

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this Circular in relation to the Proposed Amendments (as defined herein) prior to its issuance pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- (I) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 614,999,899 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN TITIJAYA LAND BERHAD (“TLB”) (“ICPS”) ON THE BASIS OF 3 ICPS FOR EVERY 2 EXISTING ORDINARY SHARES IN TLB HELD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED RIGHTS ISSUE OF ICPS”); AND**
- (II) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF TLB TO FACILITATE THE PROPOSED RIGHTS ISSUE OF ICPS (“PROPOSED AMENDMENTS”)**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser for (I)*



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

The Notice of Extraordinary General Meeting (“**EGM**”) of TLB to be held at Concorde II, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 7 July 2017 at 3.00 p.m. or at any adjournment thereof, together with the Form of Proxy are enclosed in this Circular.

As a shareholder, you are entitled to attend and vote at the EGM. You may also appoint a proxy or proxies to attend and vote on your behalf. You must complete and deposit the Form of Proxy at the office of the Registrar of the Company at Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not later than 48 hours before the time set for the EGM as indicated below or at any adjournment thereof. You are not precluded from attending and voting in person at the EGM should you wish to do so subsequent to the lodging of the Form of Proxy.

Last date and time for lodging the Form of Proxy : Wednesday, 5 July 2017 at 3.00 p.m.  
Date and time of the EGM : Friday, 7 July 2017 at 3.00 p.m. or at any adjournment thereof

This Circular is dated 6 June 2017

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## DEFINITIONS

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

“5D-VWAP”	: 5-day volume weighted average market price
“AADSB”	: Ampang Avenue Development Sdn Bhd
“Acquisition of Land”	: Acquisition of the Land from TGSB for a cash consideration of RM126,000,000 by CMD
“Act”	: Companies Act 2016, as amended, modified or re-enacted from time to time
“Announcement”	: The announcement of the Proposals dated 26 August 2016
“Baker Tilly”	: Messrs. Baker Tilly Monteiro Heng, the Reporting Accountants for the Proposed Rights Issue of ICPS
“BNM”	: Bank Negara Malaysia
“Board”	: Board of Directors of our Company
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd
“Bursa Securities” or “Exchange”	: Bursa Malaysia Securities Berhad
“CDS”	: Central Depository System
“Circular”	: This circular to our shareholders dated 6 June 2017
“CMD”	: City Meridian Development Sdn Bhd, our wholly-owned subsidiary
“Code”	: Malaysian Code on Take-Overs and Mergers 2016
“Conversion Ratio” and “Conversion Price”	: Conversion ratio of the ICPS which has been fixed at either 10 ICPS to be converted into 1 TLB Share or a combination of 1 ICPS and indicative cash payment of RM1.485 for 1 TLB Share
“CRECD”	: CREC Development (M) Sdn Bhd, a wholly-owned subsidiary of China Railway Engineering Corporation (M) Sdn Bhd, which is a wholly-owned subsidiary of China Railway Group Limited
“Director”	: A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2 of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary general meeting
“Entitled Shareholders”	: Our shareholders whose names appear in our Record of Depositors as at the close of business on the Entitlement Date
“Entitlement Date”	: The date (to be determined by our Board and announced later by our Company) as at the close of business on which the names of our shareholders must appear in our Record of Depositors in order to be entitled for the Proposed Rights Issue of ICPS
“EPS”	: Earnings per TLB Share
“FYE”	: Financial year ended/ending, as the case may be
“GDC”	: Gross development cost
“GDV”	: Gross development value
“Government”	: Government of Malaysia

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**DEFINITIONS (CONT'D)**

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“ICPS”	: Up to 614,999,899 new irredeemable convertible preference shares in our Company to be issued pursuant to the Proposed Rights Issue of ICPS
“Land”	: A parcel of leasehold land held under PN4022, Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments, modifications and additions thereto
“LPD”	: 17 May 2017, being the latest practicable date prior to the printing of this Circular
“Market Day”	: Any day on which Bursa Securities is open for trading in securities
“Maximum Scenario”	: Assuming all of the Outstanding RCPS are converted into TLB Shares prior to the Proposed Rights Issue of ICPS, and all the Entitled Shareholders fully subscribe for their ICPS entitlements of the Proposed Rights Issue of ICPS
“Minimum Scenario”	: Assuming none of the Outstanding RCPS is converted into TLB Shares prior to the implementation of the Proposed Rights Issue of ICPS, and only the Undertaking Shareholder fully subscribes for its ICPS entitlement based on its Undertaking
“Minimum Subscription Level”	: Minimum level of subscription of 353,192,500 ICPS pursuant to the Undertaking
“NA”	: Net assets attributable to ordinary equity holders of our Company
“Outstanding RCPS”	: 20,000,000 outstanding RCPS as constituted by our Memorandum and Articles of Association, which remain unexercised as at the LPD
“Private Placement”	: The issuance of 36,666,600 new TLB Shares at an issue price of RM1.35 each pursuant to the private placement which was completed on 23 September 2016
“Proposals”	: Proposed Rights Issue of ICPS and Proposed Amendments, collectively
“Proposed Amendments”	: Proposed amendments to our Articles of Association to facilitate the Proposed Rights Issue of ICPS
“Proposed Rights Issue of ICPS”	: Proposed renounceable rights issue of up to 614,999,899 ICPS on the basis of 3 ICPS for every 2 existing TLB Shares held on the Entitlement Date
“RCPS”	: Redeemable convertible preference shares in our Company
“Record of Depositors”	: A record of securities holders provided by Bursa Depository under the rules of Bursa Depository
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Rules”	: Rules on Take-overs, Mergers and Compulsory Acquisitions
“SKDSB”	: Sri Komakmur Development Sdn Bhd
“SPA”	: Conditional sale and purchase agreement dated 21 May 2014 entered into between CMD and TGSB for the Acquisition of Land
“Supplemental Agreement”	: Supplemental agreement to the SPA dated 19 January 2015 entered into between CMD and TGSB
“TA Securities” or “Adviser”	: TA Securities Holdings Berhad
“TERP”	: Theoretical ex-rights price

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**DEFINITIONS (CONT'D)**

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“TGSB” or “Undertaking Shareholder”	:	Titijaya Group Sdn Bhd, our controlling shareholder
“TLB” or “Company”	:	Titijaya Land Berhad
“TLB Group” or “Group”	:	Our Company and our subsidiaries, collectively
“TLB Shares” or “Shares”	:	Ordinary shares in our Company
“TRSB”	:	Titijaya Resources Sdn Bhd, our wholly-owned subsidiary
“Undertaking”	:	Written unconditional and irrevocable undertaking dated 26 August 2016 from the Undertaking Shareholder that it will not dispose of any of its TLB Shares following the date of the Announcement up to the Entitlement Date, and also that it will subscribe in full for its entitlement of 353,192,500 ICPS pursuant to the Proposed Rights Issue of ICPS

All references to “our Company” in this Circular are to TLB, references to “our Group” are to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, our Group. All references to “you” in this Circular are references to the shareholders of our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

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

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**TITIJAYA LAND BERHAD**

(Company No. 1009114-M)

(Incorporated in Malaysia under the Companies Act 2016)

**Registered Office:**

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

6 June 2017

**Board of Directors**

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

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

Lim Poh Yit *(Deputy Group Managing Director)*

Lim Puay Fung *(Executive Director)*

Chin Kim Chung *(Independent Non-Executive Director)*

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

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

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

**To: Our Shareholders**

Dear Sir/Madam,

- (I) PROPOSED RIGHTS ISSUE OF ICPS; AND**
- (II) PROPOSED AMENDMENTS**

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**1. INTRODUCTION**

On 26 August 2016, TA Securities announced on behalf of our Board that our Company proposes to undertake the Proposals.

On 20 September 2016, TA Securities had on behalf of our Board submitted the additional listing application for the Proposed Rights Issue of ICPS to Bursa Securities for approval. Subsequently, our Board had on 24 February 2017 decided to withdraw the said additional listing application to update the relevant information in light of the Act, which came into effect on 31 January 2017.

Bursa Securities had, vide its letter dated 17 May 2017, approved the following:

- (i) admission to the Official List of the Main Market of Bursa Securities and the listing of and quotation for up to 614,999,899 ICPS; and
- (ii) listing of and quotation for up to 614,999,899 new TLB Shares to be issued pursuant to the conversion of the ICPS,

on the Main Market of Bursa Securities, subject to the conditions as stated in Section 8 of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT OUR BOARD'S RECOMMENDATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 Proposed Rights Issue of ICPS**

The Proposed Rights Issue of ICPS entails the issuance of up to 614,999,899 ICPS on the basis of 3 ICPS for every 2 existing TLB Shares held by our Entitled Shareholders.

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

- (i) the indicative issue price of the ICPS of RM0.165 each, as detailed in Section 2.1.1 of this Circular;
- (ii) the funding requirements of our Group, as detailed in Section 3 of this Circular; and
- (iii) the rationale for the Proposed Rights Issue of ICPS, as set out in Section 4.1 of this Circular.

For illustrative purposes only, the maximum number of 614,999,899 ICPS were arrived based on our enlarged number of issued ordinary shares of up to 409,999,933 TLB Shares after taking into consideration the following:

- (i) our existing number of issued ordinary shares as at the LPD of 403,333,267 TLB Shares; and
- (ii) assuming full conversion of the 20,000,000 Outstanding RCPS into 6,666,666 new TLB Shares prior to the Entitlement Date.

