

INTERIM FINANCIAL REPORT

FOURTH QUARTER
ENDED 30TH JUNE 2017



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INTERIM FINANCIAL REPORT

FOURTH QUARTER | ENDED 30TH JUNE 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 FOURTH QUARTER AND THREE MONTHS ENDED 30 JUNE 2017 (UNAUDITED)⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.04.2017 TO 30.06.2017 RM'000	01.04.2016 TO 30.06.2016 RM'000	01.07.2016 TO 30.06.2017 RM'000	01.07.2015 TO 30.06.2016 RM'000
Revenue	122,052	106,620	380,752	400,079
Costs of sales	(86,197)	(68,786)	(235,087)	(258,612)
Gross Profit	35,855	37,834	145,665	141,467
Other Income	1,571	1,489	11,280	6,239
Selling and distribution expenses	(718)	(2,428)	(14,198)	(20,672)
Administrative expenses	(6,740)	(4,023)	(19,853)	(17,774)
Other expenses	(1,299)	(11,706)	(8,709)	(15,751)
Finance costs	(1,152)	(773)	(3,585)	(1,918)
Profit before taxation	27,517	20,393	110,600	91,591
Income tax expense	(10,849)	(5,545)	(34,217)	(23,306)
Net profit for the period	16,668	14,848	76,383	68,285
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	16,668	14,848	76,383	68,285
Profit attributable to:				
- Owners of the Company	17,012	14,906	76,735	68,340
- Non-controlling interests	(344)	(58)	(352)	(55)
	16,668	14,848	76,383	68,285
Earnings per share (sen) attributable to owners of the Company				
- Basic ⁽²⁾	4.31	4.18	19.46	19.13
- Diluted ⁽³⁾	4.31	4.03	19.46	18.44

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND THREE MONTHS ENDED 30 JUNE 2017 (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 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 JUNE 2017
(UNAUDITED) ⁽¹⁾**

	UNAUDITED As At 30.06.2017 RM'000	AUDITED As At 30.06.2016 RM'000
Non-current assets		
Property, plant and equipment	12,115	11,295
Land held for property development	516,088	189,527
Investment in associate	400	-
Investment properties	74,093	74,269
Goodwill on consolidation	3,706	3,706
Total non-current assets	606,402	278,797
Current assets		
Property development costs	282,318	414,599
Inventories	174,648	20,951
Other investments	-	6
Trade and other receivables	269,668	213,403
Accrued billings in respect of property development costs	13,657	60,347
Tax recoverable	8,498	9,267
Fixed deposits placed with licensed banks	24,708	33,590
Cash and bank balances	112,001	61,351
Total current assets	885,498	813,514
TOTAL ASSETS	1,491,900	1,092,311

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017
(UNAUDITED) ⁽¹⁾**

	UNAUDITED	AUDITED
	As At	As At
	30.06.2017	30.06.2016
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	352,695	280,451
RCPS - equity component	-	4,980
Reserve arising from reverse acquisition	(47,426)	(47,426)
Treasury shares	-	(4,742)
Retained earnings	372,773	297,516
Equity attributable to equity holders of the Company	678,042	530,779
Non-controlling interest	3,180	514
Total equity	681,222	531,293
Non-current liabilities		
Hire purchase payables	1,453	431
Bank borrowings	239,060	100,681
RCPS - liability component	-	17,036
Deferred tax liabilities	31,989	34,019
Total non-current liabilities	272,502	152,167
Current liabilities		
Trade and other payables	339,575	198,781
Progress billings in respect of property development costs	14,295	96,604
Hire purchase payables	302	119
Bank borrowings	151,250	104,619
Current tax payables	32,754	8,728
Total current liabilities	538,176	408,851
Total liabilities	810,678	561,018
TOTAL EQUITY AND LIABILITIES	1,491,900	1,092,311
Net assets per share attributable to owners of the Company (RM)	1.65⁽²⁾	1.49⁽³⁾

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017
(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 409,999,933 ordinary shares of RM0.50 each (“Shares”) after the exercised of the conversion of 40,000,000 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 FINANCIAL YEAR ENDED 30 JUNE 2017 (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	-	-	-	-	-	68,351	68,351	(55)	68,296
Balance at 30 June 2016	180,000	100,451	(4,742)	4,980	(47,426)	297,516	530,779	514	531,293
Placement of ordinary shares	18,333	31,167	-	-	-	-	49,500	-	49,500
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)
Share issuance expense	-	(617)	-	-	-	-	(617)	-	(617)
Transition to no par value (2)	147,695	(147,695)	-	-	-	-	-	-	-
Changes in ownerships interests in subsidiary	-	-	-	-	-	539	539	3,018	3,557
Total comprehensive income for the financial year	-	-	-	-	-	76,735	76,735	(352)	76,383
Balance at 30 June 2017	352,695	-	-	-	(47,426)	372,773	678,042	3,180	681,222

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.
- (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 YEAR ENDED 30 JUNE 2017 (UNAUDITED) ⁽¹⁾

