
TITIJAYA
LAND BERHAD
BUILT TO INSPIRE
(1009114-M)
ANNUAL
REPORT2016

CONTENTS

ABOUT TITIJAYA LAND BERHAD

TITIJAYA LAND BERHAD, LISTED ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD, IS A RENOWNED PROPERTY DEVELOPER IN ITS OWN RIGHT AND HAS BEEN DEVELOPING PROPERTIES AND BUILDING HOMES IN MALAYSIA FOR OVER TWENTY YEARS.

Driven by its stimulus BUILT TO INSPIRE, Titijaya Land Berhad is recognised for the versatile and innovative architecture and design it presents throughout its multi-million Ringgit portfolio of development projects.

Titijaya Land Berhad, led by its founder Y. Bhg. Tan Sri Dato' Lim Soon Peng, has proven to be a notable developer within the industry with its successful developments in the Klang Valley.

Under Tan Sri Dato' Lim's leadership and guided by stringent principles, Titijaya Land Berhad is adequately positioned for sustainable and long-term growth with its invaluable and strategic land bank that it has accumulated. Together with and supported by its team of industry expertise, Titijaya Land Berhad has well-structured formulae to maximise the value and quality of the Group's property developments.

Aspired and steered by the Group's Vision and Mission, Titijaya Land Berhad will continue to mould its winning culture and build to meet buyers' needs and demands, with designs and developments that will continue to earn recognition.

VISION, MISSION & CORE VALUES

VISION

Aspire to be the best, grow rapidly, mould an excellent team and winning culture.

MISSION

To build properties that people will buy, appreciate and want to buy again.

CORE VALUES

HONESTY
Open and honest communication among employees and maintaining the highest integrity to the Company.

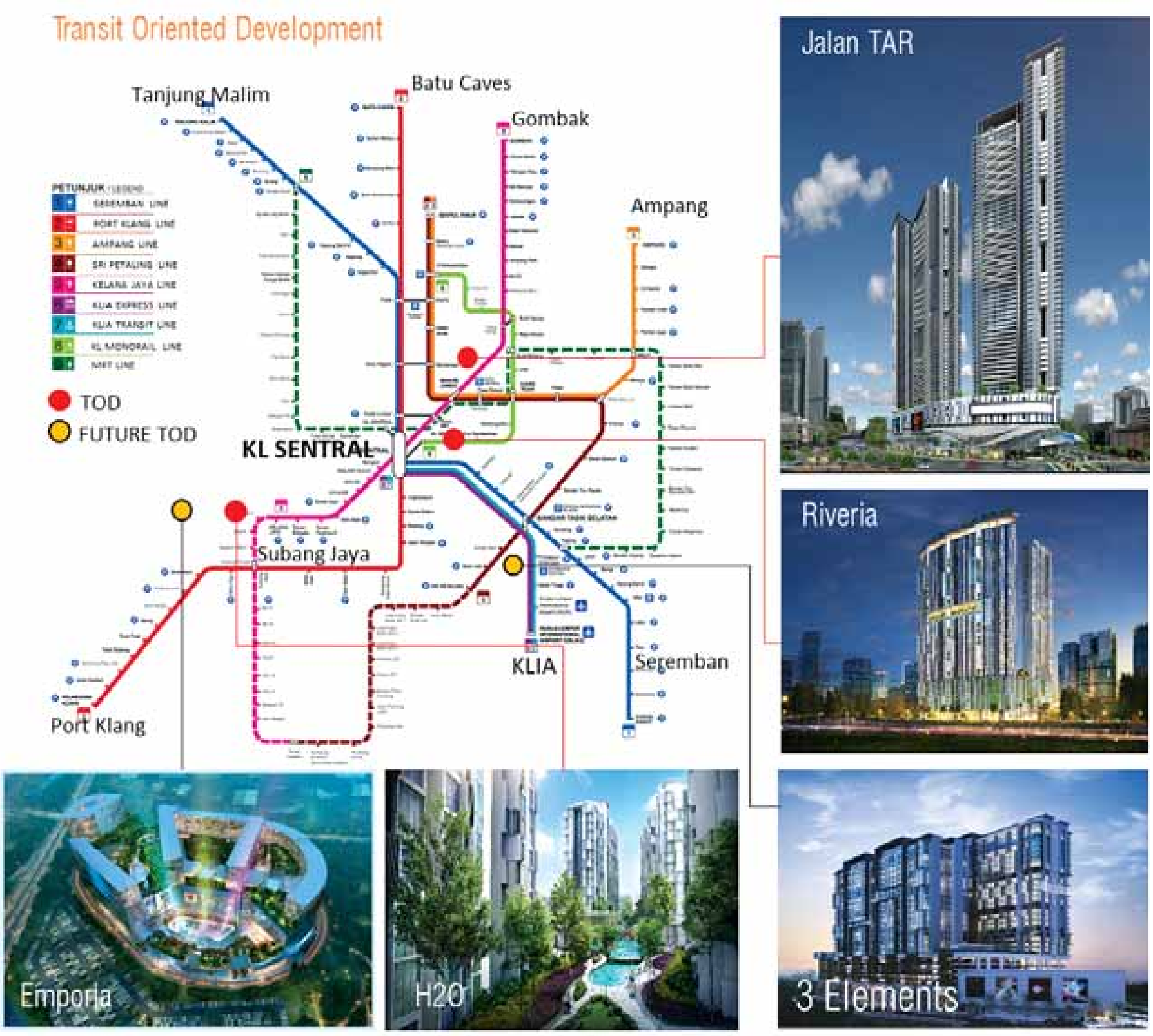
EXCELLENCE
WOW! Beyond Expectations.

BOLD
Move out of the comfort zone. Make it Happen!

AGILITY
Everyone is an entrepreneur. Be flexible.

TEAMWORK
We work as one.

PROJECT HIGHLIGHTS
TITIJAYA'S DEVELOPMENTS THROUGH CONNECTIVITY



COMPANY MILESTONES

STRONG & SUSTAINABLE GROWTH
ON-GOING PROJECTS WITH A TOTAL GDV OF RM1.49 BILLION

MUTIARA RESIDENCES

2 1/2 storey terrace phase 1 & 2

GDV: RM30.3 mil

3ELEMENTS

Shop offices with lift, SOFO units, serviced apartments and retail lots

GDV: RM435.0 mil

ZONE INNOVATION PARK

1 1/2 storey semi-detached factory units and 2 1/2 storey semi-detached factory units

GDV: RM228.7 mil

SERI RESIDENSI

Phase 1 - cluster houses
Phase 2A - Semi Detached houses

GDV: RM95.1 mil

EMBUN

Superlink Houses

GDV: RM97.9 mil

H20

Serviced apartments and SOHO

GDV: RM603.1 mil

UPCOMING PROJECTS WITH A TOTAL GDV OF RM8.27 BILLION

H2O BLOCK B

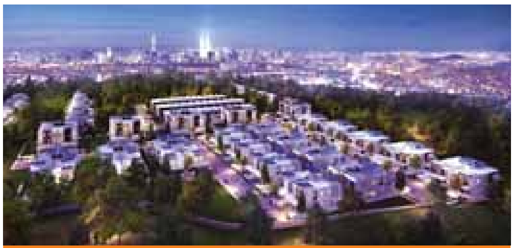
Serviced apartments
GDV: RM190.9 mil

KLANG SENTRAL

Serviced apartments
GDV: RM700.0 mil

ODEON

Mixed Development
GDV: RM1.5 bil

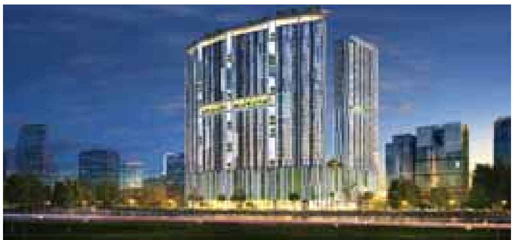


EMERY

Semi Detached Houses
GDV: RM155.6 mil

PARK RESIDENCY

Residential Houses
GDV: RM76.5 mil



RIVERIA SENTRAL

Serviced apartments, SOHO and Commercial
GDV: RM1.4 bil

SERI RESIDENSI

Phase 2B,3,4 – Semi Detached Houses
GDV: RM244.8 mil

UPCOMING PROJECTS WITH A TOTAL GDV OF RM8.27 BILLION

EMPORIA

Mixed development
GDV: RM1.5 bil

AREÇA

SOHO and Commercial
GDV: RM2.5 bil

CORPORATE INFORMATION

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

Mr. Lim Poh Yit
Deputy Group Managing Director

Ms. Lim Puay Fung
Executive Director

Mr. 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

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

AUDIT COMMITTEE

Mr. Chin Kim Chung
Chairman

Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired)

Y. Bhg. Dato' Ch'ng Toh Eng

NOMINATION COMMITTEE

Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired)
Chairman

Mr. Chin Kim Chung

Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir

REMUNERATION COMMITTEE

Y. Bhg. Dato' Ch'ng Toh Eng
Chairman

Y. Bhg. Tan Sri Dato' Lim Soon Peng

Mr. Chin Kim Chung

COMPANY SECRETARIES

Ms. Chua Siew Chuan
(MAICSA 0777689)

Ms. Tan Ley Theng
(MAICSA 7030358)

REGISTERED OFFICE

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

Tel : (603) 2084 9000
Fax : (603) 2094 9940

PRINCIPAL PLACE OF BUSINESS

N-16-01, Penthouse
Level 16, First Subang
Jalan SS 15/4G
47500 Subang Jaya
Selangor Darul Ehsan

Tel : (603) 8022 9999
Fax : (603) 8022 9888
Email : ir@titijaya.com.my

www.titijaya.com.my

H2O Sales Gallery
Tel : (603) 7734 5022
HP : 6019 587 6888
6017 382 1117
6012 293 1033

SHARE REGISTRAR

Symphony Share
Registrars Sdn Bhd
(Company No. 378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : (603) 7841 8000
Fax : (603) 7841 8151

AUDITORS

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

Tel : (603) 2297 1000
Fax : (603) 2282 9980

PRINCIPAL BANKERS

HSBC Bank Malaysia
Berhad

Bank Islam Malaysia
Berhad

OCBC Bank Malaysia
Berhad

United Overseas Bank
(Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa
Malaysia Securities Berhad
Sector : Property
Stock Code : 5239
Stock Name : Titijya

KEY SENIOR MANAGEMENT PROFILE

Mr. Tan Kian Whoo

Malaysian
Male
Group Chief Financial Officer

Mr. Tan Kian Whoo ("Mr.Tan") aged 40, is the Group Chief Financial Officer and was appointed by the Company on 1 September 2014. Mr. Tan is responsible for the financial and risk management operations of the Company. He is responsible for developing the Company's financial strategy, treasury planning and ensuring prudent financial reporting for the Company. He is also involved in the Company business strategy and structural planning.

Mr. Tan graduated from University of Technology Sydney, Australia with a Bachelor of Business Degree in Accounting and Finance. He holds a professional qualification as Certified Practising Accountant, Australia (CPA) and is also a member of the Malaysian Institute of Accountants (MIA).

He started his career in 2000 as an Auditor in Ernst & Young and subsequently ventured into the property development industry in 2006. He has been previously employed by a number of public listed companies in Malaysia including MK Land Berhad, Nam Fatt Corporation Berhad and Glomac Berhad.

He does not hold any directorship in public listed companies and listed issuers, has no family relationship with any directors and/or major shareholders of the Company, has no conflict of interest with the Company, has no conviction for any offences within the past 5 years other than traffic offences; and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Mr. Tan has over sixteen (16) years of accounting and finance experience in the property development industry.

FINANCIAL HIGHLIGHTS

GROSS DEVELOPMENT VALUE

RM9.76 BILLION

REVENUE
RM400.1 MILLION
(5 Years CAGR of 23.9%)

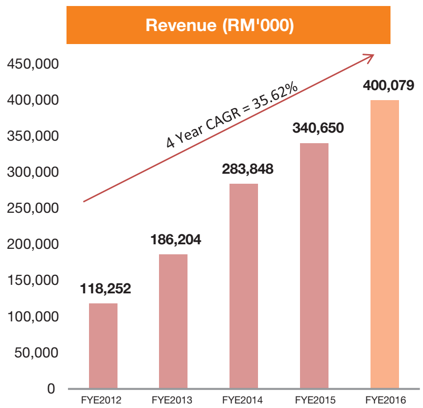
NET PROFIT
RM68.3 MILLION
(5 Years CAGR of 24.8%)