The actual number of ICPS to be offered will only be determined on the Entitlement Date. The entitlements for the ICPS are renounceable in full or in part. The ICPS which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s) (if applicable). It is the intention of our Board to allocate the excess ICPS in a fair and equitable manner on a basis to be determined by our Board and announced later by our Company.

In determining the shareholders' entitlements under the Proposed Rights Issue of ICPS, fractional entitlements, if any, shall be disregarded and/or dealt with by our Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of our Company.

#### **2.1.1 Basis of determining and justification for the issue price of the ICPS**

The issue price of the ICPS shall be determined by our Board at a later date.

For illustrative purposes only, the indicative issue price of RM0.165 each for the ICPS is determined after taking into consideration the following:

- (i) the 5D-VWAP of TLB Shares up to and including the LPD of RM1.6607;

- (ii) the Conversion Ratio and Conversion Price;
- (iii) the rationale for the Proposed Rights Issue of ICPS as set out in Section 4.1 of this Circular; and
- (iv) the funding requirements of our Group, as detailed in Section 3 of this Circular.

The indicative Conversion Price of RM1.65 for the ICPS into 1 TLB Share represents a discount of approximately RM0.0093 or 0.56% over the TERP of RM1.6593 per TLB Share, calculated based on the 5D-VWAP of TLB Shares up to and including the LPD of RM1.6607 per TLB Share. The TERP is based on the conversion ratio of 10 ICPS to be converted into 1 new TLB Share.

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

The Conversion Ratio of the ICPS which has been fixed at either 10 ICPS for 1 TLB Share or a combination of 1 ICPS and indicative cash payment of RM1.485 for 1 TLB Share was arrived at after taking into consideration the following:

- (i) the indicative issue price of RM0.165 for each ICPS;
- (ii) the indicative Conversion Price of RM1.65 for the ICPS;
- (iii) the funding requirements of our Group, as detailed in Section 3 of this Circular; and
- (iv) the pro forma effects of the Proposed Rights Issue of ICPS (as detailed in Section 6 of this Circular), while enabling our Company to have the potential to raise additional funds (i.e., from the conversion of ICPS into TLB Shares via a combination of 1 ICPS and indicative cash payment of RM1.485 for 1 TLB Share).

### 2.1.2 Indicative salient terms of the ICPS

The indicative salient terms of the ICPS are as follows:

<b>Terms</b>	<b>Details</b>
Issue size	: Up to 614,999,899 ICPS.
Issue price	: RM0.165 per ICPS.
Dividend rate	: Subject to the compliance of Section 131 of the Act, our Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative.
	The dividends of the ICPS shall be paid in priority over our ordinary shares. For avoidance of doubt, our RCPS holder is not entitled to any dividend as the RCPS bears zero dividend rate.
Tenure	: 5 years commencing from and inclusive of the date of issuance of the ICPS.
Maturity date	: The day immediately preceding the 5 <sup>th</sup> anniversary from the date of issuance of the ICPS. If such day falls on a non-market day, then the maturity date would be the preceding market day.



<b>Terms</b>	<b>Details</b>
Redemption	: Not redeemable for cash.
Board lot	: For the purpose of trading on Bursa Securities, 1 board lot of ICPS shall comprise 100 ICPS, or such other denomination as determined by Bursa Securities from time to time.
Form and denomination	: The ICPS will be issued in registered form and will be constituted by our Company's Articles of Association.
Conversion rights	: (a) Each ICPS carries the entitlement to convert into new TLB Shares at the Conversion Ratio through the surrender of the ICPS.  (b) No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion.  (c) If the conversion results in a fractional entitlement to the ordinary shares of our Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.
Conversion period	: (a) The ICPS can be converted at any time within 5 years commencing on and including the date of issuance of the ICPS up to and including the maturity date, as determined by the Conversion Ratio and Conversion Price.  (b) Any remaining ICPS that are not converted by the maturity date shall be automatically converted into new TLB Shares at the conversion ratio of 10 ICPS to be converted into 1 new TLB Share.
Conversion Ratio and Conversion Price	: The Conversion Ratio and Conversion Price have been fixed at either 10 ICPS to be converted into 1 new TLB Share or a combination of 1 ICPS and cash payment of RM1.485 for 1 new TLB Share.

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<b>Terms</b>	<b>Details</b>
Ranking of the ICPS and liquidation preference	<p>The ICPS shall rank <i>pari passu</i> amongst themselves and our Company's existing RCPS but shall rank in priority to the ordinary shares in the capital of our Company. In the event of liquidation, dissolution, winding-up, reduction of capital or other repayment of capital:</p> <ul style="list-style-type: none"> <li>(a) The ICPS shall confer on the holders the rights to receive in priority to the holders of ordinary shares in our Company, cash repayment in full of the amount of any non-cumulative preferential dividend that has been declared and remaining in arrears. After the payment of any dividends to the holders of ICPS, the remaining assets shall be distributed first to the holders of ICPS in full of the amount which is equal to the issue price for each ICPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of our Company.</li> <li>(b) In the event that our Company has insufficient assets to permit payment of the full issue price to the ICPS holders, the assets of our Company shall be distributed pro rata on an equal priority, to the ICPS holders in proportion to the amount that each ICPS holder would otherwise be entitled to receive.</li> </ul>
Ranking of new TLB Shares to be issued pursuant to the conversion of the ICPS	<p>All new TLB Shares to be issued pursuant to the conversion of the ICPS shall, upon allotment and issuance, rank <i>pari passu</i> in all respects with the existing TLB Shares except that such new TLB Shares shall not be entitled to any dividends, rights, allotments and/or other distribution, the entitlement date of which is prior to the date of allotment and issuance of the new TLB Shares arising from the conversion of the ICPS.</p>
Adjustment to Conversion Price and Conversion Ratio	<p>The Conversion Price and/or Conversion Ratio will be adjusted at the determination of our Company, in all or any of the following cases:</p> <ul style="list-style-type: none"> <li>(a) an alteration to the number of TLB Shares by reason of consolidation or subdivision; or</li> <li>(b) a bonus issue of fully paid-up ordinary shares by our Company or any other capitalisation issue for accounting purposes; or</li> <li>(c) a capital distribution to shareholders made by our Company whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is loss or unrepresented by assets; or</li> <li>(d) a rights issue of ordinary shares by our Company; or</li> <li>(e) any other circumstances that our Board deems necessary,</li> </ul>

<b>Terms</b>	<b>Details</b>
	provided that any adjustment to the Conversion Price will be rounded down to the nearest RM0.01. No adjustment to the Conversion Price and/or Conversion Ratio will be made unless the computation has been certified by our external auditors.
Rights of the ICPS holders	<p>: The ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distribution in our Company except in the following circumstances until and unless such holders convert their ICPS into new Shares:</p> <ul style="list-style-type: none"> <li>(a) when the dividend or part of the dividend on the ICPS is in arrears for more than 6 months;</li> <li>(b) on a proposal to reduce our Company's share capital;</li> <li>(c) on a proposal for sanctioning the sale of the whole of our Company's property, business and undertaking;</li> <li>(d) on a proposal that directly affects their rights and privileges attached to the ICPS;</li> <li>(e) on a proposal to wind-up our Company; and</li> <li>(f) during the winding-up of our Company.</li> </ul>
Listing	: The ICPS will be listed and traded on the Main Market of Bursa Securities. Approval has been obtained from Bursa Securities for the admission of the ICPS to the Official List of the Main Market of Bursa Securities and the listing of and quotation for the ICPS and the new TLB Shares to be issued pursuant to the conversion of the ICPS on the Main Market of Bursa Securities.
Transfer	: The ICPS will be transferable only by instrument in writing in the usual or common form or such other form as our Directors and the relevant authorities may approve. As the ICPS will be listed on and traded on the Main Market of Bursa Securities, they will be deposited in a central depository system and will be subject to the rules of such system.
Modification of rights	: Our Company may from time to time with the consent or sanction of all the holders of the ICPS make modifications to the terms of which in the opinion of our Company are not materially prejudicial to the interest of the holders of the ICPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.
Governing law	: The laws of Malaysia.

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

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

### 2.1.4 Minimum subscription level and shareholders' undertakings

The Proposed Rights Issue of ICPS will be implemented based on the Minimum Subscription Level. Based on the indicative issue price of RM0.165 per ICPS, our Company will raise a minimum gross proceed of RM58.28 million from the issuance of 353,192,500 ICPS pursuant to the Proposed Rights Issue of ICPS.

The Minimum Subscription Level was determined by our Board after considering, among others, the funding requirements of our Group as set out in Section 3 of this Circular.

In order to achieve the Minimum Subscription Level, our Company has obtained an Undertaking from TGSB that it will not dispose any of its TLB Shares following the date of the Announcement up to the Entitlement Date of the Proposed Rights Issue of ICPS, and also that it will subscribe in full for its entitlement of 353,192,500 ICPS.

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

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

Undertaking Shareholder	As at the LPD		ICPS entitlement	
	No. of TLB Shares held	%	No. of ICPS	% <sup>(1)</sup>
TGSB	235,461,667	58.38	353,192,500	58.38

Note:

(1) Percentage is calculated based on 604,999,900 ICPS available for subscription under the Proposed Rights Issue of ICPS based on our existing number of issued ordinary shares as at the LPD of 403,333,267 TLB Shares.

