

TITIJAYA LAND BERHAD (“TLB” OR THE “COMPANY”)

- (I) PROPOSED SHARE SPLIT;**
 - (II) PROPOSED FREE WARRANTS ISSUE; AND**
 - (III) PROPOSED AMENDMENTS**
-

1. INTRODUCTION

On behalf of the Board of Directors of TLB (“Board”), TA Securities Holdings Berhad (“TA Securities”) wishes to announce that the Company proposes to undertake the following proposals:

- (i) proposed share split involving a subdivision of every one (1) ordinary share of RM0.50 each in TLB (“TLB Share” or “Share”) into two (2) new ordinary shares of RM0.25 each in TLB (“Subdivided Shares”) held at an entitlement date to be determined later (“Entitlement Date”) (“Proposed Share Split”);
- (ii) proposed issue of up to 1,104,732,454 free warrants in TLB (“Warrants”) on the basis of one (1) Warrant for every two (2) Subdivided Shares held after the Proposed Share Split (“Proposed Free Warrants Issue”); and
- (iii) proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Share Split (“Proposed Amendments”).

(Collectively referred to as the “Proposals”)

2. DETAILS OF THE PROPOSALS

2.1 Proposed Share Split

2.1.1 Subdivision of Shares

The Proposed Share Split entails a subdivision of every one (1) TLB Share held by the shareholders of TLB whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date (“Entitled Shareholders”) into two (2) Subdivided Shares.

The Company will have an enlarged issued and paid-up ordinary share capital of up to RM552,366,227 comprising up to 1,104,732,454 TLB Shares after taking into consideration the following:

- (i) the existing issued and paid-up ordinary share capital of TLB as at 10 November 2016 (being the latest practicable date prior to this announcement (“LPD”)) of RM201,666,633.50 comprising 403,333,267 TLB Shares (excluding the 20,000,000 outstanding redeemable convertible preference shares of RM0.50 each in TLB (“RCPS”) (“Outstanding RCPS”));

- (ii) full conversion of the 20,000,000 Outstanding RCPS into 6,666,666 new TLB Shares prior to the entitlement date of the proposed renounceable rights issue of up to 614,999,899 new irredeemable convertible preference shares of RM0.05 each in TLB (“ICPS”), which was announced by the Company on 26 August 2016 (“Proposed Rights Issue of ICPS”);
- (iii) assuming full conversion of up to 614,999,899 ICPS to be issued pursuant to the Proposed Rights Issue of ICPS at the conversion ratio of a combination of one (1) ICPS and indicative cash payment of RM1.485 for one (1) new TLB Share; and
- (iv) issuance of 79,732,622 new TLB Shares at an issue price of RM1.45 per TLB Share for the acquisition of the entire equity interest in NPO Builders Sdn Bhd and full settlement of advances from Titi Kaya Sdn Bhd, Lee Eng Wah and Lim Wen Yeh for a total purchase consideration of RM115,612,302, which was announced by the Company on 30 September 2016 (“Proposed Acquisition”) (“Proposed Issuance of Consideration Shares”).

For the avoidance of doubt, please note the following:

- (i) the holder of the 20,000,000 Outstanding RCPS (which is convertible into 6,666,666 new TLB Shares starting from 29 March 2017), namely Titijaya Group Sdn Bhd, will convert all of the Outstanding RCPS into new TLB Shares prior to the implementation of the Proposed Share Split; and
- (ii) the Proposed Share Split will be implemented after the Proposed Rights Issue of ICPS and Proposed Issuance of Consideration Shares.

Hence, upon the completion of the Proposed Share Split, the enlarged issued and paid-up ordinary share capital of TLB will be up to RM552,366,227 comprising up to 2,209,464,908 Subdivided Shares.

The Proposed Share Split will result in an adjustment to the market price of TLB Shares listed and quoted on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). For illustration purposes, the theoretical adjusted market price of TLB Shares upon completion of the Proposed Share Split is as follows:

	Assumed number of TLB Shares held	Par value (RM)	Market price per TLB Share (RM)	Total market value of TLB Shares (RM)
As at the LPD	1	0.50	1.7900	1.7900
After the Proposed Rights Issue of ICPS	1	0.50	1.7717*	1.7717*
After the Proposed Share Split	2	0.25	0.8858	1.7717

Note:

- * *Based on the theoretical ex-rights price of TLB Share after the Proposed Rights Issue of ICPS at the conversion ratio of ten (10) ICPS to be converted into one (1) TLB Share.*

Based on the above illustration, the Proposed Share Split will result in an adjustment to the market price of each TLB Share but it will not have any impact on the total market value of the TLB Shares held by the shareholders of TLB.

2.1.2 Ranking of the Subdivided Shares

The Subdivided Shares will, upon allotment and issuance, rank *pari passu* in all respects with one another, save and except that the Subdivided Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Subdivided Shares.

2.1.3 Listing of and quotation for the Subdivided Shares

An application will be made to Bursa Securities for the Proposed Share Split. After approval by Bursa Securities for the Proposed Share Split, the Subdivided Shares will be listed and quoted on the Main Market of Bursa Securities on the next market day following the Entitlement Date. The notice of allotment for the Subdivided Shares will be issued and despatched to the Entitled Shareholders within four (4) market days after the listing of and quotation for the Subdivided Shares, or such other period as may be prescribed by Bursa Securities.

