

# Interim Financial Report

First Quarter  
Ended 30<sup>th</sup> September 2017



Exclusive gated and guarded  
park view residences

# INTERIM FINANCIAL REPORT

FIRST QUARTER | ENDED 30<sup>TH</sup> SEPTEMBER 2017



## **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 FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED)<sup>(1)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.07.2017 TO 30.09.2017 RM'000	01.07.2016 TO 30.09.2016 RM'000	01.07.2017 TO 30.09.2017 RM'000	01.07.2016 TO 30.09.2016 RM'000
Revenue	103,063	107,559	103,063	107,559
Costs of sales	(67,862)	(73,146)	(67,862)	(73,146)
<b>Gross Profit</b>	<b>35,201</b>	<b>34,413</b>	<b>35,201</b>	<b>34,413</b>
Other Income	2,066	7,263	2,066	7,263
Selling and distribution expenses	(2,865)	(6,646)	(2,865)	(6,646)
Administrative expenses	(3,157)	(4,821)	(3,157)	(4,821)
Other expenses	(1,900)	(2,077)	(1,900)	(2,077)
<b>Operating Profit</b>	<b>29,345</b>	<b>28,132</b>	<b>29,345</b>	<b>28,132</b>
Finance costs	(1,060)	(891)	(1,060)	(891)
Share of results of associates, net of tax	-	-	-	-
<b>Profit before taxation</b>	<b>28,285</b>	<b>27,241</b>	<b>28,285</b>	<b>27,241</b>
Income tax expense	(8,034)	(7,199)	(8,034)	(7,199)
<b>Net profit for the period</b>	<b>20,251</b>	<b>20,042</b>	<b>20,251</b>	<b>20,042</b>
Other comprehensive income for the financial period	-	-	-	-
<b>Total comprehensive income for the financial period</b>	<b>20,251</b>	<b>20,042</b>	<b>20,251</b>	<b>20,042</b>
<b>Profit attributable to:</b>				
- Owners of the Company	20,564	20,043	20,564	20,043
- Non-controlling interests	(313)	(1)	(313)	(1)
	<b>20,251</b>	<b>20,042</b>	<b>20,251</b>	<b>20,042</b>
<b>Earnings per share (sen) attributable to owners of the Company</b>				
- Basic <sup>(2)</sup>	5.02	5.01	5.02	5.01
- Diluted <sup>(3)</sup>	5.02	4.93	5.02	4.93

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND THREE MONTHS ENDED 30 SEPTEMBER 2017 (UNAUDITED)<sup>(1)</sup>**

**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 2017 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 B11 (a)).*
- (3) *Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (b)).*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017  
(UNAUDITED) <sup>(1)</sup>**

	<b>UNAUDITED</b> As At <b>30.09.2017</b> RM'000	<b>AUDITED</b> As At <b>30.06.2017</b> RM'000
<b>Non-current assets</b>		
Property, plant and equipment	12,146	12,115
Land held for property development	334,145	330,439
Investment in associate	391	391
Investment properties	72,870	72,893
Goodwill on consolidation	3,706	3,706
<b>Total non-current assets</b>	<b>423,258</b>	<b>419,544</b>
<b>Current assets</b>		
Property development costs	494,810	467,468
Inventories	165,586	174,648
Other investments	-	6
Trade and other receivables	322,021	262,432
Accrued billings in respect of property development costs	16,334	13,656
Tax recoverable	8,648	8,498
Fixed deposits placed with licensed banks	24,461	24,708
Cash and bank balances	251,392	112,064
<b>Total current assets</b>	<b>1,283,252</b>	<b>1,063,480</b>
<b>TOTAL ASSETS</b>	<b>1,706,510</b>	<b>1,483,024</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017  
(UNAUDITED) <sup>(1)</sup>**

