

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

PROPOSED PRIVATE PLACEMENT OF NEW ORDINARY SHARES OF RM0.50 EACH IN TLB, REPRESENTING UP TO TEN PERCENT (10%) OF THE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF TLB (EXCLUDING TREASURY SHARES) (“PROPOSED PRIVATE PLACEMENT”)

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 Proposed Private Placement.

Further details of the Proposed Private Placement are set out in the ensuing sections.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

2.1 Size of placement

The Proposed Private Placement entails the issuance of up to 37,333,300 new ordinary shares of RM0.50 each in TLB (“**TLB Shares**” or “**Shares**”) (“**Placement Shares**”), representing up to ten percent (10%) of the enlarged issued and paid-up share capital of TLB of RM186,666,666.50 comprising 373,333,333 TLB Shares as at 10 June 2016 (being the latest practicable date prior to this announcement (“**LPD**”)), after taking into consideration the following:

- (i) TLB’s existing issued and paid-up share capital of RM178,425,600 comprising 356,851,200 TLB Shares (excluding 3,148,800 TLB Shares held as treasury shares by the Company (“**Treasury Shares**”)) as at the LPD;
- (ii) assuming all the Treasury Shares are resold in the open market; and
- (iii) assuming full conversion of the outstanding 40,000,000 redeemable convertible preference shares of RM0.50 each in TLB (“**RCPS**”) into 13,333,333 new TLB Shares,

prior to the implementation of the Proposed Private Placement

(collectively known as “**Maximum Scenario**”).

Based on the minimum scenario, the size of the Proposed Private Placement is up to 35,685,100 Placement Shares, representing up to ten percent (10%) of the existing issued and paid-up share capital of TLB of RM178,425,600 comprising 356,851,200 TLB Shares (excluding Treasury Shares) as at the LPD, assuming none of the RCPS is converted into new TLB Share prior to the implementation of the Proposed Private Placement (“**Minimum Scenario**”).

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total issued and paid-up share capital of the Company (excluding Treasury Shares) on a date to be determined later, after the approval set out in Section 5 of this announcement has been obtained.

2.2 Placement arrangement

The Company intends to place out the Placement Shares to independent third party investors to be identified later other than the following:

- (i) a director, major shareholder or chief executive of TLB or a holding company of TLB (“**Interested Person**”);
- (ii) a person connected with an Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

In addition, the independent third party investors shall be persons who qualify under Schedules 6 or 7 of the Capital Markets and Services Act, 2007, which include *inter-alia*, the issuance of the Placement Shares to each of them for a consideration of not less than RM250,000 or the issuance of the Placement Shares is made to high-net worth individuals whose net personal assets exceed RM3,000,000 or to corporations with net assets exceeding RM10,000,000.

Subject to market conditions and the timing of identification of placees, the Proposed Private Placement may be implemented in one (1) or more tranches within six (6) months from the date of the approval from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the Proposed Private Placement or any extended period as may be approved by Bursa Securities. The implementation of the placement arrangement in multiple tranches would provide flexibility to the Company to procure interested investors to subscribe for the Placement Shares within the approval period as approved by Bursa Securities.

If issued in multiple tranches, the issue price for each tranche of the Placement Shares may be determined separately. The basis of determining the issue price of the Placement Shares will be in accordance with market-based principles.

2.3 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issue, rank *pari passu* in all respects with the existing TLB Shares, save and except that the Placement Shares will not be entitled to any dividend, right, allotment and/or any other distribution that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Placement Shares.

2.4 Listing of and quotation for the Placement Shares

An application will be made to Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

2.5 Basis of pricing

The issue price of the Placement Shares shall be determined and fixed by the Board at a later date (“**Price Fixing Date**”), after the receipt of Bursa Securities’ approval for the Proposed Private Placement.

The Placement Shares will not be priced at more than ten percent (10%) discount to the five (5)-day volume weighted average market price (“5D-VWAP”) of TLB Shares immediately before the Price Fixing Date. In any event, the Placement Shares will not be priced lower than RM0.50, being the par value of TLB Shares.

For illustrative purposes, the 5D-VWAP of TLB Shares up to and including the LPD is RM1.4392 per TLB Share. Hence, for the purpose of this announcement, the indicative issue price of the Placement Shares will be RM1.30 per TLB Share, represents a discount of approximately RM0.1392 or 9.67% to the 5D-VWAP of TLB Shares up to and including the LPD.