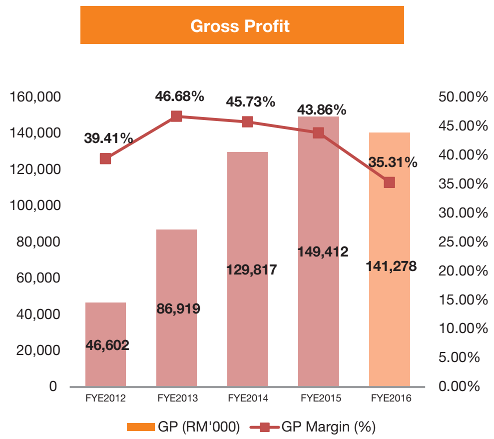
SHARE HOLDERS' FUND
RM531.3 MILLION

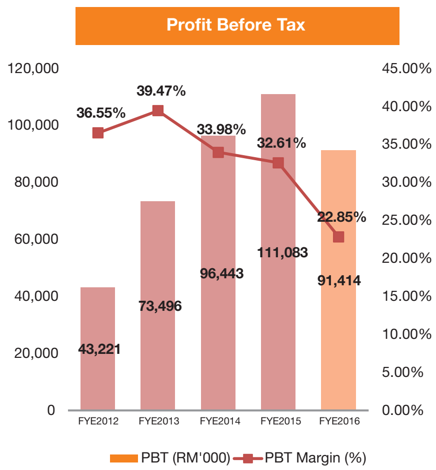
OUR FINANCIAL PERFORMANCE

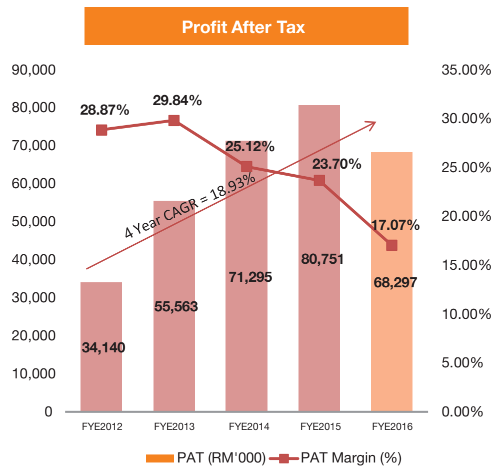
ANNUAL FINANCIAL RESULTS

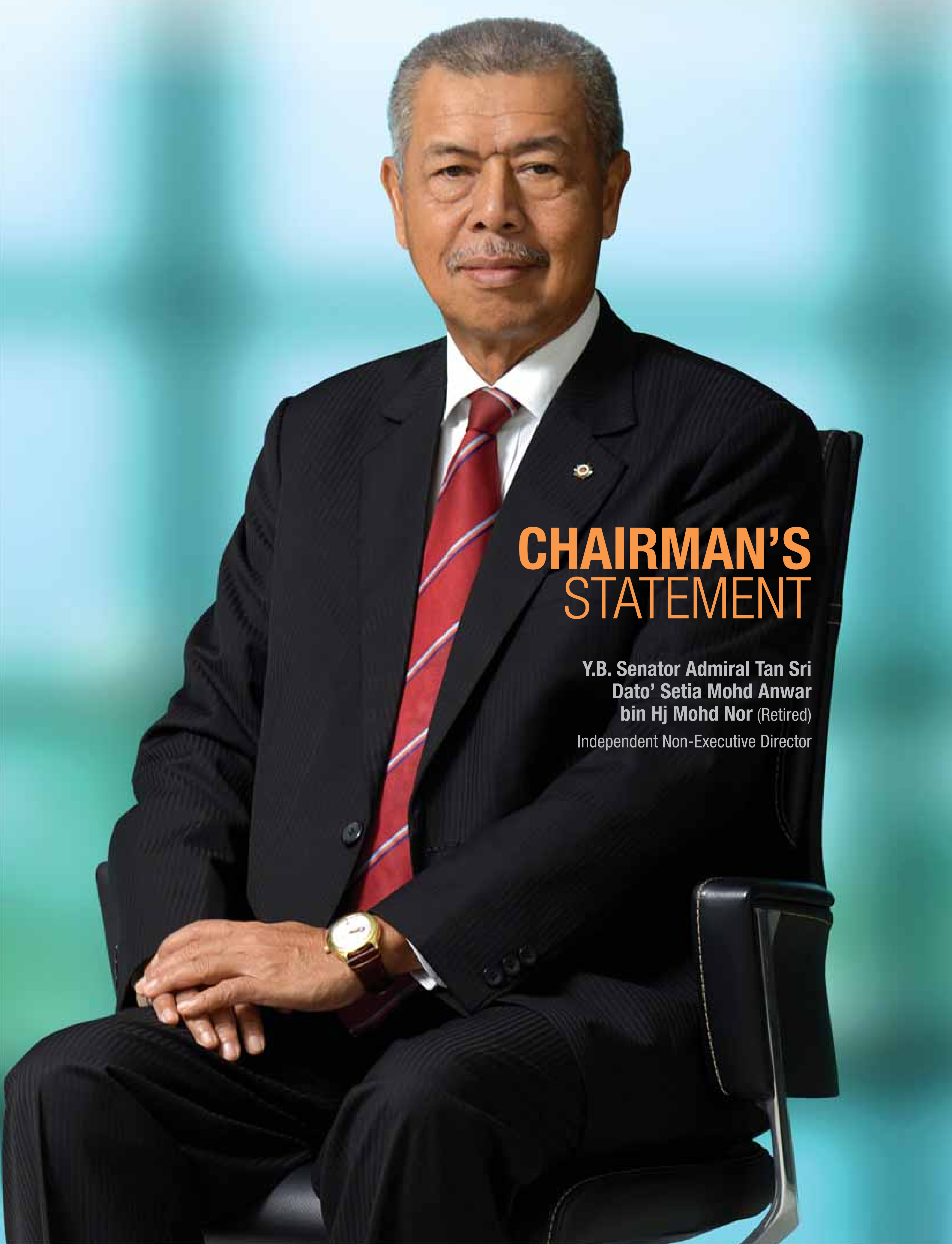
	FYE2012	FYE2013	FYE2014	FYE2015	FYE2016
Revenue	118,252	186,204	283,848	340,650	400,079
GP (RM'000)	46,602	86,919	129,817	149,412	141,278
PBT (RM'000)	43,221	73,496	96,443	111,083	91,414
PAT (RM'000)	34,140	55,563	71,295	80,751	68,297
GP Margin	39.41%	46.68%	45.73%	43.86%	35.31%
PBT Margin	36.55%	39.47%	33.98%	32.61%	22.85%
PAT Margin	28.87%	29.84%	25.12%	23.70%	17.07%
Net EPS***	0.13	0.20	0.23	0.23	0.19











CHAIRMAN'S STATEMENT

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

Dear Valued Shareholders,

AS THE CHAIRMAN OF TITIJAYA LAND BERHAD ("TITIJAYA" OR THE "COMPANY") ALLOW ME TO PRESENT TO YOU THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 ("FYE2016").

DEVELOPING THROUGH CHALLENGING TIMES

Malaysia's property market was estimated to experience an upturn during the later half of 2016 but with the continuous stagnant trend of the buyers' market to date, the anticipated recovery of the Malaysia property market may not be around the corner just yet.

FYE2016 was evidently a challenging and trying period for the majority of property players in Malaysia, when the buyers' market experienced a sudden "halt" due to a combination of external and internal economic factors. The global economic effects that had negatively impacted the Malaysian economy in the previous financial year continued to spill over into FYE2016 which was largely expected by many in the industry.

In hindsight, the cooling measures that were implemented have effectively curbed speculative buyers and stabled price fluctuation in the market. Our aspiration is to build a sustainable and growing property market which will be beneficial to everyone in Malaysia.

Amidst a testing environment, the Company had re-strategised our sales activities and levelled on our internal sales targets to ensure that we continued to deliver a steady and favourable performance for the financial year under review. For FYE2016, the Company maintained a profitable year with a reported revenue of RM400.1 million and profit after tax of RM68.3 million.

Titijaya's more than eighteen (18) years of industry experience has enabled the Company to continuously develop business strategies that can adapt to a wavering property market environment. During the financial year ended 30 June 2016, the Board had acknowledged the market slow down and took proactive measures by implementing structured business plans and focus that will weather the Company's business. Hence, we have realigned our project and development strategies that would suit and benefit both the Company and market needs. As a result of these evaluating bases we have been driving our focus towards three main areas. The first is our joint venture partnerships where it is less capital intensive for the Company and it paves the way for new long term business partnerships to be developed. Secondly, seeking developments in more mature areas where ready infrastructure and amenities are in place. And thirdly, capitalising on the strong market demands for affordable housing that is driven by the new generation home buyers and as a result of the stringent lending criteria.

DIVIDEND

The Board has recommended a final single-tier dividend of 0.5 sen per ordinary share for the financial year ended 30 June 2016, which is subject to shareholders' approval at the upcoming Annual General Meeting.

As the property market undergoes a consolidation period, Management believes that the Group will be able to capitalise on future opportune land-banking activities that will enhance Titijaya's shareholders value incrementally. Nonetheless, Management has decided to continue paying dividend albeit lower with respect the fiscal year FYE2016 to preserve capital and build up a significant war chest to fund our growth and expansion plans.

CORPORATE GOVERNANCE

The Board recognises the importance of practicing high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and its financial performance. Titijaya's corporate governance framework and strategies are actively managed and reviewed in maintaining transparency, accountability and integrity in all our activities, business practices, operation effectiveness, efficiency and competitiveness. We are confident that the Board has implemented a clear framework to ensure proper risk management, business sustainability and long-term shareholders value for the Group.

These effective measures are further specified in the Corporate Governance Statement within this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

Titijaya believes that being socially responsible in the conduct of its business is an important principle to be respectfully acknowledged and practiced. Since the establishment of Titijaya, the Group has been seamlessly working in integrating corporate social responsibility ("CSR") as part of its business activities and undertaking responsible practices that impact our society and environment in a positive manner.

OUTLOOK & FUTURE PROSPECTS

Anchored with our project pipeline worth a gross development value of RM8.27 billion, we are confident that we have the ability to maintain a steady performance moving forward. The Company will continue with its strategy in catering for selected market demands and location concentrated needs that has augmented well with its sales records.

The Malaysian Government has been continuously introducing initiatives to spur the property market for the younger generation and Titijaya's 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.

As we move forth into a new financial year, there is high anticipation that the Budget 2017 will introduce more easing measures to level off the property market.

ACKNOWLEDGEMENT

On behalf of the Board, I thank the management team for their hard work in driving us through this financial year once again. I would like to express my gratitude to everyone who has been working together and supporting Titijaya. Let us now look and march forward to continue working towards being one of the top property developers in Malaysia.

Yours Sincerely,
Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired)

GROUP MANAGING DIRECTOR'S REPORT

Y. Bhg. Tan Sri Dato' Lim Soon Peng

Dear Valued Shareholders,

SUSTAINABILITY HAS BECOME A VERY IMPORTANT TERM IN THE CORPORATE WORLD RECENTLY. WE UNDERSTAND THAT A COMPANY IS DEEMED SUSTAINABLE WHEN IT IS CAPABLE OF COVERING THE EXPECTATIONS OF ITS STAKEHOLDERS, EMPLOYEES, CUSTOMERS, SUPPLIERS, CREDITORS, PUBLIC INSTITUTIONS, OUR SOCIETY AND OF COURSE MAINTAINING A PROFITABLE PERFORMANCE.

AT TITIJAYA, WE CONTINUOUSLY STRIVE TO MAINTAIN SUSTAINABILITY AT ALL LEVELS IN ORDER TO ENSURE OUR POSITIVE PERFORMANCE. IMMERSED IN AN ERA WHERE WE ARE CHALLENGED BY THE FAST MOVING SOCIETY AND ECONOMY AS A RESULT OF DIGITAL AND SMART TECHNOLOGY GLOBALIZATION, BUSINESS SUSTAINABILITY IS SET ON PERPETUAL INNOVATION IN TERMS OF PRODUCTS AND BRANDING. HENCE, OUR TEAM HAS BEEN WORKING TIRELESSLY TO MAINTAIN OUR COMPETITIVE EDGE AND DELIVERING LONG TERM SUSTAINABILITY ACROSS THE BOARD.

PERFORMANCE OVERVIEW

SUSTAINING SALES MOMENTUM

For the Group's financial year ended 30 June 2016 ("FYE2016"), by adopting and following through with our business plans and strategy, Titijaya maintained a commendable performance under difficult market conditions with revenue of RM400.1 million, 17.4% higher compared to previous fiscal year's turnover of RM340.7 million. However, the Group's profit after tax of RM68.3 million came in lower as compared to our financial year ended 30 June 2015 ("FYE2015") of RM80.8 million, after largely being impacted by non-recurring charges amounting to RM7 million which are one-off in nature.

REMODELLING FOR FUTURE GROWTH

It is to be admitted that the property market has been challenging to the Group during FYE2016. Unfavourable macroeconomic conditions which resulted in weaker commodity prices and tighter lending criteria imposed by financial institutions have changed Malaysia's property market dynamics.

In view of the above and with greater emphasis placed on the medium to longer term outlook, Management has reviewed our business plans and streamlined our launches to maintain a certain level of profitability which can be sustained over a longer horizon.

As such, a more proactive and flexible approach on our products portfolio is required to cater for a market which is rapidly changing. Going forward, we believe we can maintain and extend our competitive edge by (i) entering into strategic partnerships with established players and (ii) venturing into new niche market segments. We are of the view that, a sales target of RM300 million for fiscal year FY2017 is realistic and achievable.

SERI RESIDENSI

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

SERI
RESIDENSI

LAUNCHES FOR FYE 2017
H20 – HOUSE 2 OWN

H20 is strategically located in Ara Damansara. The first three (3) blocks of SOHO (Small Office Home Office) were successfully launched earlier in FYE2015 and the much anticipated Block B will be the last serviced apartment block to be launched in FYE2017.

The H20 development has a total land area of 263,059 square feet, with a total GDV of RM794.0 million. H20 is strategically located within the vicinity of convenient amenities, such as TESCO, Ara Damansara Medical Centre, shopping malls, LRT stations, hotels, Subang Airport and many more.

H20

PARK RESIDENCY @ CHERAS

Park Residency is an exclusive gated and guarded residential development surrounded by natural landscaping located in Cheras. This is a low density three (3) storey strata villas development on a total land area of 228,690 square feet with a total GDV of RM76.5 million.

Titijaya has been establishing its strong position by accumulating strategic land banks and developing valuable joint venture associations. As at 30 June 2016, Titijaya has a total of 172.7 acres of land attached with a total GDV of RM9.8 billion from a portfolio of projects that will sustain development activities for the Group to the year 2023.

PARK RESIDENCY

CORPORATE ACTIVITIES

On 13 June 2016, the Group proposed a private placement of up to 10% of the enlarged issued and paid up share capital. After much consideration of the various avenues of fund raising, the Group decided that the proposed private placement will enable Titijaya to raise funds without incurring interest cost. The utilisation of the raised funds will be for the expansion of our property development business.

MOVING AHEAD

As a property developer, it is important to understand how to mitigate market, operational and development risks and to develop a business strategy for a cyclical market. Acknowledging these factors, the Group has always strived to focus on maintaining a strong balance sheet and ensuring our ability to allocate our resources to the right type of projects, by understanding market demands and affordability.

Moving forward into the next few years, Titijaya has identified the need to address the demands of two (2) market categories – the new generation of home buyers i.e Gen Y and beyond and affordable housing. Titijaya recognises 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. Hence, Titijaya is focused on developing pocket lands in strategic locations where amenities are abundant, a must to serve the needs of today's modern lifestyle. We are also specifically driven by and focused on the design and concept of the development that will catch the eye of our buyers. In addition, we are designing our products based on affordability that is ultimately the deciding factor for all our customers.

The factors that determine the success of a property developer are the ability to evolve and to strategise innovative products to suit market demands; to be able to identify emerging developing locations to maximize project sales, values and to capture the interests of the market.

We will continue to assess our internal processes, maintain our competitive edge and carry on forward with our mission to build properties that people will buy, appreciate and want to buy again.

APPRECIATION

I would like to take this opportunity to extend my heart-felt appreciation to all our customers, suppliers, consultants, bankers, business associates and partners and the relevant regulatory authorities for their support, loyalty, cooperation and trust in Titijaya Land Berhad.

I would also like to express my gratitude and appreciation to our Chairman, my fellow directors, management and employees for their continued hard-work, contribution and dedication to the Group.

To our valued shareholders, I thank you for your continued support, confidence and trust in us and we will continue to strive for a positive growth moving forward.

BOARD OF DIRECTORS

Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)

Malaysian
Male
Independent Non-Executive Chairman

Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor ("Tan Sri Dato' Setia Mohd Anwar") aged 66, was appointed as the Independent Non-Executive Chairman of the Company on 31 July 2014. He is also the Chairman of the Nomination Committee and a member of the Audit Committee of the Company.

Tan Sri Dato' Setia Mohd Anwar received his education at the Naval Base Secondary School, Singapore and the Officer Cadet School at the Britannia Royal Naval College Dartmouth, United Kingdom. He graduated from the Naval Staff College Rhode Island, USA Class 18 in 1981 and Joint Services Staff College in Canberra, Australia in 1988. He holds a master's degree in Engineering Business Management from University of Warwick, United Kingdom and was conferred an Honorary Doctorate of Doctor of Management by the University Terengganu Malaysia.

He served the Royal Malaysian Navy for thirty-eight and a half (38.5) years, commanded six (6) ships and also several Shores Bases. He rose to the rank of Admiral and took office as Chief of Navy in August 2003 and later became the first Naval Officer to assume the post of the Chief of Defence Force in April 2005 until 2007.

He was the President of the Malaysian Hockey Federation and is currently the President of the Malaysian Golf Association (MGA).

Tan Sri Dato' Setia Mohd Anwar was elected as the President of the Ex-Serviceman Association Malaysia (NGO) and continues to be President of the Retired Malaysian Navy Officers' Association (RMNOA).

Currently, he holds the position of Non-Executive Chairman in Lembaga Tabung Angkatan Tentera (Armed Forces Fund Board), a position he has held since his retirement from the Armed Forces in 2007. He is the Chairman of The National Defence of University Board and Chairman of Asian Broadcasting Network and he is also a Director of Mission NewEnergy Limited, listed on the Australian Securities Exchange.

Tan Sri Dato' Setia Mohd Anwar attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2016.

Y. Bhg. Tan Sri Dato' Lim Soon Peng

Malaysian
Male
Group Managing Director

Y. Bhg. Tan Sri Dato' Lim Soon Peng ("Tan Sri Dato' Lim") aged 61, is the Group Managing Director and was appointed to the Board on 24 September 2012. Tan Sri Dato' Lim is a member of the Remuneration Committee of the Company.

Tan Sri Dato' Lim left his primary school in 1967 and assisted his family's trading business until 1972. Subsequently, in the same year he formed a partnership, Chan Yik Enterprise, venturing into the construction industry.

In 1980, he set up his privately owned company, Soon Engineering & Construction Sdn. Bhd. to undertake construction and engineering activities. In 1983, he established Titijaya (M) Sdn. Bhd and, in subsequent years, he progressively established the subsidiaries under the Group, to undertake property development activities. Tan Sri Dato' Lim is the Group's founder and has been primarily responsible for the growth and development since inception. Under Titijaya Development Sdn. Bhd. he successfully developed his first property project, a block of holiday apartments in Fraser's Hills in a joint venture with the then Malaysian General Investment Corporation Berhad. Subsequently, he spearheaded the development of Mutiara Bukit Raja as well as the Klang Sentral Commercial Centre which comprised of a bus and taxi terminal and shop offices.

In 2004, he successfully led NPO Development Sdn. Bhd. towards its first venture into high rise residential projects with the development of the E-Tiara Serviced Apartments in Subang Jaya. This successful project paved the way for further residential and commercial development projects.

Tan Sri Dato' Lim has accumulated approximately forty one (41) years of invaluable experience in the property development industry and is responsible for the overall business strategy of the Group.

He is the father to Mr. Lim Poh Yit, the Deputy Group Managing Director and substantial shareholder of the Company and Ms. Lim Puay Fung, the Executive Director and substantial shareholder of the Company.

