

INTERIM FINANCIAL REPORT

FOURTH QUARTER
ENDED 30TH JUNE 2016



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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 FOURTH QUARTER AND THREE MONTHS ENDED 30 JUNE 2016 (UNAUDITED)⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.04.2016 TO 30.06.2016 RM'000	01.04.2015 TO 30.06.2015 RM'000	01.07.2015 TO 30.06.2016 RM'000	01.07.2014 TO 30.06.2015 RM'000
Revenue	106,620	66,491	400,079	340,650
Costs of sales	(68,786)	(34,156)	(258,612)	(191,238)
Gross Profit	37,834	32,335	141,467	149,412
Other Income	1,489	2,182	6,239	4,808
Selling and distribution expenses	(2,428)	(4,659)	(20,672)	(21,300)
Administrative expenses	(4,023)	(5,262)	(17,774)	(17,575)
Other expenses	(11,706)	(689)	(15,751)	(3,499)
Finance costs	(773)	(270)	(1,918)	(763)
Profit before taxation	20,393	23,637	91,591	111,083
Income tax expense	(5,545)	(5,286)	(23,306)	(30,332)
Net profit for the period	14,848	18,351	68,285	80,751
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	14,848	18,351	68,285	80,751
Profit attributable to:				
- Owners of the Company	14,906	18,336	68,340	80,936
- Non-controlling interests	(58)	15	(55)	(185)
	14,848	18,351	68,285	80,751
Earnings per share (sen) attributable to owners of the Company				
- Basic ⁽²⁾	4.18	5.19	19.13	22.94
- Diluted ⁽³⁾	4.03	4.91	18.44	21.71

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND THREE MONTHS ENDED 30 JUNE 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 2015 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 40,000,000 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 30 JUNE 2016
(UNAUDITED) ⁽¹⁾**

	UNAUDITED	AUDITED
	As At	As At
	30.06.2016	30.06.2015
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	11,295	4,510
Land held for property development	215,087	135,179
Investment properties	74,269	76,320
Goodwill on consolidation	3,706	3,706
Total non-current assets	304,357	219,715
Current assets		
Property development costs	408,731	365,850
Inventories	20,952	23,406
Other investments	-	2,164
Trade and other receivables	207,876	217,715
Accrued billings in respect of property development costs	60,347	33,233
Tax recoverable	9,122	5,543
Fixed deposits placed with licensed banks	18,513	61,269
Cash and bank balances	62,434	127,990
Total current assets	787,975	837,170
TOTAL ASSETS	1,092,332	1,056,885

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016
(UNAUDITED) ⁽¹⁾**

	UNAUDITED As At 30.06.2016 RM'000	AUDITED As At 30.06.2015 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	180,000	176,667
RCPS - equity component	4,980	7,433
Share premium	100,451	92,957
Reserve arising from reverse acquisition	(47,426)	(47,426)
Treasury shares	(4,742)	(42)
Retained earnings	297,505	245,283
Equity attributable to equity holders of the Company	530,768	474,872
Non-controlling interest	514	569
Total equity	531,282	475,441
Non-current liabilities		
Hire purchase payables	431	422
Bank borrowings	107,193	103,357
RCPS - liability component	17,036	23,585
Deferred tax liabilities	34,064	35,768
Total non-current liabilities	158,724	163,132
Current liabilities		
Trade and other payables	198,738	163,262
Progress billings in respect of property development costs	96,603	190,990
Hire purchase payables	119	176
Bank borrowings	98,138	54,537
Current tax payables	8,728	9,347
Total current liabilities	402,326	418,312
Total liabilities	561,050	581,444
TOTAL EQUITY AND LIABILITIES	1,092,332	1,056,885
Net assets per share attributable to owners of the Company (RM)	1.49⁽²⁾	1.34⁽³⁾

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 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 2015 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *Based on the number of issued share capital of 360,000,000 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 and the purchase of 3,148,800 treasury shares at average price of RM1.50 each.*
- (3) *Based on the number of issued share capital of 353,311,333 ordinary shares of RM0.50 each (“Shares”) after the exercise of the conversion of 40,000,000 Redeemable Convertible Preference Shares of RM0.50 each (“RCPS”) into 13,333,333 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 22,000 treasury shares at RM1.89 each.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (UNAUDITED) ⁽¹⁾

