517
- Bank overdrafts	1,370,622	261,836
- Term loans	497,996	473,168
	1,894,780	763,521

26. PROFIT BEFORE TAXATION

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
After charging:-				
Accretion of interest on RCPS	1,312,894	1,817,574	1,312,894	1,817,574
Auditors' remuneration:				
- statutory audit				
- current financial year	230,200	221,500	35,000	35,000
- over provision in prior year	9,200	-	-	-
- non-statutory	11,000	22,000	11,000	22,000
Depreciation of investment properties	92,972	92,972	-	-
Depreciation of property, plant and equipment	481,839	517,365	-	-

26. PROFIT BEFORE TAXATION (CONTINUED)

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Directors' remuneration (Note 31(c))	2,645,558	2,318,572	372,680	356,500
Impairment loss on trade receivables	2,288,171	-	-	-
Impairment loss on investment property	1,958,516	-	-	-
Liquidated and ascertain damages expense	4,105,602	6,755	-	-
Loss on disposal of property, plant and equipment	-	7,672	-	-
Rental of sales office	409,446	337,000	-	-
Rental of equipment	14,125	18,872	-	-
Rental of warehouse	9,600	-	-	-
Receivables written off	-	9,330	-	-
Salaries, allowances and bonuses	8,444,667	7,464,407	-	-
Defined contribution plan	948,810	870,678	-	-
SOCSO	52,838	58,155	-	-
Other staff related expenses	147,444	462,387	-	-
And crediting:-				
Bank interest income	653,291	1,045,420	17,752	-
Dividend income from other investments	119,065	153,567	118,938	153,205
Fixed deposit interest income	1,032,628	1,098,173	499,450	957,949
Other interest income	932,093	792,408	-	-
Rental income	729,945	676,114	-	-
Liquidated and ascertained damages income	1,400,000	94,000	-	-

27. INCOME TAX EXPENSE

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Income tax				
- current financial year	24,176,388	31,455,031	112,842	270,502
- under/(over) provision in prior year	176,219	449,369	(2,240)	4,273
	24,352,607	31,904,400	110,602	274,775
Deferred taxation (Note 21)				
- current financial year	(1,241,238)	(1,572,432)	(315,095)	(436,218)
- under/(over) provision in prior year	5,693	(190)	-	-
	23,117,062	30,331,778	(204,493)	(161,443)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the financial year.

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

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit before taxation	91,413,663	111,083,197	43,007,046	17,625,511
Taxation at applicable statutory tax rate of 24% (2015: 25%)	21,939,279	27,770,799	10,321,691	4,406,378
Tax effect arising from:-				
- Expenses not deductible for tax purposes	2,567,634	1,134,181	591,150	427,906
- Income not subject to tax	123,502	(59)	(11,115,094)	(5,000,000)
- Deferred tax recognised in different tax rate	-	31,628	-	-
- Deferred tax assets not recognised in the financial statements	(1,695,265)	946,050	-	-
- Under/(Over) accrual of tax in prior year	176,219	449,369	(2,240)	4,273
- Under/(Over) provision of deferred tax in prior year	5,693	(190)	-	-
Tax expense for the financial year	23,117,062	30,331,778	(204,493)	(161,443)

28. EARNINGS PER ORDINARY SHARE

(a) Basic

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

	Group 2016	Group 2015
Net profit attributable to owners of the Company (RM)	68,351,715	80,936,732
Weighted average number of ordinary shares (units)	357,247,528	352,783,700
Basic earnings per share for the financial year (sen)	19	23

(b) Diluted

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

	Group 2016	Group 2015
Profit attributable to owners of the Company (RM)	68,351,715	80,936,732
Weighted average number of ordinary shares (units)	357,247,528	352,783,700
Effect of dilution for:		
Conversion of RCPS	13,333,333	20,000,000
Adjusted weighted average number of ordinary shares in issue and issuable	370,580,861	372,783,700
Diluted earnings per share (sen)	18	22

29. GUARANTEES

(a) Corporate guarantees

	Company 2016 RM	Company 2015 RM
Corporate guarantees for credit facilities of RM552,672,000/- (2015: RM537,822,000/-) granted to subsidiary companies	150,622,087	394,220,000

(b) The Group also provided bank guarantees amounting to RM4,194,208/- (2015: RM16,148,123/-).

30. COMMITMENTS

	Group 2016 RM	Group 2015 RM
Appproved and contracted but not provided for:-		
- Land held for property development		
Purchase considerations	131,570,080	131,570,080
Less: Deposits paid	(2,031,505)	(2,031,505)
Capital commitments	129,538,575	129,538,575

31. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification of related parties

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

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

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

31. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party transactions

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

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Titijaya PMC Sdn. Bhd.				
- Project management fee	-	-	72,000	72,000
Titijaya Land Berhad				
- Corporate management fee	-	-	540,000	-
NPO Development Sdn. Bhd.				
- Dividend income	-	-	45,000,000	20,000,000

(c) Directors' remuneration

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Executive Directors:				
Salaries, allowance and bonus	1,990,362	1,558,540	19,500	29,500
Other emoluments	67,056	222,072	-	-
Defined contribution plan	234,960	210,960	-	-
Directors' fees	108,000	108,000	108,000	108,000
	2,400,378	2,099,572	127,500	137,500
Non-Executive Directors:				
Allowance	33,689	33,000	33,689	33,000
Directors' fees	211,491	186,000	211,491	186,000
	245,180	219,000	245,180	219,000
Total directors' remuneration	2,645,558	2,318,572	372,680	356,500

31. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) Directors' remuneration (continued)

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

	Number of directors	
	2016	2015
Executive Directors:		
Below RM550,000	-	-
RM550,001 - RM600,000	-	1
RM600,001 - RM650,000	1	-
RM650,001 - RM700,000	-	1
RM700,001 - RM750,000	-	-
RM750,001 - RM800,000	1	-
RM800,001 - RM850,000	-	1
RM850,001 - RM900,000	1	-
Non-executive Directors:		
RM1 - RM50,000	1	1
RM50,001 - RM100,000	3	3

(d) Key management personnel compensation

	Group	
	2016	2015
	RM	RM
Included in staff costs were remunerations for key management personnel other than directors		
- Salaries, bonuses and allowances	1,451,857	1,153,591
- Defined contribution plan	176,297	129,246
	1,628,154	1,282,837

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

32. SEGMENT INFORMATION

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

The two reportable operating segments are as follows:

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

Inter-segment pricing is determined on negotiated basis.

Segment profit
Segment performance is used to measure performance as the Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets
The total of segment asset is measured based on all assets (excluding investment in associates, deferred tax assets and current tax assets) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

Segment liabilities
The total of segment liabilities is measured based on all liabilities (excluding deferred tax liabilities and current tax liabilities) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

32. SEGMENT INFORMATION (CONTINUED)

Group 2016	Note	Property development RM	Investment holding RM	Adjustment and eliiminations RM	Total RM
Revenue:					
Revenue from external customers		399,438,955	640,522	-	400,079,477
Inter-segment revenue	A	-	21,802,893	(21,802,893)	-
		399,438,955	22,443,415	(21,802,893)	400,079,477
Results:					
Included in the measure of segment profit are:					
Finance income		2,068,080	549,932	-	2,618,012
Finance cost		(1,828,118)	(66,662)	-	(1,894,780)
Depreciation		(371,735)	(203,076)	-	(574,811)
Accretion of interest on RCPS		-	(1,312,894)	-	(1,312,894)
Segment profit	B	151,982,848	46,756,023	(107,325,208)	91,413,663
Income tax expenses		(21,424,141)	(1,692,921)	-	(23,117,062)
Profit for the financial year	B	130,558,707	45,063,102	(107,325,208)	68,296,601
Assets:					
Additions to non-current assets		-	-	-	-
Segment assets	C	1,279,116,053	457,673,674	(644,478,837)	1,092,310,890
Segment liabilities	D	986,965,537	124,226,626	(550,174,541)	561,017,622

32. SEGMENT INFORMATION (CONTINUED)

Group 2015	Note	Property development RM	Investment holding RM	Adjustment and eliiminations RM	Total RM
Revenue:					
Revenue from external customers		340,569,397	80,850	-	340,650,247
Inter-segment revenue	A	23,609,017	35,951,555	(59,560,572)	-
		364,178,414	36,032,405	(59,560,572)	340,650,247
Results:					
Included in the measure of segment profit are:					
Finance income		1,928,655	1,007,346	-	2,936,001
Finance cost		(748,885)	(14,636)	-	(763,521)
Depreciation		(464,693)	(145,644)	-	(610,337)
Accretion of interest on RCPS		-	(1,817,574)	-	(1,817,574)
Segment profit	B	136,229,968	19,629,043	(44,775,814)	111,083,197
Income tax expenses		(30,030,099)	(301,679)	-	(30,331,778)
Profit for the financial year	B	106,199,869	19,327,364	(44,775,814)	80,751,419
Assets:					
Additions to non-current assets		197,031	402,917	-	599,948
Segment assets	C	1,136,820,985	386,321,582	(466,258,039)	1,056,884,528
Segment liabilities	D	872,288,273	85,493,942	(376,338,036)	581,444,179

32. SEGMENT INFORMATION (CONTINUED)

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

A Inter-segment revenue

Inter-segment revenue are eliminated on consolidation.

