

INTERIM FINANCIAL REPORT

SECOND QUARTER
ENDED 31ST DECEMBER 2016



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INTERIM FINANCIAL REPORT

SECOND QUARTER | ENDED 31ST DECEMBER 2016



TITIJAYA LAND BERHAD

(Company No. 1009114-M)

(Incorporated in Malaysia under the Companies Act, 1965)

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND THREE MONTHS ENDED 31 DECEMBER 2016 (UNAUDITED)⁽¹⁾

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|--|--|
| | 01.10.2016 TO 31.12.2016 RM'000 | 01.10.2015 TO 31.12.2015 RM'000 | 01.07.2016 TO 31.12.2016 RM'000 | 01.07.2015 TO 31.12.2015 RM'000 |
| Revenue | 80,665 | 105,281 | 188,224 | 189,811 |
| Costs of sales | (42,363) | (71,376) | (115,509) | (119,947) |
| Gross Profit | 38,302 | 33,905 | 72,715 | 69,864 |
| Other Income | 644 | 2,405 | 7,907 | 3,938 |
| Selling and distribution expenses | (3,463) | (6,964) | (10,109) | (11,623) |
| Administrative expenses | (4,272) | (4,385) | (9,093) | (8,343) |
| Other expenses | (4,003) | (1,533) | (6,080) | (2,652) |
| Finance costs | (499) | (403) | (1,390) | (614) |
| Profit before taxation | 26,709 | 23,025 | 53,950 | 50,570 |
| Income tax expense | (6,265) | (5,392) | (13,464) | (12,303) |
| Net profit for the period | 20,444 | 17,633 | 40,486 | 38,267 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the financial period | 20,444 | 17,633 | 40,486 | 38,267 |
| Profit attributable to: | | | | |
| - Owners of the Company | 20,448 | 17,631 | 40,491 | 38,263 |
| - Non-controlling interests | (4) | 2 | (5) | 4 |
| | 20,444 | 17,633 | 40,486 | 38,267 |
| Earnings per share (sen) attributable to owners of the Company | | | | |
| - Basic ⁽²⁾ | 5.31 | 4.98 | 10.52 | 10.80 |
| - Diluted ⁽³⁾ | 5.22 | 4.80 | 10.34 | 10.41 |

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND THREE MONTHS ENDED 31 DECEMBER 2016 (UNAUDITED)
(1)

Notes:

- (1) *The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *Based on weighted average number of ordinary shares in issue (as detailed in Note B10 (a)).*
- (3) *Based on weighted average number of ordinary shares in issue (as detailed in Note B10 (b)) and assume the full conversion of balance 20,000,000 Redeemable Convertible Preference Shares of RM0.50 each ("RCPS") on the basis of one (1) new Share for every three (3) RCPS held.*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016
(UNAUDITED) ⁽¹⁾**

| | UNAUDITED As At 31.12.2016 RM'000 | AUDITED As At 30.06.2016 RM'000 |
|---|--|--|
| Non-current assets | | |
| Property, plant and equipment | 11,709 | 11,295 |
| Land held for property development | 321,868 | 189,527 |
| Investment in associate | 75 | - |
| Investment properties | 74,222 | 74,269 |
| Goodwill on consolidation | 3,706 | 3,706 |
| Total non-current assets | 411,580 | 278,797 |
| Current assets | | |
| Property development costs | 353,579 | 414,599 |
| Inventories | 70,382 | 20,951 |
| Other investments | - | 6 |
| Trade and other receivables | 251,985 | 213,403 |
| Accrued billings in respect of property development costs | 27,352 | 60,347 |
| Tax recoverable | 9,618 | 9,267 |
| Fixed deposits placed with licensed banks | 24,479 | 33,590 |
| Cash and bank balances | 77,443 | 61,351 |
| Total current assets | 814,838 | 813,514 |
| TOTAL ASSETS | 1,226,418 | 1,092,311 |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016
(UNAUDITED) ⁽¹⁾**