2.6 Utilisation of proceeds

Based on the indicative issue price of RM1.30 per Placement Share, the gross proceeds of up to approximately RM48.53 million from the Proposed Private Placement will be utilised in the following manner:

| Utilisation purposes | Notes | Minimum Scenario (RM'000) | Maximum Scenario (RM'000) | Expected time frame for the utilisation of proceeds (from the date of listing of the Placement Shares) |
|--|--------------|----------------------------------|----------------------------------|---|
| Expansion of TLB and its subsidiaries’ (“Group”) property development business | (a) | 30,000 | 30,000 | Within 12 months |
| Working capital | (b) | 16,151 | 18,293 | Within 12 months |
| Estimated expenses in relation to the Proposed Private Placement | (c) | 240 | 240 | Within 2 weeks |
| Total estimated proceeds | | 46,391 | 48,533 | |

Notes:

- (a) *The Group is taking measures to expand its property development business which may be carried out in either one (1) or a combination of the following ways:*
- (i) *entry into joint ventures to undertake new property development projects;*
 - (ii) *acquisition of company(ies) involved in property development business and/or with land banks for future development; and/or*
 - (iii) *acquisition of potential land banks for the Group’s future development.*

The utilisation shall include the initial/preliminary costs to be incurred for property development such as land clearing costs, consultation fee, survey fee and piling cost of which the exact breakdown and quantum to be utilised for the specific purposes have not been determined at this juncture. The Group will make the appropriate announcement, if required, in respect of the joint venture(s) and/or acquisition(s) identified for property development in due course.

As at the LPD, the Group is considering several such opportunities but the Group has yet to identify or confirm any as the plans are still preliminary. Nevertheless, the Group is of the view that the funds need to be available in order for the Group to negotiate and/or enter into joint venture(s) and/or acquisition(s) on terms more favourable to the Group.

Any shortfall in the Group's expansion of its property development business in any of the ways set out above will be funded via its internally-generated funds and/or bank borrowings.

- (b) *The proceeds earmarked for working capital will be utilised to finance the day-to day operations of the Group's existing property development projects. Day-to-day expenses include, among others, the purchase of construction materials, sales and marketing expenses as well as payment of overheads.*

In view that the on-going property development projects would further expand the scale of the Group's operations, the funds from the Proposed Private Placement will supplement the Group's working capital requirements.

- (c) *The estimated expenses mainly consist of professional fees, placement fees and fees payable to Bursa Securities. Any variation to the actual amount of expenses for the Proposed Private Placement will be adjusted accordingly against the allocation for the working capital of the Group.*

The actual proceeds to be raised from the Proposed Private Placement will depend on the final issue price of the Placement Shares and the number of Placement Shares issued. Any shortfall/surplus in proceeds from the expected amount will be adjusted against the amount allocated for the working capital of the Group.

Prior to being utilised, the proceeds will be placed in deposits with financial institutions or short-term money market instruments, as the Board may deem fit. Any interest income earned from such deposits or instruments will be used as working capital of the Group.

3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

The Group intends to raise funds to expand its property development business and for working capital purposes as set out in Section 2.6 of this announcement.

After due consideration of the various avenues of fund raising, the Board is of the view that the Proposed Private Placement will enable the Group to raise funds expeditiously without incurring interest costs as opposed to bank borrowings.

In addition, the Proposed Private Placement will increase the capital base of the Company.

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4. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

4.1 Issued and paid-up share capital

The pro forma effects of the Proposed Private Placement on the issued and paid-up share capital of TLB are as follows:

| | Minimum Scenario | | Maximum Scenario | |
|--|-----------------------------------|----------------|-----------------------------------|----------------|
| | No. of TLB Shares (‘000) | RM (‘000) | No. of TLB Shares (‘000) | RM (‘000) |
| Issued and paid-up share capital as at the LPD | 360,000 | 180,000 | 360,000 | 180,000 |
| Assuming full conversion of the outstanding RCPS | - | - | 13,333 | 6,667 |
| | 360,000 | 180,000 | 373,333 | 186,667 |
| Pursuant to the Proposed Private Placement | 35,685 ⁽¹⁾ | 17,843 | 37,333 | 18,667 |
| Enlarged issued and paid-up share capital | 395,685 | 197,843 | 410,666 | 205,334 |

Note:

(1) Being approximately ten percent (10%) of the issued and paid-up share capital of TLB of RM178,425,600 comprising 356,851,200 TLB Shares (excluding Treasury Shares) as at the LPD.