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

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

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

## 2.2 Proposed Amendments

The Proposed Amendments entail the consequential amendments to our Articles of Association to facilitate the issuance of the ICPS pursuant to the Proposed Rights Issue of ICPS.

Please refer to **Appendix II** of this Circular for further details of the Proposed Amendments.

## 3. UTILISATION OF PROCEEDS

Based on the indicative issue price of RM0.165 per ICPS, the gross proceeds from the Proposed Rights Issue of ICPS will be utilised in the following manner based on the scenarios as illustrated below:

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

Notes:

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

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

- (i) H20

H20 is located in Ara Damansara, Petaling Jaya, Selangor with an estimated GDV and GDC of RM794 million and RM510 million, respectively, which will provide an estimated gross profit of RM240 million over a period of 4 years. H20 consists of 4 blocks of service apartments with an aggregate of 1,357 units. Based on the latest architect's certification on 12 April 2017, the percentage of completion of H20 was approximately 45% and is expected to complete by the end of 2018.

- (ii) Emery

Emery is located in Kemensah, Ampang, Kuala Lumpur with an estimated GDV and GDC of RM150 million and RM120 million, respectively, which will provide an estimated gross profit of RM30 million over a period of 2 years. Emery consists of 50 units of semi-detached houses. Based on the latest architect's certification on 27 April 2017, the percentage of completion of Emery was approximately 58% and is expected to complete by the 4<sup>th</sup> quarter of 2017.

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

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

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

As at 30 April 2017 (based on the latest available bank statements of our Group), our Group's total bank borrowings were approximately RM464.88 million, comprising term loans, bank overdrafts, revolving credit and hire purchase payables.

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

<b>Type of bank borrowings</b>	<b>Balance as at 30 April 2017 (RM'000)</b>	<b>Proposed utilisation (RM'000)</b>	<b>Average interest rate (%)</b>	<b>Annual interest savings (RM'000)</b>
Term loans	415,122	-	6.35	-
Bank overdrafts	32,988	30,000	6.85	2,055
Revolving credit	15,000	-	5.50	-
Hire purchase payables	1,774	-	4.65	-
<b>Total</b>	<b>464,884</b>	<b>30,000</b>		<b>2,055</b>

Hence, our Group expects to have interest savings of approximately RM2.06 million per annum from the partial repayment of the bank borrowings.

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

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

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

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

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

## 4. RATIONALE FOR THE PROPOSALS

### 4.1 Proposed Rights Issue of ICPS

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

- (i) it allows our Company to raise funds without the need to service immediate interest payments as compared to bank borrowings;
- (ii) it enables our Group to raise funds for purposes as set out in Section 3 of this Circular, mainly to fund our property development expenditure and partial repayment of bank borrowings (under the Maximum Scenario), which are expected to contribute positively to the future earnings of our Group;

- (iii) the issuance of ICPS minimises the immediate dilution effects on the EPS, which would otherwise have an immediate upfront impact if the fund-raising exercise was a rights issuance of ordinary shares instead, as the ICPS are expected to be converted over a period of time, i.e., during the conversion period of the ICPS;
- (iv) the issuance of ICPS will allow our Company to have discretion in declaring dividends for the ICPS depending on our Group's future profitability and cash flows without being burdened by a fixed funding cost;
- (v) it provides an opportunity for our existing shareholders to increase their equity participation in our Company by converting the ICPS into new TLB Shares; and
- (vi) the Undertaking will allow the Undertaking Shareholder of our Company to extend its support for the Proposed Rights Issue of ICPS which will facilitate our Group to raise the required funds without incurring underwriting costs.

#### **4.2 Proposed Amendments**

The Proposed Amendments are intended to facilitate the issuance of the ICPS pursuant to the Proposed Rights Issue of ICPS.

### **5. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS**

#### **5.1 Overview and outlook of the Malaysian economy**

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

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

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

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

*(Source: Annual Report 2016, BNM)*

The Malaysian economy recorded a higher growth of 5.6% in the first quarter of 2017 (4Q 2016: 4.5%). Private sector activity was higher and remained as the main driver of growth. Growth was further lifted by higher exports, as increased demand for manufactured products led to a strong growth in real exports (9.8%; 4Q 2016: 2.2%). Real imports also increased at a faster rate of 12.9% (4Q 2016: 1.6%) on account of higher growth of capital and intermediate goods. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.8% (4Q 2016: 1.3%).

Domestic demand growth increased to 7.7% in the first quarter of the year (4Q 2016: 3.2%), supported by continued expansion in private sector expenditure (8.2%; 4Q 2016: 5.9%) and the turnaround in public sector expenditure. Private consumption grew by 6.6% (4Q 2016: 6.1%). Household spending remained supported by continued expansion in employment and wage growth. The implementation of selected Government's measures also provided additional impetus to household spending. Public consumption recorded a stronger growth of 7.5% (4Q 2016: -4.2%) attributed to higher spending on both emoluments and supplies and services.

*(Source: Economic and Financial Developments in the Malaysian Economy in the 1<sup>st</sup> Quarter of 2017, BNM)*

The Malaysian economy registered a strong growth of 5.6% during the first quarter of 2017 (Q1 2016: 4.1%) mainly supported by higher domestic demand. On the supply side, the growth was broad-based with all sectors registering positive growth.

Domestic demand expanded at a faster pace of 7.7% (Q1 2016: 3.4%) driven mainly by stronger private sector expenditure. Private consumption increased 6.6% (Q1 2016: 5.2%) supported by stable employment conditions and sustained wage growth, continuation of Bantuan Rakyat 1Malaysia, cash assistance of RM500 to civil servants as well as higher dividend paid out by major unit trusts. Income in the rural areas also experienced strong growth, with rubber and palm oil prices increasing by 92% and 53.3%, respectively.

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

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

## **5.2 Overview and outlook of the construction and property development industries in Malaysia**

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

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

*(Source: Annual Report 2016, BNM)*

Growth in the construction sector was stronger, supported by civil engineering activity in the petrochemical, power plant and transportation segments. New and existing civil engineering projects will drive the construction sector going forward.

*(Source: Economic and Financial Developments in the Malaysian Economy in the 1<sup>st</sup> Quarter of 2017, BNM)*



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

*(Source: Quarterly Update on the Malaysian Economy – 1<sup>st</sup> Quarter 2016, Ministry of Finance Malaysia)*

### **5.3 Prospects of our Group**

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

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

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

(i) Seri Residensi

Seri Residensi is a development in Klang which comprises 4 phases with total land area of 1,951,401 square feet which will be launched consecutively over the next few years. 1 of the phases, Primrose, which comprises semi-detached houses that has been launched has a GDV of RM95.10 million. It is located within the vicinity of amenities such as shopping malls, bus and taxi terminal and education facilities.

(ii) H2O

As disclosed in Section 3 of this Circular, H2O is located in Ara Damansara. The first 3 blocks of SOHO (Small Office Home Office) were launched in FYE 30 June 2015 and the last serviced apartment block is to be launched in FYE 30 June 2017.

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

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

On 8 November 2016, our Company organised a signing ceremony with China Railway Group Limited in relation to a development project collaboration. Through this signing, TRSB and CRECD, via a shareholders' agreement, acquired AADSB to undertake the business of construction and development on all that leasehold land held under title Geran 53452 Lot 104 Sek. 88 Bandar & Daerah Kuala Lumpur Negeri Wilayah Persekutuan of Kuala Lumpur (now known as PN 51538, Lot 104, Seksyen 88, Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur) measuring approximately 6.06 acres. For further details, please refer to Section 4(v) of Appendix III of this Circular.

On 27 February 2017, our Company entered into a share sale agreement to acquire 3,000,000 ordinary shares equivalent to RM3,000,000, representing the entire share capital of SKDSB for a purchase consideration of RM70,919,000, upon the terms and conditions as stipulated therein ("**Proposed Acquisition of SKDSB**"). The Proposed Acquisition of SKDSB will enable our Group, through SKDSB, to gain access to 75.444 acres of prime land within the high-growth and fast maturing central development spine of Sabah. For further details, please refer to Section 4(vi) of Appendix III of this Circular.

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

By entering into the Framework Agreement, our Company will be able to leverage on CRECD's strength in the construction sector to further enhance project quality and implementation. With the strong China Railway Engineering Corporation (ultimate holding company of CRECD) branding, our Company's developments shall attract more tourists and investors from overseas, particularly those who favour the commercial and residential property industry.

Besides that, our Group is adopting a more prudent management on our property development business by, amongst others, undertaking efforts to reduce our reliance on bank borrowings. The Proposed Rights Issue of ICPS will be an avenue for our Group to continue our growth in the property development industry while reducing our reliance on financing via bank borrowings as high financing costs will lower the profits of our Group. In this regard, under the Maximum Scenario, our Group intends to utilise part of the proceeds arising from the Proposed Rights Issue of ICPS to partially repay our bank borrowings and expects to have interest savings of approximately RM2.06 million per annum arising (as set out in Section 3 of this Circular) to reduce our Group's credit risk exposure. This in turn will accord the management of our Group greater flexibility in managing our operations and undertaking business strategies for our Group's future growth.