| | UNAUDITED As At 31.12.2016 RM'000 | AUDITED As At 30.06.2016 RM'000 |
|--|--|--|
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 201,666 | 180,000 |
| RCPS - equity component | 2,490 | 4,980 |
| Share premium | 139,786 | 100,451 |
| Reserve arising from reverse acquisition | (47,426) | (47,426) |
| Treasury shares | - | (4,742) |
| Retained earnings | 336,333 | 297,516 |
| Equity attributable to equity holders of the Company | 632,849 | 530,779 |
| Non-controlling interest | 509 | 514 |
| Total equity | 633,358 | 531,293 |
| Non-current liabilities | | |
| Hire purchase payables | 928 | 431 |
| Bank borrowings | 215,686 | 100,681 |
| RCPS - liability component | 8,874 | 17,036 |
| Deferred tax liabilities | 33,657 | 34,019 |
| Total non-current liabilities | 259,145 | 152,167 |
| Current liabilities | | |
| Trade and other payables | 211,511 | 198,781 |
| Progress billings in respect of property development costs | 8,879 | 96,604 |
| Hire purchase payables | 224 | 119 |
| Bank borrowings | 96,310 | 104,619 |
| Current tax payables | 16,991 | 8,728 |
| Total current liabilities | 333,915 | 408,851 |
| Total liabilities | 593,060 | 561,018 |
| TOTAL EQUITY AND LIABILITIES | 1,226,418 | 1,092,311 |
| Net assets per share attributable to owners of the Company (RM) | 1.57⁽²⁾ | 1.49⁽³⁾ |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016
(UNAUDITED) ⁽¹⁾****Notes:**

- (1) *The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *Based on the number of issued share capital of 403,333,266 ordinary shares of RM0.50 each (“Shares”) after the exercised of the conversion of 20,000,000 Redeemable Convertible Preference Shares of RM0.50 each (“RCPS”) into 6,666,667 new ordinary shares of RM0.50 each on the basis of one (1) new Share for every three (3) RCPS held, private placement of 36,666,600 ordinary shares at RM1.35 and the disposal of 3,148,800 treasury shares at average price RM1.55 each.*
- (3) *Based on the number of issued share capital of 360,000,000 ordinary shares of RM0.50 each (“Shares”) after the exercise of the conversion of 20,000,000 Redeemable Convertible Preference Shares of RM0.50 each (“RCPS”) into 6,666,667 new ordinary shares of RM0.50 each on the basis of one (1) new Share for every three (3) RCPS held and the purchase of 3,148,800 treasury shares at average price of RM1.50 each.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016 (UNAUDITED) ⁽¹⁾

| | <----- Non-Distributable -----> | | | | <--Distributable --> | | | | |
|---|---------------------------------|-------------------------|-----------------------|-----------------------------------|--|-----------------------------|----------------|--------------------------------|------------------------|
| | Share Capital RM'000 | Share Premium RM'000 | Treasury Shares RM | RCPS - Equity Component RM'000 | Reserve arising from Reverse Acquisition RM'000 | Retained Earnings RM'000 | Total RM | Non-Controlling Interest RM | Total Equity RM'000 |
| Group | | | | | | | | | |
| At 30 June 2015 | 176,667 | 92,957 | (42) | 7,433 | (47,426) | 245,283 | 474,872 | 569 | 475,441 |
| Conversion of RCPS | 3,333 | 7,494 | - | (2,453) | - | - | 8,374 | - | 8,374 |
| Purchase of treasury shares | - | - | (4,700) | - | - | - | (4,700) | - | (4,700) |
| Dividend paid | - | - | - | - | - | (16,118) | (16,118) | - | (16,118) |
| Total comprehensive income for the financial year | - | - | - | - | - | 68,352 | 68,352 | (55) | 68,297 |
| Balance at 30 June 2016 | 180,000 | 100,451 | (4,742) | 4,980 | (47,426) | 297,517 | 530,780 | 514 | 531,294 |
| Placement of ordinary shares | 18,333 | 31,167 | - | - | - | - | 49,500 | - | 49,500 |
| Conversion of RCPS | 3,333 | 8,030 | - | (2,490) | - | - | 8,873 | - | 8,873 |
| Disposal of treasury shares | - | 138 | 4,742 | - | - | - | 4,880 | - | 4,880 |
| Dividend paid | - | - | - | - | - | (2,017) | (2,017) | - | (2,017) |
| Changes in ownerships interests in subsidiary | - | - | - | - | - | 342 | 342 | - | 342 |
| Total comprehensive income for the financial period | - | - | - | - | - | 40,491 | 40,491 | (5) | 40,486 |
| Balance at 31 December 2016 | 201,666 | 139,786 | - | 2,490 | (47,426) | 336,333 | 632,849 | 509 | 633,358 |

Notes:

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR PERIOD ENDED 31 DECEMBER 2016
(UNAUDITED) ⁽¹⁾**

| | 01.07.2016 TO 31.12.2016 RM'000 | 01.07.2015 TO 31.12.2015 RM'000 |
|--|--|--|
| CASH FLOWS (USED IN)/ FROM OPERATING ACTIVITIES | | |
| Profit Before Tax | 53,950 | 50,570 |
| Adjustments for: | | |
| Non cash item | 510 | 1,290 |
| Operating Profit Before Working Capital Changes | <u>54,460</u> | <u>51,860</u> |
| Changes In Working Capital | | |
| Property development costs | 6,290 | (108,355) |
| Inventories | (49,431) | 826 |
| Receivables | (38,491) | 39,225 |
| Payables | 12,730 | 10,711 |
| Net Cash Used In Operations | <u>(14,442)</u> | <u>(5,733)</u> |
| Interest paid | (499) | (614) |
| Interest received | 718 | 272 |
| Tax paid | (5,912) | (11,896) |
| Net Operating Cash Flows | <u>(20,135)</u> | <u>(17,971)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (752) | (46) |
| Proceed from disposal of property, plant and equipment | 12 | - |
| Investment properties costs incurred | - | (630) |
| Other investment | 6 | 2,113 |
| Proceed from disposal of subsidiary | 175 | - |
| Land held for property development costs incurred | (132,341) | (36,068) |
| Net Investing Cash Flows | <u>(132,900)</u> | <u>(34,631)</u> |
| CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES | | |
| Dividend paid | (2,017) | (16,118) |
| Disposal / (Repurchase) of treasury shares | 5,401 | (2,794) |
| Changes in hire purchase payables | 602 | (108) |
| Changes in bank borrowings | 115,030 | (135) |
| Proceed from issuance of shares | 49,334 | - |
| Net Financing Cash Flows | <u>168,350</u> | <u>(19,155)</u> |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR PERIOD ENDED 31 DECEMBER 2016 (UNAUDITED) ⁽¹⁾

| | 01.07.2016 TO 31.12.2016 RM'000 | 01.07.2015 TO 31.12.2015 RM'000 |
|---|--|--|
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 15,315 | (71,757) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | 60,944 | 168,521 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | <u>76,259</u> | <u>96,764</u> |
| Cash and cash equivalents at end of period comprises: | | |
| Cash and bank balances | 77,443 | 95,241 |
| Fixed deposit placed with licensed banks | 24,479 | 33,919 |
| Bank overdrafts | (21,469) | (16,248) |
| | <u>80,453</u> | <u>112,912</u> |
| Less: Fixed deposit placed with licensed banks | (4,194) | (16,148) |
| | <u>76,259</u> | <u>96,764</u> |

Notes:

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

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

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

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

A2. Accounting Policies

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

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

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

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

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

A3. Auditors’ Report on Preceding Annual Financial Statements

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

A4. Seasonality or Cyclicity of Operations

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

A5. Unusual Items

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

A6. Changes in Estimates

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

A EXPLANATORY NOTES PURSUANT TO FRS 134**A7. Debt and Equity Securities**

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

A8. Dividend Paid

Since the end of previous financial year, the Company paid a final single tier of 0.5 sen per ordinary share totaling RM 2,016,799 in respect of the financial year ended 30 June 2016 on 30 December 2016.

A9. Valuation of Property, Plant and Equipment

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

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

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

A11. Changes in Composition of the Group

The Company had on 22 December 2016, disposed of 175,000 ordinary shares of RM 1.00 each, representing 70% of the issued and paid up share capital of Premsdale Development Sdn Bhd (Company No. 1121985-U) to Y.A.D Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir, the Director of the Company, at a total consideration of RM175,000 (“Disposal”). Following the Disposal, Premsdale Development Sdn Bhd ceased to be a wholly-owned subsidiary of the Company.

A12. Changes in Contingent Liabilities and Contingent Assets**Contingent Liabilities**

| | As At 31.12.2016 RM'000 | As At 30.06.2016 RM'000 |
|--|-------------------------------|-------------------------------|
| Corporate guarantees for credit facilities granted to subsidiaries | 268,677 | 150,622 |

Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 31 December 2016.