4.2 Earnings and earnings per TLB Share (“EPS”)

The Proposed Private Placement is not expected to have an immediate material effect on the earnings of the Group for the financial year ending 30 June 2016 as the Proposed Private Placement is expected to be completed in the second (2nd) half of 2016 whilst the proceeds to be raised are expected to be utilised within twelve (12) months from the date of the listing of the Placement Shares. However, the EPS of the Group shall be correspondingly diluted as a result of the increase in the number of TLB Shares in issue pursuant to the issuance of the Placement Shares. Nevertheless, the Proposed Private Placement is expected to contribute positively to the future earnings of the Group when the benefits of the utilisation of proceeds are realised.

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4.3 Net assets attributable to equity holders of TLB (“NA”) and gearing

The pro forma effects of the Proposed Private Placement on the NA and gearing of the Group are illustrated below:

Minimum Scenario

| | Audited | (I) | (II) |
|--|---------------------------|------------------------------------|-----------------------------------|
| | As at 30 June 2015 | Subsequent events up to the | After (I) and the Proposed |
| | RM’000 | LPD⁽¹⁾ | Private Placement |
| | | RM’000 | RM’000 |
| Share capital | 176,667 | 180,000 | 197,843 |
| Share premium | 92,957 | 100,451 | 128,759 ⁽²⁾ |
| Treasury shares | (42) | (4,743) | (4,743) |
| RCPS – equity component | 7,433 | 4,980 | 4,980 |
| Reserve arising from reverse acquisition | (47,426) | (47,426) | (47,426) |
| Retained earnings | 245,283 | 245,283 | 245,283 |
| Shareholders’ funds / NA | 474,872 | 478,545 | 524,696 |
| No. of TLB Shares (excluding Treasury Shares) (’000) | 353,311* | 356,851 | 394,536 |
| NA per TLB Share (RM) | 1.34 | 1.34 | 1.34 |
| Total borrowings (RM’000) | 158,492 | 158,492 | 158,492 |
| Gearing (times) | 0.33 | 0.33 | 0.30 |

Notes:

* Excluding 22,000 treasury shares as at 30 June 2015.

(1) Taking into consideration of the following:

(a) the conversion of 20,000,000 RCPS on 21 August 2015; and

(b) 3,126,800 TLB Shares bought back from open market for a total consideration of approximately RM4.70 million (including transaction costs) by the Company.

- (2) *Based on the indicative issue price of RM1.30 per Placement Share and after deducting estimated expenses of RM240,000 for the Proposed Private Placement.*

Maximum Scenario

| | (I) Audited as at 30 June 2015 RM'000 | (II) Subsequent events up to the LPD ⁽¹⁾ RM'000 | (III) After (I) and assuming all Treasury Shares are sold in the open market RM'000 | (III) After (II) and assuming full conversion of the outstanding 40,000,000 RCPS RM'000 | (IV) After (III) and the Proposed Private Placement RM'000 |
|---|--|--|---|---|---|
| Share capital | 176,667 | 180,000 | 180,000 | 186,667 | 205,333 |
| Share premium | 92,957 | 100,451 | 100,451 | 113,784 ⁽³⁾ | 143,411 ⁽⁴⁾ |
| Treasury shares | (42) | (4,743) | - | - | - |
| RCPS – equity component | 7,433 | 4,980 | 4,980 | - | - |
| Reserve arising from reverse acquisition | (47,426) | (47,426) | (47,426) | (47,426) | (47,426) |
| Retained earnings | 245,283 | 245,283 | 245,283 ⁽²⁾ | 245,283 | 245,283 |
| Shareholders' funds / NA | 474,872 | 478,545 | 483,288 | 498,308 | 546,601 |
| No. of TLB Shares (excluding Treasury Shares) ('000) | 353,311* | 356,851 | 360,000 | 373,333 | 410,667 |
| NA per TLB Share (RM) | 1.34 | 1.34 | 1.34 | 1.33 | 1.33 |
| Total borrowings (RM'000) | 158,492 | 158,492 | 158,492 | 158,492 | 158,492 |
| Gearing (times) | 0.33 | 0.33 | 0.33 | 0.32 | 0.29 |

Notes:

* *Excluding 22,000 treasury shares as at 30 June 2015.*

(1) *Taking into consideration of the following:*

(a) *the conversion of 20,000,000 RCPS on 21 August 2015; and*

- (b) 3,126,800 TLB Shares bought back from open market for a total consideration of approximately RM4.70 million (including transaction costs) by the Company.
- (2) Assuming all 3,148,800 Treasury Shares are sold at cost.
- (3) Assuming full conversion of the remaining 40,000,000 RCPS at conversion ratio of three (3) RCPS for one (1) TLB Share.
- (4) Based on the indicative issue price of RM1.30 per Placement Share and after deducting estimated expenses of RM240,000 for the Proposed Private Placement.