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

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## 6. EFFECTS OF THE PROPOSALS

The Proposed Amendments will not have any effect on the share capital and number of issued shares (excluding the Outstanding RCPS), NA, gearing, earnings, EPS and substantial shareholders' shareholdings in our Group.

### 6.1 Share capital and number of issued shares (excluding the Outstanding RCPS)

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

	Minimum Scenario			Maximum Scenario		
	No. of TLB Shares*	RM	No. of ICPS*	RM	No. of TLB Shares*	RM
Existing share capital and number of issued shares as at the LPD	403,333,267	341,192,711 <sup>(1)</sup>	-	-	403,333,267	341,192,711 <sup>(1)</sup>
To be issued pursuant to the full conversion of the Outstanding RCPS	-	-	-	-	6,666,666	11,904,177
To be issued pursuant to the Proposed Rights Issue of ICPS	403,333,267	341,192,711	-	-	409,999,933	353,096,888
	-	(650,000) <sup>(2)</sup>	353,192,500	58,276,763	-	(650,000) <sup>(2)</sup>
To be issued pursuant to the full conversion of the ICPS	403,333,267	340,542,711	353,192,500	58,276,763	409,999,933	352,446,888
	35,319,250 <sup>(3)</sup>	58,276,763	(353,192,500)	(58,276,763)	614,999,899 <sup>(4)</sup>	1,014,749,833
<b>Enlarged share capital and number of issued shares</b>	<b>438,652,517</b>	<b>398,819,474</b>	<b>-</b>	<b>-</b>	<b>1,024,999,832</b>	<b>1,367,196,721</b>

The Proposals will not have any effect on the Outstanding RCPS.

Notes:

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

(1) Pursuant to the Section 618 of the Act upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital, notwithstanding, a company may, within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, for certain purposes as prescribed in the Act. The share premium standing upon commencement of Section 74 amounted to RM138,876,078.

- (2) After deducting the estimated expenses of RM650,000 for the Proposals. Pursuant to Section 618(3)(b)(ii) of the Act, a company may, within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, to write off expenses incurred, or commission or brokerages paid or discount allowed, before or upon the commencement of Section 74, for any duty, fee or tax payable on or in connection with any issue of shares of the company.
- (3) Assuming the Conversion Ratio of 10 ICPS for 1 new TLB Share.
- (4) Assuming the Conversion Ratio of a combination of 1 ICPS and indicative cash payment of RM1.485 for 1 new TLB Share.

## 6.2 NA and gearing

The pro forma effects of the Proposed Rights Issue of ICPS on the NA and gearing of our Group based on our audited consolidated financial statements as at 30 June 2016 are as follows:

### Minimum Scenario

	(I) After subsequent events up to the LPD <sup>(1)</sup> (RM)	(II) After (I) and the Proposed Rights Issue of ICPS (RM)	(III) After (II) and assuming full conversion of the ICPS (RM)
Share capital/ Contributed share capital*	180,000,000	340,542,711 <sup>(2)</sup>	398,819,474 <sup>(4)</sup>
Share premium*	100,451,394	-	-
Treasury shares	(4,742,235)	-	-
Reserve arising from reverse acquisition	(47,425,855)	(47,425,855)	(47,425,855)
Equity component of RCPS	4,979,851	2,489,926	2,489,926
Equity component of ICPS	-	58,276,763 <sup>(3)</sup>	-
Retained earnings	297,516,546	296,805,340	296,805,340
<b>Shareholders' funds / NA</b>	<b>530,779,701</b>	<b>650,688,885</b>	<b>650,688,885</b>
No. of TLB Shares in issue**	356,851,200***	403,333,267	438,652,517
NA per TLB Share (RM)	1.49	1.47	1.48
Total borrowings (RM)	205,849,670	205,849,670	205,849,670
Gearing (times)	0.39	0.35	0.32

Notes:

- \* Pursuant to the Section 618 of the Act upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital, notwithstanding, a company may, within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, for certain purposes as prescribed in the Act. The share premium standing upon commencement of Section 74 amounted to RM138,876,078.
- \*\* Pursuant to Section 74 of the Act, all shares issued before or upon the commencement of this Act shall have no par or nominal value.
- \*\*\* Excluding 3,148,800 treasury shares as at 30 June 2016.
- (1) Taking into consideration of the following:
  - (a) the conversion of 20,000,000 RCPS on 3 August 2016;
  - (b) disposal of 450,000 treasury shares, 1,500,000 treasury shares and 1,198,800 treasury shares at RM1.56, RM1.55 and RM1.56, respectively, in the open market after deducting the expenses of RM16,157 for the disposal of treasury shares; and
  - (c) arising from the issuance of 36,666,600 new TLB Shares at an issue price of RM1.35 each pursuant to the Private Placement and after deducting the expenses of RM260,000 for the Private Placement.
- (2) After deducting the estimated expenses of RM650,000 for the Proposals. Pursuant to Section 618(3)(b)(ii) of the Act, a company may, within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, to write off expenses incurred, or commission or brokerages paid or discount allowed, before or upon the commencement of Section 74, for any duty, fee or tax payable on or in connection with any issue of shares of the company.
- (3) Arising from the issuance of 353,192,500 ICPS at the indicative issue price RM0.165 each.
- (4) Assuming full conversion of the 353,192,500 ICPS at the Conversion Ratio of 10 ICPS for 1 new TLB Share.

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**Maximum Scenario**

	(Audited) As at 30 June 2016 (RM)	(I) After subsequent events up to the LPD <sup>(1)</sup> (RM)	(II) After (I) and assuming full conversion of the Outstanding RCPS (RM)	(III) After (II) and the Proposed Rights Issue of ICPS (RM)	(IV) After (III) and assuming full conversion of the ICPS (RM)
Share capital/ Contributed share capital *	180,000,000	341,192,711	353,096,888 <sup>(2)</sup>	352,446,888 <sup>(2)</sup>	1,367,196,721 <sup>(2)</sup>
Share premium *	100,451,394	-	-	-	-
Treasury shares	(4,742,235)	-	-	-	-
Reserve arising from reverse acquisition	(47,425,855)	(47,425,855)	(47,425,855)	(47,425,855)	(47,425,855)
Equity component of RCPS	4,979,851	2,489,926	-	-	-
Equity component of ICPS	-	-	-	101,474,983 <sup>(4)</sup>	-
Retained earnings	297,516,546	296,805,340	296,805,340	296,805,340	296,805,340
<b>Shareholders' funds / NA</b>	<b>530,779,701</b>	<b>593,062,122</b>	<b>602,476,373</b>	<b>703,301,356</b>	<b>1,616,576,206</b>
No. of TLB Shares in issue**	356,851,200***	403,333,267	409,999,933	409,999,933	1,024,999,832
NA per TLB Share (RM)	1.49	1.47	1.47	1.72	1.58
Total borrowings (RM)	205,849,670	205,849,670	205,849,670	175,849,670	175,849,670
Gearing (times)	0.39	0.35	0.34	0.25	0.11

Notes:

\* Pursuant to the Section 618 of the Act upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital, notwithstanding, a company may, within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, for certain purposes as prescribed in the Act. The share premium standing upon commencement of Section 74 amounted to RM138,876,078.

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

\*\*\* Excluding 3,148,800 treasury shares as at 30 June 2016.

(1) Taking into consideration of the following:

(a) the conversion of 20,000,000 RCPS on 3 August 2016;

- (b) disposal of 450,000 treasury shares, 1,500,000 treasury shares and 1,198,800 treasury shares at RM1.56, RM1.55 and RM1.56, respectively, in the open market after deducting the expenses of RM16,157 for the disposal of treasury shares; and
  - (c) arising from the issuance of 36,666,600 new TLB Shares at an issue price of RM1.35 each pursuant to the Private Placement and after deducting the expenses of RM260,000 for the Private Placement.
- (2) Arising from the conversion of the 20,000,000 Outstanding RCPS at the conversion ratio of 3 RCPS for 1 new TLB Share.
  - (3) After deducting the estimated expenses of RM650,000 for the Proposals. Pursuant to Section 618(3)(b)(ii) of the Act, a company may, within 24 months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, to write off expenses incurred, or commission or brokerages paid or discount allowed, before or upon the commencement of Section 74, for any duty, fee or tax payable on or in connection with any issue of shares of the company.
  - (4) Arising from the issuance of 614,999,899 ICPS at the indicative issue price of RM0.165 each.
  - (5) Assuming full conversion of the 614,999,899 ICPS at the Conversion Ratio of 1 ICPS and indicative cash payment of RM1.485 for 1 new TLB Share.

### **6.3 Earnings and EPS**

The Proposed Rights Issue of ICPS is not expected to have an immediate material effect on the consolidated earnings and EPS of our Group for the FYE 30 June 2017 as the Proposed Rights Issue of ICPS is only expected to be completed in the 3<sup>rd</sup> quarter of 2017 whilst the proceeds to be raised are expected to be utilised within 24 months from the date of listing of the ICPS. However, the Proposed Rights Issue of ICPS is expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds are realised.