B Reconciliation of profit or loss

Profit/ (Loss) from other segment transactions are eliminated on consolidation.

C Reconciliation of assets

	2016 RM	2015 RM
Inter-segment assets	644,478,837	466,258,039

D Reconciliation of liabilities

	2016 RM	2015 RM
Inter-segment liabilities	550,174,541	376,338,036

Geographical information

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

33. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

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

Group	Loans and receivables	Available for sale	Other financial liabilities	Total
2016	RM	RM	RM	RM
Financial assets:				
Other investments	-	5,647	-	5,647
Trade and other receivables (exclude prepayments)	213,307,684	-	-	213,307,684
Fixed deposits placed with licensed banks	33,589,656	-	-	33,589,656
Cash and bank balances	61,351,274	-	-	61,351,274
Total financial assets	308,248,614	5,647	-	308,254,261
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	191,025,685	191,025,685
Hire purchase payables	-	-	549,948	549,948
Bank borrowings	-	-	205,299,722	205,299,722
RCPS - liability component	-	-	17,036,177	17,036,177
Total financial liabilities	-	-	413,911,532	413,911,532
2015				
Financial assets:				
Other investments	-	2,164,399	-	2,164,399
Trade and other receivables (exclude prepayments)	215,468,055	-	-	215,468,055
Fixed deposits placed with licensed banks	61,268,635	-	-	61,268,635
Cash and bank balances	127,990,104	-	-	127,990,104
Total financial assets	404,726,794	2,164,399	-	406,891,193

33. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of Financial Instruments (continued)

Group 2015	Loans and receivables RM	Available for sale RM	Other financial liabilities RM	Total RM
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	161,308,291	161,308,291
Hire purchase payables	-	-	597,480	597,480
Bank borrowings	-	-	157,894,168	157,894,168
RCPS - liability component	-	-	23,584,925	23,584,925
Total financial liabilities	-	-	343,384,864	343,384,864
Company				
2016				
Financial assets:				
Trade and other receivables (exclude prepayments)	208,775,005	-	-	208,775,005
Fixed deposits placed with licensed banks	12,032,910	-	-	12,032,910
Cash and bank balances	1,434,206	-	-	1,434,206
Total financial assets	222,242,121	-	-	222,242,121
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	53,978,239	53,978,239
RCPS - liability component	-	-	17,036,177	17,036,177
Total financial liabilities	-	-	71,014,416	71,014,416
2015				
Financial assets:				
Other investment	-	2,153,205	-	2,153,205
Trade and other receivables (exclude prepayments)	114,952,488	-	-	114,952,488
Fixed deposits placed with licensed banks	30,472,027	-	-	30,472,027
Cash and bank balances	20,864,130	-	-	20,864,130
Total financial assets	166,288,645	2,153,205	-	168,441,850

33. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of Financial Instruments (continued)

Company 2015	Loans and receivables RM	Available for sale RM	Other financial liabilities RM	Total RM
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	38,362,111	38,362,111
RCPS - liability component	-	-	23,584,925	23,584,925
Total financial liabilities	-	-	61,947,036	61,947,036

(b) Fair Values

(i) Recognised Financial Instruments

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

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

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

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

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

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

(ii) Unrecognised Financial Instruments

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

33. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair Values (continued)

(ii) Unrecognised Financial Instruments (continued)

There were no other unrecognised financial instruments as at 30 June 2016 that are required to be disclosed.

34. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

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

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

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

(a) Credit Risk

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

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

Exposure to credit risk

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

Information regarding exposure to credit risk for trade and other receivables is disclosed in Note 13 to the financial statements.

Receivables that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 13 to the financial statements.

Receivables that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 13 to the financial statements.

34. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (CONTINUED)

(a) Credit Risk (continued)

Credit risk concentration profile

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

(b) Liquidity Risk

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

Analysis of financial instruments by remaining contractual maturities

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

		Contractual undiscounted cash flows			
2016	**Carrying amount**	**On demand or within 1 year**	**1 - 5 Years**	**> 5 years**	**Total**
Group	RM	RM	RM	RM	RM
Financial liabilities:					
Trade and other payables	194,650,286	194,650,286	-	-	194,650,286
Hire purchase payables	549,948	141,373	480,001	-	621,374
Bank borrowings	205,299,722	113,963,672	112,270,821	-	226,234,493
RCPS - liability component	17,036,177	-	17,036,177	-	17,036,177
	417,536,133	308,755,331	129,786,999	-	438,542,330
Company					
Financial liabilities:					
Trade and other payables	53,978,239	53,978,239	-	-	53,978,239
RCPS - liability component	17,036,177	-	17,036,177	-	17,036,177
	71,014,416	53,978,239	17,036,177	-	71,014,416

34. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (CONTINUED)

(b) Liquidity Risk (continued)

2015	Carrying amount	Contractual undiscounted cash flows: On demand or within 1 year	1 - 5 Years	> 5 years	Total
Group	RM	RM	RM	RM	RM
Financial liabilities:					
Trade and other payables	163,237,381	163,237,381	-	-	163,237,381
Hire purchase payables	597,480	200,002	460,472	-	660,474
Bank borrowings	157,894,168	69,299,160	102,620,352	6,023,318	177,942,830
RCPS - liability component	23,584,925	-	23,584,925	-	23,584,925
	345,313,954	232,736,543	126,665,749	6,023,318	365,425,610

Company					
Financial liabilities:					
Trade and other payables	38,362,111	38,362,111	-	-	38,362,111
RCPS - liability component	23,584,925	-	23,584,925	-	23,584,925
	61,947,036	38,362,111	23,584,925	-	61,947,036

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings and cash deposits placed with the financial institutions. Most of the Group's loans and borrowings are charged a fixed spread above the financial institutions' base lending rate or cost of fund per annum. The spread rate is reviewed annually. Whilst, the base lending rate and cost of fund used by the financial institutions vary according to the rates set by Bank Negara Malaysia. Meanwhile, interest rates charged on hire purchase are fixed at the inception of the hire purchase arrangements. For interest income from cash deposits, the Group managed the interest rate risks by placing cash deposits with reputable financial institutions with varying maturities and interest rate terms.

34. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (CONTINUED)

(c) Interest Rate Risk (continued)

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit after tax:-

	Carrying amount	**Movement in basis point**	**Effect on profit after tax**
2016	RM		RM
Group			
Fixed deposits placed with licensed banks	33,589,656	0.50%	127,641
Bank borrowings	205,299,722	0.50%	780,139
Net effect			907,780
Company			
Fixed deposits placed with licensed banks	12,032,910	0.50%	45,725
Bank borrowings	15,000,000	0.50%	57,000
Net effect			102,725
2015			
Group			
Fixed deposits placed with licensed banks	61,268,635	0.50%	229,757
Bank borrowings	157,894,168	0.50%	592,103
Net effect			821,860
Company			
Fixed deposits placed with licensed banks	30,472,027	0.50%	114,270
Net effect			114,270

The profit after tax will be higher/lower when the interest rates decrease/increase.

35. CAPITAL MANAGEMENT

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

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

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

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

The debt-to-equity ratio is as follows:-

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Total liabilities	561,017,622	581,444,179	86,725,733	63,607,155
Equity attributable to the owner of the Company	531,293,268	475,440,348	327,010,053	296,242,195
Debt-to-equity ratio	106%	122%	27%	21%

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

36. DIVIDEND

	Group and Company	
	2016	2015
	RM	RM
Dividends paid		
- final single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 June 2014	-	14,133,337
- final single tier dividend of 4.5 sen per ordinary share in respect of the financial year ended 30 June 2015	16,117,860	-

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 21 August 2015, the Company increased its issued and paid-up ordinary share capital from RM176,666,666/- to RM180,000,000/- by way of issuance of 6,666,667 ordinary shares of RM0.50 each through a conversion of the 20,000,000 of RCPS into ordinary shares.

(ii) On 28 September 2015, 10 November 2015, 16 February 2016 and 26 May 2016, City Meridian Development and the Vendor had mutually agreed to extend the date for fulfilment of the Conditions Precedent stipulated in the SPA and Supplemental Agreement. The latest extension is until 10 December 2016.