4.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Private Placement on the substantial shareholders' shareholdings in the Company as at the LPD are as follows:

Minimum Scenario

| | As at the LPD | | | | (I) After the Proposed Private Placement | | | |
|-----------------------------|---------------|-------|----------------------------|-------|---|-------|----------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Tan Sri Dato' Lim Soon Peng | 300,000 | 0.08 | 228,795,000 ⁽¹⁾ | 64.11 | 300,000 | 0.08 | 228,795,000 ⁽¹⁾ | 58.29 |
| Lim Poh Yit | 780,800 | 0.22 | 228,795,000 ⁽¹⁾ | 64.11 | 780,800 | 0.20 | 228,795,000 ⁽¹⁾ | 58.29 |
| Lim Puay Fung | 245,000 | 0.07 | 228,795,000 ⁽¹⁾ | 64.11 | 245,000 | 0.06 | 228,795,000 ⁽¹⁾ | 58.29 |
| Titijaya Group Sdn Bhd | 228,795,000 | 64.11 | - | - | 228,795,000 | 58.29 | - | - |
| AIA Bhd | 24,029,800 | 6.73 | 500,200 ⁽²⁾ | 0.14 | 24,029,800 | 6.12 | 500,200 ⁽²⁾ | 0.13 |
| AIA Company Limited | - | - | 24,530,000 ⁽³⁾ | 6.87 | - | - | 24,530,000 ⁽³⁾ | 6.25 |
| AIA Group Limited | - | - | 24,530,000 ⁽³⁾ | 6.87 | - | - | 24,530,000 ⁽³⁾ | 6.25 |
| Premium Policy Bhd | - | - | 24,530,000 ⁽³⁾ | 6.87 | - | - | 24,530,000 ⁽³⁾ | 6.25 |
| Orange Policy Sdn Bhd | - | - | 24,530,000 ⁽³⁾ | 6.87 | - | - | 24,530,000 ⁽³⁾ | 6.25 |

Notes:

- (1) Deemed interested by virtue of his/her substantial shareholdings in Titijaya Group Sdn Bhd.
- (2) Deemed interested by virtue of the shares held by AIA PUBLIC Takaful Bhd and AIA Pensions and Assets Management Sdn Bhd.

(3) Deemed interested by virtue of the shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pensions and Assets Management Sdn Bhd.