The Subdivided Shares are prescribed securities under Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 (“SICDA”) and will therefore be subjected to the SICDA and the Rules of Bursa Malaysia Depository Sdn Bhd. Accordingly, the Subdivided Shares will be credited into the Central Depository System accounts of Entitled Shareholders and no physical share certificates will be issued.

No suspension will be imposed on the trading of TLB Shares on Bursa Securities for the purpose of implementing the Proposed Share Split.

2.2 Proposed Free Warrants Issue

2.2.1 Basis and number of Warrants to be issued

The Proposed Free Warrants Issue involves the issuance of up to 1,104,732,454 Warrants after the completion of the Proposed Share Split, on the basis of one (1) Warrant for every two (2) Subdivided Shares held by the Entitled Shareholders on the Entitlement Date. Each Warrant shall carry the right to subscribe for one (1) new TLB Share.

Based on the Company’s enlarged issued and paid-up ordinary share capital after the Proposed Share Split of up to RM552,366,227 comprising up to 2,209,464,908 Subdivided Shares as disclosed in paragraph 2.1.1 above, a total of up to 1,104,732,454 Warrants will be issued pursuant to the Proposed Free Warrants Issue.

The actual number of Warrants to be issued would depend on the Company's issued and paid-up share capital (excluding any treasury shares, if any) on the Entitlement Date.

Fractional entitlement arising from the Proposed Free Warrants Issue, if any, shall be dealt with by the Board in such manner at its absolute discretion as it may deem fit and/or expedient and in the best interest of the Company.

The Proposed Free Warrants Issue will not be implemented in stages over a period of time. The Proposed Share Split and Proposed Free Warrants Issue are intended to have the same Entitlement Date which will be determined and announced by the Board after all relevant approvals have been received. For the avoidance of doubt, the Proposed Free Warrants Issue will be implemented after the Proposed Share Split.

2.2.2 Basis of determining the issue price and exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The exercise price of the Warrants shall be determined and fixed by the Board at a later date after taking into consideration the following factors:

- (i) the par value of TLB Shares of RM0.25 each after the Proposed Rights Issue of ICPS and Proposed Share Split; and
- (ii) the theoretical ex-price of TLB Shares after the Proposed Rights Issue of ICPS and Proposed Share Split based on the five (5)-day volume weighted average market price ("5D-VWAP") of TLB Shares with a discount to the theoretical ex-price if deemed appropriate by the Board prior to the price fixing date to be determined later by the Board. As at the date of this announcement, the Board has yet to determine the range of discount to be applied to the theoretical ex-price of TLB Shares.

The exercise price of the Warrants shall not be lower than RM0.25 each, being the par value of the TLB Shares after the Proposed Rights Issue of ICPS and Proposed Share Split.

For illustrative purposes only, the exercise price of the Warrants is assumed to be RM0.25, representing a discount of approximately RM0.6388 or 71.87% to the theoretical ex-price of TLB Shares of RM0.8888 after the Proposed Rights Issue of ICPS and Proposed Share Split, based on the 5D-VWAP of TLB Shares up to and including the LPD of RM1.7968.

2.2.3 Ranking of the new TLB Shares arising from the exercise of the Warrants

The holders of the Warrants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in TLB until and unless such holders of the Warrants exercise their Warrants into new TLB Shares.

The new TLB Shares to be issued arising from the exercise of the Warrants 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, other distributions and/or entitlements that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the new TLB Shares arising from the exercise of the Warrants.

2.2.4 Listing of and quotation for the Warrants and new TLB Shares arising from the exercise of the Warrants

An application will be made to Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities as well as for the listing of and quotation for the Warrants and the new TLB Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

2.2.5 Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are set out as follows:

Terms	Details
Issue size	: Up to 1,104,732,454 Warrants.
Form and denomination	: The Warrants which are free will be issued, registered and in the form of definitive warrant certificates and will be constituted by a deed poll to be executed by the Company ("Deed Poll").
Exercise price	: The exercise price for the Warrants shall be determined and fixed at a later date after obtaining the relevant approvals but before the Entitlement Date.
Exercise rights	: Each Warrant shall entitle the Warrant holder to subscribe for one (1) new TLB Share at any time during the exercise period at the exercise price (subject to adjustments in accordance with the provisions as set out in the Deed Poll).
Exercise period	: The Warrants may be exercised at any time within five (5) years commencing on and including the date of issuance of the Warrants until 5.00 p.m. on the Expiry Date. Any Warrant not exercised during the exercise period will thereafter lapse and cease to be valid.
Expiry date	: The close of business as at 5.00 p.m. in Kuala Lumpur, on the date immediately preceding the fifth (5 th) anniversary of the date of issuance of the Warrants, provided that if such day falls on a day which is not a market day, then on the preceding market day.