	<-----Attributable to owners of the Company ----->								
	<----- 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 2014	170,000	78,840	-	12,388	(47,426)	178,309	392,111	-	392,111
Issuance of shares	6,667	14,117	(42)	(4,955)	-	-	15,787	-	15,787
Dividend paid	-	-	-	-	-	(14,133)	(14,133)	-	(14,133)
Changes in ownership on subsidiaries	-	-	-	-	-	171	171	754	925
Total comprehensive income for the financial year	-	-	-	-	-	80,936	80,936	(185)	80,751
Balance at 30 June 2015	176,667	92,957	(42)	7,433	(47,426)	245,283	474,872	569	475,441
Issuance of shares	3,333	7,494	(4,700)	(2,453)	-	-	3,674	-	3,674
Dividend paid	-	-	-	-	-	(16,118)	(16,118)	-	(16,118)
Total comprehensive income for the financial period	-	-	-	-	-	68,340	68,340	(55)	68,285
Balance at 30 June 2016	180,000	100,451	(4,742)	4,980	(47,426)	297,505	530,768	514	531,282

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 2015 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (UNAUDITED) ⁽¹⁾

	UNAUDITED 01.07.2015 TO 30.06.2016 RM'000	AUDITED 01.07.2014 TO 30.06.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	91,591	111,083
Adjustments for:		
Accretion of interest on RCPS	1,312	1,818
Depreciation of investment properties	93	93
Depreciation of property, plant and equipment	482	517
Impairment on trade receivables	2,289	-
Impairment loss on investment property	1,958	-
Provision for liquidated ascertained damages	4,106	-
Loss on disposal of motor vehicle	-	8
Dividend Income	-	(154)
Receivables written off	-	9
Interest expense	1,918	764
Interest income	(2,857)	(2,936)
Operating Profit Before Working Capital Changes	<u>100,892</u>	<u>111,202</u>
Changes In Working Capital		
Property development costs	(164,382)	(21,913)
Inventories	2,454	4,988
Receivables	3,444	(41,126)
Payables	35,476	101,943
Net Cash (Used In) / Generated From Operations	<u>(22,116)</u>	<u>155,094</u>
Interest paid	(1,918)	(764)
Interest received	2,857	2,936
Tax paid	(28,695)	(32,743)
Net Operating Cash Flows	<u>(49,872)</u>	<u>124,523</u>
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,267)	(351)
Proceed from disposal of property, plant and equipment	-	30
Investment in an associate	-	35
Net cashflow from acquisition of subsidiary companies	-	(1,845)
Other investment	2,164	(1,500)
Land held for property development costs incurred	(79,908)	(25,232)
Net Investing Cash Flows	<u>(85,011)</u>	<u>(28,863)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (UNAUDITED) ⁽¹⁾

	UNAUDITED 01.07.2015 TO 30.06.2016 RM'000	AUDITED 01.07.2014 TO 30.06.2015 RM'000
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Change in fixed deposit	-	(11,841)
Dividend paid	(16,118)	(14,133)
Repurchase of treasury shares	(4,700)	(42)
Repayment of hire purchase payables	(215)	(254)
Drawdown of hire purchase	167	-
Drawdown of bank borrowings	62,558	5,026
Repayment of bank borrowings	(40,383)	(39,759)
Proceeds from non-controlling interests on acquisition of shares issued by subsidiaries	-	900
Net Financing Cash Flows	<u>1,309</u>	<u>(60,103)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(133,574)	35,557
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	168,521	132,964
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>34,947</u>	<u>168,521</u>
Cash and cash equivalents at end of period comprises:		
Cash and bank balances	62,434	127,990
Fixed deposit placed with licensed banks	18,513	61,269
Bank overdrafts	(29,852)	(4,590)
	<u>51,095</u>	<u>184,669</u>
Less: Fixed deposit placed with licensed banks	(16,148)	(16,148)
	<u>34,947</u>	<u>168,521</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 2015 and the accompanying explanatory notes attached to these interim financial statements*

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Accounting Policies and 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 2015 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 2015.

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 2015.

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
FRS 14	Regulatory Deferral Accounts	1 January 2016
<u>Amendments/Improvements to FRSs</u>		
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	1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosure of Interests in Other Entities	1 January 2016
FRS 101	Presentation of Financial Statements	1 January 2016
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	1 January 2016
FRS 134	Interim Financial Reporting	1 January 2016
FRS 138	Intangible Assets	1 January 2016

Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group.

A EXPLANATORY NOTES PURSUANT TO FRS 134 (Continued)

A1. Accounting Policies and Basis of Preparation (Continued)

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 2017. 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 which is Transitioning Entity has chosen to defer the adoption of the MFRSs framework. As such, the Group will prepare its first MFRSs financial statements using the MFRSs framework for financial year ended 30 June 2018.

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 is 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 interim 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:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

A EXPLANATORY NOTES PURSUANT TO FRS 134 (Continued)**A2. 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 2015.

A3. Seasonality or Cyclicity of Operations

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

A4. Unusual Items

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

A5. 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.