	<b>UNAUDITED</b> As At <b>30.09.2017</b> RM'000	<b>AUDITED</b> As At <b>30.06.2017</b> RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	352,695	352,695
Reserve arising from reverse acquisition	(47,426)	(47,426)
Retained earnings	392,165	371,601
<b>Equity attributable to equity holders of the Company</b>	<b>697,434</b>	<b>676,870</b>
<b>Non-controlling interest</b>	<b>3,703</b>	<b>4,016</b>
<b>Total equity</b>	<b>701,137</b>	<b>680,886</b>
<b>Non-current liabilities</b>		
Hire purchase payables	1,561	1,453
Bank borrowings	238,762	279,895
Deferred tax liabilities	31,978	32,039
<b>Total non-current liabilities</b>	<b>272,301</b>	<b>313,387</b>
<b>Current liabilities</b>		
Trade and other payables	510,241	331,239
Progress billings in respect of property development costs	32,970	14,295
Hire purchase payables	285	302
Bank borrowings	151,211	110,161
Current tax payables	38,365	32,754
<b>Total current liabilities</b>	<b>733,072</b>	<b>488,751</b>
<b>Total liabilities</b>	<b>1,005,373</b>	<b>802,138</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,706,510</b>	<b>1,483,024</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>1.70</b>	<b>1.65</b>

**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 2017 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED) <sup>(1)</sup>

	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
<b>Group</b>									
At 30 June 2016	180,000	100,451	(4,742)	4,980	(47,426)	297,517	530,780	514	531,294
Conversion of RCPS	6,667	16,556	-	(4,980)	-	-	18,243	-	18,243
Disposal of treasury shares	-	138	4,742	-	-	-	4,880	-	4,880
Dividend paid	-	-	-	-	-	(2,017)	(2,017)	-	(2,017)
Issuance of ordinary shares	18,333	31,167	-	-	-	-	49,500	-	49,500
Utilisation of share premium	-	(617)	-	-	-	-	(617)	-	(617)
Issuance of redeemable preference shares of a subsidiary	-	-	-	-	-	-	-	235	235
NCI shares of purchase of subsidiaries	-	-	-	-	-	258	258	3,298	3,556
Reclassification	-	-	-	-	-	(169)	(169)	169	-
Transition to non-par value regime under Companies Act, 2016	147,695	(147,695)	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	-	76,012	76,012	(200)	75,812
Balance at 30 June 2017	352,695	-	-	-	(47,426)	371,601	676,870	4,016	680,886
Total comprehensive income for the financial year	-	-	-	-	-	20,564	20,564	(313)	20,251
<b>Balance at 30 September 2017</b>	<b>352,695</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(47,426)</b>	<b>392,165</b>	<b>697,434</b>	<b>3,703</b>	<b>701,137</b>

**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 2017 and the accompanying explanatory notes attached to these interim financial statements.
- (2) With effective from 31 January 2017, the new Companies Acts 2016 (“The Act”) abolished the concept of authorized share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company’s share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 (UNAUDITED) <sup>(1)</sup>**

	<b>01.07.2017 TO 30.09.2017 RM'000</b>	<b>01.07.2016 TO 30.09.2016 RM'000</b>
<b>CASH FLOWS (USED IN)/ FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	28,285	27,241
Adjustments for:		
Non cash item	226	710
Operating Profit Before Working Capital Changes	<u>28,511</u>	<u>27,951</u>
Net changes In Current Assets		
Property development costs	(11,345)	(16,105)
Inventories	9,062	(11,940)
Receivables	(59,589)	(10,714)
Net changes In Current Liabilities		
Payables	179,002	(3,444)
Net Cash (Used In) / From Operations	<u>145,641</u>	<u>(14,252)</u>
Interest paid	(1)	(891)
Interest received	1	539
Tax paid	(2,634)	(3,628)
Net Operating Cash Flows	<u>143,007</u>	<u>(18,232)</u>
<b>CASH FLOW (USED IN) / FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(235)	(726)
Proceed from disposal of property, plant and equipment	-	12
Other investment	6	6
Land held for property development costs incurred	(3,705)	1,727
Net Investing Cash Flows	<u>(3,934)</u>	<u>1,019</u>
<b>CASH FLOW (USED IN) / FROM FINANCING ACTIVITIES</b>		
Proceed from treasury shares	-	5,401
Changes in hire purchase payables	92	653
Changes in bank borrowings	(87)	(7,512)
Proceed for issuance of shares	-	49,334
Net Financing Cash Flows	<u>5</u>	<u>47,876</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2017 (UNAUDITED) <sup>(1)</sup>**

	<b>01.07.2017</b>	<b>01.07.2016</b>
	<b>To</b>	<b>To</b>
	<b>30.09.2017</b>	<b>30.09.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	139,078	30,663
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	136,738	60,944
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>275,816</u>	<u>91,607</u>
<b>Cash and cash equivalents at end of period comprises:</b>		
Cash and bank balances	251,392	91,767
Fixed deposit placed with licensed banks	24,461	33,626
Bank overdrafts	(33)	(29,592)
	<u>275,820</u>	<u>95,801</u>
Less: Fixed deposit placed with licensed banks	(4)	(4,194)
	<u>275,816</u>	<u>91,607</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 2017 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 2017 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 2017.