Currently, he holds directorships in the Malaysian Chinese Women Entrepreneurs Foundation, Titijaya Foundation, Yayasan Penjaja Dan Peniaga Kecil 1 Malaysia and several other private limited companies.

Tan Sri Dato' Lim attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2016.

Mr. Lim Poh Yit

Malaysian
Male
Deputy Group Managing Director

Mr. Lim Poh Yit ("Mr. Lim") aged 34, is the Deputy Group Managing Director and was appointed to the Board on 28 August 2012. Mr. Lim was promoted to Deputy Group Managing Director on 31 July 2014.

Mr. Lim graduated with a Bachelor of Computing Degree from Monash University, Australia in 2003.

He started his career when he joined the Group in 2004 as Business Development Executive. His role in this position included undertaking project development feasibility studies, identifying suitable land banks and was also the personal assistant to Tan Sri Dato' Lim in the day-to-day management of the Group. During his tenure as the Group's Business Development Executive, he has supervised various development projects of the Group. He was subsequently promoted to the position of Chief Operating Officer in 2005.

Throughout Mr. Lim's career in the property development industry, he has been responsible for the Group's day-to-day management, strategic planning, property development projects, human resources, accounts and finance as well as overseeing the implementation of the Group's internal policies.

Mr. Lim is the son of Tan Sri Dato' Lim, the Group Managing Director and substantial shareholder of the Company and the brother to Ms. Lim Puay Fung, an Executive Director and substantial shareholder of the Company.

Currently, he holds directorship in Titijaya Foundation and several directorships in a number of private limited companies.

Mr. Lim attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2016.

Ms. Lim Puay Fung

Malaysian
Female
Executive Director

Ms. Lim Puay Fung ("Charmaine") aged 36, is an Executive Director of the Company and was appointed to the Board on 24 September 2012. Charmaine graduated with a Bachelor of Commerce (Corporate Finance) from the University of Adelaide, Australia in 2002.

She started her career when she joined the property development industry in 2003 as a Marketing Executive in Titijaya Group. In 2007, she was promoted as the Group's Sales and Marketing Director. During her twelve (12) years tenure in the property development industry, she has successfully managed the marketing, advertising and promotional activities for the various development projects of the Group.

As the Group's Sales and Marketing Director she is responsible for leading the sales and marketing division and the marketing and promotional activities for ongoing and new development projects of the Group.

Charmaine is the daughter of Tan Sri Dato' Lim, the Group Managing Director and sister of Mr. Lim, the Deputy Group Managing Director. All of them are substantial shareholders of the Company.

Currently, she holds directorship in Titijaya Foundation and several directorships in a number of private limited companies.

Charmaine attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2016.

Y. Bhg. Dato' Ch'ng Toh Eng

Malaysian
Male
Independent Non-Executive Director

Y. Bhg. Dato' Ch'ng Toh Eng ("Dato' Ch'ng") aged 60, is an Independent Non-Executive Director of the Company and was appointed to the Board on 24 September 2012. Dato' Ch'ng is the Chairman of the Remuneration Committee and a member of the Audit Committee of the Company.

He obtained his Diploma in Education in 1979 from the Language Institute, Kuala Lumpur.

Dato' Ch'ng started his career in 1980 as a secondary school teacher in Sri Tanjung, Kuala Selangor. In 1990, he was appointed as the Press Secretary to the Minister of Housing and Local Government. Subsequently, in 1993, he was promoted as the Political Secretary to the Minister of Housing and Local Government, a post that he held until 1995. In the same year, he was elected as a Selangor State Assemblyman and was subsequently appointed as a member of the Selangor State Executive Council which he served until 2008.

During his nineteen (19) years in both federal and state government administrations, he had accumulated various experiences in the areas of administration of environment, information communication technology and state planning.

He is a Director of Port Klang Free Zone Sdn. Bhd. and Time Galaxy (M) Sdn. Bhd. He does not hold any directorship in other public companies and listed issuers.

Dato' Ch'ng attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2016.

Mr. Chin Kim Chung

Malaysian
Male
Independent Non-Executive Director

Mr. Chin Kim Chung ("Mr. Chin") aged 52, is an Independent Non-Executive Director of the Company and was appointed to the Board on 24 September 2012. Mr. Chin is the Chairman of the Audit Committee, and a member of the Nomination Committee and Remuneration Committee of the Company.

He is a Chartered Accountant with the Malaysian Institute of Accountants, an Associate of the Malaysian Institute of Taxation and a Fellow of the Association of Chartered Certified Accountants. He is also a licensed auditor and liquidator, an authorised tax agent and a Goods and Services Tax agent.

Mr. Chin started his career in the audit profession in 1992 with Deloitte Malaysia. In 2003, he co-founded a professional partnership firm, providing professional services in external and internal audit, liquidation and corporate finance related services. Since 2006, his firm practiced under the name of Russell Bedford LC & Company, a member of Russell Bedford International, a global network of independent professional services firms.

At Russell Bedford Malaysia, he is involved in the management of the firm and is also responsible for the firm's professional service lines in the areas of external audit, liquidation and corporate advisory related services.

With more than two decades in the audit profession, he has accumulated vast invaluable experience in the areas of auditing, advisory work involving corporate exercises, liquidation, recovery and turnaround management and corporate advisory related services.

Currently, Mr. Chin holds directorship in the Malaysian Chinese Women Entrepreneurs Foundation and several other private limited companies.

Mr. Chin attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2016.

Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir

Malaysian
Male
Non-Independent Non-Executive Director

Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir ("Tan Sri Syed") aged 69, is a Non-Independent Non-Executive Director of the Company and was appointed to the Board on 3 October 2014. Tan Sri Syed is a member of the Nomination Committee of the Company.

Tan Sri Syed graduated with a Bachelor of Economics Degree majoring in Accountancy from the University of Tasmania, Australia in 1975.

He is an entrepreneur who has more than forty one (41) years of experience in diverse areas such as property development, construction, media, entertainment, hotel management and hospitality, food and beverage, banking and information technology.

Currently, Tan Sri Syed is also the Chairman of YLI Holdings Berhad, a company listed on Bursa Malaysia Securities Berhad.

He is also on the Board of various private companies and a trustee of Yayasan Raja Muda Selangor, Yayasan Sultan Kelantan Darul Naim and Yayasan Toh Puan Zurina (Melaka).

Tan Sri Syed attended four (4) out of five (5) Board Meetings of the Company held during the financial year ended 30 June 2016.

Mr. Adrian Cheok Eu Gene

Malaysian
Male
Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir

Mr. Adrian Cheok Eu Gene ("Mr. Cheok") aged 59, is the Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir, and was appointed to the Board on 3 October 2014.

Mr. Cheok graduated from Monash University in Melbourne, Australia, with a Bachelor of Economics Degree. He has also obtained a postgraduate qualification in Company Law from RMIT, Melbourne, Australia.

Mr. Cheok's career began in 1982 as Head of General and Marine Insurance Claims in QBE Supreme Insurance. Subsequently, he left to join Malayan United Bank as a Foreign Exchange and Money Market Dealer before joining Bumiputera Merchant Bankers as a Fund Manager. He was later appointed Head of Investment at Prudential Assurance Berhad before joining Vickers Gallas Research (M) Sdn. Bhd. as Managing Director. Over the years, he has accumulated vast experience in investment banking and capital markets. He has served on the Board of various public listed companies in Malaysia and Hong Kong.

Currently, he is on the Board of Rockwills Trustee Berhad and various private limited companies.

Notes: - |
Save as disclosed, none of the Directors has:-

- any family relationship with any directors and/or major shareholders of the Company;
- any conflict of interest with the Company;
- any conviction for offences within the past 5 years other than traffic offences; and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CORPORATE STRUCTURE

TITIJAYA LAND BERHAD
(1009114-M)

100%
wholly-owned subsidiaries

TITIJAYA RESOURCES SDN. BHD.
(1078020-X)

TENANG SEMPURNA SDN. BHD.
(956004-W)
70%

NPO DEVELOPMENT SDN. BHD.
(434271-A)

NPO LAND SDN. BHD.
(348591-M)
100%

SENDI BANGGA DEVELOPMENT SDN. BHD.
(650372-W)
100%

TITIJAYA CAPITAL SDN. BHD.
(FORMERLY KNOWN AS LIBERTY PARK DEVELOPMENT SDN. BHD.)
(934400-D)

SHAH ALAM CITY CENTRE SDN. BHD.
(221568-X)

EPOCH PROPERTY SDN. BHD.
(955473-D)

AMAN KEMENSAH SDN. BHD.
(429811-K)

HIGH SPLENDOUR SDN. BHD.
(1155662-T)

TITIJAYA DEVELOPMENT (PULAU PINANG) SDN. BHD.
(FORMERLY KNOWN AS GOLDEN INTEGRITY SDN. BHD.)
(1165342-V)

PROSPEROUS HECTARES SDN. BHD.
(1034984-H)
70%

TITIJAYA PMC SDN. BHD.
(1047442-P)

TERBIT KELANA DEVELOPMENT SDN. BHD.
(594783-M)

CITY MERIDIAN DEVELOPMENT SDN. BHD.
(934265-V)

PIN HWA PROPERTIES SDN. BHD.
(568176-V)

SAFETAGS SOLUTION SDN. BHD.
(755016-A)

TULUS LAGENDA SDN. BHD.
(1040584-D)

PREMSDALE DEVELOPMENT SDN. BHD.
(1121985-U)

TAMARIND HEIGHTS SDN. BHD.
(1173659-X)

CORPORATE SOCIAL RESPONSIBILTY

As Titijaya Land Berhad ("Titijaya" or the "Group") continues to grow and in sustaining itself as a renowned property developer in Malaysia, Corporate Social Responsibility ("CSR") continues to play an essential part in our business. We believe that commitment to our shareholders, business partners, customers and acknowledging our social responsibility for our community is a valuable contribution to our corporate sustainability.

REACHING OUT TO THE COMMUNITY

Titijaya has our own charity body named **"Titijaya Foundation"**. In 2016, Titijaya sponsored a total of RM40,000 in participation of Natseven TV Sdn Bhd's 'Project Challenge Sports Responsibility or Project CSR'. This project saw our own Malaysian athletes coming together and taking up various challenges reflecting specific rare disease themes in effort to create awareness among the society. This event enabled the education of a number of rare diseases and provided physical and mental understanding of those who were affected. All the donations from this project were channelled to local rare disease organisations namely: -

- Persatuan Penyakit Jarang Jumpa Malaysia (Malaysia Rare Disorder Society)
- Pertubuhan Penyakit Lisosomal Malaysia (Malaysia Lisosomal Diseases Association)

Tan Sri Dato' Lim Soon Peng at the Project CSR Fund Raising for Persatuan Penyakit Jarang Jumpa Malaysia

Dato Ch'ng Toh Eng at the Project CSR Fund Raising For Pertubuhan Penyakit Lisosomal Malaysia

During the year, the Foundation had actively served and donated to the community as listed below:

1/7/2015	RM100,000 to Yayasan Raja Muda Selangor
4/9/2015	RM300,000 to Lembaga Pengurus SRJK (C) Pandamaran B - Building Fund
7/12/2015	RM50,000 to The KL & Selangor Chinese Assembly Hall
7/1/2016	RM25,375 to the PIBG SRJK (C) Pandamaran B - Student Meal Sponsorship
7/1/2016	RM18,750 to the PIBG SRJK (C) Pandamaran A - Student Meal Sponsorship

The Group believes that education is essential for everyone. By ensuring the welfare of the students is well taken care of, they will be able to focus and study better.

BUILDING A CONDUCIVE WORKPLACE

Titijaya believes that our employees are our number one asset and we acknowledge their invaluable contributions and dedication to the Group. For employees to perform their best, it is important that they are provided with a conducive working environment that encourages ambition and equal opportunities for career advancement. Hence, we have been investing in our human asset by providing various training programmes to improve their skills, knowledge and emotional intelligence.

As work life can be very hectic and demanding, Titijaya strives to encourage and instil a healthy work life balance, where we believe that work and play can come hand in hand to build a better working environment. During the year, sporting activities, festival celebrations, annual dinners and team building programmes were organized by the employees themselves, which enabled our people to gain organizational and leadership skills as well as open communication at all corporate levels.

On 21st & 22nd August 2015, Titijaya hosted a motivational training session for the heads of departments and selected employees at Avani Sepang Gold Coast in Selangor. The programme introduced employees to the aspects of team strengthening and motivating employees to take up challenges. It was a good training ground for the attendees to bring the understanding of team play, positivity and confidence to the workplace.

On 5th of September 2015, Titijaya hosted a spring cleaning session. Employees were required to tidy up the office and reorganize their respective working areas. It was evidently a fruitful activity when the employees felt better working in a more conducive and organised environment.

On 7th of December 2015, Titijaya created the Hand In Hand Campaign designed to draw employees much closer to one another. Employees from all ranks marked their painted handprint on the family tree symbolising unity and growing together as a family.

On 15th of January 2016, Titijaya organised a study trip visit to Johor. A total of 30 management staff went for the trip to learn and experience from different developers. This trip provided its management hands on exposure to new knowledge and understanding that will assist them with their project work.

CSR AWARD

On 2nd June 2016, Titijaya was awarded with the Community Wellbeing Excellence. This award was presented to the Group for championing corporate social responsibility initiatives by CSR Malaysia.

The award represents the recognition of Titijaya's CSR activities that have impacted the community. The Group believes in CSR and will continue to give back to the community.

THE ENVIRONMENT

Titijaya respects and values the importance in contributing to a greener future. The Group cautiously implements and practices environmental policies that aim to minimise any negative environmental impact and reduce our carbon footprint. As a property developer, our environmental efforts start from the initial stages of our designs - considering green technology, green building materials and other resources that can achieve our green building objectives.

Throughout the year, Titijaya has been a sponsor of PEKA (Pertubuhan Perlindung Khazanah Alam Malaysia). PEKA strongly believes in preserving and protecting the planet which is in line with Titijaya's values. Among the programmes to increase awareness are replanting of trees, empowering children to nurture Mother Nature, conducting topic related workshops and forums, and interactive races.

HEALTH AND SAFETY

Titijaya is committed to the highest standards of the Health, Safety and Environmental ("HSE") protection. It is the Group's policy to take all precautions and safety measures to ensure our employees are working in a safe and healthy environment

THE MARKETPLACE

Titijaya continuously promotes the conduct of business through transparency, accountability, integrity, and ethics in building long term relationships with our stakeholders.

The Group continuously initiates and manages various channels to engage with our stakeholders with the objective to foster good communications and relations by providing timely information.

AUDIT COMMITTEE REPORT

COMPOSITION

Chairman
Mr. Chin Kim Chung
(Independent Non-Executive Director)

Members
Y. B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)
(Independent Non-Executive Director)

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

TERMS OF REFERENCE

The full Terms of Reference of the Audit Committee, outlining the Audit Committee's composition, proceeding of meeting, authority, duties and responsibilities, roles and rights, retirement and resignation, is available at the Company's corporate website, www.titijaya.com.my.

MEETINGS

Five (5) Audit Committee Meetings were held during the financial year ended 30 June 2016. The attendance record of each member is as follows:-

Name of Member	Meeting Dates					
	26.08.2015	15.10.2015	25.11.2015	18.02.2016	25.05.2016	Total
Mr. Chin Kim Chung	✓	✓	✓	✓	✓	5/5
Y. B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	✓	✓	✓	✓	✓	5/5
Y. Bhg. Dato' Ch'ng Toh Eng	✓	✓	✓	✓	✓	5/5

The Group Chief Financial Officer was invited to all Audit Committee meetings to facilitate direct communications and to provide clarification on financial reports. Minutes of each meeting were recorded and tabled for confirmation at the next Audit Committee meeting and subsequently presented to the Board for notation.

The Chairman of the Audit Committee briefed the Board on matters of significant concern discussed during the Audit Committee Meeting held prior to the Board Meeting. The applicable recommendations of the Audit Committee were presented by the Audit Committee's Chairman at subsequent Board Meeting for the Board's approval.

AUDIT COMMITTEE REPORT
(CONTINUED)

SUMMARY OF THE WORK OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The work undertaken by the Audit Committee in the discharge of its functions and duties during the financial year ended ("FYE") 30 June 2016 is summarised as follows:-

A. Financial Reporting

(i) FYE 30 June 2015

(a) On 26 August 2015, the Audit Committee reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2015 at its meeting, prior to deliberation and approval by the Board.