- Mode of exercise : The registered holder of the Warrants is required to lodge an exercise form, as set out in the Deed Poll, with the Company's registrar, duly completed, signed and stamped together with payment of the exercise price for the new TLB Shares subscribed for by banker's draft or cashier's order or money order or postal order in Ringgit Malaysia drawn on a bank or post office operating in Malaysia.
- Board lot : For the purpose of trading on Bursa Securities, one (1) board lot of Warrant shall comprise one hundred (100) Warrants carrying the right to subscribe for one hundred (100) new TLB Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities from time to time.
- Adjustments in the exercise price and/or number of the Warrants : The exercise price and/or the number of unexercised Warrants shall be adjusted in accordance with the provisions of the Deed Poll.
- Rights of the Warrant holders : The Warrant holders are not entitled to any dividends, rights, allotments, other distributions and/or entitlements that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of the new TLB Shares upon the exercise of the Warrants. The Warrant holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in the Company until and unless such Warrant holder becomes a shareholder of TLB by exercising his/her Warrants into new TLB Shares.
- Further issues : Subject to the provisions of the Deed Poll, the Company will be at liberty to issue Shares or other securities convertible to Shares to Entitled Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the Warrant holders will not have any participating rights in such issue unless the Warrant holder becomes a shareholder of TLB by exercising his/her exercise rights or otherwise resolved by the Company in a general meeting.

Modification to the terms of the Warrants : Subject to the terms on modification of rights and save for manifest error or such modifications are not materially prejudicial to the interests of the Warrant holders or to comply with any prevailing law or regulations of Malaysia, any modification, amendment, deletion or addition to the Deed Poll, shall require the approval of the Warrant holders sanctioned by special resolution and may be effected only by deed poll, executed by the Company and expressed to be supplemental thereto and subject to the approval of the relevant authorities, if necessary.

A memorandum of every such supplemental deed shall be endorsed on the Deed Poll.

Rights in the event of winding-up, amalgamation and/or reconstruction : If a resolution is passed for a members' voluntary winding up of the Company or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:

- (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holders (or some persons designated by them for such purposes by a special resolution) will be a party, the terms of such winding up, compromise and arrangement will be binding on all the Warrant holders; and

- (ii) in any other case, every Warrant holder will be entitled upon and subject to the conditions at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or the granting of the court order approving the winding-up, compromise or arrangement (as the case may be) (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), to exercise their Warrants by submitting the exercise form duly completed authorising the debiting of his Warrants together with payment of the relevant exercise price to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the exercise rights to the extent specified in the exercise form(s) and be entitled to receive out of the assets of the Company which would be available in liquidation if he had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company will give effect to such election accordingly.

Listing status : The Warrants will be listed and traded on the Main Market of Bursa Securities. An application will be made for the admission of the Warrants to the Official List of the Main Market of Bursa Securities as well as for the listing of and quotation for the Warrants and the new TLB Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

Governing law : The laws of Malaysia.

2.2.6 Utilisation of proceeds

The Proposed Free Warrants Issue will not raise any funds for TLB as the Warrants will be issued at no cost to the shareholders of TLB. However, as and when the Warrants are exercised, the exact quantum of proceeds that may be raised by TLB will depend upon the actual number of Warrants exercised during the tenure of the Warrants. As such, the exact timeframe and the breakdown for the utilisation of the proceeds is not determinable at this juncture.

For illustration purposes only, assuming the full exercise of up to 1,104,732,454 Warrants at the indicative exercise price of RM0.25, the proceeds to be raised by TLB are up to approximately RM276.18 million. Such proceeds are intended to be utilised for the working capital of TLB and its subsidiaries ("TLB Group" or "Group") as and when the need arises.

The proceeds to be utilised for each component of working capital are subject to the operating requirements at the time of utilisation and therefore cannot be determined at this juncture.

2.3 Proposed Amendments

In order to facilitate and to reflect the Proposed Share Split, the Memorandum and Articles of Association of TLB shall be amended by deleting the proposed amendments to Clause 6 and Article 4A in its entirety arising from the Proposed Rights Issue of ICPS and replace them with the following new Clause 6 and Article 4A:

<p>Proposed amendments to Clause 6 of Memorandum of Association arising from the Proposed Rights Issue of ICPS</p>	<p>Amended Clause 6 of Memorandum of Association</p>
<p>“The authorised share capital of the Company is RM1,000,000,000.00 divided into 1,800,000,000 Ordinary Shares of RM0.50 each, 100,000,000 Redeemable Convertible Preference Shares of RM0.50 each and 1,000,000,000 Irredeemable Convertible Preference Shares of RM0.05 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.”</p>	<p>“The authorised share capital of the Company is RM1,000,000,000.00 divided into 3,600,000,000 Ordinary Shares of RM0.25 each, 100,000,000 Redeemable Convertible Preference Shares of RM0.50 each and 1,000,000,000 Irredeemable Convertible Preference Shares of RM0.05 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.”</p>
<p>Proposed amendments to Article 4A of Articles of Association arising from the Proposed Rights Issue of ICPS</p>	<p>Amended Article 4A of Articles of Association</p>
<p><u>Dividend rate</u> The Company has full discretion over the declaration of dividends, if any, and over the dividend rate which will be calculated based on the par value of the ICPS. Dividends declared and payable annually in arrears are non-cumulative.</p>	<p><u>Dividend rate</u> The Company has full discretion over the declaration of dividends, if any, and over the dividend rate which will be calculated based on the par value of the ICPS. Dividends declared and payable annually in arrears are non-cumulative.</p>
<p>The dividends of the ICPS shall be paid in priority over the ordinary shares of RM0.50 each in the Company (“TLB Shares”). For avoidance of doubt, the RCPS holder is not entitled to any dividend as the RCPS bears zero dividend rate.</p>	<p>The dividends of the ICPS shall be paid in priority over the ordinary shares of RM0.25 each in the Company (“TLB Shares”). For avoidance of doubt, the RCPS holder is not entitled to any dividend as the RCPS bears zero dividend rate.</p>
<p><u>Conversion Ratio and Conversion Price</u> 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.</p>	<p><u>Conversion Ratio and Conversion Price</u> 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 RM0.7425 for one (1) new TLB Share.</p>