### 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 2017.

#### **New FRS, Amendments/Improvements to FRSs and new IC Interpretation (“IC Int”) that have been issued, but yet to be effective**

##### **MASB Approved Accounting Standards, MFRSs**

In conjunction with the planned convergence of FRSs with International Financial Reporting Standard 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 (“MFRS Framework”) for application in the annual period 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 30 June 2019. The main effects arising from the transition to the MFRSs Framework are as below.

The effect is based on the Group’s and the Company’s best estimate at the reporting date. The financial affects 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 Malaysia Financial Reporting Standards (“MFRS 1)**

MFRS 1 required 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 the 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 authorization of issue of the financial statements, accounting policy decisions or lections have not been finalized. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

## A EXPLANATORY NOTES PURSUANT TO FRS 134

### A2. Accounting Policies (Continued)

#### MFRS 15 Revenue from Contracts with Customer

The core principle of MFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods and 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 recognizes 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) Recognize 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.

#### MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognizes on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and lower value asset leases.

#### **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”):-

<u>New FRS</u>		<b>Effective for financial periods beginning on or after</b>
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 2017.

### A4. Seasonality or Cyclicity of Operations

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

**A EXPLANATORY NOTES PURSUANT TO FRS 134****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.

**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**

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

**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**

On 3 October 2017, 614,999,899 new Irredeemable Convertible Preference Shares (ICPS) issued pursuant to the Rights Issue of ICPS on the basis of 3 ICPS for every 2 existing ordinary shares is granted listing and quoted with Stock Short Name, Stock Number and ISIN Code of the ICPS, TITIJYA-PA, 5239PA and MYL5239PAW93 respectively. The Right Issue of ICPS has been completed on 4 October 2017.

**A11. Changes in Composition of the Group**

The Company's wholly owned subsidiary, Titijaya Resources Sdn Bhd, had on 25 September 2017 acquired 2 ordinary shares, representing 70% of the total issued and paid up capital of Aman Duta Sdn Bhd (Company No. 1239174-X) ("Aman Duta") for a total consideration of RM2.00. Following the acquisition, Aman Duta is a 100% owned subsidiary of the Company.

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

	As At 30.09.2017 RM'000	As At 30.06.2017 RM'000
Corporate guarantees for credit facilities granted to subsidiaries	251,232	250,465

**Contingent Assets**

The Group does not have any material contingent assets to be disclosed as at 30 September 2017.

**A EXPLANATORY NOTES PURSUANT TO FRS 134****A13. Capital Commitments**

	As At 30.09.2017 RM'000	As At 30.06.2017 RM'000
Approved and contracted but not provided for:		
- Land held for property development		
Purchase consideration	5,570	5,570
Less: Deposits paid	(1,031)	(1,031)
	<u>4,539</u>	<u>4,539</u>

**A14. Significant Related Party Transactions**

There was no significant related party transaction in the current quarter under review.

**A15. Segmental Information**

The segmental analysis for the financial period 30 September 2017 was as follows.