(b) The Audit Committee at its meeting held on 15 October 2015, reviewed the Audited Financial Statements of the Company and Group for FYE 2015, and recommended the same for the Board's approval.

(ii) FYE 30 June 2016

(a) The Audit Committee reviewed the unaudited first, second, and third quarterly financial results for the respective periods ended 30 September 2015, 31 December 2015, and 31 March 2016 at the meetings held on 25 November 2015, 18 February 2016 and 25 May 2016 respectively.

(b) The Audit Committee at its meeting held on 24 August 2016, reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2016 to the Board for approval.

(c) On 6 October 2016, the Audit Committee having reviewed the Audited Financial Statements of the Company and Group for FYE 30 June 2016 at its meeting, recommended the same to the Board for approval.

The Audit Committee carried out the review of the quarterly results and annual financial statements to ensure that they were prepared in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act, 1965 in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

B. External Audit

(i) FYE 30 June 2015

(a) On 26 August 2015, the Audit Committee reviewed the Audit Review Memorandum which had summarised the significant audit findings arising from the statutory audit of the Group and the Company for FYE 30 June 2015, with the External Auditors, Messrs Baker Tilly Monteiro Heng ("BTMH").

(b) On 26 August 2015, the audit engagement partner of BTMH had declared their independence to the Group of their independence to the Group and their compliance with By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. The partner affirmed that there had been no change in the representation of BTMH made to the Committee during the planning stage of the audit of the Group. BTMH remained unaware of any relationship that would impair their independence as the external auditors of the Group.

AUDIT COMMITTEE REPORT
(CONTINUED)

SUMMARY OF THE WORK OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (CONTINUED)

B. External Audit (continued)

(i) FYE 30 June 2015 (continued)

(c) On 26 August 2015, the Audit Committee deliberated on the final report presented by BTMH pertaining to the principal accounting and audit matters arising from the statutory audit of the Company and its subsidiaries for FYE 30 June 2015. The Audit Committee was briefed by BTMH on the following significant audit findings:-

- Goodwill on consolidation
- Impairment review on investment property
- Recoverability of long outstanding receivables
- Impairment review on investment in subsidiaries
- Impairment review on inter-company balances
- Going concern consolidation – subsidiaries

(d) On 26 August 2015, the Audit Committee had a private session with BTMH without the presence of Management staff and the Executive Board members. There were no areas of concern raised by BTMH that needed to be escalated to the Board.

(e) On 15 October 2015, the Audit Committee undertook an assessment of the suitability and independence of BTMH. In its assessment, the AC had considered several factors, which included the adequacy of experience and resources of BTMH and the professional staff assigned to the audit. The Audit Committee was satisfied with the quality of services provided by BTMH and subsequently recommended the re-appointment of BTMH for the financial year ended 30 June 2016 for the Board's approval.

(ii) FYE 30 June 2016

(a) On 25 May 2016, the Audit Committee reviewed the Audit Plan for FYE 30 June 2016 prepared by BTMH, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override, and also the new and revised auditors reporting standards.

(b) On 25 May 2016, BTMH confirmed that they will continuously comply with the relevant ethical requirements regarding independence with respect to the audit of the financial statements of the Company and Group for FYE 30 June 2016 in accordance with the International Federation of Accountants Code of Ethics for Professional Accountants and the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

AUDIT COMMITTEE REPORT
(CONTINUED)

SUMMARY OF THE WORK OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (CONTINUED)

B. External Audit (continued)

(ii) FYE 30 June 2016 (continued)

(c) On 25 May 2016, the Audit Committee also discussed with BTMH the scope of work, key areas of audit emphasis, audit approach, audit timetable and the proposed audit fees of the Group before the commencement of the annual statutory audit for FYE 30 June 2016. The proposed audit fees was recommended to the Board for approval.

The Audit Committee considered the approach and methodology applied by BTMH in assessing the key areas of audit emphasis. Following the discussion, the Audit Committee agreed with BTMH their risk assessment and planned audit approach relating to the following key audit areas as identified by the Audit Committee:-

Key Audit Area	Audit approach
Management override of controls	• Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. • Review of significant accounting estimates for biases that could result in material misstatements. • For significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual given the auditor's understanding of the entity and its environment and other information obtained during the audit, the auditor shall evaluate whether the business rationale (or the lack thereof) of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.
Revenue recognition	• Discuss with management, understand the composition of the revenue and its attributes, identify specific risks associated with revenue recognition. • Walkthrough test over sales / progress billings and receipts cycle to understand the business and identify management's control procedures in the key operating cycle. Test the application controls over the sales and receipts cycle. • Review journal entries for significant unusual revenue transactions near or after year-end including post-closing journal transactions. • Substantive testing of the transactions. • Analytical review procedures. • Perform cut-off test related to sales to ascertain proper cut off for sales.
Inter-company balances	• Obtain, review and discuss with management on inter-company reconciliations. • Review subsequent receipt test and discuss with management to assess recoverability of the amount owing by inter-companies. • Review and discuss with the management on the classification and recognition of inter-company balances in accordance with FRS 139 *Financial Instruments: Recognition and Measurement*. • Review disclosure in accordance with FRS 124 *Related Parties Disclosures* in the financial statements.

SUMMARY OF THE WORK OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (CONTINUED)

B. External Audit (continued)

(ii) FYE 30 June 2016 (continued)

(d) The Audit Committee had two (2) private sessions with BTMH without the presence of Management staff and the Executive Board members on 25 May 2016 and 24 August 2016. BTMH did not highlight any private issues to be brought for the Board's attention.

(e) The AC deliberated on the Audit Review Memorandum with BTMH at its meeting on 24 August 2016 with regard to the significant accounting and audit issues arising from the statutory audit of the Group and the Company for FYE 30 June 2016.

(f) During the review of the Audited Financial Statements of the Company and Group for FYE 30 June 2016 at its meeting on 6 October 2016, the Audit Committee considered the summary of audit adjustments identified during the course of audit and agreed by the Management to be adjusted in the financial statements for FYE 30 June 2016, to ensure consistency of accounting policies with those adopted by the Group.

(g) On 6 October 2016, BTMH also informed the Audit Committee that there were no other significant matters relating to any frauds or suspected frauds that my involve:-

- Management;
- Employees who have significant roles in internal control; and
- Others where the fraud could have a material effect on financial statements.

C. Internal Audit

(a) Reviewed the Internal Audit Strategy Document of the internal audit function presented by the Internal Auditors to ensure adequate scope and comprehensive coverage of the activities of the Group.

(b) Considered the findings of internal audit and Management's responses thereon and where relevant, recommended appropriate actions.

(c) Noted the corrective actions on outstanding audit issues and follow-up actions to be taken by either the Internal Auditors or the Management to ensure the key risks and control lapses have been addressed and rectified.

During the financial year under review, the Internal Auditors had conducted the audit activities as per the approved audit plan and presented their Internal Audit reports on 26 August 2015, 25 November 2015 and 25 May 2016 respectively to the Audit Committee.

Areas covered by the Internal Audit included the assessment of internal control implemented by Management in managing risks associated with the operating processes as listed below:-

- Project Planning controls
- Application and monitoring of authorities approval
- Project execution
- Progress monitoring and reporting
- Contractor performance monitoring
- Quality control and defect rectification
- Materials management at site
- Business development
- Property management and leasing
- Sales and marketing

AUDIT COMMITTEE REPORT
(CONTINUED)

SUMMARY OF THE WORK OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (CONTINUED)

C. Internal Audit (continued)

Summary reports which provided status updates of the implementation of management action plans on the findings reported in the Internal Audit reports for all the previous audit cycles were presented to the Audit Committee.

On 18 February 2016, the Audit Committee conducted an evaluation of the internal audit function for FYE 2015 through the Internal Auditors' Evaluation Form based on the following criteria, among others:-

- Understanding of the Group's business
- Competency and resources of the Internal Auditors in their approach to identifying, assessing, monitoring and reporting financial risks and controls
- Overall performance of the Internal Auditors

Based on the evaluation, the Audit Committee was satisfied that the internal audit function carried out by the Internal Auditors was appropriate for the size and nature and scope of activities of the Group.

D. Risk Management

On 25 November 2015, the Audit Committee reviewed the status report on Enterprise Risk Management and summary of the Risk Management Committee ("RMC") activities carried out during the financial year as presented by Management.

The RMC, chaired by the Deputy Group Managing Director, has been established to oversee the following:-

- identifying and communicating to the Board, critical risks the Group faces, their changes and Management's action plans to manage the risks;
- performing risk oversight activities and reviewing the risk profile of the Group as well as organisational performance; and
- Aggregating the Group's risk position and half-yearly reporting to the Board on the risk situation and status.

On 24 August 2016, the Audit Committee also reviewed the status report on Enterprise Risk Management containing the result of the risk updates deliberated at the RMC meeting.

The RMC re-visited all the existing risks of the Risk Register to identify any relevant inherent and emerging new risks and assess the adequacy of actions taken to mitigate the risks.

For the RMC and Internal Auditors to liaise closely and have a clear understanding of each other's work and plan their work on the same risk framework, finalised minutes of the RMC and status reports on Enterprise Risk Management were furnished to the Internal Auditors. Arrangements are also in place for the RMC and Internal Auditors to share information on a regular basis.

AUDIT COMMITTEE REPORT
(CONTINUED)

SUMMARY OF THE WORK OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR (CONTINUED)

E. Related Party Transactions

(a) Reviewed the quarterly report on recurrent related party transactions for compliance with both in-house procedures and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(b) Reviewed the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature prior to its approval by the Board;

F. Other Matters

(a) Reviewed the Statement to Shareholders in relation to the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company, prior to the submission to the Board for approval.

(b) Considered and reviewed the proposed amendments to the Terms of Reference of the Audit Committee and recommended the same to the Board for approval.

(c) Conducted visits to several construction sites of the Group located in Klang Valley.

(d) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control, prior to submission to the Board for consideration and inclusion in the Annual Report of the Company.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional services firm, Axcelasia Columbus Sdn. Bhd., which reports directly to the Audit Committee.

The Audit Committee has full access to the outsourced Internal Auditors and reports from them on all internal audits performed. The main role of the internal audit function is to carry out independent assessments of the adequacy and effectiveness of the Group's internal control systems in anticipation of any potential risk areas within key business processes of the Group.

During the financial year ended 30 June 2016, internal audit activities have been carried out in accordance with the pre-approved internal audit plan. Representatives from the outsourced Internal Auditors led the role of the internal audit functions of the Group (referred to as the "**IA Team**") and conducted its internal audit visits based on the approved Internal Audit Plan ("**IA Plan**"). Any significant changes to the IA Plan will be referred to the Audit Committee for approval prior to the commencement of the internal audit.

AUDIT COMMITTEE REPORT
(CONTINUED)

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION (CONTINUED)

In developing the IA Plan, the IA team will:

- perform a risk assessment through review of documents, interviews with key management personnel and representatives from the Audit Committee to identify and highlight risks and concerns of Management and members of the Audit Committee.

- identify auditable areas and risk significance of such auditable areas.

- develop an audit plan focusing on compliance, efficiency and effectiveness.

For each internal audit visit, the IA Team will perform the following and provide Management with periodic progress updates as and when requested, and meet with management at the conclusion of each visit to review the results:-

- understand the process, key performance indicators, risks involved and controls in place through interviews with various personnel, observations and review of Management reports and other documents such as corporate policies, procedures and guidelines before summarising key process risks and control design.

- evaluate control design effectiveness and discuss observations with the Management.

- develop control testing programmes.

- conduct testing programs, analyse root causes of findings and identify improvement opportunities.

- discuss issues and improvement opportunities with process owners.

- summarise issues and recommend action plans.

The total costs incurred for the internal audit function of the Group during the financial year ended 30 June 2016 amounted to RM 62,150.00, inclusive of Goods and Services Tax and disbursements.

CORPORATE GOVERNANCE STATEMENT

The Statement on Corporate Governance by the Board of Directors ("**Board**") has been set out in accordance with the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements of Bursa Securities**").

The Board recognises the importance of practising high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

The Board is pleased to report on the manner in which the Group has applied the Principles and Recommendations of the Malaysia Code on Corporate Governance 2012 ("**MCCG 2012**") and the governance standards in accordance with the Listing Requirements of Bursa Securities during the financial year ended 30 June 2016.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITY

1.1 Clear Functions of the Board and Management

The Board leads the Group and plays a strategic role in overseeing the Group's corporate objective, directions and long term goals of the business. The Board is responsible for oversight and overall management of the Company.

To ensure the effective discharge of its functions and responsibilities, the Board has delegated specific responsibilities to the Audit Committee, Nomination Committee and Remuneration Committee. Each of the Committees is entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective written Terms of Reference. The Chairmen of the respective Committees shall report the outcome of their meetings to the Board. Minutes of all Board Committee meetings are circulated to the Board members so that they are kept abreast of proceedings and matters discussed at Board Committee meetings.

Independent Non-Executive Directors provide unbiased and independent views in ensuring that the strategies proposed by the Management are fully deliberated and examined objectively, taking into perspective the long term interest of shareholders, other stakeholders and communities at large.

The Executive Directors take on primary responsibilities for implementing the Group's business plans and managing the business activities.

1.2 Clear Roles and Responsibilities of the Board

The Board is primarily entrusted with the responsibility of charting the direction of the Group and focuses mainly on strategies, financial performance and critical business issues, including the following areas:-

- Reviewing the Group's strategic action plans particularly promoting sustainability and policies;
- Overseeing the conduct of the Group's business to ensure that it is being properly managed;
- Identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks;
- Appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Succession planning;
- Developing and implementing investor relations programmes and shareholder communications policy for the Company;
- Reviewing the adequacy and the integrity of the Group's system of internal control, risk management framework and management information systems, including systems for compliance with application laws, regulations, rules, directives and guidelines; and
- Responsible for the preparation of the Company's financial statements.

CORPORATE GOVERNANCE STATEMENT
(CONTINUED)

1.3 Formalised Ethical Standards Through Code of Conduct

The Directors continue to observe the code of conduct expected of Directors of Companies as set out in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, and ensure implementation of appropriate internal systems to support, promote and ensure the compliance of the Company Directors' Code of Ethics.

1.4 Strategies to Promote Sustainability

The Board is mindful of the importance of building a sustainable business and is committed to the promotion of best practice principles in this regard. The Board recognises that enhancing sustainability is a long-term commitment and therefore takes into consideration the environmental, social and governance impact when developing the corporate strategy.

The Group is committed to provide a safe workplace for its employees with emphasis on best practice in health, safety and environment and conducting its business in a way that is environmentally sound. The Group is also committed to protect the environment through conscientious efforts to ensure pollution levels are kept to a minimum in respect of its construction works. The Group also aims to eliminate all occupational injuries, prevent pollution at its source and optimises the use of natural resources.

1.5 Access to Information and Advice

To ensure effective conduct of Board meetings, a structured formal agenda and Board meeting papers relating to the agenda including progress reports on operations, quarterly results of the Group and the Company, financial and corporate proposals and minutes of the Board Committees are circulated to all Directors prior to each Board meeting. The Directors are thus given sufficient time to peruse the matters that will be tabled at the Board meetings to enable them to participate in the deliberations of the issues to be raised and to make informed decisions.

Where a potential conflict arises in the Group's investments, projects or any transactions involving Director's interest, such Director is required to declare his interest and abstain from further discussion and the decision making process.

Where necessary, members of senior management and external advisers are invited to attend Board meetings to furnish additional insights and professional views on specific items to be tabled for the Board's consideration.

Minutes of the Board and Board Committee meetings are circulated to Directors for their perusal prior to confirmation of the Minutes at the following Board and Board Committee Meetings. The Directors may request for further clarification or raise comments on the Minutes prior to confirmation of the Minutes to be tabled at the respective Board Committee meetings as the correct records of the proceedings.

In exercising Directors' duties, the Board has access to all information within the Company, the advice and services of the Company Secretary and independent professional advice where necessary, at the Company's expense.

1.6 Qualified and Competent Company Secretary

The Board is supported by a qualified and experienced Company Secretary in carrying out its roles and responsibilities. The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, Board policies and procedures and compliance with the relevant regulatory requirements, code of guidance and legislations.

The Company Secretary attends and ensures Board and Board Committee meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the registered office of the Company. Nevertheless the Board does not have any agreed procedure for Directors whether as a full Board or in their individual capacity, in furtherance of their duties to take independent professional advice at the Company's expenses, if necessary. Any need for professional advice normally comes under the purview of the Board who will deliberate on a consensual basis.