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Share Split

The Proposed Share Split is expected to improve the trading liquidity of TLB Shares on the Main Market of Bursa Securities as a result of the increase in the number of TLB Shares in issue. In addition, the Proposed Share Split will result in a downward adjustment to the market price of TLB Shares to a more affordable entry price which is expected to appeal to a wider group of shareholders and/or investors to participate in the growth of the Group. The Proposed Share Split will also enable the existing shareholders of the Company to have a larger number of TLB Shares while maintaining their percentage of equity interest.

3.2 Proposed Free Warrants Issue

The Proposed Free Warrants Issue shall:

- (i) allow the shareholders of the Company to participate in convertible securities of the Company which are tradable on Bursa Securities without incurring any cost;
- (ii) potentially strengthen the Group's capital base and shareholders' funds as well as to provide funds for the Group to finance its working capital requirements, as and when the Warrants are exercised without incurring interest cost, as compared to bank borrowings and to improve the gearing of the Group;
- (iii) provide the shareholders of the Company with an opportunity to increase their equity in the Company at a predetermined price during the tenure of the Warrants; and
- (iv) allow the shareholders of the Company to further participate in the future prospects and growth of the Group and/or any potential capital appreciation in the Warrants and TLB Shares, as and when the Warrants are exercised.

3.3 Proposed Amendments

The Proposed Amendments are to facilitate and to reflect the consequences of the Proposed Share Split.

[The rest of the page is intentionally left blank]

4. EFFECTS OF THE PROPOSALS

The Proposed Amendments will not have any effect on the share capital, net assets attributable to the ordinary equity holders of TLB ("NA"), earnings, earnings per Share ("EPS") and substantial shareholders' shareholdings of TLB.

For illustration purpose, the pro-forma effects of the Proposed Share Split and Proposed Free Warrants Issue on the share capital, NA, gearing, earnings, EPS and substantial shareholders' shareholdings of TLB are set out below:

4.1 Issued and paid-up ordinary share capital

The pro-forma effects of the Proposed Share Split and Proposed Free Warrants Issue on the issued and paid-up ordinary share capital of TLB are as follows:

	Par value (RM)	Minimum Scenario		Maximum Scenario	
		No. of TLB Shares	RM	No. of TLB Shares	RM
Issued and paid-up ordinary share capital as at the LPD	0.50	403,333,267	201,666,634	403,333,267	201,666,634
Full conversion of the Outstanding RCPS	0.50	-	-	6,666,666	3,333,333
Assuming full conversion of ICPS to be issued pursuant to the Proposed Rights Issue of ICPS	0.50	403,333,267	201,666,634	409,999,933	204,999,967
Full conversion of the Outstanding RCPS		403,333,267	201,666,634	1,024,999,832	512,499,917
		6,666,666	3,333,333	-	-
To be issued pursuant to the Proposed Issuance of Consideration Shares	0.50	409,999,933	204,999,967	1,024,999,832	512,499,917
To be issued pursuant to the Proposed Share Split	0.25	489,732,555	244,866,278	1,104,732,454	552,366,228
Assuming full exercise of Warrants pursuant to the Proposed Free Warrants Issue	0.25	979,465,110	244,866,278	2,209,464,908	552,366,228
Enlarged issued and paid-up ordinary share capital	0.25	1,469,197,665	367,299,417	3,314,197,362	828,549,342

4.2 NA and gearing

Based on the audited consolidated financial statements of TLB as at 30 June 2016, the pro-forma effects of the Proposed Share Split and Proposed Free Warrants Issue on the consolidated NA and gearing of TLB Group are as follows:

Minimum Scenario

	(Audited) As at 30 June 2016 (RM)	(I) After subsequent events up to the LPD ^(a) (RM)	(II) After (I) and the Proposed Rights Issue of ICPS (RM)	(III) After (II) and full conversion of the Outstanding RCPS (RM)	(IV) After (III) and the Proposed Issuance of Shares (RM)	(V) After (IV) and the Proposed Share Split (RM)	(VI) After (V) and assuming full exercise of the Warrants pursuant to the Proposed Free Warrants Issue ^(b) (RM)
Share capital	180,000,000	201,666,634	201,666,634	204,999,967	244,866,278	244,866,278	367,299,417
Share premium	100,451,394	139,542,689	139,542,689	148,113,534	223,509,525 ^(b)	223,189,525 ^(b)	223,189,525
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)	(47,425,855)	(47,425,855)
Equity component of RCPS	4,979,851	2,489,926	2,489,926	-	-	-	-
Equity component of ICPS	-	-	57,626,763 ^(b)	57,626,763 ^(b)	57,626,763	57,626,763	57,626,763
Retained earnings	297,516,546	296,805,340	296,805,340	296,805,340	296,805,340	296,805,340	296,805,340
Shareholders' funds / NA	530,779,701	593,078,734	650,705,497	660,119,749	775,382,051	775,062,051	897,495,190
No. of TLB Shares in issue	356,851,200*	403,333,267	403,333,267	409,999,933	489,732,555	979,465,110	1,469,197,665
NA per TLB Share (RM)	1.49	1.47	1.61	1.61	1.58	0.79	0.61
Total borrowings (RM)	205,849,670	205,849,670	205,849,670	205,849,670	205,849,670	205,849,670	205,849,670
Gearing (times)	0.39	0.35	0.32	0.31	0.27	0.27	0.23

Notes:

* 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 Outstanding 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; 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 which was approved by Bursa Securities on 27 June 2016 and completed on 23 September 2016 ("Private Placement") and after deducting the estimated expenses of RM240,000 for the Private Placement.

(2) Arising from the issuance of 353,192,500 ICPS at the indicative issue price of RM0.165 each pursuant to the Proposed Rights Issue of ICPS and after deducting the estimated expenses of RM650,000 for the corporate proposals announced on 26 August 2016.

(3) Arising from the issuance of 79,732,622 new TLB Shares at an issue price of RM1.45 each and after deducting the estimated expenses of RM350,000 for the Proposed Issuance of Consideration Shares.

(4) After deducting the estimated expenses of RM320,000 for the Proposals.

(5) Based on the assumed exercise price of RM0.25 per Warrant.

Maximum Scenario

	(Audited) As at 30 June 2016 (RM)	(I) After subsequent events up to the LPD ⁽¹⁾ (RM)	(II) After (I) and 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 ICPS (RM)	(V) After (IV) and the Proposed Issuance of Consideration Shares (RM)	(VI) After (V) and the Proposed Share Split (RM)	(VII) After (VI) and assuming full exercise of the Warrants pursuant to the Proposed Free Warrants Issue ⁽²⁾ (RM)
Share capital	180,000,000	201,666,634	204,999,967	204,999,967	512,499,917	552,366,228	552,366,228	828,549,342
Share premium	100,451,394	139,542,689	148,113,534	148,113,534	854,713,418 ⁽³⁾	930,109,409 ⁽⁴⁾	929,789,409 ⁽⁵⁾	929,789,409
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)	(47,425,855)	(47,425,855)	(47,425,855)
Equity component of RCPS	4,979,851	2,489,926	-	-	-	-	-	-
Equity component of ICPS	-	-	-	100,824,983 ⁽²⁾	-	-	-	-
Retained earnings	297,516,546	296,805,340	296,805,340	296,805,340	296,805,340	296,805,340	296,805,340	296,805,340
Shareholders' funds / NA	530,779,701	593,078,734	602,492,986	703,317,969	1,616,592,820	1,731,855,122	1,731,535,122	2,007,718,236
No. of TLB Shares in issue	356,851,200*	403,333,267	409,999,933	409,999,933	1,024,999,832	1,104,732,454	2,209,464,908	3,314,197,362
NA per TLB Share (RM)	1.49	1.47	1.47	1.72	1.58	1.57	0.78	0.61
Total borrowings (RM)	205,849,670	205,849,670	205,849,670	205,849,670	205,849,670	205,849,670	205,849,670	205,849,670
Gearing (times)	0.39	0.35	0.34	0.29	0.13	0.12	0.12	0.10

Notes:

* 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 Outstanding 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; 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 estimated expenses of RM240,000 for the Private Placement.

(2) Arising from the issuance of 614,999,899 ICPS at the indicative issue price of RM0.165 each pursuant to the Proposed Rights Issue of ICPS and after deducting the estimated expenses of RM650,000 for the corporate proposals announced on 26 August 2016.

(3) Arising from the conversion of the 614,999,899 at the conversion ratio of a combination of one (1) ICPS and indicative cash payment of RM1.485 for one (1) new TLB Share.

(4) Arising from the issuance of 79,732,622 new TLB Shares at an issue price of RM1.45 each and after deducting the estimated expenses of RM350,000 for the Proposed Issuance of Consideration Shares.

(5) After deducting the estimated expenses of RM320,000 for the Proposals.

(6) Based on the assumed exercise price of RM0.25 per Warrant.

4.3 Earnings and EPS

The Proposed Share Split and Proposed Free Warrants Issue are not expected to have any material effect on the earnings of TLB Group for the financial year ending 30 June 2017. However, there will be a corresponding dilution in TLB's consolidated EPS as a result of the increase in the number of TLB Shares arising from the Proposed Share Split.