(iii) On 30 October 2015, Titijaya Resources Sdn. Bhd. entered into a Shareholders' Agreement with Amona Development Sdn. Bhd. and Amona Titijaya Sdn. Bhd. (formerly known as Metrogale Development Sdn. Bhd.) (referred as "JV Company") to form a strategic collaboration and to govern the material aspects of the joint venture, the conduct of the business and the management of the JV Company ("Proposed Joint Venture").

(iv) On 21 January 2016, the Company acquired 2 ordinary shares of RM1.00 each from Aziah Binti Musa and Radijah Binti Abdul Razak (collectively referred to as the "High Splendour Vendors") representing the entire issued and paid-up share capital in High Splendour for a total purchase consideration of RM2/- satisfied by cash. High Splendour is now a wholly-owned subsidiary company of the Company.

(v) On 21 January 2016, the Company acquired 2 ordinary shares of RM1.00 each from Aziah Binti Musa and Radijah Binti Abdul Razak (collectively referred to as the "Titijaya Development Vendors") representing the entire issued and paid-up share capital in Titijaya Development for a total purchase consideration of RM2/- satisfied by cash. Titijaya Development is now a wholly-owned subsidiary company of the Company.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(vi) On 23 February 2016, the Company acquired 2 ordinary shares of RM1.00 each from Rafidah Binti Menan and Nur Diana Binti Arifin (collectively referred to as the "Tamarind Heights Vendors) representing the entire issued and paid-up share capital in Tamarind Heights for a total purchase consideration of RM2/- satisfied by cash. Tamarind Heights is now a wholly-owned subsidiary company of the Company.

38. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(i) On 3 August 2016, the Company increased its issued and paid-up ordinary share capital from RM 180,000,000/- by way of issuance of 6,666,667 ordinary shares of RM0.50 each through a conversion of the 20,000,000 of RCPS into ordinary shares.

(ii) On 9 August 2016, the Company re-purchased 3,148,800 shares through purchases on the Bursa Malaysia Securities Berhad on 9 to 11 August 2016 at an average price of RM1.56 per shares. The total consideration paid to acquire the shares was RM4,878,401.54/- and this was presented as component within shareholders' equity.

(iii) On 26 August 2016, the Company proposes to undertake the following:

- proposed renounceable rights issue of up to 614,999,899 new irredeemable convertible preference shares of RM0.05 each in Titijaya Land Berhad ("TLB") ("ICPS") on the basis of three (3) ICPS for every two (2) existing ordinary shares of RM0.50 each in TLB ("TLB Share" or "Share") held at an entitlement date to be determined later ("Proposed Rights Issue of ICPS");

- proposed increase in the authorised share capital of TLB from RM300,000,000 comprising 500,000,000 TLB Shares and 100,000,000 redeemable convertible preference shares of RM0.50 each in TLB ("RCPS") to RM1,000,000,000 comprising 1,800,000,000 TLB Shares, 100,000,000 RCPS and 1,000,000,000 ICPS to facilitate the Proposed Rights Issue of ICPS ("Proposed Increase in Authorised Share Capital"); and

- proposed amendments to the Memorandum and Articles of Association of TLB to facilitate the Proposed Rights Issue of ICPS and the Proposed Increase in Authorised Share Capital ("Proposed Amendments").

The Proposed Rights Issue of ICPS has been submitted to Bursa Securities on 20 September 2016.

38. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONTINUED)

(iv) On 15 September 2016, the Board has fixed the issue price for the placement of 36,666,600 Placement Shares at RM1.35 per Placement Share ("Issue Price"). The Issue Price represents a discount of approximately RM0.1472 or 9.83% to the five (5)-day volume weighted average market price of TLB Shares up to and including 14 September 2016 of RM1.4972 per TLB Share.

(v) On 30 September 2016, the Company announced, the proposed acquisition of the entire equity interest in NPO Builders Sdn Bhd and full settlement of advances for a total purchase consideration of RM115,612,302 to be satisfied via the issuance of 79,732,622 new ordinary shares of RM0.50 each in TLB ("TLB Shares") at an issue price of RM1.45 per TLB share.

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

SUPPLEMENTARY INFORMATION ON DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 30 June 2016 are as follows:-

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Total retained earnings				
- Realised	321,487,895	265,745,599	46,321,043	19,227,364
- Unrealised	(789,351)	(1,610,083)	-	-
	320,698,544	264,135,516	46,321,043	19,227,364
Less: Consolidation adjustments	(23,181,998)	(18,852,825)	-	-
Total retained earnings as per statements of financial position	297,516,546	245,282,691	46,321,043	19,227,364

The determination of realised and unrealised profits is based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, **TAN SRI DATO' LIM SOON PENG** and **LIM POH YIT** being two of the Directors of Titijaya Land Berhad, do hereby state that in the opinion of the Directors, the financial statements set out on pages 8 to 99 are properly drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and of their financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out on page 100 have been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement,* issued by the Malaysian Institute of Accountants.

On behalf of the Board,

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

....
LIM POH YIT
Director

Kuala Lumpur

Date: 6 October 2016

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION

I, **TAN KIAN WHOO**, being the officer primarily responsible for the financial management of Titijaya Land Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

....
TAN KIAN WHOO

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 6 October 2016.

Before me,

PESURUHJAYA SUMPAH
W 541
ZULKIFLA MOHD DAHLIM
MALAYSIA

NO: 17, JALAN PETALING
50000 KUALA LUMPUR
....
ZULKIFLA MOHD DAHLIM (No. W541)
Commissioner for Oaths

BAKER TILLY

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

T : +603 2297 1000
F : +603 2282 9980

info@bakertillymh.com.my
www.bakertillymh.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Titijaya Land Berhad, which comprise the statements of financial position as at 30 June 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 99.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

BAKER TILLY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITIJAYA LAND BERHAD (CONTINUED)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out in page 100 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

BAKER TILLY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITIJAYA LAND BERHAD (CONTINUED)
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng	Ng Boon Hiang
No. AF 0117	No. 2916/03/18 (J)
Chartered Accountants	Chartered Accountant

Kuala Lumpur

Date: 6 October 2016

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE 9-MONTH FPE 31 MARCH 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)[1]

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2017 TO 31.03.2017 RM'000	01.01.2016 TO 31.03.2016 RM'000	01.07.2016 TO 31.03.2017 RM'000	01.07.2015 TO 31.03.2016 RM'000
Revenue	70,476	103,648	258,700	293,459
Costs of sales	(33,381)	(69,879)	(148,890)	(189,826)
Gross Profit	37,095	33,769	109,810	103,633
Other Income	1,802	812	9,709	4,750
Selling and distribution expenses	(3,371)	(6,621)	(13,480)	(18,244)
Administrative expenses	(4,020)	(5,408)	(13,113)	(13,751)
Other expenses	(1,330)	(1,393)	(7,410)	(4,045)
Finance costs	(1,043)	(531)	(2,433)	(1,145)
Profit before taxation	**29,133**	**20,628**	**83,083**	**71,198**
Income tax expense	(9,904)	(5,458)	(23,368)	(17,761)
Net profit for the period	**19,229**	**15,170**	**59,715**	**53,437**
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	**19,229**	**15,170**	**59,715**	**53,437**
Profit attributable to:				
- Owners of the Company	19,232	15,171	59,723	53,434
- Non-controlling interests	(3)	(1)	(8)	3
	19,229	**15,170**	**59,715**	**53,437**
Earnings per share (sen) attributable to owners of the Company				
- Basic [2]	4.92	4.30	15.28	15.09
- Diluted [3]	4.84	4.14	15.02	14.54

CERTIFIED TRUE COPY

TAN KIAN WHOO
Group Chief Financial Officer
CA 24539

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRDQUARTER AND THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED) [1]

Notes:

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements.

(2) Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (a)).