1.7 Board Charter

The Directors are expected to act in a professional manner and discharge their duties with high ethical values, honesty and accountability in their commitment to good corporate governance practices.

The Board Charter adopted by the Company clearly sets out the roles and responsibilities of the Board, the division of authority and responsibilities of the Board, Management and Committees and the composition of Board to ensure all Board members acting on behalf of the Company are aware of their duties and responsibilities. The Board Charter serves as a reference providing guidance and clarity to prospective and existing Board members and Management on the fiduciary and leadership functions of the Company's Directors.

The Board Charter is made available on the Company's website at www.titijaya.com.my and will be reviewed when necessary to ensure the Charter remains consistent with the Board's objectives, current law and practices.

PRINCIPLE 2: STRENGTHEN COMPOSITION

2.1 Nomination Committee

The Nomination Committee is made up of three (3) Non-Executive Directors, a majority of whom are independent whose details are as follows:-

Name	Designation	Directorship
Y.B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	Chairman	Independent Non-Executive Director
Chin Kim Chung	Member	Independent Non-Executive Director
Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	Member	Non-Independent Non-Executive Director

The Board is in the opinion that YB Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired), an Independent Non-Executive Director, is an ideal Chairman of the Nomination Committee, given his experience and available time commitment.

The Nomination Committee is empowered by the Board to, amongst others, recommend to the Board, suitable candidates for new appointments to the Board. In making these recommendations, the NC considers the required mix of skills and experiences which the Directors would bring to the Board. Any new nomination received is recommended to the full Board for assessment and endorsement.

The Nomination Committee assesses the effectiveness of the Board and the Committees of the Board annually to ensure that the Board has an appropriate balance of skills, expertise and core competencies.

Further information on the functions of the Nomination Committee are set out in its Terms of Reference, which is available under the "Corporate" section on the Company's website at www.titijaya.com.my.

CORPORATE GOVERNANCE STATEMENT
(CONTINUED)

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

Appointments of Directors

The NC is responsible for making recommendations for any new appointments to the Board and its various Board Committees. In making these recommendations, the Nomination Committee considers the required mix of skills and experience which the Directors should bring to the Board.

The Directors also observe the recommendation of MCCG 2012 that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

All the Board members shall notify the Chairman of the Board prior to the acceptance of new Board appointment(s) in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction.

The Chairman of the Board shall notify the Board members before accepting any new directorships in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The notification should include an indication of time that will be spent on the new appointment.

Re-election of Directors

In accordance with the Company's Articles of Association ("**Articles**"), all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting ("**AGM**"). The Articles also provide that at least one third (1/3) of the Directors is subject to re-election by rotation at each AGM, provided that the Directors including the Managing Director shall retire at least once in every three (3) years but shall be eligible for re-election.

The Articles further provide that all Directors who are appointed during the financial year are subject to retirement and re-election by the shareholders at the AGM following their appointment.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Gender, Ethnicity and Age Group Diversity Policies

The Board is cognisant of the gender diversity recommendation promoted by MCCG 2012 pertaining to the need to establish a policy formalising the approach to boardroom diversity and to set targets and measures for the adoption of the said recommendation. Presently, there is one (1) existing female Director on the Board of the Company.

The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have a specific policy on setting target for female candidates in the workforce. The Company does not practice any form of gender, ethnicity and age group biasness as all candidates shall be given fair and equal treatment.

The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider candidates based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company and with due regard for the benefits of diversity on the Board.

2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (continued)

Annual Assessment

The Nomination Committee has a formal assessment mechanism to assess the effectiveness of the Board as a whole and the contribution of each individual Director.

During the financial year ended 30 June 2016, the Nomination Committee held one (1) meeting with full attendance of all its members, to deliberate the following matters:-

- Reviewed the Performance Evaluation Forms for Directors and Board Committees;
- Reviewed the effectiveness of the Board as a whole and of the Board Committees; and
- Annual assessment of the Independent Directors.

Based on the results of the annual assessment, the Nomination Committee has made the following observations:-

- the current size and composition of the Board is appropriate and well-balanced with the right mix of skills with the Board composition comprising individuals of high caliber, credibility and with necessary skills and qualifications to enable the Board to discharge its responsibility effectively.

- all Board Committees members have discharged their duties with care and diligence according to the respective Terms of Reference of the Remuneration Committee and Audit Committee.

2.3 Remuneration Policies

Remuneration Committee

The Remuneration Committee comprises two (2) Independent Non-Executive Directors and one (1) Executive Director whose details are as follows:-

Name	Designation	Directorship
Y. Bhg. Dato' Ch'ng Toh Eng	Chairman	Independent Non-Executive Director
Chin Kim Chung	Member	Independent Non-Executive Director
Y. Bhg. Tan Sri Dato' Lim Soon Peng	Member	Group Managing Director

Details on the functions of the Remuneration Committee are set out in its Terms of Reference, which is available under the "Corporate" section on the Company's website at www.titijaya.com.my.

CORPORATE GOVERNANCE STATEMENT
(CONTINUED)

2.3 Remuneration Policies (continued)

Directors' Remuneration

The Remuneration Committee meets as and when required, has responsibility for determining all aspects of remuneration and terms and conditions of service of all the Directors, drawing from outside advice whenever necessary prior to making the relevant recommendation to the Board such that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. The individual concerned must abstain from deliberations and voting on decisions in respect of his individual remuneration.

Remuneration packages for Executive Directors are structured so as to link rewards to corporate and individual performances. The remuneration of Executive Directors includes salary, bonus, allowance and benefits-in-kind. In the case of Independent Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned and is determined by the Board and will be tabled to the Company's shareholders for approval at the Company's Annual General Meeting prior to payment to the Directors.

The policy of the Remuneration Committee is in line with the Group's overall practice on compensation and benefits. The Group operates a performance-linked bonus set against key performance indicator for all employees, including the Executive Directors. The criteria for the performance-linked bonus are dependent on the financial performance of the Group based on an established formula.

As per the recent amendments to the MMLR of Bursa Securities, the Company is required to disclose the remuneration of the Directors of the Company (including the remuneration for services rendered to the listed corporation as a group) for the financial year, stating the amount received from the listed corporation and the amount received on a group basis respectively.

The aggregate remuneration paid to Executive Directors and Non-Executive Directors of the Company are as follows:-

	Group		Company	
	2016 RM	**2015 RM**	**2016 RM**	**2015 RM**
Executive Directors				
Fees	108,000	108,000	108,000	108,000
Salaries and other emoluments	2,292,378	1,991,572	19,500	29,500
	2,400,378	2,099,572	127,500	137,500
Non-Executive Directors				
Fees	211,491	186,000	211,491	186,000
Other emoluments	33,689	33,000	33,689	33,000
	245,180	219,000	245,180	219,000

2.3 Remuneration Policies (continued)

***Directors' Remuneration* (continued)**

The remuneration paid to Executive Directors of the Company by category and in the bands of RM50,000 is as set out below:-

Range (RM)	No. of Executive Directors	No. of Non-Executive Directors
50,000 and below	–	1
50,001 - 100,000	–	3
550,001 – 600,000	–	–
600,001 – 650,000	1	–
650,001 – 700,000	–	–
700,001 – 750,000	–	–
750,001 – 800,000	1	–
800,001 – 850,000	–	–
850,001 – 900,000	1	–
Total	**3**	**–**

During the financial year ended 30 June 2016, the Remuneration Committee met two (2) times with full attendance of all its members, to deliberate the following matters prior to making recommendations to the Board for approval:-

- Reviewed the termination benefits for the Executive Directors of the Company;
- Reviewed the bonus payment for the Executive Directors of the Company;
- Reviewed the benefits in-kind for the Directors of the Company;
- Reviewed the Directors' fees for the Directors of the Company; and
- Reviewed the bonus payment for employees of the Group.

PRINCIPLE 3: REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in the decision-making process as advocated in MCCG 2012. The Board is committed to ensure that the Independent Directors are capable to exercise independent judgment and act in the best interest of the Company.

In line with Recommendation 3.1 of the MCCG 2012, the Board via the NC conducted an independent assessment of the Independent Directors. The NC is satisfied with the results whereby all the Independent Directors fulfilled the criteria of "Independence" as prescribed under the Listing Requirements of Bursa Securities.

CORPORATE GOVERNANCE STATEMENT
(CONTINUED)

3.2 Tenure of Independent Directors

The Board is aware that the tenure of an independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) year term, an Independent Director may continue to serve on the Board subject to the said Director's re-designation as a Non-Independent Director.

There is no Independent Director of the Company whose tenure has exceeded a cumulative of nine (9) years.

3.3 Separation of Position of the Chairman and Group Managing Director

The Board is led by YB Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) as the Independent Non-Executive Chairman. Tan Sri Dato' Lim Soon Peng and Mr. Lim Poh Yit are the Group Managing Director and Deputy Group Managing Director of the Company, respectively.

The roles of the Chairman and the Group Managing Director are separately held by different individuals and the division of their responsibilities is clearly established, with each having distinct and clearly defined authority and responsibilities. This is to ensure there is an appropriate balance of roles, responsibilities and accountability at the Board level.

The Board recognises the crucial role and contribution played by Independent Non-Executive Directors. They represent the element of objectivity and independent judgement of the Board. This ensures that there is sufficient check and balance so that no one or particular group dominates the Board.

3.4 Composition of the Board

The Board consists of eight (8) Directors, comprising three (3) Independent Non-Executive Directors, three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Alternate Director. This Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent. The profile of each Director is set out on pages 18 to 21 of this Annual Report.

The Executive Directors and the management team are responsible for making and implementing day-to-day operational decisions of the Company. Non-Executive Directors play supporting and impartial role to the Company, providing check and balance and ensuring a high standard of corporate governance, contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate objective, policies and decisions.

The Board composition is appropriate in terms of membership and size with a good mix of skills and core competencies and is well represented by individuals with diverse range of knowledge, experiences and ability to make independent judgments.

All members of the Board comply with the limitation of directorship requirements under the MMLR of Bursa Securities.

PRINCIPLE 4: FOSTER COMMITMENT

4.1 Time Commitment

The Directors have demonstrated their commitment to the business of the Board and Board Committees and key events, towards discharging their roles and responsibilities and fiduciary duties as Directors of the Company, despite an extremely busy year both from the business and corporate perspectives. Commitment to the time necessary to carry out their duties as Directors is a term of their appointment.

Board and Board Committee meetings are scheduled at the onset of the calendar year and an annual corporate calendar with an indication of the key business items for each meeting is circulated to all Directors, to facilitate the Directors' time planning.

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be made between the scheduled meetings.

During the financial year, the Board met five (5) times, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions, the business direction of the Group, related party transaction and corporate governance matters. The Board also notes the decisions, recommendations and issues deliberated by the Board Committees through the minutes of these committees.

In the interval between Board meetings, any matter requiring urgent Board decision and/or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

The details of attendance of each Director for the financial year ended 30 June 2016 are as follows:-

Name of Directors	Number of Meetings Attended
Y. B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	5/5
Y. Bhg. Tan Sri Dato' Lim Soon Peng	5/5
Lim Poh Yit	5/5
Lim Puay Fung	5/5
Chin Kim Chung	5/5
Y. Bhg. Dato' Ch'ng Toh Eng	5/5
Y. A. D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	4/5

4.2 Training

The Board acknowledges that continuous education is essential for the Directors to further enhance their skills and knowledge. The Board shall ensure compliance with the Mandatory Accreditation Programme as required by Bursa Securities for the newly appointed Directors.

Newly appointed Directors are invited to attend an in-house orientation programme which is usually conducted after their effective appointment date.

Training is available to all Directors on an ongoing basis and the Board of Directors will evaluate and determine the training needs of its Directors. Directors will undergo relevant training programmes to further enhance their knowledge on a continuous basis in compliance with the Listing Requirements of Bursa Securities.

CORPORATE GOVERNANCE STATEMENT
(CONTINUED)

4.2 Training (continued)

During the current financial year, the Directors have attended appropriate training programmes conducted by external experts to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast of developments in the marketplace. The training programmes that the Directors had attended are as follows:-

Name of Directors	Training/ courses attended
Y. B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	- Powertalk: What will distinguish The Great Boards of Tomorrow
Y. Bhg. Tan Sri Dato' Lim Soon Peng	- Belt and Road Initiative : Malaysia-China Business Dialogue
Lim Poh Yit	- Lawrence Walter Seminars on Teaming with Passion; - YPO-Building High Performance Workplace; and - Directors Corporate Governance Series: Building Effective Finance Function.
Lim Puay Fung	- Lawrence Walter Seminars on Teaming with Passion
Chin Kim Chung	- National Tax Conference 2015; - Annual Conference:- • Business Management and Organisation • Auditing • Accounting • Management Advisory Services • Administrative Practice • Tax; - CANNZ – Malaysian Institute of Certified Public Accountants Audit Forum: Future of Auditor Reporting – The Practical Impact; - AuditWorld 2015; - Malaysian Institute of Accountants-IFAC Regional SMP Forum; - 2016 Budget Seminar; - GST Handholding Programme-An Interactive Discussion Approach; - Insolvency Conference 2016; - National GST Conference 2016; - Companies Bill 2015: A snapshot of Changes.
Y. Bhg. Dato' Ch'ng Toh Eng	- Future of Auditor Reporting – The Game Changes for Boardroom; - The Post 2016 Budget Discussion @ University Malaya; - Forum on "Enhancing the 21st Century Maritime Silk Road Through Malaysia"
Y. A. D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	- Business Sustainability and Insider Trading

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Board is committed to providing a balanced, clear and understandable assessment of the financial position, performance and prospects of Titijaya Group in the disclosures made to the shareholders and the regulatory authorities.

The Board takes responsibility to ensure that the financial statements of the Company present a balanced and meaningful assessment of the Group's position and prospects and to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards in Malaysia.

The Board, assisted by the Audit Committee, oversees the Group's financial reporting process and the information for disclosure to ensure accuracy, adequacy and completeness.

A statement by the Directors of their responsibilities in preparing the financial statements is set out on page 51 of this Annual Report.

5.2 Assessment of Suitability and Independence of External Auditors

The role of the Audit Committee in relation to the External Auditors is set out in the Audit Committee Report on pages 25 to 32 of this Annual Report. The Company has always maintained a formal and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

The Group's independent External Auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of these financial statements.

The External Auditors have an obligation to bring any significant defects in the Group's system of control and compliance to the attention of the Management; and if necessary, to the Audit Committee and the Board. This includes the communication of fraud.

The Audit Committee undertakes an annual assessment of the suitability and independence of the External Auditors. The External Auditors are invited to attend the Audit Committee meeting twice a year to discuss their audit plan, audit findings and the Company's financial statements. At least one of these meetings is held with the External Auditors without the presence of the management. The Audit Committee also meets with the External Auditors additionally whenever it deems necessary. In addition, the External Auditors are invited to attend the Annual General Meeting of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of the Annual Report.

PRINCIPLE 6: RECOGNISE AND MANAGE RISK

6.1 Sound Framework to Manage Risk

Risk Management is regarded by the Board to be an integral part of the business operations. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards.

The Board has put in place a formal risk management framework that allows more structured and focused approach to identify, evaluate, monitor and report the principal risks that affect the achievement of the Group's business objectives and enables the adoption of a risk-based internal control system.

The Board has established a Management level Risk Management Committee ("**RMC**") under the purview of the Deputy Group Managing Director, to spearhead risk management activities across the Group. The RMC undertakes various initiatives towards embedding a risk based approach to the activities of the various business and support units.

CORPORATE GOVERNANCE STATEMENT
(CONTINUED)

6.1 Sound Framework to Manage Risk (continued)

The following activities have taken place as part of establishing this formal framework:

- Risk profile has been developed for the Group.
- Risk Management Policy has been developed which incorporates amongst others a structure process for identifying, evaluating and prioritising risks as well as clearly defining the risk responsibilities and escalation process.
- Risk Management Reports are tabled to the Audit Committee summarising identified risks and controls taken to mitigate or manage the identified risks.

6.2 Internal Audit Function

The Group's internal audit function is outsourced to an independent consulting firm, to assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

The internal audit function has prepared a risk-based internal audit plan and incorporated a holistic schedule of assignments to provide independent assurance on the system of risk management and safeguarding of the Group's assets. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Audit Committee.