The Proposed Free Warrants Issue is not expected to have an immediate material effect on the consolidated earnings and EPS until such time when the Warrants are exercised. The potential effects of the exercise of the Warrants on the future consolidated earnings and EPS of TLB will depend upon, amongst others, the number of Warrants exercised at any point in time and the returns generated from the utilisation of proceeds arising from the exercise of the Warrants.

For illustrative purposes only, based on the consolidated financial statements of TLB for the financial year ended 30 June 2016, the pro-forma effects of the Proposed Share Split and Proposed Free Warrants Issue on the EPS of TLB are as follows:

Minimum Scenario

	(Audited) As at 30 June 2016	(I) After subsequent events up to the LPD	(II) After (I) and the Proposed Rights Issue of ICPS	(III) After (II) and full conversion of the Outstanding RCPS	(IV) After (III) and the Proposed Issuance of Consideration Shares	(V) After (IV) and the Proposed Share Split	(VI) After (V) and assuming full exercise of the Warrants pursuant to the Proposed Free Warrants Issue
Number of TLB Shares in issue	356,851,200 ⁽¹⁾	403,333,267	403,333,267	409,999,933	489,732,555	979,465,110	1,469,197,665
Profit attributable to owners of the Company (RM)	68,351,715	68,351,715	68,351,715	68,351,715	68,351,715	68,351,715	68,351,715
Basic EPS (sen)	19.13 ⁽²⁾	16.95	16.95	16.67	13.96	6.98	4.65
Diluted EPS (sen)	18.44 ⁽²⁾	16.67 ⁽³⁾	15.35 ⁽³⁾	15.35 ⁽³⁾	13.02 ⁽³⁾	6.74 ⁽³⁾	4.54 ⁽³⁾

Notes:

- (1) Excluding 3,148,800 treasury shares as at 30 June 2016.
- (2) Based on the audited financial statements of TLB Group for the financial year ended 30 June 2016.
- (3) After taking into consideration the effect of dilution for the conversion of the Outstanding RCPS and/or ICPS to be issued pursuant to the Proposed Rights Issue of ICPS.

Maximum Scenario

	(Audited) As at 30 June 2016	(I) After subsequent events up to the LPD	(II) After (I) and full conversion of the Outstanding RCPS	(III) After (II) and the Proposed Rights Issue of ICPS	(IV) After (III) and assuming full conversion of ICPS	(V) After (IV) and the Proposed Issuance of Consideration Shares	(VI) After (V) and the Proposed Share Split	(VII) After (VI) and assuming full exercise of the Warrants pursuant to the Proposed Free Warrants Issue
Number of TLB Shares in issue	356,851,200 ⁽¹⁾	403,333,267	409,999,933	409,999,933	1,024,999,832	1,104,732,454	2,209,464,908	3,314,197,362
Profit attributable to owners of the Company (RM)	68,351,715	68,351,715	68,351,715	68,351,715	68,351,715	68,351,715	68,351,715	68,351,715
Basic EPS (sen)	19.13 ⁽²⁾	16.95	16.67	16.67	6.67	6.19	3.09	2.06
Diluted EPS (sen)	18.44 ⁽²⁾	16.67 ⁽³⁾	-	6.67 ⁽³⁾	-	-	-	-

Notes:

- (1) Excluding 3,148,800 treasury shares as at 30 June 2016.
- (2) Based on the audited financial statements of TLB Group for the financial year ended 30 June 2016.
- (3) After taking into consideration the effect of dilution for the conversion of the Outstanding RCPS and/or ICPS to be issued pursuant to the Proposed Rights Issue of ICPS.

Name	(II) After (I) and the Proposed Issuance of Consideration Shares				(III) After (II) and the Proposed Share Split			
	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	0.06	242,128,333 ⁽¹⁾	49.44	600,000	0.06	484,256,666 ⁽¹⁾	49.44
Lim Poh Yit	780,800	0.16	242,128,333 ⁽¹⁾	49.44	1,561,600	0.16	484,256,666 ⁽¹⁾	49.44
Lim Puay Fung	245,000	0.05	242,128,333 ⁽¹⁾	49.44	490,000	0.05	484,256,666 ⁽¹⁾	49.44
Tijjaya Group Sdn Bhd	242,128,333	49.44	-	-	484,256,666	49.44	-	-
AIA Bhd	27,217,800	5.56	1,088,200 ⁽²⁾	0.22	54,435,600	5.56	2,176,400 ⁽²⁾	0.22
AIA Company Limited	-	-	28,306,000 ⁽³⁾	5.78	-	-	56,612,000 ⁽³⁾	5.78
AIA Group Limited	-	-	28,306,000 ⁽³⁾	5.78	-	-	56,612,000 ⁽³⁾	5.78
Premium Policy Berhad (In Members' Voluntary Liquidation)	-	-	28,306,000 ⁽³⁾	5.78	-	-	56,612,000 ⁽³⁾	5.78
Orange Policy Sdn Bhd	-	-	28,306,000 ⁽³⁾	5.78	-	-	56,612,000 ⁽³⁾	5.78
Titi Kaya Sdn Bhd	48,365,467	9.88	-	-	96,730,934	9.88	-	-
Brem Holding Berhad	-	-	48,365,467 ⁽⁴⁾	9.88	-	-	96,730,934 ⁽⁴⁾	9.88