(3) Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (b)) and assume the full conversion of balance 20,000,000 Redeemable Convertible Preference Shares of RM0.50 each ("RCPS") on the basis of one (1) new Share for every three (3) RCPS held.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017 (UNAUDITED) (1)

	UNAUDITED As At 31.03.2017 RM'000	AUDITED As At 30.06.2016 RM'000
Non-current assets		
Property, plant and equipment	11,565	11,295
Land held for property development	502,636	189,527
Investment in associate	75	-
Investment properties	74,199	74,269
Goodwill on consolidation	3,706	3,706
Total non-current assets	**592,181**	**278,797**
Current assets		
Property development costs	341,931	414,599
Inventories	92,992	20,951
Other investments	-	6
Trade and other receivables	254,571	213,403
Accrued billings in respect of property development costs	15,519	60,347
Tax recoverable	8,941	9,267
Fixed deposits placed with licensed banks	22,525	33,590
Cash and bank balances	89,873	61,351
Total current assets	**826,352**	**813,514**
TOTAL ASSETS	1,418,533	1,092,311

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017 (UNAUDITED) (1)

	UNAUDITED As At 31.03.2017 RM'000	AUDITED As At 30.06.2016 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	341,453	280,451
RCPS - equity component	2,490	4,980
Reserve arising from reverse acquisition	(47,426)	(47,426)
Treasury shares	-	(4,742)
Retained earnings	355,306	297,516
Equity attributable to equity holders of the Company	**651,823**	**530,779**
Non-controlling interest	3,773	514
Total equity	**655,596**	**531,293**
Non-current liabilities		
Hire purchase payables	907	431
Bank borrowings	257,429	100,681
RCPS - liability component	9,052	17,036
Deferred tax liabilities	33,282	34,019
Total non-current liabilities	**300,670**	**152,167**
Current liabilities		
Trade and other payables	279,877	198,781
Progress billings in respect of property development costs	31,078	96,604
Hire purchase payables	195	119
Bank borrowings	128,327	104,619
Current tax payables	22,790	8,728
Total current liabilities	**462,267**	**408,851**
Total liabilities	**762,937**	**561,018**
TOTAL EQUITY AND LIABILITIES	**1,418,533**	**1,092,311**
Net assets per share attributable to owners of the Company (RM)	**1.62**(2)	**1.49**(3)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017 (UNAUDITED) (1)

Notes:

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements.

(2) Based on the number of issued share capital of 403,333,266 ordinary shares of RM0.50 each ("Shares") after the exercised of the conversion of 20,000,000 Redeemable Convertible Preference Shares of RM0.50 each ("RCPS") into 6,666,667 new ordinary shares of RM0.50 each on the basis of one (1) new Share for every three (3) RCPS held, private placement of 36,666,600 ordinary shares at RM1.35 and the disposal of 3,148,800 treasury shares at average price RM1.55 each.

(3) Based on the number of issued share capital of 360,000,000 ordinary shares of RM0.50 each ("Shares") after the exercise of the conversion of 20,000,000 Redeemable Convertible Preference Shares of RM0.50 each ("RCPS") into 6,666,667 new ordinary shares of RM0.50 each on the basis of one (1) new Share for every three (3) RCPS held and the purchase of 3,148,800 treasury shares at average price of RM1.50 each.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2017 (UNAUDITED) [(1)]

	<---- Non-Distributable				---->	<--Distributable -->			
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM	RCPS - Equity Component RM'000	Reserve arising from Reverse Acquisition RM'000	Retained Earnings RM'000	Total RM	Non-Controlling Interest RM	Total Equity RM'000
Group									
At 30 June 2015	176,667	92,957	(42)	7,433	(47,426)	245,283	474,872	569	475,441
Conversion of RCPS	3,333	7,494	-	(2,453)	-	-	8,374	-	8,374
Purchase of treasury shares	-	-	(4,700)	-	-	-	(4,700)	-	(4,700)
Dividend paid	-	-	-	-	-	(16,118)	(16,118)	-	(16,118)
Total comprehensive income for the financial year	-	-	-	-	-	68,351	68,351	(55)	68,296
Balance at 30 June 2016	180,000	100,451	(4,742)	4,980	(47,426)	297,516	530,779	514	531,293
Placement of ordinary shares	18,333	31,167	-	-	-	-	49,500	-	49,500
Conversion of RCPS	3,334	8,030	-	(2,490)	-	-	8,874	-	8,874
Disposal of treasury shares	-	138	4,742	-	-	-	4,880	-	4,880
Dividend paid						(2,017)	(2,017)	-	(2,017)
Transition to no par value (2)	139,786	(139,786)	-	-	-	-	-	-	-
Changes in ownerships interests in subsidiary	-	-	-	-	-	83	83	3,267	3,350
Total comprehensive income for the financial period	-	-	-	-	-	59,724	59,724	(8)	59,716
Balance at 31 March 2017	341,453	-	-	2,490	(47,426)	355,306	651,823	3,773	655,596

Notes:

(1) The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements.

(2) With effective from 31 January 2017, the new Companies Acts 2016 ("the Act") abolished the concept of authorized share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR PERIOD ENDED 31 MARCH 2017 (UNAUDITED) (1)

	01.07.2016 TO 31.03.2017 RM'000	01.07.2015 TO 31.03.2016 RM'000
CASH FLOWS (USED IN)/ FROM OPERATING ACTIVITIES		
Profit Before Tax	83,083	71,198
Adjustments for:		
Non cash item	2,964	(307)
Operating Profit Before Working Capital Changes	86,047	70,891
Changes In Working Capital		
Property development costs	51,970	(97,705)
Inventories	(72,041)	1,200
Receivables	(39,709)	20,052
Payables	(6,674)	29,049
Net Cash Used In Operations	19,593	23,487
Interest paid	(2,170)	(1,145)
Interest received	718	2,857
Tax paid	(9,716)	(25,450)
Net Operating Cash Flows	8,425	(251)
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(771)	(72)
Proceed from disposal of property, plant and equipment	12	-
Investment properties costs incurred	-	(980)
Other investment	6	2,164
Proceed from disposal of subsidiary	175	-
Acquisition of subsidiaries	(7,000)	-
Land held for property development costs incurred	(134,941)	(128,265)
Net Investing Cash Flows	(142,519)	(127,153)
CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES		
Dividend paid	(2,017)	(16,118)
Disposal / (Repurchase) of treasury shares	5,401	(4,689)
Changes in hire purchase payables	552	(141)
Changes in bank borrowings	96,968	15,612
Proceed from issuance of shares	49,335	-
Net Financing Cash Flows	150,239	(5,336)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR PERIOD ENDED 31 MARCH 2017 (UNAUDITED) (1)

	01.07.2016 TO 31.03.2017 RM'000	01.07.2015 TO 31.03.2016 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	16,145	(132,740)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	60,944	168,521
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	77,089	35,781
Cash and cash equivalents at end of period comprises:		
Cash and bank balances	89,873	45,959
Fixed deposit placed with licensed banks	22,525	34,996
Bank overdrafts	(31,115)	(29,026)
	81,283	51,929
Less: Fixed deposit placed with licensed banks	(4,194)	(16,148)
	77,089	35,781

Notes:

(1) The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standards ("FRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board, and paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 30 June 2016 and the explanatory notes attached therein.

These explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2016.

A2. Accounting Policies

The accounting policies and methods of computation adopted by the Group for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2016.

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

The Group has not adopted the following new FRS and amendments/improvements to FRSs that have been issued by the Malaysian Accounting Standards Board ("MASB"):-

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
Amendments/Improvements to FRSs		
FRS 107	Statement of Cash Flows	1 January 2017
FRS 112	Income Taxes	1 January 2017

The financial effects of their adoption are currently still being assessed by the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

There was no audit qualification reported in the Auditors' Report on the financial statements for the financial year ended 30 June 2016.

A4. Seasonality or Cyclicality of Operations

The Group's operations were not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no significant items affecting the assets, liabilities, equity, net income or cash flows for the current financial period to-date.

A6. Changes in Estimates

There were no changes in the estimates that have had a material effect in the current quarter and current financial period to-date results.

A EXPLANATORY NOTES PURSUANT TO FRS 134

A7. Debt and Equity Securities

There was no issuance, cancellation, resale or repayment of debt and equity securities during the current financial period under review.

A8. Dividend Paid

There was no dividend paid in the current quarter under review.

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward, without amendment from the previous audited financial statements.

A10. Material Events subsequent to the End of the Interim Period

There was no material events subsequent to the end of the financial period reported that have not been reflected in the financial statements.

A11. Changes in Composition of the Group

The Company's wholly owned subsidiary, Titijaya Resources Sdn Bhd, had on 12 January 2017 acquired 7,308,000 ordinary shares of RM1.00 each, representing 70% of the total issued and paid up capital of Ampang Avenue Development Sdn Bhd (Company No. 826971-X) ("AASB") for a total consideration of RM7,000,000. Following the acquisition, AASB is a 70%-owned subsidiary of the Company.

A12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

	As At 31.03.2017 RM'000	As At 30.06.2016 RM'000
Corporate guarantees for credit facilities granted to subsidiaries	249,710	150,622

Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 31 March 2017.

A13. Capital Commitments

	As At 31.03.2017 RM'000	As At 30.06.2016 RM'000
Approved and contracted but not provided for:		
- Land held for property development		
Purchase consideration	5,570	131,570
Less: Deposits paid	(1,031)	(2,032)
- Proposed acquisition of subsidiaries		
Purchase consideration	186,531	-
Less: Deposits paid	(18,653)	-
	172,417	**129,538**

A EXPLANATORY NOTES PURSUANT TO FRS 134

A14. Segmental Information

The segmental analysis for the financial period 31 March 2017 was as follows.