A6. Debt and Equity Securities

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

Repurchase of shares

During the quarter under review, the Company has repurchased 8,000 of its issued ordinary shares from the open market price at RM 1.44 per share.

As at 30 June 2016, the Company held a total of 3,148,800 or RM 4,742,235 treasury shares at an average price of RM 1.50 per share.

A7. Dividend Paid

There was no dividend paid in the current quarter under review.

A EXPLANATORY NOTES PURSUANT TO FRS 134

A8. Segmental Information

The segmental analysis for the financial period 30 June 2016 was as follows.

Analysis by Operating Divisions:-

	Property Development RM'000	Investment Holding RM'000	Total RM'000
Segment profit	151,983	46,756	198,739
Included in the measure of segment profit are:-			
Revenue from external customers	399,439	640	400,079
Inter-segment revenue	-	21,803	21,803
Interest income	2,043	550	2,593
Interest expense	1,828	90	1,918
Depreciation	372	203	575
Accretion of interest on RCPS	-	1,312	1,312
Not included on the measure of segment profit but provided to the Management :-			
Tax expenses	21,613	1,693	23,306
Segment assets	1,278,959	457,674	1,736,633
Segment liabilities	986,954	124,226	1,111,180

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

	Total RM'000
Total revenue for reportable segments	421,882
Elimination of inter-segment revenue	(21,803)
Consolidated total	400,079
Total profit or loss for reportable segment	198,739
Elimination of inter-segment profits	(107,148)
Consolidated profit before taxation	91,591
Total reportable segments assets	1,736,633
Elimination of inter-segment transactions or balances	(644,301)
Consolidated total	1,092,332
Total reportable segments liabilities	1,111,180
Elimination of inter-segment transactions or balances	(550,130)
Consolidated total	561,050

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.

A EXPLANATORY NOTES PURSUANT TO FRS 134**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

There were no changes in the composition of the Group under the quarter review.

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

	As At 30.06.2016 RM'000	As At 30.06.2015 RM'000
Corporate guarantees for credit facilities granted to subsidiaries	562,772	467,822

Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 30 June 2016.

A13. Capital Commitments

	As At 30.06.2016 RM'000	As At 30.06.2015 RM'000
Approved and contracted but not provided for:		
- Land held for property development		
Purchase consideration	131,570	131,570
Less: Deposits paid	(2,032)	(2,032)
	129,538	129,538

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

B1. Review of Performance

For the financial year ended 30 June 2016, the Group's revenue increased by 17% or RM59 million to RM400 million compared to RM340.6 million in the previous financial year ended 30 June 2015. The increase was mainly contributed by the progress recognition in H2O and 3Elements projects of RM93 million and RM74 million, respectively.

The decrease in gross profit by 5% from RM149.4 million in the previous financial year to RM141.5 million in the current financial year, was mainly due to normalization of profit margin.

The Group recorded net profit of RM68.20 million for the current financial year, representing a decline of 15% compared to that of RM80.7 million in the previous financial year. This was mainly due to impairment loss on trade receivables and investment property of RM4.6 million and provision for liquidated ascertained damages of RM2.7 million.

B2. Variation of Results for the current quarter ended 30 June 2016 against the immediate preceding quarter

The increases in revenue and gross profit for current quarter by 3% and 12% respectively compared to the immediate preceding quarter mainly contributed by the progress recognition in project Zone innovation and H2O.

B3. Current prospects and progress on previously announced financial estimate

(a) Current Year Prospects

The current property environment has been very challenging due to subdued consumer sentiments. However, 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 of the development projects.

(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.

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

B6. 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	
	01.04.2016 TO 30.06.2016 RM'000	01.04.2015 TO 30.06.2015 RM'000	01.07.2015 TO 30.06.2016 RM'000	01.07.2014 TO 30.09.2015 RM'000
After charging:				
Accretion of interest on RCPS	329	454	1,312	1,818
Audit remuneration	238	188	238	244
Depreciation of investment properties	23	23	93	93
Depreciation of property, plant and equipment	131	152	482	517
Directors' remuneration	785	551	1,632	2,318
Provision for liquidated ascertained damages	4,106	7	4,106	7
Loss on disposal of property, plant and equipment	-	8	-	8
Rental of sales office	167	113	409	337
Rental of equipment	8	6	24	19
Staff costs	1,432	2,200	10,411	8,856
Receivables written off	-	9	-	9
After crediting:				
Bank interest income	(604)	(173)	(978)	(1,045)
Fixed deposit interest income	799	(501)	(684)	(1,098)
Other interest income	(70)	(671)	(1,070)	(946)
Liquidated ascertain damages income	(1,400)	(94)	(1,400)	(94)
Rental income	(513)	(309)	(1,959)	(676)

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

B7. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.04.2016 TO 30.06.2016 RM'000	01.04.2015 TO 30.06.2015 RM'000	01.07.2015 TO 30.06.2016 RM'000	01.07.2014 TO 30.06.2015 RM'000
Current tax expense	5,752	6,602	24,497	31,904
Deferred taxation	(207)	(1,316)	(1,191)	(1,572)
	5,545	5,286	23,306	30,332

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

B8. 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, CM and TGSB had further extended the date for the completion of the Proposed Acquisition to 10 December 2016.