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

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**Maximum Scenario**

Name	As at the LPD			(I) After assuming full conversion of the Outstanding RCPS		
	Direct		Indirect	Direct		Indirect
	No. of TLB Shares	%	No. of TLB Shares	No. of TLB Shares	%	No. of TLB Shares
Tan Sri Dato' Lim Soon Peng	300,000	0.07	235,461,667 <sup>(1)</sup>	300,000	0.07	242,128,333 <sup>(1)</sup>
Lim Poh Yit	780,800	0.19	235,461,667 <sup>(1)</sup>	780,800	0.19	242,128,333 <sup>(1)</sup>
Lim Puay Fung	245,000	0.06	235,461,667 <sup>(1)</sup>	245,000	0.06	242,128,333 <sup>(1)</sup>
TGSB	235,461,667	58.38	-	242,128,333	59.06	-
AIA Bhd	32,050,800	7.95	1,255,200 <sup>(2)</sup>	32,050,800	7.82	1,255,200 <sup>(2)</sup>
AIA Company Limited	-	-	33,306,000 <sup>(3)</sup>	-	-	33,306,000 <sup>(3)</sup>
AIA Group Limited	-	-	33,306,000 <sup>(3)</sup>	-	-	33,306,000 <sup>(3)</sup>
Premium Policy Berhad (In Members' Voluntary Liquidation)	-	-	33,306,000 <sup>(3)</sup>	-	-	33,306,000 <sup>(3)</sup>
Orange Policy Sdn Bhd	-	-	33,306,000 <sup>(3)</sup>	-	-	33,306,000 <sup>(3)</sup>

Name	(II) After (I), the Proposed Rights Issue of ICPS and assuming full conversion of the ICPS*		
	Direct		Indirect
	No. of TLB Shares	%	No. of TLB Shares
Tan Sri Dato' Lim Soon Peng	750,000	0.07	605,320,832 <sup>(1)</sup>
Lim Poh Yit	1,952,000	0.19	605,320,832 <sup>(1)</sup>
Lim Puay Fung	612,500	0.06	605,320,832 <sup>(1)</sup>
TGSB	605,320,832	59.06	-
AIA Bhd	80,127,000	7.82	3,138,000 <sup>(2)</sup>
AIA Company Limited	-	-	83,265,000 <sup>(3)</sup>
AIA Group Limited	-	-	83,265,000 <sup>(3)</sup>
Premium Policy Berhad (In Members' Voluntary Liquidation)	-	-	83,265,000 <sup>(3)</sup>
Orange Policy Sdn Bhd	-	-	83,265,000 <sup>(3)</sup>

Notes:

- \* *The issuance of the ICPS will not have an effect on the shareholdings of our shareholders. Assuming the Conversion Ratio of 1 ICPS and indicative cash payment of RM1.485 into 1 new TLB Share.*
- (1) *Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.*
- (2) *Deemed interested pursuant to Section 8(4) of the Act by virtue of TLB Shares held by AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd.*
- (3) *Deemed interested pursuant to Section 8(4) of the Act by virtue of TLB Shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd.*

## **6.5 Convertible securities**

As at the LPD, save for the 20,000,000 Outstanding RCPS which are convertible into TLB Shares, our Company does not have any other existing convertible securities.

The Proposed Rights Issue of ICPS will not give rise to any adjustment to the exercise price and/or number of Outstanding RCPS.

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## 7. HISTORICAL SHARE PRICES

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

	<b>Highest (RM)</b>	<b>Lowest (RM)</b>
<b>2016</b>		
June	1.47	1.39
July	1.51	1.43
August	1.62	1.45
September	1.62	1.45
October	1.93	1.61
November	1.90	1.64
December	1.75	1.65
<b>2017</b>		
January	1.74	1.66
February	1.75	1.64
March	1.82	1.67
April	1.80	1.68
May	1.74	1.58

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

The last transacted market price of TLB Shares on 17 May 2017 (being the LPD) was RM1.63.

*(Source: Bloomberg Finance L.P.)*

## 8. APPROVALS REQUIRED

The Proposals are subject to and conditional upon the following approvals being obtained from:

- (i) Bursa Securities for the:
  - (a) admission to the Official List of the Main Market of Bursa Securities and the listing of and quotation for up to 614,999,899 ICPS; and
  - (b) listing of and quotation for up to 614,999,899 new TLB Shares to be issued pursuant to the conversion of the ICPS,on the Main Market of Bursa Securities;

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

The approval of Bursa Securities, which was obtained vide its letter dated 17 May 2017, is subject to the following conditions:

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

- (ii) our shareholders for the Proposals at our forthcoming EGM to be convened; and
- (iii) any other relevant authorities or persons, if required.

## **9. INTER-CONDITIONALITY OF THE PROPOSALS**

The Proposed Rights Issue of ICPS and Proposed Amendments are inter-conditional upon each other.

The Proposals are not conditional upon any other corporate proposal undertaken or to be undertaken by our Company.

## **10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

Save as disclosed below and the Proposals, our Board is not aware of any other outstanding corporate proposal which has been announced by our Company but is pending implementation and completion prior to the printing of this Circular:

- (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.

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 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.

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

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.

On 24 February 2017, the additional listing application in relation to the Proposed Issuance of Consideration Shares, which had been submitted on 13 January 2017, has been withdrawn and the updated application will be resubmitted to Bursa Securities in due course.

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

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

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

On 24 February 2017, the application in relation to the Proposed Share Split, which had been submitted on 13 January 2017, has been withdrawn and the updated application will be resubmitted to Bursa Securities in due course.

- (v) 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<sup>th</sup> quarter of 2017.

**11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of our Directors, major shareholders and/or persons connected with them (as defined in the Listing Requirements) have any interest, direct or indirect, in the Proposals, save for their respective entitlements as our shareholders under the Proposed Rights Issue of ICPS, for which all existing shareholders of our Company are entitled to, including the right to apply for additional ICPS under the excess application.

**12. DIRECTORS' STATEMENT AND RECOMMENDATION**

Our Board, after having considered all aspects of the Proposals including but not limited to the rationale and effects of the Proposals, is of the opinion that the Proposals are in the best interest of our Company and accordingly recommend you to vote **IN FAVOUR** of the resolutions in respect of the Proposals to be tabled at our forthcoming EGM.

**13. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to the approvals of the relevant authorities being obtained, our Board expects the Proposals to be completed in the 3<sup>rd</sup> quarter of 2017.

The indicative timetable of events in relation to the implementation of the Proposals is set out below:

<b>Tentative date</b>	<b>Events</b>
7 July 2017	EGM to obtain shareholders' approval for the Proposals
Mid July 2017	Announcement of the books closure date for the Proposed Rights Issue of ICPS
End July 2017	Despatch of abridged prospectus, notice of provisional allotment and rights subscription form
Early August 2017	Closing date of acceptance of and applications for the Proposed Rights Issue of ICPS
End August 2017	Listing of and quotation for the ICPS on the Main Market of Bursa Securities / Completion of the Proposed Rights Issue of ICPS

**14. EGM**

Our EGM, the notice of which is set out in this Circular, will be held at Concorde II, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 7 July 2017 at 3.00 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at our EGM, you should complete and return the enclosed Form of Proxy in accordance with the instructions provided thereon so as to arrive at the office of our Registrar at Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not later than 48 hours before the time set for convening our EGM or at any adjournment thereof.

The lodging of the Form of Proxy will not, however, preclude you from attending our EGM and voting in person should you subsequently wish to do so.

**15. FURTHER INFORMATION**

You are advised to refer to the Appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of our Board  
**TITIJAYA LAND BERHAD**

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

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

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**BAKER TILLY**

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**05 JUN 2017**

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

Dear Sirs/Madam,

**PRIVATE & CONFIDENTIAL**


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**TITIJAYA LAND BERHAD (“TLB” or the “Company”)**

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

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

The Pro Forma Consolidated Statements of Financial Position of the Group as at 30 June 2016 has been compiled by the directors of TLB to illustrate the impact of the following proposals on the Group’s financial position as at 30 June 2016, as if the proposals had taken place on 30 June 2016:-

- (a) Proposed renounceable rights issue of up to 614,999,899 new irredeemable convertible preference shares in TLB (“ICPS”) on the basis of three (3) ICPS for every two (2) existing ordinary shares in TLB (“TLB Share(s)” or “Shares”) held at an entitlement date to be determined later (“Proposed Rights Issue of ICPS”);
- (b) Proposed amendments to the Articles of Association of TLB to facilitate the Proposed Rights Issue of ICPS (“Proposed Amendments”).

(Collectively hereinafter referred to as the “Proposals”).