During the financial year ended 30 June 2016, internal audit reviews were carried out and the findings of the reviews, including the recommended management actions plans were presented directly to the Audit Committee. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The information on the Group's risk management and internal control is presented in the Statement of Risk Management and Internal Control as set out on pages 46 to 50 of this Annual Report.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 CORPORATE DISCLOSURE POLICY

The Company recognises the value of transparent, consistent and coherent communications with the investing community consistent with commercial confidentiality and regulatory considerations.

The Company is committed to ensure that communications to the investing public regarding the business, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

The Company is guided by the Corporate Disclosure Guide issued by Bursa Securities with the consultation of the Company Secretary, advisers and/or other service providers.

The Company's website incorporates an Investor Relations section which provides all relevant information of the Company and is accessible by the public. The Investor Relations section enhances the Investor Relations function by including all announcements made by the Company.

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Board has established a dedicated section for corporate information on the Company's website where information on the Company announcements, financial information and stock information can be accessed.

CORPORATE GOVERNANCE STATEMENT
(CONTINUED)

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholder Participation at General Meeting

The Board and Management convey information about the Company's performance, corporate strategy and other matters affecting shareholders and investors through timely dissemination of information which include distribution of annual reports and relevant circulars and issuance of press releases. Enquiries by shareholders are dealt with promptly as practicable as possible.

Annual General Meeting

The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders. Notice of the AGM and annual reports are sent out to shareholders at least twenty-one (21) days before the date of the meeting. At the meeting, Management makes a presentation on the year's financial results and business activities.

At each AGM, the Board encourages shareholders to participate in the question and answer session whereby the Directors are available to discuss aspects of the Group's performance and its business activities. The Chairman responds to shareholders' questions during the meeting.

An explanatory statement to facilitate full understanding and evaluation of the issues involved will accompany items of special business included in the notice of the meeting.

8.2 Encourage Poll Voting

Effective 1 July 2016, any resolution set out in the notice of any general meeting, or in any notice of resolution which may be properly moved and is intended to be moved at any general meeting, is voted by poll. The Company shall be conducting poll voting for all resolutions set out in the Notice of the Fourth Annual General Meeting.

The Company will explore providing facilities for poll voting via electronic means to expedite verification and counting of votes.

8.3 Effective Communication and Proactive Engagement

The Board believes that a constructive and effective relationship with all investors is essential in enhancing shareholder value and recognises the importance of timely dissemination of information to the investor community and shareholders.

During the last AGM, the Group Chief Financial Officer presented an overview and explained the operational and financial performance of the Group, its corporate strategies, trends and the outlook for the future. Shareholders present at the meeting had the opportunity to enquire on the Group's performance and operations and were invited to ask questions during the question and answer session.

Further, apart from announcements and public statements required by Bursa Securities, the Company issues press releases and conducts media and analysts briefings in conjunction with the release of the Group's quarterly and annual financial results announcements as deemed fit.

Statement of Compliance

The Principles and Recommendations of the MCCG 2012 have been considered in making this Statement.

The Board has taken reasonable steps to ensure the Group has implemented as far as possible the governance standards and recommendations of MCCG 2012. The Board considers that the recommendations of MCCG 2012 have been substantially implemented. Nevertheless, there are still areas for further enhancement and efforts will continue in this regard.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control by the Board of Directors ("Board") on the Group is made pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Principles and Best Practices provisions relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance ("Code").

This Statement outlines the nature and scope of risk management and internal control of the Group during the financial year ended 30 June 2016 and covers all Group's operations except for associate companies as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

BOARD'S RESPONSIBILITIES

The Board recognises and affirms its overall responsibility for the Group's system of internal controls, which includes the establishment of an appropriate risk and control framework as well as the review of its effectiveness, adequacy and integrity. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement or loss.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The process has been in place during the year up to the date of approval of the annual report and is subject to review by the Board.

The Board is assisted by Senior Management in implementing the Board approved policies and procedures on risk and control by identifying and analysing risk information; designing, operating suitable internal controls to manage and control these risks; and monitoring effectiveness of risk management and control activities.

The key features of the risk management and internal control systems are described below.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

The Group has in place a database of risks and controls information captured in the format of risk registers. Key risks of major business units are identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence. Risk profiles for the major operating business units are presented to the Audit Committee and Board for deliberation and approval for adoption. Action plans to address key risks were developed and their status of implementation was reported to the Audit Committee and Board of Directors.

The risk profile of the major operating business units of the Group are being monitored by its respective operating department. The risks identified for the Group were considered in formulating the strategies and plans that were approved and adopted by the Board.

Risk Management Framework

The Board has formalised an Enterprise Risk Management ("ERM") framework for the Group, which comprises the following:

- Identification of risks or particular circumstances that could affect the achievement of organisation's objectives;
- assessment and analysis of the cause, likelihood, impact and consequence of the risks;
- evaluation of the adequacy and effectiveness of existing controls;
- determining appropriate response strategy or additional control; and
- reporting and monitoring of risks across the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONTINUED)

As part of the framework, a management-level Risk Management Committee ("RMC"), chaired by the Deputy Group Managing Director, has been established to oversee the following:

- Identifying and communicating to the Board, critical risks the Group faces, their changes and Management's action plans to manage the risks.
- Performing risk oversight activities and reviewing the risk profile of the Group as well as organisational performance.
- Aggregating the Group's risk position and half-yearly reporting to the Audit Committee and ultimately to the Board on risk situation and status.

The RMC meets periodically to assess and evaluates risks that may impede the Group from achieving its strategic and operational objectives, as well as develop action plans to mitigate such risks.

During the financial year under review, the result of the risk updates was deliberated at the RMC meetings, and the updated risk profile was used as one of the basis to develop a risk-based internal audit plan for the financial year ended 30 June 2016, which was approved by the Audit Committee.

The Audit Committee has undertaken a half-yearly review on the results of risk updates presented by the RMC, with deliberation on causes, existing controls, impact, and actions planned to address the top risks of the organisation. Result of the risk review was then reported to the Board for endorsement and approval.

Key risks of the group were assessed and recorded in the risk profile for continuous monitoring (see table below). Being in the property and project development businesses, it is inherent that the group is facing with the key risks such as project progress challenges, product quality expectation and customer relationship; and etc.

The Board and management have formulated strategy and plans to address the following key risks, among others are:

Risk	Specific Risk	Management Strategy
R1	Project Progress Challenges	Close monitoring on progress report and contractor performance
R2	Product Quality Expectation	Enhancement on checklist for quality assurance
R3	Customer Relationship	Dedicated team is assigned to manage customer expectation

Internal Control

The Board receives and reviews regular reports from the Management on key financial data, performance indicators and regulatory matters. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis. The Board approves appropriate responses or amendments to the Group's policy. Besides, the results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner.

There is a comprehensive budgeting system that requires preparation of the annual budget by all departments. The annual budget which contains financial, operating targets and performance indicators are reviewed and approved by the Deputy Managing Director together with the Senior Management before being presented to the Board.

Issues relating to the business operations are highlighted to the Board's attention during Board meetings. Further independent assurance is provided by the Group internal audit function and the Audit Committee. The Audit Committee reviews internal control matters and update the Board on significant control gaps for the Board's attention and action.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONTINUED)

The other salient features of the Group's systems of internal controls are as follows:-

- Quarterly review of the financial performance of the Group by the Board and the Audit Committee;
- Defined organisation structure and delegation of responsibilities;
- Limit of Authority (LOA) matrix that clearly outlines Senior Management limits and approval authority across various key processes;
- Operations review meetings are held by the respective departments to monitor the progress of business operations, deliberate significant issues and formulate corrective measures;
- Adoption of whistle blowing policies; and
- Code of conduct was communicated to all employees of the Group.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to a professional service firm, as part of its efforts in ensuring that the Group systems of internal controls are adequate and effective. The internal audit activities of the Group is carried out according to an annual audit plan approved by the Audit Committee. The internal audit function adopts a risk-based approach and prepares its audit plans based on risk profile of the group and significant risks identified. The internal audit provides an assessment of the adequacy and integrity of the Group's system of internal controls, and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the internal audit assessments are reported periodically to the Audit Committee.

The internal audit reports are reviewed by the Audit Committee and forwarded to the Senior Management so that any recommended corrective actions could be implemented. The Senior Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame.

A total of RM62,150 inclusive of Goods and Services Tax and disbursement was spent on internal audit activities for the financial year ended 30 June 2016.

Internal Control Framework

The key elements of the Group's internal control framework are described below:

(a) Integrity and ethical values

The Board believes ethical corporate culture begins from the top which the control environment sets the tone for the Group by providing fundamental discipline and structure.

- **Code of Ethics and Conduct**

  The Board has set the tone at the top for corporate behavior and corporate governance. All employees of the Group shall adhere to the Code of Ethics and Conduct of the Group which sets out the principles and standard to guide employees in carrying out their duties and responsibilities to the high standards of personal and corporate integrity when dealing within the Group and with external parties.

- **Whistle Blowing Policy and Procedure**

  The Board has formalised a set of Whistle Blowing Policy and Procedures to provide an avenue for stakeholders of the Company to raise concerns related to possible breach of business conduct, non-compliance with laws and regulatory requirements as we'll as other malpractices. The Whistle Blowing Policy and Procedures set out the protection accorded to whistleblowers who disclose such irregularities in good faith.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONTINUED)

(b) Limits of authority and responsibility

Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant terms of reference, organizational structures and appropriate authority limits, including matters requiring the Board's approval. The corporate structure further enhances the ability of each subsidiary or division, as the case may be, to focus on its assigned core or support functions within the Group.

(c) Planning, monitoring and reporting

The following internal control processes have been deployed by the Group:

- **ISO 9001:2008 Accreditation**

  Titijaya has been accorded full ISO 9001:2008 accreditation for Property Development & Property Management in line with the Group's quest in consistently improving the strength of its internal system;

- **Documented Policies and Procedures**

  Internal policies and procedures, which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group, are maintained and subject to review as considered necessary;

- **Performance Monitoring and Reporting**

  The Group's management team monitors and reviews financial and operating results, including monitoring and reporting of performance against the operating plans. The management team formulates and communicates action plans to address areas of concern;

- **Financial Performance Review**

  The preparation of periodic and annual results and the state of affairs of the Group is reviewed and approved by the Board before release of the same to the regulators whilst the full year financial statements are audited by the External Auditors before their issuance to the regulators and shareholders;

This internal control framework has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

REVIEW BY BOARD

The Board considered the adequacy and effectiveness of the risk management and internal control process in the Group during the financial year.

The Board's review of risk management and internal control effectiveness is based on information from:

- Senior Management within the organisation responsible for the development and maintenance of the risk management and internal control framework;
- Self-assessments of each department and functional controls by respective Senior Management to complement the above input in providing a holistic view of the Group risk and control framework effectiveness; and
- The work by the internal audit function which submit reports to the Audit Committee together with recommendations for improvement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONTINUED)

The Audit Committee will address and monitor the implementation of key risk action plans and any internal control weakness and ensure continuous process improvement.

The Board also received assurance from the Deputy Group Managing Director (DGMD) and the Group Chief Financial Officer (GCFO) of the Company that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company.

The Board considers the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business and operating environment. The Board and Management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

For the financial year under review, the Board is satisfied that the system of internal controls was satisfactory and has not resulted in any material loss, contingency or uncertainty.

The above statement is made in accordance with the resolution of the Board dated 6 October 2016.

Review of Statement by External Auditors

In accordance to Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the 2016 Annual Report. The External Auditors reported that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Company was not prepared, in all material respects, in accordance with the disclosures required by Paragraph 41 and 42 of the Guidelines, nor was it factually inaccurate.

STATEMENT OF DIRECTORS' RESPONSIBILITY

As required under the Companies Act, 1965 ("Act"), the Directors of Titijaya Land Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company for the financial year ended 30 June 2016.

In preparing the financial statements for the financial year ended 30 June 2016, the Directors have:

- Adopted suitable accounting policies and practices to ensure that they were consistently applied throughout the year;
- Made judgements and estimates that are prudent and reasonable;
- Ensured all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- Prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Additionally, the Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board of Directors dated 6 October 2016.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

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

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

RESULTS

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

DIVIDENDS

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

The directors propose a final single-tier dividend of 0.05 sen per ordinary share in respect of the current financial year, subject to the shareholders' approval at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

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

DIRECTORS' REPORT
(CONTINUED)

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS' REPORT
(CONTINUED)

ISSUE OF SHARES AND DEBENTURES

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

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

TREASURY SHARES

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

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

SHARE OPTION

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

DIRECTORS

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

Y. B. Senator Admiral Tan Sri Dato' Sri Mohd Anwar Bin Hj Mohd Nor (Retired)
Y. Bhg. Tan Sri Dato' Lim Soon Peng
Lim Poh Yit
Lim Puay Fung
Y. Bhg. Dato' Ch'ng Toh Eng
Chin Kim Chung
Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
(Alternate Director: Adrian Cheok Eu Gene)

DIRECTORS' INTERESTS

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

DIRECTORS' REPORT
(CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

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

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

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

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

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

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

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

DIRECTORS' REPORT
(CONTINUED)

DIRECTORS' BENEFITS

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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

HOLDING COMPANY

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

AUDITORS

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

On behalf of the Board,

TAN SRI DATO' LIM SOON PENG
Director

LIM POH YIT
Director

Kuala Lumpur

Date: 6 October 2016

STATEMENTS OF FINANCIAL POSITION
as at 30 June 2016

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

STATEMENTS OF FINANCIAL POSITION
(CONTINUED)

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

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

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2016

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

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2016

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

STATEMENTS OF CHANGES IN EQUITY
(CONTINUED)

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

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

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2016

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

STATEMENTS OF CASH FLOWS
(CONTINUED)

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

STATEMENTS OF CASH FLOWS
(CONTINUED)

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

STATEMENTS OF CASH FLOWS
(CONTINUED)

A. EFFECTS ON ACQUISITIONS OF SUBSIDIARY COMPANIES

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

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

Effects on acquisitions of the following subsidiary companies:-

<u>2016</u>

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

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

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

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

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

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

STATEMENTS OF CASH FLOWS
(CONTINUED)

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

2015

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

On 8 May 2014, the Company through its subsidiary, Titijaya Resources Sdn. Bhd., acquired 35,000 ordinary shares of RM1.00 each in Tenang Sempurna for a total consideration of RM35,000/- satisfied by cash. On 14 July 2014, the Titijaya Resources Sdn. Bhd. acquired 70,000 ordinary shares of RM1.00 each in Tenang Sempurna for a total consideration of RM70,000/- satisfied by cash. Tenang Sempurna is now a 70% subsidiary of the Company.