Analysis by Operating Divisions:-

	Property Development RM'000	Investment Holding RM'000	Total RM'000
Segment profit	127,135	324	127,459
Included in the measure of segment profit are:-			
Revenue from external customers	258,624	76	258,700
Inter-segment revenue	-	9,432	9,432
Interest income	2,737	334	3,071
Interest expense	1,691	742	2,433
Depreciation	208	363	571
Accretion of interest on RCPS	-	533	533
Not included on the measure of segment profit but provided to the Management :-			
Tax expenses	23,257	111	23,368
Segment assets	1,770,511	532,876	2,303,387
Segment liabilities	1,267,208	177,392	1,444,600

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

	Total RM'000
Total revenue for reportable segments	268,132
Elimination of inter-segment revenue	(9,432)
Consolidated total	258,700
Total profit or loss for reportable segment	127,459
Elimination of inter-segment profits	(44,376)
Consolidated profit before taxation	83,803
Total reportable segments assets	2,303,387
Elimination of inter-segment transactions or balances	(884,854)
Consolidated total	1,418,533
Total reportable segments liabilities	1,444,600
Elimination of inter-segment transactions or balances	(681,663)
Consolidated total	762,937

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

Current Quarter

The group reported a profit after tax RM19.2 million, representing RM4 million, 27% increase compared to previous corresponding quarter. The year in year improvement is attributable to better cost management.

Cumulative Quarter

The Group's profit before tax has increased by 16.9% to RM83 million compared to previous corresponding quarter. The jump in profit after tax was due to higher recognition from property development projects, namely H2O and 3Elements.

B2. Variation of Results for the current quarter ended 31 March 2017 against the immediate preceding quarter

The profit before tax for the current quarter has showed an increases of 9% amounting to RM2.4 million. The improvement is attributable to better cost management in relation to one of our property development project, 3Elements.

B3. Current prospects and progress on previously announced financial estimate

(a) Current Year Prospects

Given the challenging market condition, the Group will continue to pursue strategic partnership and opportunistic land banking activities. The Board believes that the Group will be able to capitalized on future opportune land-banking activities and the upcoming development launches that will enhance the Group's value incrementally. In addition, the Joint Venture project with the foreign partner is progressing well and is expected to have a positive impact to next year's earnings.

Based on the Group's ongoing and upcoming projects, the Board is hopeful that the Group's performance for the financial year ending 30 June 2017 will be satisfactory through the continuous sales and existing project progress recognition.

(b) Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced

There was no financial forecast previously announced by the Group.

B4. Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable.

B5 Financial estimate, forecast or projection

No profit forecast has been issued by the Group previously in any public document.

B6 Dividend

There was no dividend declared for the current quarter under review.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B7. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The profit before taxation has been arrived at after charging / (crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2017 TO 31.03.2017 RM'000	01.01.2016 TO 31.03.2016 RM'000	01.07.2016 TO 31.03.2017 RM'000	01.07.2015 TO 31.03.2016 RM'000
After charging:				
Accretion of interest on RCPS	176	328	533	984
Depreciation of investment properties	24	24	70	70
Depreciation of property, plant and equipment	162	105	501	351
Directors' remuneration	387	277	1,127	847
Liquidated and ascertertain damages expenses	-	-	1,295	-
Rental of sales office	98	34	280	242
Rental of equipment	7	7	20	16
Staff costs	2,935	4,339	7,742	8,979
After crediting:				
Bank interest income	(312)	(102)	(1,030)	(374)
Fixed deposit interest income	(24)	(279)	(279)	(1,483)
Other interest income	(972)	(38)	(1,762)	(1,000)
Liquidated ascertain damages income	-	-	(6,440)	-
Gain on disposal of motor vehicle	-	-	(12)	-
Rental income	(445)	(526)	(1,180)	(1,446)

There is no exception item for the current financial quarter under review.

B8. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2017 TO 31.03.2017 RM'000	01.01.2016 TO 31.03.2016 RM'000	01.07.2016 TO 31.03.2017 RM'000	01.07.2015 TO 31.03.2016 RM'000
Current tax expense	10,280	5,494	23,750	18,745
Deferred taxation	(376)	(36)	(382)	(984)
	9,904	5,458	23,368	17,761

The Group's effective tax rate for the current financial period is higher than the statutory tax rate of 24% by the Inland Revenue Board due to certain expenses not deductible.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B9. Status of Corporate Proposal

(a) On 26 August 2016, Titijaya Land Berhad ("TLB") proposed to undertake the following:-

(i) Proposed renounceable rights issue of up to 614,999,899 new irredeemable convertible preference shares of RM0.05 each in TLB ("ICPS") on the basis of three (3) ICPS for every two (2) existing ordinary shares of RM0.50 each in TLB ("TLB Share" or "Share") held at an entitlement date to be determined later ("Proposed Rights Issue of ICPS");

(ii) Proposed increase in the authorised share capital of TLB from RM300,000,000 comprising 500,000,000 TLB Shares and 100,000,000 redeemable convertible preference shares of RM0.50 each in TLB ("RCPS") to RM1,000,000,000 comprising 1,800,000,000 TLB Shares, 100,000,000 RCPS and 1,000,000,000 ICPS to facilitate the Proposed Rights Issue of ICPS ("Proposed Increase in Authorized Share Capital"); and

(iii) Proposed amendments to the Memorandum and Articles of Association of TLB to facilitate the Proposed Rights Issue of ICPS and the Proposed Increase in Authorised Share Capital ("Proposed Amendments").

(Collectively referred to as "Proposals")

The Proposals was submitted to Bursa Malaysia Securities Berhad on 20 September 2016.

On 24 February 2017, TLB has decided to withdraw the application in relation to the Proposed Share Split and additional listing applications in relation to the Proposed Rights Issue if ICPS and Proposed Issuance of Consideration Shares to update the relevant information in light of the Companies Act 2016, which came into effect on 31 January 2017.

On 10 March 2017, TLB has re-submitted the additional listing application for the Proposed Right issues of ICPS to Bursa.

On 17 May 2017, Bursa had vide its letter approved the Proposed Rights Issue of ICPS.

(b) On 11 November 2016, Titijaya Land Berhad ("TLB") proposed to undertake the following:-

(i) Proposed share split involving a subdivision of every one (1) ordinary share of RM0.50 each in TLB share into two (2) ordinary shares of RM 0.25 each in TLB held at an entitlement date to be determined later;

(ii) Proposed issue of up to 1,104,732,454 free warrants in TLB on the basis of one (1) Warrants for every two (2) Subdivided Shares held after the Proposed Share Split; and

(iii) Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Share Split.

(Collectively referred to as "Proposals")

On 30 November 2016, Titijaya Land Berhad ("TLB") has submitted an application dated 29 November 2016 to Bursa Securities seeking its approval for an extension of time up to 31 January 2017 for the following: -

(i) Draft circular to shareholders for the Proposed Issuance of Consideration Shares, Proposed Share Split, Proposed Free Warrants Issue and Proposed Amendments; and

(ii) The application for the Proposed Share Split.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B9. Status of Corporate Proposal (Cont.)

(b) On 16 December 2016, Bursa Securities had, vide its letter dated 15 December 2016, granted the Company extension of time up to 31 January 2017 to comply with the Paragraph 9.33 (1)(a) and 13.06 (1) of the Main Market Listing Requirement.

On 23 December 2016, TLB after consideration factors such as the Proposed Right issues of ICPS which has been announced but is pending implementation, has decided not to proceed with the Proposed Free Warrants Issue for time being. For the avoidance of doubt, the Company will proceed with the Proposed Share Split and Proposed Amendments. All the relevant sections in relation to the Proposed Free Warrants Issue in the announcement dated 11 November 2016 shall be disregarded.

On 13 January 2017, TLB has submitted an application in relation to the Proposed Share Split as well as the additional listing application for the Proposed Issuance of Consideration Shares.

On 24 February 2017, TLB has decided to withdraw the application in relation to the Proposed Share Split and additional listing applications in relation to the Proposed Rights Issue of ICPS and Proposed Issuance of Consideration Shares to update the relevant information in light of the Companies Act 2016, which came into effect on 31 January 2017.

(c) On 30 September 2016, Titijaya Land Berhad entered into a proposed acquisition of the entire equity interest in NPO Builders Sdn Bhd and full settlement of advances for a total purchase consideration of RM115, 612,302 to be satisfied via the issuance of 79,732,622 new ordinary shares of RM0.50 each at an issue price of RM1.45 per shares. ("Proposed Acquisition")

The Proposed Acquisition is pending for completion.