A13. Capital Commitments

| | As At 31.12.2016 RM'000 | As At 30.06.2016 RM'000 |
|---|-------------------------------|-------------------------------|
| Approved and contracted but not provided for: | | |
| - Land held for property development | | |
| Purchase consideration | 5,570 | 131,570 |
| Less: Deposits paid | (1,031) | (2,032) |
| | 4,539 | 129,538 |

A EXPLANATORY NOTES PURSUANT TO FRS 134

A14. Segmental Information

The segmental analysis for the financial period 31 December 2016 was as follows.

Analysis by Operating Divisions:-

| | Property Development RM'000 | Investment Holding RM'000 | Total RM'000 |
|---|--|--|-------------------------|
| Segment profit | 58,909 | 1,478 | 60,387 |
| Included in the measure of segment profit are:- | | | |
| Revenue from external customers | 181,886 | 51 | 181,937 |
| Inter-segment revenue | - | 6,287 | 6,287 |
| Interest income | 1,447 | 316 | 1,763 |
| Interest expense | 1,183 | 207 | 1,390 |
| Depreciation | 149 | 236 | 385 |
| Accretion of interest on RCPS | - | 356 | 356 |
| Not included on the measure of segment profit but provided to the Management :- | | | |
| Tax expenses | 13,537 | (73) | 13,464 |
| Segment assets | 904,562 | 517,957 | 1,422,519 |
| Segment liabilities | 511,403 | 271,918 | 783,321 |

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

| | |
|---|-------------------------|
| | Total RM'000 |
| Total revenue for reportable segments | 188,224 |
| Elimination of inter-segment revenue | (6,287) |
| Consolidated total | 181,937 |
| Total profit or loss for reportable segment | 60,387 |
| Elimination of inter-segment profits | (6,437) |
| Consolidated profit before taxation | 53,950 |
| Total reportable segments assets | 1,422,519 |
| Elimination of inter-segment transactions or balances | (196,101) |
| Consolidated total | 1,226,418 |
| Total reportable segments liabilities | 783,321 |
| Elimination of inter-segment transactions or balances | (190,261) |
| Consolidated total | 593,060 |

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

B1. Review of Performance

Current Quarter

The baseline profit after tax of RM20 million, achieved in current quarter was 16% higher compared to previous corresponding quarter. The increase was due to the higher profit recognition from H2O, 3Elements and Embun projects.

Cumulative Quarter

The Group's profit before tax has increased by 7% to RM54 million compared to previous corresponding quarter. The increase mainly contributed from property development projects, namely H2O, 3Elements and Seri Alam Residensi.

B2. Variation of Results for the current quarter ended 31 December 2016 against the immediate preceding quarter

The profit after tax for the current quarter is consistent compared to the immediate preceding quarters. A flattish profit after tax trend line was in-line and is to be expected as there is no undertaking of any significant major property launches during the financial period.

B3. Current prospects and progress on previously announced financial estimate

(a) Current Year Prospects

The current property market is undergoing a consolidation period, the Board believes that the Group will be able to capitalized on future opportune land-banking activities and the upcoming development launches that will enhance the Group's value incrementally.

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

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

There was no financial forecast previously announced by the Group.

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

Not applicable.

B5 Financial estimate, forecast or projection

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

B6 Dividend

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

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

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

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|--|--|
| | 01.10.2016 TO 31.12.2016 RM'000 | 01.10.2015 TO 31.12.2015 RM'000 | 01.07.2016 TO 31.12.2016 RM'000 | 01.07.2015 TO 31.12.2015 RM'000 |
| After charging: | | | | |
| Accretion of interest on RCPS | 179 | 328 | 357 | 656 |
| Depreciation of investment properties | 23 | 23 | 46 | 46 |
| Depreciation of property, plant and equipment | 170 | 104 | 339 | 246 |
| Directors' remuneration | 373 | 293 | 740 | 570 |
| Liquidated and ascertain damages expenses | 1,295 | - | 1,295 | - |
| Rental of sales office | 65 | 115 | 182 | 208 |
| Rental of equipment | 2 | 5 | 13 | 9 |
| Staff costs | 2,433 | 4,374 | 4,807 | 4,640 |
| After crediting: | | | | |
| Bank interest income | (307) | (215) | (718) | (272) |
| Fixed deposit interest income | (117) | (931) | (255) | (1,204) |
| Other interest income | (790) | (699) | (790) | (962) |
| Liquidated ascertain damages income | - | - | (6,440) | - |
| Gain on disposal of motor vehicle | - | - | (12) | - |
| Rental income | (313) | (477) | (735) | (920) |

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

B8. Taxation

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---------------------|--|--|--|--|
| | 01.10.2016 TO 31.12.2016 RM'000 | 01.10.2015 TO 31.12.2015 RM'000 | 01.07.2016 TO 31.12.2016 RM'000 | 01.07.2015 TO 31.12.2015 RM'000 |
| Current tax expense | 6,198 | 5,830 | 13,470 | 13,248 |
| Deferred taxation | 67 | (438) | (6) | (945) |
| | <u>6,265</u> | <u>5,392</u> | <u>13,464</u> | <u>12,303</u> |

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

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

B9. Status of Corporate Proposal

- (a) 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.