Analysis by Operating Divisions:-

	Property Development RM'000	Investment Holding RM'000	Total RM'000
<b>Segment profit</b>	<u>29,675</u>	<u>(1,047)</u>	<u>28,628</u>
Included in the measure of segment profit are:-			
Revenue from external customers	102,799	264	103,063
Inter-segment revenue	767	150	917
Interest income	416	10	426
Interest expense	418	642	1,060
Depreciation	189	38	227
Not included on the measure of segment profit but provided to the Management :-			
Tax expenses	<u>7,992</u>	<u>42</u>	<u>8,034</u>
<b>Segment assets</b>	<u>1,907,106</u>	<u>759,837</u>	<u>2,666,943</u>
<b>Segment liabilities</b>	<u>1,515,156</u>	<u>340,129</u>	<u>1,855,285</u>

**A EXPLANATORY NOTES PURSUANT TO FRS 134****A15. Segmental Information**

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

	<b>Total RM'000</b>
Total revenue for reportable segments	103,980
Elimination of inter-segment revenue	<u>(917)</u>
Consolidated total	<u>103,063</u>
Total profit or loss for reportable segment	28,628
Elimination of inter-segment profits	<u>-</u>
Consolidated profit before taxation	<u>28,628</u>
Total reportable segments assets	2,666,943
Elimination of inter-segment transactions or balances	<u>(960,433)</u>
Consolidated total	<u>1,706,510</u>
Total reportable segments liabilities	1,855,285
Elimination of inter-segment transactions or balances	<u>(849,912)</u>
Consolidated total	<u>1,005,373</u>

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

### B1. Review of Group Performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.07.2017 TO 30.09.2017	01.07.2016 TO 30.09.2016	01.07.2017 TO 30.09.2017	01.07.2016 TO 30.09.2016
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Property Development	102,799	107,296	102,799	107,296
Other Operations	264	263	264	263
	103,063	107,559	103,063	107,559
<b>Profit / (Loss) before tax</b>				
Property Development	29,675	29,488	29,675	29,488
Other Operations	(1,047)	(2,247)	(1,047)	(2,247)
	28,628	27,241	28,628	27,241

Performance of the first quarter against the same quarter in the preceding year (Q1 FY2018 vs Q1 FY2017)

#### (a) Property Development

The Group's profit before tax has increased to RM29.67 million compared to previous corresponding quarter. This was resulted from the decreased in marketing expenses in respect of the strategic move taken by the Group to reposition the launches to address the changes in market demand.

Revenue has recorded a decrease of 4% in FY 2018 Q1 compare to previous corresponding quarter. This was primarily due to the numerous project completion in last financial year, for example, Seri Alam Phase I & II, Zone Innovation, Embun and 3Elements. Nevertheless, the progressive project progress for projects H2O and Primrose have contributed significantly to the revenue of the Group.

#### (b) Other Operation

Revenue from Other Operation mainly resulted from rental collection. Losses before tax were mainly resulted from the administrative expenses for untenanted investment property.



**B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter**

	INDIVIDUAL QUARTER		CHANGES RM'000
	01.07.2017 TO 30.09.2017 RM'000	01.04.2017 TO 30.06.2017 30.06.2017 RM'000	
Revenue	103,063	122,052	(18,989)
Gross Profit	35,201	35,855	(654)
Profit before interest and tax	29,345	28,669	676
Profit before tax	28,285	27,517	768
Profit after tax	20,251	16,668	3,583
Profit attributable to owners of the Company	20,564	17,012	3,552

The increase in Gross Profit to 34% during the quarter under review mainly resulted from project H2O with higher profit margin compare to completed project 3Elements. However, 3Elements had contributed to higher revenue in previous quarter ended 30 June 2017. The Profit after tax was higher compared to previous quarter; this was due to the project launches deferment in respect of current market condition.

**B3. Current prospects and progress on previously announced financial estimate****(a) Current Year Prospects**

The Group's long term growth prospect remain positive based on a strong competitive position and solid demand for the type of residential properties the Group has offered. Moving forward into FY 2018, the Group will scout for joint-venture or land swap project opportunities with reputable government agencies. Currently, The Group has collaborated with other synergistic partners such as CREC Development (M) Sdn Bhd (CREC) and Bina Puri Construction Sdn Bhd.

The Group is optimistic and confident of the future performance, given that most of the land banks are located in prime growth areas that are the targets of prospective buyers i.e well-developed and connected locations with public transportation facilities.

**(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 Dividend

On 12 October 2017, the Board proposed a final single-tier dividend of 0.5 sen per ordinary share for the financial year ended 30 June 2017 and was approved at the Fifth Annual General Meeting of the Company held on 29 November 2017.

On 30 October 2017, the Board further proposed a non-cumulative dividend payment to the holder of Irredeemable Convertible Preference Shares (“ICPS”) at a dividend rate of 0.05 sen per share.