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

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**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

---

**BAKER TILLY**

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

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

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

*Our Independence and Quality Control*

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

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

*Reporting Accountants' Responsibilities*

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

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

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

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

---

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

---

**BAKER TILLY**

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

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

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

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

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

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

In our opinion:-

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

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

---

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

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**Other matters**

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

Yours faithfully,

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

.....  
**Baker Tilly Monteiro Heng**

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

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

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

**Minimum scenario**

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



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

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

**Minimum scenario (continued)**

	Audited Consolidated Statement of Financial Position as at 30 June 2016 RM	Adjusted Consolidated Statement of Financial Position as at 30 June 2016 RM	Pro Forma I  After the Proposed Rights Issue of ICPS RM	Pro Forma II  After Pro Forma I and assuming full conversion of ICPS RM
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital/Contributed share capital*	180,000,000	341,192,711	340,542,711	398,819,474
Share premium*	100,451,394	-	-	-
Treasury shares	(4,742,235)	-	-	-
RCPS - equity component	4,979,851	2,489,926	2,489,926	2,489,926
ICPS	-	-	58,276,763	-
Reserve arising from reverse acquisition	(47,425,855)	(47,425,855)	(47,425,855)	(47,425,855)
Retained earnings	297,516,546	296,805,340	296,805,340	296,805,340
<b>Total equity attributable to owners of the Company</b>	<b>530,779,701</b>	<b>593,062,122</b>	<b>650,688,885</b>	<b>650,688,885</b>
Non-controlling interests	513,567	513,567	513,567	513,567
<b>Total equity</b>	<b>531,293,268</b>	<b>593,575,689</b>	<b>651,202,452</b>	<b>651,202,452</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Hire purchase payables	430,770	430,770	430,770	430,770
Bank borrowings	100,680,697	100,680,697	100,680,697	100,680,697
RCPS - liability component	17,036,177	9,229,295	9,229,295	9,229,295
Deferred tax liabilities	34,019,631	33,663,972	33,663,972	33,663,972
	<b>152,167,275</b>	<b>144,004,734</b>	<b>144,004,734</b>	<b>144,004,734</b>
<b>Current liabilities</b>				
Trade and other payables	194,650,286	194,650,286	194,650,286	194,650,286
Provision	4,130,254	4,130,254	4,130,254	4,130,254
Progress billings in respect of property development costs	96,603,459	96,603,459	96,603,459	96,603,459
Hire purchase payables	119,178	119,178	119,178	119,178
Bank borrowings	104,619,025	104,619,025	104,619,025	104,619,025
Tax payables	8,728,145	8,728,145	8,728,145	8,728,145
	<b>408,850,347</b>	<b>408,850,347</b>	<b>408,850,347</b>	<b>408,850,347</b>
<b>Total Liabilities</b>	<b>561,017,622</b>	<b>552,855,081</b>	<b>552,855,081</b>	<b>552,855,081</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,092,310,890</b>	<b>1,146,430,770</b>	<b>1,204,057,533</b>	<b>1,204,057,533</b>



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

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

**Minimum scenario (continued)**

	Audited Consolidated Statement of Financial Position as at 30 June 2016 RM	Adjusted Consolidated Statement of Financial Position as at 30 June 2016 RM	Pro Forma I  After the Proposed Rights Issue of ICPS RM	Pro Forma II  After Pro Forma I and assuming full conversion of ICPS RM
Number of ordinary shares in issue: - RM0.50 each **	356,851,200***	403,333,267	403,333,267	438,652,517
Net assets ("NA")	530,779,701	593,062,122	650,688,885	650,688,885
NA per share (RM)	1.49	1.47	1.61	1.48

\*Pursuant to the Section 618 of the Companies Act 2016 (the "Act") upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital, notwithstanding, a company may, within twenty-four (24) months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, for certain purposes as prescribed in the Act. The share premium standing upon commencement of Section 74 amounted to RM138,876,078.

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

\*\*\*Excluding 3,148,800 treasury shares as at 30 June 2016.

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

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

**Maximum scenario**

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

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

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

**Maximum scenario (continued)**

	Audited Consolidated Statement of Financial Position as at 30 June 2016 RM	Adjusted Consolidated Statement of Financial Position as at 30 June 2016 RM	Pro Forma I Assuming full conversion of RCPS RM	Pro Forma II After Pro Forma I and the Proposed Rights Issue of ICPS RM	Pro Forma III After Pro Forma II and assuming full conversion of ICPS RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital/Contributed share capital*	180,000,000	341,192,711	353,096,888	352,446,888	1,367,196,721
Share premium*	100,451,394	-	-	-	-
Treasury shares	(4,742,235)	-	-	-	-
RCPS - equity component	4,979,851	2,489,926	-	-	-
ICPS	-	-	-	101,474,983	-
Reserve arising from reverse acquisition	(47,425,855)	(47,425,855)	(47,425,855)	(47,425,855)	(47,425,855)
Retained earnings	297,516,546	296,805,340	296,805,340	296,805,340	296,805,340
<b>Total equity attributable to owners of the Company</b>	<b>530,779,701</b>	<b>593,062,122</b>	<b>602,476,373</b>	<b>703,301,356</b>	<b>1,616,576,206</b>
Non-controlling interests	513,567	513,567	513,567	513,567	513,567
<b>Total equity</b>	<b>531,293,268</b>	<b>593,575,689</b>	<b>602,989,940</b>	<b>703,814,923</b>	<b>1,617,089,773</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Hire purchase payables	430,770	430,770	430,770	430,770	430,770
Bank borrowings	100,680,697	100,680,697	100,680,697	100,680,697	100,680,697
RCPS - liability component	17,036,177	9,229,295	-	-	-
Deferred tax liabilities	34,019,631	33,663,972	33,479,016	33,479,016	33,479,016
	<b>152,167,275</b>	<b>144,004,734</b>	<b>134,590,483</b>	<b>134,590,483</b>	<b>134,590,483</b>
<b>Current liabilities</b>					
Trade and other payables	194,650,286	194,650,286	194,650,286	194,650,286	194,650,286
Provision	4,130,254	4,130,254	4,130,254	4,130,254	4,130,254
Progress billings in respect of property development costs	96,603,459	96,603,459	96,603,459	96,603,459	96,603,459
Hire purchase payables	119,178	119,178	119,178	119,178	119,178
Bank borrowings	104,619,025	104,619,025	104,619,025	74,619,025	74,619,025
Tax payables	8,728,145	8,728,145	8,728,145	8,728,145	8,728,145
	<b>408,850,347</b>	<b>408,850,347</b>	<b>408,850,347</b>	<b>378,850,347</b>	<b>378,850,347</b>
<b>Total Liabilities</b>	<b>561,017,622</b>	<b>552,855,081</b>	<b>543,440,830</b>	<b>513,440,830</b>	<b>513,440,830</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,092,310,890</b>	<b>1,146,430,770</b>	<b>1,146,430,770</b>	<b>1,217,255,753</b>	<b>2,130,530,603</b>



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

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

**Maximum scenario (continued)**

	Audited Consolidated Statement of Financial Position as at 30 June 2016 RM	Adjusted Consolidated Statement of Financial Position as at 30 June 2016 RM	Pro Forma I Assuming full conversion of RCPS RM	Pro Forma II After Pro Forma I and the Proposed Rights Issue of ICPS RM	Pro Forma III After Pro Forma II and assuming full conversion of ICPS RM
Number of ordinary shares in issue: - RM0.50 each **	356,851,200***	403,333,267	409,999,933	409,999,933	1,024,999,832
NA	530,779,701	593,062,122	602,476,373	703,301,356	1,616,576,206
NA per share (RM)	1.49	1.47	1.47	1.72	1.58

*\*Pursuant to the Section 618 of the Act upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital, notwithstanding, a company may, within twenty-four (24) months upon commencement of Section 74 of the Act, use the amount standing to the credit of its share premium account, for certain purposes as prescribed in the Act. The share premium standing upon commencement of Section 74 amounted to RM138,876,078.*

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

*\*\*\*Excluding 3,148,800 treasury shares as at 30 June 2016.*

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

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**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

**1. Basis of Preparation**

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

**Irredeemable Convertible Preference Shares ("ICPS")**

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

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

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

**2. The Proposals**

The proposals to be undertaken by TLB comprise the following:-

- (a) Proposed renounceable rights issue of up to 614,999,899 new ICPS in TLB on the basis of three (3) ICPS for every two (2) existing ordinary shares in TLB ("TLB Share(s)" or "Share(s)") held at an entitlement date to be determined later ("Proposed Rights Issue of ICPS"); and
- (b) Proposed amendments to the Articles of Association of TLB to facilitate the Proposed Rights issue of ICPS ("Proposed Amendments").

(Collectively hereinafter referred to as the "Proposals").



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


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**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**


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**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 June 2016 (continued)**
**2. The Proposals (continued)**
**Utilisation of Proceeds from the Proposed Rights Issue of ICPS**

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

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

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

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

**3.1 Conversion of RCPS into TLB Shares**

Subsequent to the financial year ended 30 June 2016 and up to the latest practicable date prior to the printing of Circular to Shareholders on 17 May 2017 ("LPD"), 20,000,000 RCPS had been converted into 6,666,667 new TLB Shares.

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

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

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

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

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

**3.2 Disposal of Treasury Shares**

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

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

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

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

**3.3 Private Placement**

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

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

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

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

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


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**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**


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**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 June 2016 (continued)**
**4. Pro Forma Consolidated Statements of Financial Position**
**4.1 Minimum scenario**

The minimum scenario assumes that:-

- (i) For the preparation of the Pro Forma Consolidated Statements of Financial Position and for illustrative purpose, none of the outstanding RCPS will be converted into TLB Shares prior to the Proposed Rights Issue of ICPS.
- (ii) The controlling shareholder of TLB, namely Titijaya Group Sdn. Bhd. ("Undertaking Shareholder") has irrevocably and unconditionally undertaken to apply and subscribe in full for its entitlement of 353,192,500 ICPS at the Entitlement Date based on an indicative issue price of RM0.165 per ICPS ("Minimum Subscription Level").
- (iii) The 353,192,500 new ICPS issued pursuant to the Proposed Rights Issue of ICPS will be converted on a basis of ten (10) ICPS into one (1) TLB Share.