(d) On 8 November 2016, Titijaya Resources Sdn Bhd (Company No. 1078020-X)('TRSB"), a wholly owned subsidiary of Titijaya Land Berhad entered into the following agreement: -

(i) A share sales agreement between TRSB, CREC Development (M) Sdn Bhd (Company No. 1206194-U) ("CREC"), Chan Peng Kooh and Rafidah binti Menan for the proposed acquisition of 10,440,000 ordinary share of RM 1.00 each, representing the entire issued and paid-up share capital of Ampang Avenue Development Sdn Bhd (Company No. 826971-X) ("Ampang Avenue") for a purchase consideration of RM 10,000,000 and assumption of the shareholders' advances of RM 70,000,000 from Chan Peng Kooh and Rafidah binti Menan arriving at a total purchase consideration of RM 80,000,000 ("Proposed Acquisition"); and

(ii) A shareholder agreement between TRSB and CREC to regulate their relationship inter se as shareholders of Ampang Avenue ("Proposed Joint Venture").

The Proposed Acquisition is pending for the completion.

(e) On 27 February 2017, TLB has entered into Share Sales Agreement with Tan Chuan Cheong and Tee Tiong Lee for the proposed acquisition of 3,000,000 ordinary shares equivalent to RM 3,000,000, representing the entire issued share capital of Sri Komakmur Development Sdn Bhd (Company No. 91489-M) for a purchase consideration of RM 70,919,000.00. ("Proposed Acquisition")

The Proposed Acquisition is pending for completion.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B9. Status of Corporate Proposal (Cont.)

(f) On 27 February 2017, TLB entered into Framework Agreement with CREC Development (M) Sdn Bhd (Company No. 1206194-U) to record the provisional intention of TLB with respect of the Engineering Procurement Construction and Commission Agreement, the participation in business opportunity with Laksana Wawasan Sdn Bhd, and the joint marketing collaboration with respect to project known as The Shore, Kota Kinabalu, Sabah on a leasehold land held under title TL017526475 (Kota Kinabalu, District of Koata Kinabalu). ("Proposed Acquisition")

The Proposed Acquisition is pending for completion.

B10. Group Borrowings

The Group borrowings as at 31 March 2017 were as follows:

	As at 31.03.2017 RM'000	As at 30.06.2016 RM'000
Current - Secured		
Hire purchase payables	195	119
Bank overdrafts	31,115	29,803
Term loans	82,212	59,816
Revolving credit	15,000	15,000
	128,522	104,738
Non-current - Secured		
Hire purchase payables	907	431
Term loans	257,429	100,681
	258,336	101,112
Total group borrowings	**386,858**	**205,850**

The above borrowings were denominated in Ringgit Malaysia.

B11. Earnings per Share

(a) Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2017 TO 31.03.2017	01.01.2016 TO 31.03.2016	01.07.2016 TO 31.03.2017	01.07.2015 TO 31.03.2016
Profit attributable to owners of the company (RM'000)	19,232	15,171	59,723	53,434
Weighted average number of ordinary shares in issue ('000)	390,924	352,998	390,924	354,125
Basic earnings per share (sen)	4.92	4.30	15.28	15.09

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B11. Earnings per Share

(b) Diluted Earnings Per Share

Dilutive earnings per share have been calculated by dividing the profit attributable to owners of the company for the period by weighted average number of shares that would have been issued upon full conversion of the remaining Redeemable Convertible Preference Shares on the basis of one (1) ordinary share for every three (3) RCPS held.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2017 TO 31.03.2017	01.01.2016 TO 31.03.2016	01.07.2016 TO 31.03.2017	01.07.2015 TO 31.03.2016
Profit attributable to owners of the Company (RM'000)	19,232	15,171	59,723	53,434
Weighted average number of ordinary shares in issue ('000)	390,924	352,998	390,924	354,125
Effect of dilution: Redeemable Convertible Preference Shares ('000)	6,666	13,333	6,666	13,333
Adjusted weighted average number of ordinary shares ('000)	397,590	366,331	397,590	367,458
Dilluted earnings per share (sen)	4.84	4.14	15.02	14.54

B12. Realised and Unrealised Profits or Losses Disclosure

The following analysis of realised and unrealised retaining earnings is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure is based on the prescribed formed by the Bursa Malaysia Securities Berhad.

	As At 31.03.2017 RM'000	As At 30.06.2016 RM'000
Total retained earnings of the Group		
- Realised	414,085	321,487
- Unrealised	(306)	(789)
	413,779	320,698
Consolidation adjustments	(58,473)	(23,182)
Total retained earnings as per statement of financial position	**355,306**	**297,516**

The unrealised portion within retained earnings as at 31 March 2017 predominantly related to the net deferred tax liabilities.

The consolidation adjustment recognised for the Group mainly related to reserve from reverse acquisition and hence realised.

TITIJAYA
LAND BERHAD
BUILT TO INSPIRE

Titjaya Land Berhad (Co. No. 1009114-M)
N-16-01, Penthouse, Level 16
First Subang, Jalan SS 15/4G
47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel : 603-8022 9999
Fax : 603-8022 9888
Email : info@titijaya.com.my
www.titijaya.com.my

Registered Office:

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

18 AUG 2017

To: Shareholders of Titijaya Land Berhad ("**TLB**" or the "**Company**")

Dear Sir / Madam,

On behalf of the Board of Directors of TLB ("**Board**"), I wish to report that after making due enquiries in relation to our Company and subsidiary companies ("**Group**") during the period between 30 June 2016 (being the date on which the latest audited consolidated financial statements have been made up) to the date thereof, being a date not earlier than 14 days before the date of this Abridged Prospectus that:

(i) in the opinion of the Board, the business of our Group has been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in Section 8.3 of this Abridged Prospectus, there are no other contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

(v) since the last audited consolidated financial statements of our Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings; and

(vi) save as disclosed in Section 8 of this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the results of our Group since the last audited consolidated financial statements of our Group.

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

LIM POH YIT
Deputy Group Managing Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

1.1 Save for the ICPS and new Shares to be issued pursuant to the conversion of the ICPS, no securities in our Company will be allotted or issued on the basis of this AP later than 12 months after the date of the issuance of this AP.

1.2 As at the date of this AP, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only 1 class of shares in our Company, namely ordinary shares, all of which rank *pari passu* with one another.

1.3 Save the Entitled Shareholders who will be allotted the provisional ICPS under the Rights Issue of ICPS, no person has been or is entitled to be granted an option to subscribe for any of our securities as at the LPD.

2. REMUNERATION OF DIRECTORS

The provisions in our Articles of Association in respect of the arrangements for the remuneration of Directors are as follows:

Directors' Remuneration

Article 90 (1) The fees payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting PROVIDED THAT such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting. Any Director holding office for a part of a year shall be entitled to a proportionate part of such fee.

(2) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.

(3) An executive Director shall, subject to the terms of any agreement (if any) entered into in any particular case, receive such remuneration (whether by way of salary or participation in profits, or partly in one way and partly in another) as the Directors may determine.

(4) Salaries payable to executive Directors may not include a commission on or percentage of turnover.

(5) Any fee paid to an alternate Director shall be such amount as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

(6) The Directors shall also be paid such travelling, hotel and other expenses properly and reasonably incurred by them in the execution of their duties including any such reasonable expenses incurred in connection with their attendance at meetings of the Directors, any committee of the Directors or General Meetings of the Company or in connection with the business of the Company.

3. MATERIAL CONTRACTS

Save as disclosed below, neither we nor our subsidiary companies have entered into any material contracts, (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this AP:

(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) Terbit Kelana Development Sdn Bhd, our wholly-owned subsidiary, had on 28 August 2015 entered into a sale and purchase agreement with Malaysian Engineering & Oilfield Services Sdn Bhd to purchase all that properties distinguished as Parcel No. S-16-01 within Storey No. 16th Floor in a commercial building development known as FIRST SUBANG measuring approximately 13,330 square feet in area erected thereon a freehold land which is held under Master Title HS(D) 9014, PT No. 3652 in the Mukim of Damansara, District of Petaling, State of Selangor Darul Ehsan and bearing postal address of S-16-01, Penthouse, 16th Floor, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan for a cash consideration of RM7,000,000.

The said acquisition was completed on 25 July 2016.

(iii) TRSB had on 30 October 2015 entered into a shareholders' agreement ("**Shareholders' Agreement**") with Amona Development Sdn Bhd ("**ADSB**") and Amona Titijaya Sdn Bhd ("**JV Company**") to form a strategic collaboration and to govern the material aspects of the joint venture, the conduct of the business and the management of the JV Company. ADSB had made a proposal to the Government to construct school facilities in exchange for a Government's land situated at Bukit Bintang, Kuala Lumpur measuring approximately 2.7 acres. The Government has in principle agreed to accept the proposal for the JV Company to build 6 schools in Kuala Lumpur. The details of the proposal are still subject to the execution of a privatization agreement. Pursuant to the joint venture, the percentage of shareholding shall be 60:40 (ADSB:TRSB).

As at the LPD, the parties have yet to enter into any privatization agreement. The said parties are in the midst of negotiation to finalise the privatization agreement.