[The rest of the page is intentionally left blank]

Name	(IV) After (III) and assuming full exercise of the Warrants issued pursuant to the Proposed Free Warrants Issue			
	Direct		Indirect	
	No. of TLB Shares	%	No. of TLB Shares	%
Tan Sri Dato' Lim Soon Peng	900,000	0.06	726,384,999 ⁽¹⁾	49.44
Lim Poh Yit	2,342,400	0.16	726,384,999 ⁽¹⁾	49.44
Lim Puay Fung	735,000	0.05	726,384,999 ⁽¹⁾	49.44
Titijaya Group Sdn Bhd	726,384,999	49.44	-	-
AIA Bhd	81,653,400	5.56	3,264,600 ⁽²⁾	0.22
AIA Company Limited	-	-	84,918,000 ⁽³⁾	5.78
AIA Group Limited	-	-	84,918,000 ⁽³⁾	5.78
Premium Policy Berhad (In Members' Voluntary Liquidation)	-	-	84,918,000 ⁽³⁾	5.78
Orange Policy Sdn Bhd	-	-	84,918,000 ⁽³⁾	5.78
Titi Kaya Sdn Bhd	145,096,401	9.88	-	-
Brem Holding Berhad	-	-	145,096,401 ⁽⁴⁾	9.88

Notes:

- (1) Deemed interested pursuant to Section 6A of the Companies Act, 1965 ("Act") by virtue of his/her substantial shareholdings in Titijaya Group Sdn Bhd.
- (2) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd.
- (3) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd.
- (4) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by Titi Kaya Sdn Bhd.

Name	(II) After (I) and assuming full conversion of ICPS issued pursuant to the Proposed Rights Issue of ICPS			(III) After (II) and the Proposed Issuance of Consideration Shares		
	Direct		Indirect	Direct		Indirect
	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%
Tan Sri Dato' Lim Soon Peng	750,000	0.07	605,320,832 ⁽¹⁾	59.06	750,000	0.07
Lim Poh Yit	1,952,000	0.19	605,320,832 ⁽¹⁾	59.06	1,952,000	0.18
Lim Puay Fung	612,500	0.06	605,320,832 ⁽¹⁾	59.06	612,500	0.06
Titijaya Group Sdn Bhd	605,320,832	59.06	-	-	605,320,832	54.79
ALA Bhd	68,044,500	6.64	2,720,500 ⁽²⁾	0.27	68,044,500	6.16
ALA Company Limited	-	-	70,765,000 ⁽³⁾	6.90	-	-
ALA Group Limited	-	-	70,765,000 ⁽³⁾	6.90	-	-
Premium Policy Berhad (In Members' Voluntary Liquidation)	-	-	70,765,000 ⁽³⁾	6.90	-	-
Orange Policy Sdn Bhd	-	-	70,765,000 ⁽³⁾	6.90	-	-

[The rest of the page is intentionally left blank]

Name	(IV)			(V)		
	After (III) and the Proposed Share Split			After (IV) and assuming full exercise of the Warrants issued pursuant to the Proposed Free Warrants Issue		
	Direct	Indirect		Direct	Indirect	
	No. of TLB Shares	%	No. of TLB Shares	%	No. of TLB Shares	%
Tan Sri Dato' Lim Soon Peng	1,500,000	0.07	1,210,641,664 ⁽¹⁾	54.79	2,250,000	0.07
Lim Poh Yit	3,904,000	0.18	1,210,641,664 ⁽¹⁾	54.79	5,856,000	0.18
Lim Puay Fung	1,225,000	0.06	1,210,641,664 ⁽¹⁾	54.79	1,837,500	0.06
Tinjaya Group Sdn Bhd	1,210,641,664	54.79	-	-	1,815,962,496	54.79
AIA Bhd	136,089,000	6.16	5,441,000 ⁽²⁾	0.25	204,133,500	6.16
AIA Company Limited	-	-	141,530,000 ⁽³⁾	6.41	-	-
AIA Group Limited	-	-	141,530,000 ⁽³⁾	6.41	-	-
Premium Policy Berhad (In Members' Voluntary Liquidation)	-	-	141,530,000 ⁽³⁾	6.41	-	-
Orange Policy Sdn Bhd	-	-	141,530,000 ⁽³⁾	6.41	-	-
					8,161,500 ⁽²⁾	0.25
					212,295,000 ⁽³⁾	6.41
					212,295,000 ⁽³⁾	6.41
					212,295,000 ⁽³⁾	6.41
					212,295,000 ⁽³⁾	6.41

Notes:

- (1) Deemed interested pursuant to Section 6A of the Act by virtue of his/her substantial shareholdings in Tinjaya Group Sdn Bhd.
- (2) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd.
- (3) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pension and Asset Management Sdn Bhd.

4.5 Convertible securities

As at the LPD, save for the 20,000,000 Outstanding RCPS and up to 614,999,899 ICPS to be issued pursuant to the Proposed Rights Issue of ICPS which are convertible into TLB Shares, TLB does not have any other existing convertible securities.