**4.1.1 Pro Forma I**

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

The indicative salient terms of the ICPS are set out below:-

<b>Terms</b>	<b>Details</b>
Issue price	: RM0.165 per ICPS.
Dividend rate	: Subject to the compliance of Section 131 of the Act, TLB has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative.
	The dividends of the ICPS shall be paid in priority over the ordinary shares of the Company. For avoidance of doubt, the RCPS holder is not entitled to any dividend as the RCPS bears zero dividend rate.
Tenure	: Five (5) years commencing from and inclusive of the date of issuance of the ICPS.
Redemption	: Not redeemable for cash.

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

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

**4.1.1 Pro Forma I (continued)**

The salient terms of the ICPS are set out below:- (continued)

- Conversion period : (a) The ICPS can be converted at any time within five (5) years commencing on and including the date of issuance of the ICPS up to and including the maturity date, as determined by the Conversion Ratio and Conversion Price.
- (b) Any remaining ICPS that are not converted by the maturity date shall be automatically converted into new TLB Shares at the conversion ratio of ten (10) ICPS to be converted into one (1) new TLB Share.
- Conversion Ratio and Conversion Price : The Conversion Ratio and Conversion Price have been fixed at either ten (10) ICPS to be converted into one (1) new TLB Share or a combination of one (1) ICPS and cash payment of RM1.485 for one (1) new TLB Share.

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

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

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

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

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

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


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**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**


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**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 June 2016 (continued)**
**4. Pro Forma Consolidated Statements of Financial Position (continued)**
**4.1.2 Pro Forma II**

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

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

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

**4.2 Maximum scenario**

The maximum scenario assumes that:-

- (i) Full conversion of the outstanding 20,000,000 RCPS in TLB into 6,666,666 new TLB Shares prior to the Proposed Rights Issue of ICPS.
- (ii) The 614,999,899 new ICPS issued pursuant to the Proposed Rights Issue of ICPS will be fully converted on the basis of one (1) ICPS and indicative cash payment of RM1.485 for one (1) new TLB Share.

**4.2.1 Pro Forma I**

Pro Forma I incorporates the effects on the adjusted consolidated statement of financial position of the Group as at 30 June 2016 and full conversion of the outstanding RCPS into TLB Shares as described in Note 4.2(i).

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

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

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

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

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

**4.2 Maximum scenario (continued)**

**4.2.2 Pro Forma II**

Pro Forma II incorporates the cumulative effects of Pro Forma I and the Proposed Rights Issue of ICPS as described in Note 4.2(ii) and the utilisation of proceeds as described in the Note 2.

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

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

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

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

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

**4.2.3 Pro Forma III**

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

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

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



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

**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

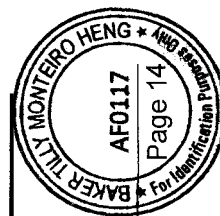
**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (continued)**

**5. Movements in Share Capital and Reserves**

**5.1 Minimum scenario**

	Number of Shares	Share capital/ Contributed share capital	Share Premium	Treasury Shares	RCPS - Equity Component	ICPS	Reserve arising from reverse acquisition	Retained Earnings
		Amount	RM	Shares	RM	RM	RM	RM
Audited consolidated statement of financial position as at 30 June 2016	360,000,000	180,000,000	100,451,394	(4,742,235)	4,979,851	-	(47,425,855)	297,516,546
Arising from the conversion of RCPS	6,666,667	3,333,333	8,030,339	-	(2,489,925)	-	-	(711,206)
Arising from Disposal of Treasury Shares	-	-	153,892	4,742,235	-	-	-	-
- defrayment of estimated expenses	-	-	(16,157)	-	-	-	-	-
Arising from the Private Placement	36,666,600	18,333,300	31,166,610	-	-	-	-	-
- defrayment of estimated expenses	-	-	(260,000)	-	-	-	-	-
Pursuant to Section 618 of the Act	-	139,526,078	(139,526,078)	-	-	-	-	-
Adjusted consolidated statement of financial position as at 30 June 2016	403,333,267	341,192,711	-	-	2,489,926	-	(47,425,855)	296,805,340
Arising from the Proposed Rights Issue of ICPS	-	-	-	-	-	58,276,763	-	-
- defrayment of estimated expenses	-	(650,000)	-	-	-	-	-	-
Per Pro Forma I	403,333,267	340,542,711	-	-	2,489,926	58,276,763	(47,425,855)	296,805,340
Arising from assuming full conversion of ICPS	35,319,250	58,276,763	-	-	-	(58,276,763)	-	-
Per Pro Forma II	438,652,517	398,819,474	-	-	2,489,926	-	(47,425,855)	296,805,340

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



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

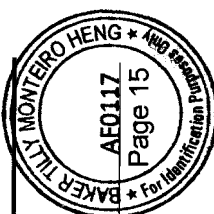
**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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

**5. Movements in Share Capital and Reserves (continued)**

**5.1 Maximum scenario**

	Share capital/		Share Premium RM	Treasury Shares RM	RCPS - Equity Component RM	ICPS RM	Reserve arising from reverse acquisition RM	Retained Earnings RM
	Number of Shares	Contributed share capital Amount RM						
Audited consolidated statement of financial position as at 30 June 2016	360,000,000	180,000,000	100,451,394	(4,742,235)	4,979,851	-	(47,425,855)	297,516,546
Arising from the conversion of RCPS	6,666,667	3,333,333	8,030,339	-	(2,489,925)	-	-	(711,206)
Arising from Disposal of Treasury Shares	-	-	153,892	4,742,235	-	-	-	-
- defrayment of estimated expenses	-	-	(16,157)	-	-	-	-	-
Arising from the Private Placement	36,666,600	18,333,300	31,166,610	-	-	-	-	-
- defrayment of estimated expenses	-	-	(260,000)	-	-	-	-	-
Pursuant to Section 618 of the Act	-	139,526,078	(139,526,078)	-	-	-	-	-
<b>Adjusted consolidated statement of financial position as at 30 June 2016</b>	<b>403,333,267</b>	<b>341,192,711</b>	<b>-</b>	<b>-</b>	<b>2,489,926</b>	<b>-</b>	<b>(47,425,855)</b>	<b>296,805,340</b>
Arising from assuming full conversion of RCPS	6,666,666	11,904,177	-	-	(2,489,926)	-	-	-
Per Pro Forma I	409,999,933	353,096,888	-	-	-	-	(47,425,855)	296,805,340
Arising from the Proposed Rights Issue of ICPS	-	-	-	-	-	101,474,983	-	-
- defrayment of estimated expenses	-	(650,000)	-	-	-	-	-	-
Per Pro Forma II	409,999,933	352,446,888	-	-	-	101,474,983	(47,425,855)	296,805,340
Arising from assuming full conversion of ICPS	614,999,899	1,014,749,833	-	-	-	(101,474,983)	-	-
Per Pro Forma III	1,024,999,832	1,367,196,721	-	-	-	-	(47,425,855)	296,805,340



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


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**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**


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**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 June 2016 (continued)**
**6. Movements in Cash and Cash equivalents**
**6.1 Minimum scenario**

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

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


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**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**


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**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 June 2016 (continued)**
**6. Movements in Cash and Cash equivalents**
**6.2 Maximum scenario**

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

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

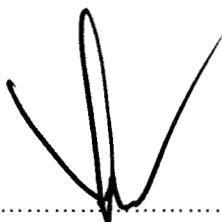
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**TITIJAYA LAND BERHAD AND ITS SUBSIDIARIES**

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**APPROVAL BY THE BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors of Titijaya Land Berhad in accordance with a resolution dated **05 JUN 2017**



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



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



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**FULL DETAILS OF THE PROPOSED AMENDMENTS**


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**ARTICLES OF ASSOCIATION**

The Articles of Association of the Company shall be altered, modified, added and deleted in the following manners:-

**New Article 4A****IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”)**

To adopt the following new Article 4A and to be inserted after Article 4:-

<b>Terms</b>	<b>Details</b>
Issue size	: Up to 614,999,899 ICPS.
Issue price	: RM0.165* per ICPS.
	<i>* The final issue price shall be determined by the Board at a later date after the receipt of all relevant approvals and after taking into consideration inter alia the 5-day volume weighted average market price (“5D-VWAP”) of ordinary shares in the Company (“TLB Shares”) and the prevailing market conditions prior to the price-fixing date.</i>
Dividend rate	: Subject to the compliance of Section 131 of the Act, the Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative.
	The dividends of the ICPS shall be paid in priority over the TLB Shares. For avoidance of doubt, the RCPS holder is not entitled to any dividend as the RCPS bears zero dividend rate.
Tenure	: 5 years commencing from and inclusive of the date of issuance of the ICPS.
Maturity date	: The day immediately preceding the 5 <sup>th</sup> anniversary from the date of issuance of the ICPS. If such day falls on a non-market day, then the maturity date would be the preceding market day.
Redemption	: Not redeemable for cash.
Board lot	: For the purpose of trading on the Exchange, 1 board lot of ICPS shall comprise 100 ICPS, or such other denomination as determined by the Exchange from time to time.
Form and denomination	: The ICPS will be issued in registered form and will be constituted by the Company’s Articles of Association.
Conversion rights	: (a) Each ICPS carries the entitlement to convert into new TLB Shares at the Conversion Ratio through the surrender of the ICPS.
	(b) No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion.
	(c) If the conversion results in a fractional entitlement to the ordinary shares of the Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.