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

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

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

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

B. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

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

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

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

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

FRS 9 Financial Instruments

Key requirements of FRS 9:-

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

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

FRS 9 Financial Instruments (continued)

Key requirements of FRS 9:- (continued)

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

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

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

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

Amendments to FRS 7 Financial Instruments: Disclosures

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

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

Amendments to FRS 11 Joint Arrangements

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

Amendments to FRS 101 Presentation of Financial Statements

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

2. BASIS OF PREPARATION (CONTINUED)

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

Amendments to FRS 107 Statement of Cash Flows

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

Amendments to FRS 112 Income Taxes

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

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

Amendments to FRS 116 Property, Plant and Equipment

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

Amendments to FRS 119 Employee Benefits

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

Amendments to FRS 127 Separate Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

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

Amendments to FRS 138 Intangible Assets

Amendments to FRS 138 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate. This presumption can be overcomed only in the following limited circumstances:
- when the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

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

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

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

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

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

2. BASIS OF PREPARATION (CONTINUED)

2.3 MASB Approved Accounting Standards, MFRSs

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

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

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

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

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

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

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

MFRS 15 Revenue from Contracts with Customers

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 MASB Approved Accounting Standards, MFRSs (continued)

MFRS 141 Agriculture

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

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

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

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

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

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

2.4 Basis of measurement

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

2.5 Use of estimate and judgement

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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

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

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

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

(b) Non-controlling interests

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(c) Associates

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

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

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

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

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

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

(d) Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(e) Transactions eliminated on consolidation

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

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

3.2 Separate financial statements

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

3.3 Financial instruments

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

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

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

(a) Subsequent measurement

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

(i) Financial assets

Financial assets at fair value through profit or loss

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(a) Subsequent measurement (continued)

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

(i) Financial assets (continued)

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

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

<u>Loans and receivables</u>

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

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

<u>Held-to-maturity investments</u>

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

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

<u>Available-for-sale financial assets</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(a) Subsequent measurement (continued)

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

(i) Financial assets (continued)

Unquoted equity instruments carried at cost

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

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

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

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

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

Other financial liabilities

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

(b) Financial guarantee contracts

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(c) Regular way purchase or sale of financial assets

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

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

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(d) Derecognition

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

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

(e) Offsetting of financial instruments

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

(f) Hedge accounting

Fair value hedge

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial instruments (continued)

(f) Hedge accounting (continued)

Cash flow hedge

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

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

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

Hedge of a net investment

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

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

3.4 Property, plant and equipment

(a) Recognition and measurement

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Property, plant and equipment (continued)

(b) Subsequent costs

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

(c) Depreciation

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

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

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

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

(d) Derecognition

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

3.5 Leases

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Leases (continued)

(a) Lessee accounting

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

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

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

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

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

(b) Lessor accounting

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

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

3.6 Investment properties

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Investment properties (continued)

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

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

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

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

(b) Reclassification to/from investment property

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

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

3.7 Goodwill

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Inventories

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

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

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

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

3.9 Property development activities

(a) Land held for property development

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

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

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

(b) Property development costs

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Property development activities (continued)

(b) Property development costs (continued)

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

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

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

3.10 Cash and cash equivalents

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

3.11 Impairment of asset

(a) Impairment and uncollectibility of financial assets

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

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

<u>Loans and receivables and held-to-maturity investments</u>

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Impairment of asset (continued)

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

Loans and receivables and held-to-maturity investments (continued)

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

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

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

Available-for-sale financial assets

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

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

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

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

Unquoted equity instruments carried at cost

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Impairment of asset (continued)

(b) Impairment of non-financial assets

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Equity instruments

(a) Ordinary Shares

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

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

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

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

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

(c) Treasury Shares

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

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

3.13 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plans

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Provisions

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

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

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

3.15 Revenue and other income

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

(a) Property development

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

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

(b) Interest income

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

(c) Dividend income

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

(d) Rental income

Rental income is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Borrowing costs

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

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

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

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

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

3.17 Income tax

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

(a) Current tax

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

(b) Deferred tax

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Income tax (continued)

(b) Deferred tax (continued)

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

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

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

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

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

3.18 Operating segments

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

3.19 Fair value

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Fair value (continued)

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability. The Group and the Company recognise transfers between levels of the fair.

3.20 Contingencies

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

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:
(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

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

3.21 Earnings per ordinary share

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

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

(a) Revenue recognition on property development projects

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

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

(a) Revenue recognition on property development projects (continued)

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

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

(d) Impairment of goodwill

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

(e) Useful lives of property, plant and equipment

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

(f) Taxation

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

(g) Contingent liabilities

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

5. PROPERTY, PLANT AND EQUIPMENT

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

6. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

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

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

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

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

(b) Property Development Cost

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

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

(b) Property Development Cost (continued)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

7. INVESTMENTS IN SUBSIDIARY COMPANIES

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

The details of the subsidiary companies are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

8. INVESTMENTS IN AN ASSOCIATE COMPANY

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

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

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

9. INVESTMENT PROPERTIES

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

9. INVESTMENT PROPERTIES (CONTINUED)

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

Buildings consist of office unit and a food court.

(a) Fair value information

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

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

9. INVESTMENT PROPERTIES (CONTINUED)

(a) Fair value information (continued)

Transfer between level 1 and level 2 fair values

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

Level 3 fair value

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

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

10. GOODWILL ON CONSOLIDATION

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

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

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

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

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

11. INVENTORIES

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

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

12. OTHER INVESTMENTS

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

13. TRADE AND OTHER RECEIVABLES

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

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

Ageing analysis of trade receivables is as follows:-

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

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

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

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

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

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

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Amounts due from holding company and subsidiary companies

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

(c) Other receivables

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

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

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

(d) Deposits

Included in deposits of the Group as follows:

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

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

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

(e) Prepayments

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

14. FIXED DEPOSITS PLACED WITH LICENSED BANKS

Group

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

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

Company

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

15. CASH AND BANK BALANCES

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

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

16. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

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

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

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

(a) Share capital

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

(b) Share premium

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

(c) Treasury shares

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

17. OTHER RESERVES

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

(a) Other reserve

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

(b) Equity component of redeemable convertible preference shares

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

18. HIRE PURCHASE PAYABLES

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

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

19. BANK BORROWINGS

	Group 2016 RM	Group 2015 RM	Company 2016 RM	Company 2015 RM
Short term bank borrowings - secured				
Bank overdrafts	29,803,253	4,589,720	–	–
Bridging loans	1,732,784	–	–	–
Revolving credits	15,000,000	–	15,000,000	–
Term loans	58,082,988	49,947,199	–	–
	104,619,025	54,536,919	15,000,000	–
Long term bank borrowings - secured				
Term loans	100,680,697	103,357,249	–	–
	100,680,697	103,357,249	–	–
Total bank borrowings	205,299,722	157,894,168	15,000,000	–

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

19. BANK BORROWINGS (CONTINUED)

	Group		Company	
	2016 RM	**2015 RM**	**2016 RM**	**2015 RM**
Comprising portion repayable				
Within one year	104,619,025	54,536,919	15,000,000	–
More than one year but less than two years	52,507,423	85,131,919	–	–
More than two years but less than five years	48,173,274	12,409,825	–	–
More than five years	–	5,815,505	–	–
	205,299,722	157,894,168	15,000,000	–

Bank Overdrafts

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

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

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

Revolving credits

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

Term loans

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

20. RCPS – LIABILITY COMPONENT

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

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

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

The principal terms of the RCPS are as follows:-

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

21. DEFERRED TAX LIABILITIES

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

The deferred tax liabilities comprise the following:–

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

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

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

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

22. TRADE AND OTHER PAYABLES

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

(a) Trade payables

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

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

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

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

(c) Other payables

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

22. TRADE AND OTHER PAYABLES (CONTINUED)

(d) Accruals

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

(e) Deposits

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

(f) Provision

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

23. REVENUE

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

24. COST OF SALES

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

25. FINANCE COSTS

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

26. PROFIT BEFORE TAXATION

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

26. PROFIT BEFORE TAXATION (CONTINUED)

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

27. INCOME TAX EXPENSE

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

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

27. INCOME TAX EXPENSE (CONTINUED)

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

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

28. EARNINGS PER ORDINARY SHARE

(a) Basic

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

28. EARNINGS PER ORDINARY SHARE (CONTINUED)

(b) Diluted

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

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

29. GUARANTEES

(a) Corporate guarantees

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

30. COMMITMENTS

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

31. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification of related parties

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

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

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

(b) Significant related party transactions

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

31. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) Directors' remuneration

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

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

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

31. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(d) Key management personnel compensation

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

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

32. SEGMENT INFORMATION

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

The two reportable operating segments are as follows:

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

Inter-segment pricing is determined on negotiated basis.

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

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

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

32. SEGMENT INFORMATION (CONTINUED)

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

32. SEGMENT INFORMATION (CONTINUED)

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

32. SEGMENT INFORMATION (CONTINUED)

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

A Inter - segment revenue
Inter - segment revenue are eliminated on consolidation.

B Reconciliation of profit or loss
Profit/ (Loss) from other segment transactions are eliminated on consolidation.

C Reconciliation of assets

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

D Reconciliation of liabilities

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

Geographical information

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

33. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

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

33. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of Financial Instruments (continued)

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

33. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of Financial Instruments (continued)

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

33. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of Financial Instruments (continued)

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

(b) Fair Values

(i) Recognised Financial Instruments

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

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

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

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

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

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

(ii) Unrecognised Financial Instruments

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

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

34. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

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

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

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

(a) Credit Risk

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

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

Exposure to credit risk

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

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

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

Credit risk concentration profile

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

(b) Liquidity Risk

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

Analysis of financial instruments by remaining contractual maturities

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

34. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (CONTINUED)

(b) Liquidity Risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

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

		Contractual undiscounted cash flows			
	Carrying amount RM	On demand or within 1 year RM	1 - 5 Years RM	> 5 years RM	Total RM
2015					
Group					
Financial liabilities:					
Trade and other payables	163,237,381	163,237,381	–	–	163,237,381
Hire purchase payables	597,480	200,002	460,472	–	660,474
Bank borrowings	157,894,168	69,299,160	102,620,352	6,023,318	177,942,830
RCPS - liability component	23,584,925	–	23,584,925	–	23,584,925
	345,313,954	232,736,543	126,665,749	6,023,318	365,425,610
Company					
Financial liabilities:					
Trade and other payables	38,362,111	38,362,111	–	–	38,362,111
RCPS - liability component	23,584,925	–	23,584,925	–	23,584,925
	61,947,036	38,362,111	23,584,925	–	61,947,036

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

34. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (CONTINUED)

(c) Interest Rate Risk

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

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

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

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

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

35. CAPITAL MANAGEMENT

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

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

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

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

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

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

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

36. DIVIDEND

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

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION ON
DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

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

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

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

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

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

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

STATEMENT BY DIRECTORS

We, **TAN SRI DATO' LIM SOON PENG** and **LIM POH YIT** being two of the Directors of Titijaya Land Berhad, do hereby state that in the opinion of the Directors, the financial statements set out on pages 58 to 135 are properly drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and of their financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out on page 136 have been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement*, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

TAN SRI DATO' LIM SOON PENG
Director

LIM POH YIT
Director

Kuala Lumpur

Date: 6 October 2016

STATUTORY DECLARATION

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

TAN KIAN WHOO

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

Before me,

ZULKIFLA MOHD DAHLIM (No. W541)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of Titijaya Land Berhad (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Titijaya Land Berhad, which comprise the statements of financial position as at 30 June 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 58 to 135.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

INDEPENDENT AUDITORS' REPORT

to the members of Titijaya Land Berhad (Incorporated in Malaysia)
(CONTINUED)

Report on Other Legal and Regulatory Requirements

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

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

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

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

Other Reporting Responsibilities

The supplementary information set out in page 136 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Ng Boon Hiang
No. 2916/03/18 (J)
Chartered Accountant

Kuala Lumpur

Date: 6 October 2016

ANALYSIS OF SHAREHOLDINGS

as at 20 September 2016

Authorised Share Capital	:	RM300,000,000.00 divided into:- (i) 500,000,000 Ordinary Shares of RM0.50 each; and (ii) 100,000,000 Redeemable Convertible Preference Shares of RM0.50 each
Issued and Fully Paid-Up	:	RM193,333,333.50 comprising:- (i) 366,666,667 Ordinary Shares of RM0.50 each; and (ii) 20,000,000 Redeemable Convertible Preference Shares of RM0.50 each
Class of Shares	:	Ordinary Shares of RM0.50 each Redeemable Convertible Preference Shares of RM0.50 each
No. of Shareholders	:	Holder of Ordinary Shares - 1,041 Holder of Redeemable Convertible Preference Shares - 1
Voting Rights	:	One Vote Per Ordinary Share Held The Redeemable Convertible Preference Share does not carry any voting right except in circumstances set out in the Company's Articles of Association

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders/	% of Shareholders	No. of Ordinary Shares	% of Issued Share Capital
Less than 100	10	0.96	100	0.00
100 – 1,000	137	13.16	99,800	0.03
1,001 – 10,000	554	53.22	2,744,600	0.75
10,001 – 100,000	252	24.21	8,356,500	2.28
100,001 to less than 5% of the issued shares	84	8.07	156,674,200	42.73
5% and above issued shares	4	0.38	198,791,467	54.21
Total	**1,041**	**100.0**	**366,666,667**	**100.0**

DISTRIBUTION OF SHAREHOLDINGS IN RCPS

Size of Shareholdings	No. of RCPS Holder	No. of RCPS	% of Issued RCPS Holding
Less than 100	–	–	–
100 – 1,000	–	–	–
1,001 – 10,000	–	–	–
10,001 – 100,000	–	–	–
100,001 to less than 5% of the issued shares	–	–	–
5% and above issued shares	1	20,000,000	100
Total	**1**	**20,000,000**	**100.0**

ANALYSIS OF SHAREHOLDINGS

as at 20 September 2016
(CONTINUED)

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES

Name of Directors	Direct Shareholdings	% of Direct Shareholding*	Indirect Shareholdings	% of Indirect Shareholding*
Y. B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired)	–	–	–	–
Y. Bhg. Tan Sri Dato' Lim Soon Peng	300,000	0.08	235,561,667 (a)	64.24
Lim Poh Yit	780,800	0.21	235,461,667 (b)	64.22
Lim Puay Fung	245,000	0.07	235,461,667 (b)	64.22
Chin Kim Chung	360,000	0.10	–	–
Y. Bhg. Dato' Ch'ng Toh Eng	250,000	0.07	–	–
Y. A. D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir	–	–	400,000 (c)	0.11
Adrian Cheok Eu Gene *(Alternate Director to Y. A. D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir)*	–	–	20,000 (d)	0.01

Notes:-

* Calculated based on 366,666,667 Ordinary Shares
[(a)] Deemed interested pursuant to Section 6A of the Companies Act, 1965 ("**Act**") by virtue of his substantial shareholdings in Titijaya Group Sdn. Bhd. ("**TGSB**") and disclosure made pursuant to Section 134(12)(c) of the Act by virtue of his spouse's shareholdings in the Company.
[(b)] Deemed interested pursuant to Section 6A of the Act by virtue of his/her substantial shareholdings in TGSB.
[(c)] Deemed interested pursuant to Section 6A of the Act by virtue of his shareholdings in ISY Holdings Sdn. Bhd.
[(d)] Deemed interested pursuant to Section 134(12)(c) of the Act by virtue of the shareholdings of his spouse and children in the Company.

DIRECTORS' SHAREHOLDINGS IN RCPS

Name of Directors	Direct holdings	% of Direct holding*	Indirect holdings	% of Indirect holding*
Y. B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar bin Hj Mohd Nor (Retired)	–	–	–	–
Y. Bhg. Tan Sri Dato' Lim Soon Peng	–	–	20,000,000 (1)	100
Lim Poh Yit	–	–	20,000,000 (1)	100
Lim Puay Fung	–	–	20,000,000 (1)	100
Chin Kim Chung	–	–	–	–
Y. Bhg. Dato' Ch'ng Toh Eng	–	–	–	–
Y. A. D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir	–	–	–	–
Adrian Cheok Eu Gene *(Alternate Director to Y. A. D. Tan Sri Syed Mohd Yusof bin Tun Syed Nasir)*	–	–	–	–

Notes:-

[(1)] Deemed interested pursuant to Section 6A of the Act by virtue of his/her substantial shareholdings in TGSB.

ANALYSIS OF SHAREHOLDINGS
as at 20 September 2016
(CONTINUED)

SUBSTANTIAL ORDINARY SHAREHOLDERS

Name of Substantial Shareholders	Direct Shareholdings	% of Direct Shareholding*	Indirect Shareholdings	% of Indirect Shareholding*
Y. Bhg. Tan Sri Dato' Lim Soon Peng	300,000	0.08	235,461,667 [(a)]	64.22
Lim Poh Yit	780,800	0.21	235,461,667 [(a)]	64.22
Lim Puay Fung	245,000	0.07	235,461,667 [(a)]	64.22
Titijaya Group Sdn. Bhd.	235,461,667	64.22	–	–
AIA Bhd.	24,029,800	6.55	500,200 [(b)]	0.14
AIA Company Limited	–	–	24,530,000 [(c)]	6.69
AIA Group Limited	–	–	24,530,000 [(c)]	6.69
Premium Policy Berhad	–	–	24,530,000 [(c)]	6.69
Orange Policy Sdn. Bhd.	–	–	24,530,000 [(c)]	6.69

Notes:-

* Calculated based on 366,666,667 Ordinary Shares

(a) Deemed interested pursuant to Section 6A of the Act by virtue of his/her substantial shareholdings in TGSB.

(b) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA PUBLIC Takaful Bhd. ("**AIA PUBLIC**") and AIA Pensions and Assets Management Sdn. Bhd. ("**APAM**").

(c) Deemed interested pursuant to Section 6A of the Act by virtue of the shares held by AIA Bhd., AIA PUBLIC and APAM.