Any further extension after the expiry of the above-mentioned date will be subject to agreement between both parties.

- (b) On 13 June 2016, it was announced that Titijaya Land Berhad (“TLB”) proposes to undertake the Proposed Private Placement. The Proposed Private Placement entails the issuance of up to 37,333,300 new ordinary shares of RM0.50 each in TLB (“TLB Shares” or “Shares”) (“Placement Shares”), representing up to ten percent (10%) of the enlarged issued and paid up share capital of TLB of RM186,666,66.50 comprising 373,333,333 TLB Shares as at 10 June 2016 (“LPD”), after taking into consideration the following:-
- (i) TLB’s existing issued and paid up capital of RM178,425,600 comprising 356,851,200 TLB Shares (excluding 3,148,800 TLB Shares held as treasury shares by the Company (“Treasury Shares”) as at the LPD;
 - (ii) assuming all the Treasury Shares are resold in the open market; and
 - (iii) assuming full conversion of the outstanding 40,000,000 redeemable convertible preference share of RM0.50 each in TLB (“RCPS”) into 13,333,333 new TLB Shares,

Prior to the implementation of the Proposed Private Placement

(collectively known as “Maximum Scenario”).

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

B8. Status of Corporate Proposal

- (b) Based in the minimum scenario, the size of the Proposed Private Placement is up to 35,685,100 Placement Shares, representing up to ten percent (10%) of the existing issued and paid-up share capital of TLB of RM178,42,600 comprising 356,851,200 TLB Shares (excluding Treasury Shares) as at the LPD, assuming none of the RCPS is converted into new TLB Share prior to the implementation of the Proposed Private Placement. (“Minimum Scenario”)

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total issued and paid up share capital of the Company (excluding Treasury Shares) on a date to be determined later.

On 28 June 2016, it was announced that Bursa Securities had, vide its letter dated 27 June 2016, approved the listing of and quotation for up to 37,333,300 Placement Shares to be issued pursuant to the Proposed Private Placement.

B9. Group Borrowings

The Group borrowings as at 30 June 2016 were as follows:

	As at 30.06.2016 RM'000	As at 30.06.2015 RM'000
Current - Secured		
Hire purchase payables	119	176
Bank overdrafts	29,852	4,590
Term loans	68,286	49,947
	<u>98,257</u>	<u>54,713</u>
Non-current - Secured		
Hire purchase payables	431	422
Term loans	107,193	103,357
	<u>107,624</u>	<u>103,779</u>
Total group borrowings	<u>205,881</u>	<u>158,492</u>

The above borrowings were denominated in Ringgit Malaysia.

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

B10. 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	
	01.04.2016 TO 30.06.2016 RM'000	01.04.2015 TO 30.06.2015 RM'000	01.07.2015 TO 30.06.2016 RM'000	01.07.2014 TO 30.06.2015 RM'000
Profit attributable to owners of the company (RM'000)	14,906	18,336	68,340	80,936
Weighted average number of ordinary shares in issue ('000)	356,851	353,355	357,247	352,784
Basic earnings per share (sen)	4.18	5.19	19.13	22.94

(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	
	01.04.2016 TO 30.06.2016 RM'000	01.04.2015 TO 30.06.2015 RM'000	01.07.2015 TO 30.06.2016 RM'000	01.07.2014 TO 30.06.2015 RM'000
Profit attributable to owners of the Company (RM'000)	14,906	18,336	68,340	80,936
Weighted average number of ordinary shares in issue ('000)	356,851	353,333	357,248	352,784
Effect of dilution: Redeemable Convertible Preference Shares ('000)	13,333	20,000	13,333	20,000
Adjusted weighted average number of ordinary shares ('000)	370,184	373,333	370,581	372,784
Diluted earnings per share (sen)	4.03	4.91	18.44	21.71

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

B11. 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 30.06.2016 RM'000	As At 30.06.2015 RM'000
Total retained earnings of the Group		
- Realised	328,520	265,746
- Unrealised	(7,971)	(1,610)
	<u>320,549</u>	<u>264,136</u>
Consolidation adjustments	(23,044)	(18,853)
Total retained earnings as per statement of financial position	<u>297,505</u>	<u>245,283</u>

The unrealised portion within retained earnings as at 30 June 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.