(iv) Our Company had on 30 September 2016 entered into the SSAs with the Vendors for the Proposed Acquisition of NPOB to be satisfied via the 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 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 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, 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.*

(v) TRSB had on 8 November 2016 entered into the following agreements:

(a) the Share Sale Agreement in relation to the 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.

(vi) Our Company had on 27 February 2017 entered into a share sale agreement with Tan Chuan Cheong and Tee Tiong Lee in relation to the 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 4^{th} quarter of 2017.

4. MATERIAL LITIGATION

As at the LPD, neither we nor our subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board do not have any knowledge of any proceeding, pending or threatened, against us or our subsidiary companies or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Company or our subsidiary companies.

5. GENERAL

5.1 There is no existing or proposed service contract entered or to be entered into by our Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within 1 year from the date of this AP.

5.2 Save as disclosed in this AP, the financial conditions and operations of our Group are not affected by any of the following:

(i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(ii) material commitments for capital expenditure of our Group;

(iii) unusual or infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;

(iv) known trends or uncertainties that have had or that our Group reasonably expects will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

(v) substantial increase in revenues; and

(vi) material information, including trading factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

The Adviser, Company Secretaries, Principal Bankers, Share Registrar, Solicitors for the Rights Issue of ICPS and Bloomberg Finance L.P. have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto in the form and context in which they appear in this AP.

The written consent of our Reporting Accountants and Auditors to the inclusion in this AP of their names and letter relating to the pro forma consolidated statements of financial position of our Group as at 30 June 2016 and the audited consolidated financial statements of our Group for the FYE 30 June 2016 respectively, and all references thereto in the form and context in which they appear have been given before the issuance of this AP and have not subsequently been withdrawn.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan during normal business hours from 8.30 a.m. to 5.30 p.m. from Mondays to Fridays (excluding public holidays) for the period of 12 months from the date of this AP:

(i) our Memorandum and Articles of Association;

(ii) the audited financial statements of our Group for the FYE 30 June 2015 and FYE 30 June 2016 and our latest unaudited consolidated financial results for the 9-month FPE 31 March 2017;

(iii) the pro forma consolidated statements of financial position as at 30 June 2016 and the Reporting Accountants' letter thereon as set out in **Appendix III** of this AP;

(iv) the undertaking letter from the Undertaking Shareholder referred to in Section 2.4 of this AP;

(v) Directors' Report referred to as **Appendix VI** of this AP;

(vi) the material contracts as set out in Section 3 above; and

(vii) the letters of consent referred to in Section 6 above.

8. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein 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 this Rights Issue of ICPS.

[The rest of this page has been intentionally left blank]

NOTICE OF PROVISIONAL ALLOTMENT OF ICPS

Terms defined in the Abridged Prospectus dated 30 August 2017 ("**Abridged Prospectus**") shall have the same meanings when used in this Notice of Provisional Allotment. The provisional allotment of ICPS (as defined herein) is a prescribed security pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") shall apply in respect of dealings in the provisional allotment of ICPS.

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 TITIJAYA LAND BERHAD ("TLB" OR THE "COMPANY") ("ICPS") ON THE BASIS OF 3 ICPS FOR EVERY 2 EXISTING ORDINARY SHARES IN TLB ("TLB 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")

Adviser

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

To: Shareholders of TLB

Dear Sir / Madam,

The Board of Directors of TLB ("**Board**") has provisionally allotted to you, in accordance with the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") dated 17 May 2017 and the Ordinary Resolution passed by shareholders of the Company at the Extraordinary General Meeting convened on 7 July 2017, the number of ICPS as indicated below ("**Provisional Allotment**").

We wish to advise that the following ICPS provisionally allotted to you in respect of the Rights Issue of ICPS has been confirmed by Bursa Depository and upon acceptance will be credited into your Central Depository System ("**CDS**") account(s) subject to the terms and conditions stated in the Abridged Prospectus and the Rights Subscription Form dated 30 August 2017 issued by the Company.

The Provisional Allotment is made subject to the provisions in the Abridged Prospectus dated 30 August 2017 issued by the Company. Bursa Securities has already prescribed the securities of TLB listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the provisional allotment of ICPS arising from the Rights Issue of ICPS are prescribed securities and, as such, all dealings in the Provisional Allotment will be by way of book entry through CDS accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository.

ALL ICPS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF ICPS WILL BE ALLOTTED BY WAY OF CREDITING THE ICPS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S)/TRANSFEREES(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

It is the intention of the Board to allot the excess ICPS 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 the entitled shareholders who have applied for the excess ICPS, based on their respective shareholdings in the Company as at the Entitlement Date;
(iii) thirdly, on a pro-rata basis and in board lots, to the 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 the transferee(s) and/or renouncee(s) who have applied for excess ICPS, based on the quantum of their respective excess application.

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

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

NUMBER OF TLB SHARES HELD AS AT 5.00 P.M. ON 30 AUGUST 2017	NUMBER OF ICPS PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.165 PER ICPS (RM)

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.
Last date and time for transfer of provisional allotment of ICPS	Wednesday, 13 September 2017 at 4.00 p.m.
Last date and time for acceptance and payment	Monday, 18 September 2017 at 5.00 p.m.
Last date and time for excess application and payment	Monday, 18 September 2017 at 5.00 p.m.

By order of the Board
Chua Siew Chuan (MAICSA 0777689)
Tan Ley Theng (MAICSA 7030358)
Company Secretaries

Share Registrar
Symphony Share Registrars Sdn Bhd (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
Fax No.: 03-7841 8151 / 8152

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 30 AUGUST 2017.

RIGHTS SUBSCRIPTION FORM

TERMS DEFINED IN THE ABRIDGED PROSPECTUS DATED 30 AUGUST 2017 ("ABRIDGED PROSPECTUS") SHALL HAVE THE SAME MEANINGS WHEN USED IN THIS RIGHTS SUBSCRIPTION FORM ("RSF") AND THE NOTES AND INSTRUCTIONS FOR COMPLETING THIS RSF. THIS RSF IS ISSUED FOR THE PURPOSE OF ACCEPTING THE ICPS (AS DEFINED HEREIN) AND APPLYING FOR EXCESS ICPS PURSUANT TO THE RIGHTS ISSUE OF ICPS (AS DEFINED HEREIN) OF TITIJAYA LAND BERHAD ("TLB" OR THE "COMPANY"). THE LAST TIME AND DATE FOR ACCEPTANCE AND PAYMENT IS 5.00 P.M. ON 18 SEPTEMBER 2017. THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL ALLOTMENT OF ICPS STANDING TO THE CREDIT OF HIS / HER CENTRAL DEPOSITORY SYSTEM ("CDS") ACCOUNT.

TITIJAYA LAND BERHAD
BUILT TO INSPIRE

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") 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")

NAME AND ADDRESS OF APPLICANT (in block letters as per Bursa Depository's Record)

NRIC NO. / PASSPORT NO. (STATE COUNTRY) **/ COMPANY NO.**

CDS ACCOUNT NO. | | | | - | | | - | | | | | | | | |

NUMBER OF TLB SHARES HELD AS AT 5.00 P.M. ON 30 AUGUST 2017	NUMBER OF ICPS PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.165 PER ICPS (RM)

Note: *If you have subsequently purchased additional provisional ICPS from the open market, you should indicate your acceptance of the total provisional ICPS that you have standing to the credit in your CDS account under Part I(A).*

To: The Board of Directors of TLB ("**Board**")

PART I – ACCEPTANCE OF PROVISIONAL ICPS AND APPLICATION FOR EXCESS ICPS

In accordance with the terms of this RSF and the Abridged Prospectus, I / we* hereby irrevocably:

(i) *accept the number of ICPS as stated below, which were provisionally allotted / transferred / renounced* to me / us*;

(ii) *apply for the number of excess ICPS as stated below in addition to the above;

in accordance with and subject to the Memorandum & Articles of Association of the Company.

I / We* enclose herewith the appropriate remittance(s) for the payment stated below, in favour of the respective account stated below and crossed "**ACCOUNT PAYEE ONLY**", being the full amount payable for the said number of ICPS accepted / applied for, and hereby request for the said ICPS to be credited into my / our valid and subsisting CDS account as stated above:

NUMBER OF ICPS ACCEPTED / EXCESS ICPS APPLIED		AMOUNT PAYABLE BASED ON RM0.165 PER ICPS (RM)	BANKER'S DRAFT / CASHIER'S ORDER / MONEY ORDER / POSTAL ORDER NO.	PAYABLE TO
(A) ACCEPTANCE				**TLB RIGHTS ISSUE ACCOUNT**
(B) EXCESS				**TLB EXCESS RIGHTS ISSUE ACCOUNT**

I / We* hereby authorise you to return without interest, my / our* application money or the balance thereof should my / our* application for excess ICPS be not successful at all or only partial successful by ORDINARY POST to me / us* at MY / OUR* OWN RISK.