The above proposed dividends will be payable on 28 December 2017.

### 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	
	01.07.2017 TO 30.09.2017	01.07.2016 TO 30.09.2016	01.07.2017 TO 30.09.2017	01.07.2016 TO 30.09.2016
	RM'000	RM'000	RM'000	RM'000
<b>After charging:</b>				
Accretion of interest on RCPS	-	178	-	178
Depreciation of investment properties	23	23	23	23
Depreciation of property, plant and equipment	204	169	204	169
Directors' remuneration	423	367	423	367
Interest expenses	1,060	899	1,060	899
Rental of sales office	102	117	102	117
Rental of equipment	4	11	4	11
Staff costs	2,509	2,374	2,509	2,374
<b>After crediting:</b>				
Bank interest income	(426)	(411)	(426)	(411)
Fixed deposit interest income	(47)	(138)	(47)	(138)
Other interest income	(176)	-	(176)	-
Liquidated ascertain damages income	(24)	(6,440)	(24)	(6,440)
Gain on disposal of motor vehicle	-	(12)	-	(12)
Rental income	(409)	(422)	(409)	(422)

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

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

### B8. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.07.2017 TO 30.09.2017	01.07.2016 TO 30.09.2016	01.07.2017 TO 30.09.2017	01.07.2016 TO 30.09.2016
	RM'000	RM'000	RM'000	RM'000
Current tax expense	8,095	7,272	8,095	7,272
Deferred taxation	(61)	(73)	(61)	(73)
	8,034	7,199	8,034	7,199

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 and deferred tax assets not provided for subsidiaries' losses.

### B9. Status of Corporate Proposal

- (a) 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 was completed on 24 October 2017.

- (b) 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 Koooh 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 Koooh 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 was completed on 25 September 2017.

- (c) On 27 February 2017, TLB has entered into Share Sales Agreement with Tan Chuan Cheong and Tee Tiong Lee for the proposed acquisition of 3,000,000 ordinary shares equivalent to RM 3,000,000, representing the entire issued share capital of Sri Komakmur Development Sdn Bhd (Company No. 91489-M) for a purchase consideration of RM 70,919,000.00. ("Proposed Acquisition")

The Proposed Acquisition was completed on 23 November 2017.

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

**B10. Group Borrowings and Debt Securities**

Total group borrowings and debt securities as at 30 September 2017 were as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short Term Bank Borrowings	151,212	-	151,212
Long Term Bank Borrowings	238,761	-	238,761
	389,973	-	389,973

The above borrowings were denominated in Ringgit Malaysia.

**B11. 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	
	01.07.2017 TO 30.09.2017	01.07.2016 TO 30.09.2016	01.07.2017 TO 30.09.2017	01.07.2016 TO 30.09.2016
Profit attributable to owners of the company (RM'000)	20,564	20,043	20,564	20,043
Weighted average number of ordinary shares in issue ('000)	409,933	400,000	409,933	400,000
Basic earnings per share (sen)	5.02	5.01	5.02	5.01

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

### B11. Earnings per Share (Cont.)

#### (b) Diluted Earnings Per Share

Dilutive earnings per share of previous corresponding quarter 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	
	01.07.2017 TO 30.09.2017	01.07.2016 TO 30.09.2016	01.07.2017 TO 30.09.2017	01.07.2016 TO 30.09.2016
Profit attributable to owners of the Company (RM'000)	20,564	20,043	20,564	20,043
Weighted average number of ordinary shares in issue ('000)	409,933	400,000	409,933	400,000
Effect of dilution: Redeemable Convertible Preference Shares ('000)	-	6,666	-	6,666
Adjusted weighted average number of ordinary shares ('000)	409,933	406,666	409,933	406,666
Diluted earnings per share (sen)	5.02	4.93	5.02	4.93

### B12. 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 30.09.2017	As At 30.06.2017
	RM'000	RM'000
Total retained earnings of the Group		
- Realised	422,897	399,170
- Unrealised	(69)	(70)
	422,828	399,100
Consolidation adjustments	(30,663)	(27,499)
Total retained earnings as per statement of financial position	<b>392,165</b>	<b>371,601</b>

The unrealised portion within retained earnings as at 30 September 2017 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.