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**FULL DETAILS OF THE PROPOSED AMENDMENTS (CONT'D)**


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

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**FULL DETAILS OF THE PROPOSED AMENDMENTS (CONT'D)**


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<b>Terms</b>	<b>Details</b>
Adjustment to Conversion Price and Conversion Ratio	<p>: The Conversion Price and/or Conversion Ratio will be adjusted at the determination of the Company, in all or any of the following cases:</p> <ul style="list-style-type: none"> <li>(a) an alteration to the number of TLB Shares by reason of consolidation or subdivision; or</li> <li>(b) a bonus issue of fully paid-up ordinary shares by the Company or any other capitalisation issue for accounting purposes; or</li> <li>(c) a capital distribution to shareholders made by the Company whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is loss or unrepresented by assets; or</li> <li>(d) a rights issue of ordinary shares by the Company; or</li> <li>(e) any other circumstances that the Board deems necessary,</li> </ul> <p>provided that any adjustment to the Conversion Price will be rounded down to the nearest RM0.01. No adjustment to the Conversion Price and/or Conversion Ratio will be made unless the computation has been certified by external auditors of the Company.</p>
Rights of the ICPS holders	<p>: The ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distribution in the Company except in the following circumstances until and unless such holders convert their ICPS into new Shares:</p> <ul style="list-style-type: none"> <li>(a) when the dividend or part of the dividend on the ICPS is in arrears for more than 6 months;</li> <li>(b) on a proposal to reduce the Company's share capital;</li> <li>(c) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking;</li> <li>(d) on a proposal that directly affects their rights and privileges attached to the ICPS;</li> <li>(e) on a proposal to wind-up the Company; and</li> <li>(f) during the winding-up of the Company.</li> </ul>
Listing	<p>: The ICPS will be listed and traded on the Main Market of the Exchange.</p>
Transfer	<p>: The ICPS will be transferable only by instrument in writing in the usual or common form or such other form as the Directors and the relevant authorities may approve. As the ICPS will be listed on and traded on the Main Market of the Exchange, they will be deposited in a central depository system and will be subject to the rules of such system.</p>
Modification of rights	<p>: The Company may from time to time with the consent or sanction of all the holders of the ICPS make modifications to the terms of which in the opinion of the Company are not materially prejudicial to the interest of the holders of the ICPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.</p>
Governing law	<p>: The laws of Malaysia.</p>



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**FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our 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 information contained in this Circular, or other facts and information the omission of which would make any statement in this Circular false or misleading.

**2. CONSENTS****2.1 Adviser**

TA Securities, as the Adviser for the Proposed Rights Issue of ICPS, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

**2.2 Reporting accountants**

Baker Tilly, as the Reporting Accountants for the Proposed Rights Issue of ICPS, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, letter on the pro forma consolidated statements of financial position as at 30 June 2016 as appended in Appendix I and all references thereto in the form and context in which they appear in this Circular.

**3. DECLARATIONS OF CONFLICT OF INTERESTS****3.1 Adviser**

TA Securities has confirmed that it is not aware of any conflict of interests which exists or is likely to exist in its role as the Adviser for the Proposed Rights Issue of ICPS.

**3.2 Reporting accountants**

Baker Tilly has confirmed that it is not aware of any conflict of interests which exists or is likely to exist in its role as the Reporting Accountants for the Proposed Rights Issue of ICPS.

**4. MATERIAL CONTRACTS**

Save as disclosed below, as at the LPD, our Group has not entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of our Group) during the 2 years immediately preceding the date of this Circular:

- (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 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.

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**FURTHER INFORMATION (CONT'D)**


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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.

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 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.

- (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. 16<sup>th</sup> 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.

- (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.

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.

On 24 February 2017, the additional listing application in relation to the Proposed Issuance of Consideration Shares, which had been submitted on 13 January 2017, has been withdrawn and the updated application will be resubmitted to Bursa Securities in due course.

- (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 TRSB and CRECD 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).

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

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**FURTHER INFORMATION (CONT'D)**


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- (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<sup>th</sup> quarter of 2017.

**5. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of our Group and our Board is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any other proceedings, which might materially and adversely affect the business or financial position of our Group.

**6. MATERIAL COMMITMENT**

Save as disclosed below, as at the LPD, our Board is not aware of any other material commitment incurred or known to be incurred by our Company and/or our Group, which upon being enforced, may have a material impact on the financial position of our Company and/or our Group:

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

**7. CONTINGENT LIABILITIES**

Save as disclosed below, as at the LPD, our Board is not aware of any contingent liability incurred or known to be incurred by our Company and/or our Group, which upon becoming enforceable, may have a material impact on the financial position of our Company and/or our Group:

	<b>(RM'000)</b>
Corporate guarantees for credit facilities granted to subsidiary companies	249,710

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**FURTHER INFORMATION (CONT'D)**

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**8. 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 during normal business hours from 8.30 a.m. to 5.30 p.m. from Mondays to Fridays (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) our Memorandum and Articles of Association;
- (ii) our Group's audited financial statements for the past 2 FYEs 30 June 2015 and 30 June 2016 as well as our latest unaudited quarterly results for the 9-month period ended 31 March 2017;
- (iii) the letters of consent and declarations of conflict of interests referred to in Sections 2 and 3 above;
- (iv) our pro forma consolidated statements of financial position as at 30 June 2016 together with the reporting accountants' letter thereon as referred to in Appendix I;
- (v) the undertaking letter from the Undertaking Shareholder referred to in Section 2.1.4 of this Circular; and
- (vi) the material contracts referred to in Section 4 above.

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**TITIJAYA LAND BERHAD**

(Company No. 1009114-M)

(Incorporated in Malaysia under the Companies Act 2016)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“EGM”) of Titijaya Land Berhad (“TLB” or the “Company”) will be held at Concorde II, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 7 July 2017 at 3.00 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolutions with or without modifications:

**ORDINARY RESOLUTION**

**PROPOSED 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 AT AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED RIGHTS ISSUE OF ICPS”)**

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

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

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

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

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

#### **SPECIAL RESOLUTION**

#### **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF TLB TO FACILITATE THE PROPOSED RIGHTS ISSUE OF ICPS (“PROPOSED AMENDMENTS”)**

“**THAT** subject to the passing of the Ordinary Resolution, the Proposed Amendments as set out in Appendix II of the Circular be and are hereby approved.

**AND THAT** the Directors of the Company be and are hereby authorised to do all acts, deeds and things and execute all necessary documents with full power to make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required by the relevant authorities and to take all steps as they may deem necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments.”

#### **BY ORDER OF THE BOARD**

**CHUA SIEW CHUAN (MAICSA 0777689)**

**TAN LEY THENG (MAICSA 7030358)**

**Company Secretaries**

Kuala Lumpur

6 June 2017

#### *Notes:*

- 1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 3 July 2017 shall be eligible to attend the EGM or appoint proxies to attend and/or vote in his/her stead.*
- 2. A member entitled to attend and vote at the EGM is entitled to appoint a maximum of 2 proxies to attend and vote in his stead. A proxy need not be a member of the Company. Notwithstanding this, a member entitled to attend and vote at the EGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the EGM. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the EGM of the Company shall have the same rights as the member to speak at the EGM.*
- 3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
- 4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- 5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.*
- 6. Where a member appoints more than 1 proxy (not more than 2 proxies), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- 7. The instrument appointing a proxy must be deposited at the office of the Registrar of the Company at Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the EGM or at any adjournment thereof.*



**TITIJAYA LAND BERHAD**  
(Company No. 1009114-M)

**FORM OF PROXY**

<b>NO. OF SHARES HELD</b>
<b>CDS ACCOUNT NO.</b>

I/We \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member of **TITIJAYA LAND BERHAD**, hereby appoint \_\_\_\_\_

\_\_\_\_\_ (FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting (“EGM”) of the Company to be held at Concorde II, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Friday, 7 July 2017 at 3.00 p.m. or at any adjournment thereof.

My/Our proxy(ies) is/are to vote as indicated below:-

<b>RESOLUTIONS</b>	<b>FOR</b>	<b>AGAINST</b>
Ordinary Resolution: Proposed Rights Issue of ICPS		
Special Resolution: Proposed Amendments		

Please indicate with a “X” in the space provided on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Signature of Member/Common Seal

**Notes:-**

- In respect of deposited securities, only members whose names appear in the Record of Depositors as at 3 July 2017 shall be eligible to attend the EGM or appoint proxies to attend and/or vote in his/her stead.*
- A member entitled to attend and vote at the EGM is entitled to appoint a maximum of 2 proxies to attend and vote in his stead. A proxy need not be a member of the Company. Notwithstanding this, a member entitled to attend and vote at the EGM is entitled to appoint any person as his proxy to attend and vote instead of the member at the EGM. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the EGM of the Company shall have the same rights as the member to speak at the EGM.*
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.*
- Where a member appoints more than 1 proxy (not more than 2 proxies), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- The instrument appointing a proxy must be deposited at the office of the Registrar of the Company at Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the EGM or at any adjournment thereof.*



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AFFIX  
STAMP

The Registrar  
**TITIJAYA LAND BERHAD**  
(Company No. 1009114-M)

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

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