On 27 May 2015, the shareholders of the Company have approved the purchase of the leasehold land from TGSB.

On 28 September 2015, CMD and TGSB had on 21 September 2015 mutually agreed to extend the date for fulfillment of the Conditions Precedent stipulated in the SPA and Supplemental Agreement from 21 September 2015 until 10 November 2015.

On 10 November 2015 and 10 February 2016, CMD and TGSB mutually agreed to further extend the date for fulfilment of the Conditions Precedent stipulated in the SPA and Supplemental Agreement from 10 November 2015 until 10 February 2016 and from 10 February 2016 until 10 May 2016 respectively, so as to allow sufficient time between TGSB and CMD to complete the necessary conveyancing process for the completion of the Proposed Acquisition.

On 10 May 2016, CMD and TGSB had further extended the date for the completion of the Proposed Acquisition to 10 December 2016.

On 30 September 2016, Conditions Precedent as stipulated in the SPA and Supplemental Agreement have been fulfilled and the cash consideration of RM126,000,000 has been made by CMD to the Vendor. Following the settlement of the Cash Consideration, the Land title has been duly registered in the name of CMD in accordance with the issue document of title to the Land dated 4 November 2016.

- (b) On 26 August 2016, Titijaya Land Berhad (“TLB”) proposed to undertake the following:-
- (i) Proposed renounceable rights issue of up to 614,999,899 new irredeemable convertible preference shares of RM0.05 each in TLB (“ICPS”) on the basis of three (3) ICPS for every two (2) existing ordinary shares of RM0.50 each in TLB (“TLB Share” or “Share”) held at an entitlement date to be determined later (“Proposed Rights Issue of ICPS”);
 - (ii) Proposed increase in the authorised share capital of TLB from RM300,000,000 comprising 500,000,000 TLB Shares and 100,000,000 redeemable convertible preference shares of RM0.50 each in TLB (“RCPS”) to RM1,000,000,000 comprising 1,800,000,000 TLB Shares, 100,000,000 RCPS and 1,000,000,000 ICPS to facilitate the Proposed Rights Issue of ICPS (“Proposed Increase in Authorized Share Capital”); and
 - (iii) Proposed amendments to the Memorandum and Articles of Association of TLB to facilitate the Proposed Rights Issue of ICPS and the Proposed Increase in Authorised Share Capital (“Proposed Amendments”).

(Collectively referred to as “Proposals”)

The Proposals was submitted to Bursa Malaysia Securities Berhad on 20 September 2016 and pending for approval.

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

B9. Status of Corporate Proposal (Cont.)

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

The Proposed Acquisition is pending for completion.

- (d) On 8 November 2016, Titijaya Resources Sdn Bhd (Company No. 1078020-X)(“TRSB”), a wholly owned subsidiary of Titijaya Land Berhad entered into the following agreement: -
- (i) A share sales agreement between TRSB, CREC Development (M) Sdn Bhd (Company No. 1206194-U) (“CREC”), Chan Peng Kooch and Rafidah binti Menan for the proposed acquisition of 10,440,000 ordinary share of RM 1.00 each, representing the entire issued and paid-up share capital of Ampang Avenue Development Sdn Bhd (Company No. 826971-X) (“Ampang Avenue”) for a purchase consideration of RM 10,000,000 and assumption of the shareholders’ advances of RM 70,000,000 from Chan Peng Kooch and Rafidah binti Menan arriving at a total purchase consideration of RM 80,000,000 (“Proposed Acquisition”); and
 - (ii) A shareholder agreement between TRSB and CREC to regulate their relationship inter se as shareholders of Ampang Avenue (“Proposed Joint Venture”).

The Proposed Acquisition is pending for the completion.