PART II – DECLARATION

I / We* hereby confirm and declare that:

(i) All information provided by me / us* is true and correct;

(ii) All information is identical with the information in the records of Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my / our* rights may be rejected;

(ii) I / We* consent to TLB and the Share Registrar of TLB collecting the information and personal data (collectively "**Data**") required herein, to process and disclose such Data to any person for the purposes of implementing the Rights Issue of ICPS and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations; and

- * I am 18 years of age or over.
- * I am / We are* resident(s) of Malaysia.
- * I am / We are* resident(s) of …………………… (country) and having …………………… citizenship.
- * I am / We are* nominee(s) of a person who is a Bumiputera / Non-Bumiputera / Non-Citizen* resident in …………………… (country) and having …………………… citizenship.

I / We* hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus and further confirm compliance with all the requirements for acceptance and payment as set out therein.

AFFIX MALAYSIAN REVENUE STAMP OF RM10.00 HERE

Date

Signature / Authorised signatory(ies)
(Corporate Bodies must affix their Common Seal)

Contact telephone no. during office hours

LAST DATE AND TIME FOR

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.

** Please delete whichever is not applicable.*

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS AND SERVICES ACT 2007. THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS DATED 30 AUGUST 2017 ("ABRIDGED PROSPECTUS").

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. ALL ENQUIRIES CONCERNING THE RIGHTS ISSUE OF ICPS SHOULD BE ADDRESSED TO THE SHARE REGISTRAR OF THE COMPANY, SYMPHONY SHARE REGISTRARS SDN BHD, LEVEL 6, SYMPHONY HOUSE, PUSAT DAGANGAN DANA 1, JALAN PJU 1A/46, 47301 PETALING JAYA, SELANGOR DARUL EHSAN. INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF.

This RSF, together with the Abridged Prospectus and Notice of Provisional Allotment ("**NPA**") for the Rights Issue of ICPS, is not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of ICPS complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled shareholders and/or their renouncees/transferees (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue of ICPS would result in the contravention of any laws of such countries or jurisdictions. Titijaya Land Berhad ("**TLB**" or the "**Company**") and TA Securities Holdings Berhad shall not accept any responsibility or liability in the event that any acceptance or renunciation made by entitled shareholders and/or their renouncees/transferees (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the entitled shareholders and/or renouncees/transferees (if applicable) are residents.

A copy of the Abridged Prospectus has been registered with the Securities Commission Malaysia ("**SC**"). The registration of the Abridged Prospectus 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 the Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Abridged Prospectus, 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.

The shareholders of TLB have approved the Rights Issue of ICPS at the Extraordinary General Meeting held on 7 July 2017. Approval has also been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**"), vide its letter dated 17 May 2017, 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. The official listing of and quotation for the ICPS will commence after, among others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") that all the Central Depository System ("**CDS**") accounts of entitled shareholders and/or their renouncees/transferees (if applicable) have been duly credited and notices of allotment have been despatched to the successful applicants.

Neither Bursa Securities nor the SC takes any responsibility for the correctness or accuracy of any statements made or opinions expressed herein. Admission to the Official List and quotation of the said securities on Bursa Securities are in no way reflective of the merits of the Rights Issue of ICPS.

This RSF, together with the Abridged Prospectus and NPA, have been seen and approved by the Board of Directors of TLB ("**Board**") and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

The provisionally allotted ICPS are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of the Bursa Depository shall apply in respect of dealings of the provisionally allotted ICPS.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia (or "**RM**" in abbreviation) and sen. Terms defined in the Abridged Prospectus shall have the same meanings when used in these documents, unless they are otherwise defined here or other context otherwise requires.

INSTRUCTIONS:

(I) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 5.00 p.m. on 18 September 2017.

(II) FULL ACCEPTANCE OF THE ICPS

If you wish to accept the ICPS provisionally allotted to you, please complete Part I(A) and Part II of this RSF and return this RSF, together with the appropriate remittance made 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 and must be made out in favour of "**TLB RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and CDS account number in block letters, for the full amount payable for the ICPS accepted, to be received by the Share Registrar as detailed below, before 5.00 p.m. on 18 September 2017. Cheques or any other mode of payments are not acceptable.

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

Telephone No.: 03-7849 0777
Facsimile No.: 03-7841 8151 / 8152

FOR ORDINARY POST:-

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

If acceptance and payment for the ICPS provisionally allotted to you is not received by the Share Registrar by 5.00 p.m. on 18 September 2017, being the last time and date for acceptance and payment, such provisional allotment of rights will be deemed to have been declined and will be cancelled. The Board will then have the right to allot such ICPS not taken up, first, to applicants applying for excess ICPS in the manner set out in note (IV) below.

The remittance must be made for the exact amount payable for the ICPS accepted (ROUNDED UP TO THE NEAREST SEN). No acknowledgement will be issued but a notice of allotment will be despatched to you by ordinary post to the address stated in the Record of Depositors provided by Bursa Depository within 8 market days from the last date for acceptance and payment for the ICPS.

(III) PART ACCEPTANCE OF THE ICPS

If you wish to accept part of your provisional allotment of the ICPS, please complete Part I(A) of this RSF by specifying the number of ICPS which you are accepting and Part II of this RSF and deliver the completed RSF together with the relevant payment to the Share Registrar by 5.00 p.m. on 18 September 2017, being the last time and date for acceptance and payment.

(IV) APPLICATION FOR EXCESS ICPS

If you and/or your renouncee(s)/transferee(s) (if applicable) wish to apply for excess ICPS in addition to those provisionally allotted to you and/or your renouncee(s)/transferee(s) (if applicable), please complete Part I(B) of this 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 the Share Registrar. Payment for the excess ICPS applied for should be made in the same manner described in note (II) above, with remittance in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and made payable to "**TLB EXCESS RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and CDS account number in block letters to be received by the Share Registrar not later than 5.00 p.m. on 18 September 2017, being the last time and date for the excess ICPS acceptance and payment. No acknowledgement will be issued but a notice of allotment will be despatched to you by ordinary post to the address stated in the Record of Depositors provided by Bursa Depository within 8 market days from the last date for acceptance and payment for the excess ICPS.

In respect of unsuccessful or partially successful excess ICPS applications, 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 date for application and payment for the excess ICPS by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at the applicant's own risk. It is the intention of the Board to allot the excess ICPS on a fair and equitable basis and in the following priority:

(a) firstly, to minimise the incidence of odd lots;
(b) secondly, on a pro-rata basis and in board lots, to the entitled shareholders who have applied for the excess ICPS, based on their respective shareholdings in the Company as at the Entitlement Date;
(c) thirdly, on a pro-rata basis and in board lots, to the entitled shareholders who have applied for excess ICPS, based on the quantum of their respective excess application; and
(d) lastly, on a pro-rata basis and in board lots, to the transferee(s) and/or renouncee(s) who have applied for excess ICPS, based on the quantum of their respective excess application.

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

(V) SALE/TRANSFER OF THE PROVISIONAL ALLOTMENT OF ICPS

If you wish to sell/transfer all or part of your provisional allotment of the ICPS to your renouncee(s)/transferee(s) (if applicable), you may do so immediately through your stockbroker without first having to request the Company for a splitting of the provisional allotment of the ICPS standing to the credit of your CDS accounts. To sell/transfer all or part of your provisional allotment of the ICPS, you may sell such provisional allotment of the ICPS on the open market of Bursa Securities or transfer such provisional allotment to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling/transferring all or part of your provisional allotment of the ICPS, you and/or your renouncee(s)/transferee(s) (if applicable) need not deliver any document, including this RSF, to the stockbroker. However, you and/or your renouncee(s)/transferee(s) (if applicable) must ensure that you have sufficient provisional allotment of the ICPS standing to the credit of your CDS account before trading.

The purchaser(s)/renouncee(s)/transferee(s) can collect a copy of this RSF for the acceptance of his/her/their rights from his/her/their stockbroker, the Registered Office of the Company, the Share Registrar's office or Bursa Securities' website at http://www.bursamalaysia.com.

If you have sold only part of the provisional allotment of the ICPS, you may still accept the balance of your provisional allotment of the ICPS by completing Parts I(A) and II of this RSF.

(VI) GENERAL INSTRUCTIONS

(a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
(b) ICPS subscribed by the shareholders and/or their renouncee(s)/transferee(s) will be credited into their respective CDS accounts as shown in Bursa Depository's Record of Depositors.
(c) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
(d) The contract arising from the acceptance of the provisional allotment of the ICPS by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract.
(e) The Company reserves the right to accept or reject any acceptance and/or application if the instructions hereinabove stated are not strictly adhered to.
(f) Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on the RSF.