Maximum Scenario

| | (I) As at the LPD | | | | (II) After (I) and all Treasury Shares sold | | | |
|-----------------------------|---|-------|----------------------------|-------|--|-------|----------------------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Tan Sri Dato' Lim Soon Peng | 300,000 | 0.08 | 228,795,000 ⁽¹⁾ | 64.11 | 300,000 | 0.08 | 228,795,000 ⁽¹⁾ | 63.55 |
| Lim Poh Yit | 780,800 | 0.22 | 228,795,000 ⁽¹⁾ | 64.11 | 780,800 | 0.22 | 228,795,000 ⁽¹⁾ | 63.55 |
| Lim Puay Fung | 245,000 | 0.07 | 228,795,000 ⁽¹⁾ | 64.11 | 245,000 | 0.07 | 228,795,000 ⁽¹⁾ | 63.55 |
| Titijaya Group Sdn Bhd | 228,795,000 | 64.11 | - | - | 228,795,000 | 63.55 | - | - |
| AIA Bhd | 24,029,800 | 6.73 | 500,200 ⁽²⁾ | 0.14 | 24,029,800 | 6.67 | 500,200 ⁽²⁾ | 0.14 |
| AIA Company Limited | - | - | 24,530,000 ⁽³⁾ | 6.87 | - | - | 24,530,000 ⁽³⁾ | 6.81 |
| AIA Group Limited | - | - | 24,530,000 ⁽³⁾ | 6.87 | - | - | 24,530,000 ⁽³⁾ | 6.81 |
| Premium Policy Bhd | - | - | 24,530,000 ⁽³⁾ | 6.87 | - | - | 24,530,000 ⁽³⁾ | 6.81 |
| Orange Policy Sdn Bhd | - | - | 24,530,000 ⁽³⁾ | 6.87 | - | - | 24,530,000 ⁽³⁾ | 6.81 |
| | (III) After (II) and full conversion of the outstanding RCPS | | | | (IV) After (III) and the Proposed Private Placement | | | |
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | % | No. of Shares | % | No. of Shares | % | No. of Shares | % |
| Tan Sri Dato' Lim Soon Peng | 300,000 | 0.08 | 242,128,333 ⁽¹⁾ | 64.86 | 300,000 | 0.07 | 242,128,333 ⁽¹⁾ | 58.96 |
| Lim Poh Yit | 780,800 | 0.21 | 242,128,333 ⁽¹⁾ | 64.86 | 780,800 | 0.19 | 242,128,333 ⁽¹⁾ | 58.96 |
| Lim Puay Fung | 245,000 | 0.07 | 242,128,333 ⁽¹⁾ | 64.86 | 245,000 | 0.06 | 242,128,333 ⁽¹⁾ | 58.96 |
| Titijaya Group Sdn Bhd | 242,128,333 | 64.86 | - | - | 242,128,333 | 58.96 | - | - |
| AIA Bhd | 24,029,800 | 6.44 | 500,200 ⁽²⁾ | 0.13 | 24,029,800 | 5.85 | 500,200 ⁽²⁾ | 0.12 |
| AIA Company Limited | - | - | 24,530,000 ⁽³⁾ | 6.57 | - | - | 24,530,000 ⁽³⁾ | 5.97 |
| AIA Group Limited | - | - | 24,530,000 ⁽³⁾ | 6.57 | - | - | 24,530,000 ⁽³⁾ | 5.97 |
| Premium Policy Bhd | - | - | 24,530,000 ⁽³⁾ | 6.57 | - | - | 24,530,000 ⁽³⁾ | 5.97 |
| Orange Policy Sdn Bhd | - | - | 24,530,000 ⁽³⁾ | 6.57 | - | - | 24,530,000 ⁽³⁾ | 5.97 |

Notes:

- (1) Deemed interested by virtue of his/her substantial shareholdings in Titijaya Group Sdn Bhd.*
- (2) Deemed interested by virtue of the shares held by AIA PUBLIC Takaful Bhd and AIA Pensions and Assets Management Sdn Bhd.*
- (3) Deemed interested by virtue of the shares held by AIA Bhd, AIA PUBLIC Takaful Bhd and AIA Pensions and Assets Management Sdn Bhd.*

4.5 Convertible securities

Save for the 40,000,000 outstanding RCPS which are convertible into new TLB Shares, the Company does not have any other outstanding warrants, options, convertible securities and uncalled capital as at the LPD. The Proposed Private Placement will not result in adjustments to the conversion rights and/or number outstanding RCPS.

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5. APPROVALS REQUIRED

The Proposed Private Placement is conditional upon the approval being obtained from Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

The Company had obtained the approval of its shareholders at the third (3rd) Annual General Meeting (“AGM”) convened on 25 November 2015 pursuant to Section 132D of the Companies Act, 1965 that authorises the Directors to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued and paid-up share capital of the Company for the time being, and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

6. DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTERESTS

None of the directors, major shareholders and/or persons connected with them has any interest, direct and indirect, in the Proposed Private Placement in view of the fact that the Placement Shares will not be placed to them as mentioned in Section 2.2 of this announcement.

7. DIRECTORS’ STATEMENT

After having considered all aspects of the Proposed Private Placement, the Board is of the opinion that the Proposed Private Placement is in the best interest of the Company.

8. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the approval from Bursa Securities being obtained, the Board expects the Proposed Private Placement to be completed within six (6) months from the date of the approval from Bursa Securities.

9. ADVISER AND PLACEMENT AGENT

TA Securities has been appointed as the Adviser and Placement Agent in relation to the Proposed Private Placement.

10. APPLICATION TO THE RELEVANT AUTHORITIES

The application to Bursa Securities in respect of the Proposed Private Placement is expected to be submitted within one (1) month from the date of this announcement.

This announcement is dated 13 June 2016.