- (e) On 11 November 2016, Titijaya Land Berhad (“TLB”) proposed to undertake the following:-
- (i) Proposed share split involving a subdivision of every one (1) ordinary share of RM0.50 each in TLB share into two (2) ordinary shares of RM 0.25 each in TLB held at an entitlement date to be determined later;
 - (ii) Proposed issue of up to 1,104,732,454 free warrants in TLB on the basis of one (1) Warrants for every two (2) Subdivided Shares held after the Proposed Share Split; and
 - (iii) Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Share Split.

(Collectively referred to as “Proposals”)

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

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

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

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

B9. Status of Corporate Proposal (Cont.)

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

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

B10. Status of utilisation of proceeds

A Private Placement (“PP”) of the Company’s shares was completed on 22 September 2016 with the listing of 36,666,600 new ordinary shares, at an issue price of RM 1.35 per placement share. The gross proceeds raised from PP was RM 49,500,000 and the current utilization status as at 31 December 2016 is as follows:-

| Purposes | Proposed utilisation RM'000 | Actual utilisation RM'000 | Balance RM'000 | Time frame for Utilisation (from the listing date) |
|---|--------------------------------|------------------------------|-------------------|---|
| (i) Expansion of TLB and its subsidiaries' property | 30,000 | 30,000 | - | Within 12 months |
| (ii) Working Capital | 19,240 | 19,240 | - | Within 12 months |
| (iii) Estimated expenses in relation to the PP | 260 | 260 | - | Within 2 weeks |
| Total | <u>49,500</u> | <u>49,500</u> | - | |

Note: The utilization of proceeds as disclosed in the above should be read in conjunction with the announcement dated 13 June 2016

B11. Group Borrowings

The Group borrowings as at 31 December 2016 were as follows:

| | As at 31.12.2016 RM'000 | As at 30.06.2016 RM'000 |
|-------------------------------|-------------------------------|-------------------------------|
| Current - Secured | | |
| Hire purchase payables | 224 | 119 |
| Bank overdrafts | 21,469 | 29,803 |
| Term loans | 59,841 | 59,816 |
| Revolving credit | 15,000 | 15,000 |
| | <u>96,534</u> | <u>104,738</u> |
| Non-current - Secured | | |
| Hire purchase payables | 928 | 430 |
| Term loans | 215,686 | 100,681 |
| | <u>216,614</u> | <u>101,111</u> |
| Total group borrowings | <u>313,148</u> | <u>205,849</u> |

The above borrowings were denominated in Ringgit Malaysia.

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

B12. Earnings per Share

(a) Basic Earnings Per Share

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 01.10.2016 TO 31.12.2016 | 01.10.2015 TO 31.12.2015 | 01.07.2016 TO 31.12.2016 | 01.07.2015 TO 31.12.2015 |
| Profit attributable to owners of the company (RM'000) | 20,448 | 17,631 | 40,491 | 38,263 |
| Weighted average number of ordinary shares in issue ('000) | 384,822 | 354,312 | 384,822 | 354,235 |
| Basic earnings per share (sen) | 5.31 | 4.98 | 10.52 | 10.80 |

(b) Diluted Earnings Per Share

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 01.10.2016 TO 31.12.2016 | 01.10.2015 TO 31.12.2015 | 01.07.2016 TO 31.12.2016 | 01.07.2015 TO 31.12.2015 |
| Profit attributable to owners of the Company (RM'000) | 20,448 | 17,631 | 40,491 | 38,263 |
| Weighted average number of ordinary shares in issue ('000) | 384,822 | 354,312 | 384,822 | 354,235 |
| Effect of dilution: Redeemable Convertible Preference Shares ('000) | 6,666 | 13,333 | 6,666 | 13,333 |
| Adjusted weighted average number of ordinary shares ('000) | 391,488 | 367,645 | 391,488 | 367,568 |
| Diluted earnings per share (sen) | 5.22 | 4.80 | 10.34 | 10.41 |

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

B13. Realised and Unrealised Profits or Losses Disclosure

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

| | As At 31.12.2016 RM'000 | As At 30.06.2016 RM'000 |
|--|--|--|
| Total retained earnings of the Group | | |
| - Realised | 356,902 | 321,487 |
| - Unrealised | (348) | (789) |
| | <u>356,554</u> | <u>320,698</u> |
| Consolidation adjustments | (20,221) | (23,182) |
| Total retained earnings as per statement of financial position | <u>336,333</u> | <u>297,516</u> |

The unrealised portion within retained earnings as at 31 December 2016 predominantly related to the net deferred tax liabilities.

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