The Proposals will not have any effect on the Outstanding RCPS as the Outstanding RCPS will be converted into TLB Shares prior to the implementation of the Proposed Share Split.

The Proposed Free Warrants Issue will not give rise to any adjustment to the conversion price or number of the ICPS to be issued pursuant to the Proposed Rights Issue of ICPS.

For illustration purposes, the adjustments to the ICPS to be issued pursuant to the Proposed Rights Issue of ICPS arising from the Proposed Share Split are as follows:

(a) Adjustment to the conversion price of the ICPS

$$\begin{aligned}
 \text{(i) New conversion price after the Proposed Share Split} &= \frac{\text{Revised par value of each TLB Share}}{\text{Original par value of each TLB Share}} \times \text{Indicative conversion price of the ICPS to be issued} \\
 &= \frac{\text{RM0.25}}{\text{RM0.50}} \times \text{RM1.650} \\
 &= \text{RM0.825}
 \end{aligned}$$

$$\begin{aligned}
 \text{(ii) New cash payment after the Proposed Share Split} &= \frac{\text{Revised par value of each TLB Share}}{\text{Original par value of each TLB Share}} \times \text{Indicative cash payment for the conversion of the ICPS to be issued} \\
 &= \frac{\text{RM0.25}}{\text{RM0.50}} \times \text{RM1.485} \\
 &= \text{RM0.7425}
 \end{aligned}$$

(b) Adjustment to the number of ICPS

$$\begin{aligned}
 \text{Adjusted number of ICPS} &= \frac{\text{Original par value of each TLB Share}}{\text{Revised par value of each TLB Share}} \times \text{Maximum number of ICPS to be issued} \\
 &= \frac{\text{RM0.50}}{\text{RM0.25}} \times 614,999,899 \\
 &= 1,229,999,798
 \end{aligned}$$

For the avoidance of doubt, no adjustment will be made to the conversion ratio of the ICPS to be issued pursuant to the Proposed Rights Issue of ICPS. For illustrative purposes only, the details of the ICPS to be issued pursuant to the Proposed Rights Issue of ICPS are as follows:

ICPS to be issued pursuant to the Proposed Rights Issue of ICPS

	Before the Proposed Share Split	After the Proposed Share Split
Number of ICPS to be issued pursuant to the Proposed Rights Issue of ICPS	614,999,899*	1,229,999,798*
Conversion ratio	(i) Ten (10) ICPS for one (1) TLB Share; and (ii) A combination of one (1) ICPS and indicative cash payment of RM1.485 for one (1) TLB Share.	(i) Ten (10) ICPS for one (1) Subdivided Share; and (ii) A combination of one (1) ICPS and indicative cash payment of RM0.7425 for one (1) Subdivided Share.
Indicative conversion price	RM1.650	RM0.825

Note:

* Assuming issuance of 614,999,899 ICPS pursuant to the Proposed Rights Issue of ICPS.

5. APPROVALS REQUIRED

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

- (i) Bursa Securities for the following:
 - (a) the Proposed Share Split;
 - (b) admission, listing of and quotation for the Warrants to the Official List of Bursa Securities; and
 - (c) listing of and quotation for the new TLB Shares to be issued pursuant to the exercise of Warrants and/or conversion of additional ICPS to be issued arising from the Proposed Share Split on the Main Market of Bursa Securities;
- (ii) the shareholders of TLB for the Proposals at an extraordinary general meeting to be convened; and
- (iii) any other relevant authorities or persons, if required.

6. INTER-CONDITIONALITY OF THE PROPOSALS

It is the intention of the Board to propose the same Entitlement Date for the Proposed Share Split and Proposed Free Warrants Issue.

The Proposed Free Warrants Issue is conditional upon the Proposed Share Split but not vice versa.

The Proposed Share Split is inter-conditional with the Proposed Amendments.

The Proposals are conditional upon the Proposed Rights Issue of ICPS but not vice versa.

The Proposals are not conditional upon the Proposed Acquisition and any other corporate proposals undertaken or to be undertaken (save for the Proposed Rights Issue of ICPS) by the Company.

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

None of the Directors and/or major shareholders of TLB and/or persons connected with them has any interest, either direct or indirect, in the Proposals save for their respective entitlements as shareholders of TLB under the Proposed Share Split and Proposed Free Warrants Issue, the rights of which are also available to all other existing shareholders of the Company on the Entitlement Date.

8. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposals including the rationale and effects, is of the opinion that the Proposals are in the best interests of the Company.

9. ADVISER

TA Securities has been appointed as the Adviser in relation to the Proposed Share Split and Proposed Free Warrants Issue.

10. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the approvals of the relevant authorities being obtained, the Board expects the Proposals to be completed in the third (3rd) quarter of 2017.

For the avoidance of doubt, the Proposals will be implemented upon the completion of the Proposed Rights Issue of ICPS and Proposed Issuance of Consideration Shares.

11. APPLICATIONS TO THE RELEVANT AUTHORITIES

Applications to the relevant authorities in respect of the Proposals are expected to be submitted within one (1) month from the date of this announcement.

This announcement is dated 11 November 2016.