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% *
1	TITIJAYA GROUP SDN BHD	108,761,667	29.66
2	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE BANK AG SINGAPORE FOR TITIJAYA GROUP SDN BHD (MAYBANK SG)	36,000,000	9.82
3	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN BHD (THIRD PARTY)	30,000,000	8.18
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	24,029,800	6.55
5	LEMBAGA TABUNG HAJI	17,461,200	4.76
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	12,467,100	3.40
7	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO SUAT CHIN (021)	10,103,200	2.76
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	10,000,000	2.73
9	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN BHD (THIRD PARTY)	10,000,000	2.73
10	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN BHD (6000103)	8,900,000	2.43
11	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN BHD (THIRD PARTY)	8,000,000	2.18
12	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN BHD	7,500,000	2.05

ANALYSIS OF SHAREHOLDINGS

as at 20 September 2016
(CONTINUED)

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS (CONTINUED)

No.	Name of Shareholders	No. of Shares	% *
13	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN BHD (THIRD PARTY)	7,500,000	2.05
14	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN BHD (THIRD PARTY)	5,000,000	1.36
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (CIMB EQUITIES)	4,672,500	1.27
16	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN BHD	3,800,000	1.04
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	3,521,500	0.96
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG LIN CHU	3,472,100	0.95
19	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOY SEN @ CHIN KIM SANG	2,915,900	0.80
20	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	2,762,500	0.75
21	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR KUMPULAN SENTIASA CEMERLANG SDN BHD (TSTAC/CLNT)	2,737,500	0.75
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA TAKAFUL BERHAD (FAMILY PRF EQ)	2,561,200	0.70
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA INSURANCE BERHAD (GROWTH FUND)	2,370,000	0.65
24	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR INNOFARM SDN. BHD.	2,114,100	0.58
25	CIMSEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CIMB COMMERCE TRUSTEE BERHAD (PB-BTR2058)	2,000,000	0.55
26	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	2,000,000	0.55
27	BEH ENG PAR	1,911,000	0.52
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEAP WENG HONG	1,821,000	0.50
29	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE BANK AG SINGAPORE FOR KSC (S) PTE LTD (LEE HAU HIAN)	1,622,000	0.44
30	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED BCF)	1,500,000	0.41
	TOTAL	**337,504,267**	**92.05**

Notes:-

* Calculated based on 366,666,667 Ordinary Shares

LIST OF RCPS HOLDERS

No.	Name of RCPS Holders	No. of Shares	%
1	TITIJAYA GROUP SDN. BHD.	20,000,000	100.00

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

a) A gross proceeds of RM122.558 million was raised by the Company from the initial public offering ("**IPO**") of the Company.

The proceeds raised from the IPO has been fully utilised as at 30 June 2016 as below:-

	Purpose	Utilisation RM'000	Proposed utilisation RM'000	Actual Balance RM'000	Timeframe for utilisation (from the listing date)
(i)	Working Capital	49,458	49,677	(219)	Within 12 months
(ii)	Repayment of bank borrowing	15,000	15,000	–	Within 6 months
(iii)	Repayment of advances from previous shareholders of Epoch Property Sdn. Bhd.	24,300	24,300	–	Within 6 months
(iv)	Purchase of Land Bank	30,000	30,000	–	Within 30 months*
(v)	Estimated listing expenses	3,800	3,581	219	Within 3 months
	Total	**122,558**	**107,558**	**–**	

Note:

* *The remaining balance of IPO's proceeds has been utilised for joint venture arrangement entered into with Dreamvista Development Sdn Bhd for development activities situated in Kuala Lumpur.*

b) On 13 June 2016, the Company proposed to undertake the Proposed Private Placement of new ordinary shares of RM0.50 each in the Company, representing up to ten percent (10%) of the enlarges issued and paid-up share capital of the Company (excluding treasury share) ("**Private Placement**")

On 22 September 2016, a total of 36,666,600 ordinary shares of RM0.50 each at an issue price of RM1.35 per share were issued and gross proceeds of RM49.33 million were raised under the Private Placement. The Private Placement was completed on 23 September 2016 when the entire placement shares were listed on the Main Market of Bursa Securities.

As at the date of this Annual Report, the gross proceeds raised from the Private Placement have not been utilised.

ADDITIONAL COMPLIANCE INFORMATION
(CONTINUED)

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the external auditors and their affiliates by the Company and its subsidiaries for the financial year ended 30 June 2016 are as below:

	Group (RM)	Company (RM)
Audit services rendered	230,200	35,000
Non-audit services rendered		
(1) Review of the Statement of Risk Management and Internal Control	6,000	6,000
(2) Review of Statement of Realised and Unrealise Profits or Losses	5,000	5,000
(3) Internal Audit Advisory	62,150	62,150
(4) Advisory Fee on Goods and Services Tax	32,200	32,200

3. MATERIAL CONTRACTS

Save as disclosed below, the Company and its subsidiaries have not entered into any material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, which involved the interest of the Director and major shareholders other than contracts entered into in the ordinary course of business:-

(a) City Meridian Development Sdn. Bhd. ("**CMD**"), a wholly owned subsidiary of Company, had on 21 May 2014, entered into a sale and purchase agreement ("**SPA**") with Titijaya Group Sdn Bhd ("**TGSB**") to purchase a parcel of leasehold land held under PN4022, Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang for cash consideration at RM126,000,000.

On 19 January 2015, CMD had entered into a supplemental agreement with TGSB to vary, amend, modify or alter certain provisions, terms and conditions of the SPA.

Subsequently, CMD and TGSB mutually agreed to further extend the period for fulfilment of the Conditions Precedent stipulated in the SPA and supplemental agreement for the completion of the SPA and supplemental agreement:-

(i) from 21 September 2015 to 10 November 2015;
(ii) from 10 November 2015 to 10 February 2016;
(iii) from 10 February 2016 to 10 May 2016; and
(iv) from 10 May 2016 to 10 December 2016.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Third Annual General Meeting of the Company held on 25 November 2015, the Company had obtained a general mandate from its shareholders ("**Shareholders' Mandate**") for a recurrent related party transaction of revenue and trading nature ("**RRPTs**").

There were no RRPTs conducted pursuant to the Shareholders' Mandate during the financial year ended 30 June 2016.

LIST OF TOP 10 PROPERTIES

	Registered owner	Location	Usage	Tenure	Land Area (sq. ft)	Net Book Value As At 30 June 2016 RM'000	Date Of Acquisition
1	Epoch Property Sdn Bhd	Lot No. PT 1424, HSD 112756, Mukim Damansara, District Of Petaling, Selangor Darul Ehsan	On Going Development Project, H2O	Freehold	263,059	168,096	30/08/2012
2	Shah Alam City Centre Sdn Bhd	Lot 1204, 386-391, GRN 39772, GM 44-49, Mukim Of Damansara Section U1, Shah Alam, Selangor Darul Ehsan	Mixed Development Project	Freehold	701,953	71,555	06/09/2007
3	Safetags Solution Sdn Bhd	Lot 100010, PN 91580, Mukim Petaling Daerah Petaling, Selangor Darul Ehsan	On Going Development Project, 3Elements	99 year lease expiring on 20 July 2108	262,965	59,197	29/04/2010
4	Aman Kemensah Sdn Bhd	Lot PT 18223, HSD 14774 Mukim Ulu Kelang, District of Gombak, Selangor Darul Ehsan	On Going Development Project Embun @ Kemensah	Freehold	641,152	57,304	03/07/2007
5	NPO Land Sdn Bhd	Lot 71175, GRN 301892, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan	On Going Development Project Zone Innovation @ Sungai Kapar Indah	Freehold	1,821,107	37,032	27/12/2004

LIST OF TOP 10 PROPERTIES
(CONTINUED)

	Registered owner	Location	Usage	Tenure	Land Area (sq. ft)	Net Book Value As At 30 June 2016 RM'000	Date Of Acquisition
6	NPO Land Sdn Bhd	Lot No. PT 72782 - PT 72876 Lot No. PT 72961 - PT 73454 HSD 153036 - HSD 153130 HSD 153215 - HSD 153593 All in the Mukim Kapar, District Of Klang, State of Selangor Darul Ehsan	On Going Development Project Seri Alam Industrial Park Subsequent phase	Freehold	10,972,849	30,675	30/10/2006 30/06/2006
7	NPO Land Sdn Bhd	Mukim of Kapar, District of Klang	Future Development Seri Residensi Ph II	Freehold	12,142	26,136	30/06/2006
8	Premsdale Development Sdn Bhd	PT 56555, Mukim of Cheras, District of Hulu Langat Selangor	Future Development	99 year lease expiring on 04 August 2109	217,431	16,395	31/03/2015
9	Tulus Lagenda Sdn Bhd	LOT 11979 Mukim Ampang Negeri Wilayah Persekutuan Kuala Lumpur	Residential	99 year lease expiring on 14 August 2113	27,550	10,349	08/05/2015
10	NPO Development Sdn Bhd	Lot 58964 - 59010, Mukim of Kapar, District Of Klang, Selangor HS (D) 122572 - 122618	On Going Development Project Mutiara Residence	Freehold	135,472	7,949	15/12/2003

TITIJAYA LAND BERHAD
(Company No. 1009114-M)

NOTICE OF FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting ("**AGM**") of TITIJAYA LAND BERHAD will be held at Level G, SS15 Courtyard @ First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 23 November 2016 at 10:00 a.m. or at any adjournment thereof for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2016 together with the Reports of the Directors and Auditors Reports thereon. **[Please refer to Explanatory Note (a)]**

2. To approve the declaration of a final single-tier dividend of 0.5 sen per ordinary share for the financial year ended 30 June 2016. **Resolution 1**

3. To approve the payment of Directors' fees amounting to RM294,000.00 for the financial year ended 30 June 2016. **Resolution 2**

4. To re-elect the following Directors who retire pursuant to Article 81 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-

   i. Y. B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) **Resolution 3**

   ii. Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir **Resolution 4**

5. To re-appoint Messrs. Baker Tilly Monteiro Heng as the Company's Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following Ordinary and Special resolutions:-

6. **ORDINARY RESOLUTION**
   Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965 **Resolution 6**

   "**THAT** subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 issued pursuant to this Resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being; **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

7. **ORDINARY RESOLUTION**
   Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate") **Resolution 7**

   "**THAT**, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties ("**RRPT**") as set out in Part A, Section 2.5 of the Circular to Shareholders dated 31 October 2016, provided such transactions are necessary for the day-to-day operations of the Company and/or its subsidiaries and are carried out in the ordinary course of business, on arm's length basis and on normal commercial terms which are not more favourable to the parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders of the Company.

NOTICE OF FOURTH ANNUAL GENERAL MEETING
(CONTINUED)

THAT such approval shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

8. **ORDINARY RESOLUTION**
Proposed Renewal of Authority for the Company to Purchase its own Shares ("Proposed Renewal of Share Buy-Back") **Resolution 8**

"**THAT**, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

(i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Malaysia Securities Berhad as at the point of purchase;

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits and share premium account of the Company based on the latest audited financial statement and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividend.

NOTICE OF FOURTH ANNUAL GENERAL MEETING
(CONTINUED)

THAT the authority conferred by this resolution will commence immediately and will, subject to renewal thereat, and shall continue to be in force until:

(a) at the conclusion of the next AGM of the Company following the General Meeting at which such resolution was passed at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM after the date is required by law to be held; or;

(c) revoked or varied by a resolution of the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby generally empowered to do all acts and things to give full effect to the aforesaid purchase with full power to assets to any conditions, modifications, revaluations, variation and/or amendments (if any) as may be imposed by the relevant authorities and/or to do all such acts and things act the Directors may deem fit and expedient in the best interest of the Company."

9. **SPECIAL RESOLUTION** **Resolution 9**
Proposed Amendments to the Company's Articles of Association

"**THAT** the Proposed Amendments to the Company's Articles of Association as set out in Part C of the Circular to Shareholders dated 31 October 2016, be and are hereby approved.

AND THAT the Directors and Secretary of the Company be and are hereby authorised to do all such acts, deeds and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Amendments to the Company's Articles of Association of the Company with full power to assent to any conditions, modifications, variations and alteration as may be imposed or permitted by the relevant authorities."

10. To transact any other ordinary business for which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a final single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 June 2016, if approved by the shareholders at the Fourth AGM of the Company, will be payable on 30 December 2016 to the depositors whose names appear in the Record of Depositors at the close of business on 8 December 2016.

A Depositor shall qualify for entitlement only in respect of:

(a) shares transferred into the Depositor's Securities Account before 4:00 p.m. on 8 December 2016 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
TAN LEY THENG (MAICSA 7030358)
Company Secretaries

Kuala Lumpur
31 October 2016

NOTICE OF FOURTH ANNUAL GENERAL MEETING
(CONTINUED)

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at **16 November 2016** shall be eligible to attend the Meeting or appoint proxies to attend and/or vote in his/her stead.

2. A member entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.

3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (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 one (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 appointor 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 one (1) proxy [not more than two (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 forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

Explanatory Note (a)

This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Explanatory Notes to Ordinary and Special Business:-

(a) Ordinary Resolution 6
Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

This is the renewal of the general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965 obtained from the Shareholders of the Company at the Third AGM of the Company held on 25 November 2015 (hereinafter referred to as the "**Previous Mandate**").

The proposed resolution is primarily to give a renewal mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company.

On 22 September 2016, the Company issued 36,666,600 new ordinary shares of RM0.50 each by way of Private Placement to investors which raised total gross proceeds of RM49,499,910.00 pursuant to the Previous Mandate. As at the date of this Notice, the said proceeds raised have not been utilised.

NOTICE OF FOURTH ANNUAL GENERAL MEETING
(CONTINUED)

(b) Ordinary Resolution 7
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This proposed Resolution 6, if passed, will renew the authority given to the Company and/or its subsidiaries a mandate to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties in Compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Detailed information of the Proposed Renewal of Shareholders' Mandate is set out in Part A of the Circular/Statement to Shareholders dated 31 October 2016 circulated together with this Annual Report.

(c) Ordinary Resolution 8
Proposed Renewal of Authority for the Company to Purchase its own Shares

The proposed adoption of the Resolution 7, if passed, will renew the authority given to the Directors to exercise the power of the Company to purchase not more than ten per centum (10%) of the issued and paid-up share capital of the Company at any time within the time period stipulated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back is set out in Part B of the Circular/Statement to Shareholders dated 31 October 2016 circulated together with this Annual Report.

(d) Special Resolution (Resolution 9)
Proposed Amendments to the Company's Articles of Association

The Proposed Amendments to the Articles of Association are to align the Company's Articles of Association with the amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and to incorporate the necessary amendments to ensure clarity and consistency with the relevant regulatory provisions.

Further information on the Proposed Amendments is set out in Part C of the Circular/Statement to Shareholders dated 31 October 2016 circulated together with this Annual Report.

Statement Accompanying Notice of Fourth Annual General Meeting Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. The profiles of the Directors who are standing for re-election as per Agenda 3 of the Notice of Fourth AGM are set out on pages 18 to 21 of this Annual Report.

2. The details of the Directors' interests of the Company as at 20 September 2016 are set out on page 142 of this Annual Report.

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TITIJAYA LAND BERHAD
BUILT TO INSPIRE

TITIJAYA LAND BERHAD

(Company No. 1009114-M)

FORM OF PROXY

NO. OF SHARES HELD
CDS ACCOUNT NO.

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 Fourth Annual General Meeting of the Company to be held at Level G, SS15 Courtyard @ First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 23 November 2016 at 10:00 a.m. or at any adjournment thereof.

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

Resolutions	Agenda	FOR	AGAINST
1.	To approve the declaration of a final single-tier dividend of 0.5 sen per ordinary share for the financial year ended 30 June 2016.		
2.	To approve the payment of Directors' fees amounting to RM 294,000.00 for the financial year ended 30 June 2016.		
3.	To re-elect Y. B. Senator Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) who retires in accordance with Article 81 of the Company's Articles of Association.		
4.	To re-elect Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir who retires in accordance with Article 81 of the Company's Articles of Association.		
5.	To re-appoint Messrs. Baker Tilly Monteiro Heng as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.		
As Special Business			
6.	Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965.		
7.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
8.	Proposed Renewal of Authority for the Company to Purchase its Own Shares		
9.	Proposed Amendments to the Company's Articles of Association		

Please indicate with an "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 __________________2016.

____
Signature of Member/Common Seal

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at **16 November 2016** shall be eligible to attend the Meeting or appoint proxies to attend and/or vote in his/her stead.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.
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4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (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 appointor 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 one (1) proxy [not more than two (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 forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

Please fold along this line (1)

Postage
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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TITIJAYA LAND BERHAD (1009114-M)

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Malaysia

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