	01.07.2016 TO 30.06.2017 RM'000	01.07.2015 TO 30.06.2016 RM'000
CASH FLOWS (USED IN)/ FROM OPERATING ACTIVITIES		
Profit Before Tax	110,600	94,414
Adjustments for:		
Non cash item	2,836	4,998
Operating Profit Before Working Capital Changes	<u>113,436</u>	<u>99,412</u>
Changes In Working Capital		
Property development costs	96,663	(57,540)
Inventories	(153,697)	2,454
Receivables	(53,633)	(26,012)
Payables	56,415	(60,652)
Net Cash Used In Operations	<u>59,184</u>	<u>(42,338)</u>
Interest paid	(2,170)	(1,895)
Interest received	718	2,618
Tax paid	(10,897)	(28,696)
Net Operating Cash Flows	<u>46,835</u>	<u>(70,311)</u>
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,507)	(7,267)
Proceed from disposal of property, plant and equipment	12	-
Other investment	-	2,278
Investment in associates	(400)	-
Acquisition of subsidiaries	(7,000)	-
Land held for property development costs incurred	(152,074)	(45,557)
Net Investing Cash Flows	<u>(160,969)</u>	<u>(50,546)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Change in fixed deposit	-	11,954
Dividend paid	(2,017)	(16,118)
Disposal / (Repurchase) of treasury shares	4,742	(4,701)
Changes in hire purchase payables	1,205	(48)
Changes in bank borrowings	99,428	22,192
Proceed from issuance of shares	49,139	-
Net Financing Cash Flows	<u>152,497</u>	<u>13,279</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL YEAR ENDED 30 JUNE 2017 (UNAUDITED) ⁽¹⁾

	01.07.2016 TO 30.06.2017 RM'000	01.07.2015 TO 30.06.2016 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	38,363	(107,578)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	60,943	168,521
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>99,306</u>	<u>60,943</u>
Cash and cash equivalents at end of period comprises:		
Cash and bank balances	112,001	61,351
Fixed deposit placed with licensed banks	24,707	33,589
Bank overdrafts	(33,208)	(29,803)
	<u>103,500</u>	<u>65,137</u>
Less: Fixed deposit placed with licensed banks	(4,194)	(4,194)
	<u>99,306</u>	<u>60,943</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

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

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 30.06.2017 RM'000	As At 30.06.2016 RM'000
Corporate guarantees for credit facilities granted to subsidiaries	242,849	150,622

Contingent Assets

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

A13. Capital Commitments

	As At 30.06.2017 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)
- Proposed acquisition of subsidiaries		
Purchase consideration	186,531	-
Less: Deposits paid	(18,653)	-
	172,417	129,538

A EXPLANATORY NOTES PURSUANT TO FRS 134

A14. Segmental Information

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

Analysis by Operating Divisions:-

	Property Development RM'000	Investment Holding RM'000	Total RM'000
Segment profit	125,436	(9,591)	115,845
Included in the measure of segment profit are:-			
Revenue from external customers	380,650	102	380,752
Inter-segment revenue	-	12,611	12,611
Interest income	4,431	403	4,834
Interest expense	2,232	1,353	3,585
Depreciation	264	516	780
Accretion of interest on RCPS	-	533	533
Not included on the measure of segment profit but provided to the Management :-			
Tax expenses	34,135	82	34,217
Segment assets	1,874,508	548,268	2,422,776
Segment liabilities	1,346,082	186,423	1,532,505

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

	Total RM'000
Total revenue for reportable segments	393,363
Elimination of inter-segment revenue	(12,611)
Consolidated total	380,752
Total profit or loss for reportable segment	115,845
Elimination of inter-segment profits	(5,245)
Consolidated profit before taxation	110,600
Total reportable segments assets	2,422,776
Elimination of inter-segment transactions or balances	(930,876)
Consolidated total	1,491,900
Total reportable segments liabilities	1,532,505
Elimination of inter-segment transactions or balances	(721,827)
Consolidated total	810,678

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

B1. Review of Performance

The Group's profit before tax has increased by 20.7% to RM110.6 million compared to previous corresponding quarter. The commendable performance was mainly attributable to the Group's completed projects during the financial year, namely 3Elements, Seri Alam Phase I & II, Zone Innovation and progressive recognition from project H2O.

B2. Variation of Results for the current quarter ended 30 June 2017 against the immediate preceding quarter

The Group's revenue reported an increase of 73%, amounting to RM52 millions and decrease in profit after tax of 13% amounting to RM2.6 million for the current quarter compare to immediate preceding quarter. The fluctuation was due to the project Zone Innovation completion in the preceding quarter.

B3. Current prospects and progress on previously announced financial estimate

(a) Current Year Prospects

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 2018 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	
	01.04.2017 TO 30.06.2017 RM'000	01.04.2016 TO 30.06.2016 RM'000	01.07.2016 TO 30.06.2017 RM'000	01.07.2015 TO 30.06.2016 RM'000
After charging:				
Accretion of interest on RCPS	-	329	533	1,312
Depreciation of investment properties	23	23	93	93
Depreciation of property, plant and equipment	186	131	687	482
Directors' remuneration	813	785	1,940	2,646
Liquidated and ascertain damages expenses	6,615	-	7,910	-
Rental of sales office	98	167	378	409
Rental of equipment	-	8	20	14
Staff costs	2,569	1,432	10,311	9,594
After crediting:				
Bank interest income	(1,217)	(604)	(2,247)	(653)
Fixed deposit interest income	(118)	799	(397)	(1,033)
Other interest income	(428)	(70)	(2,190)	(932)
Liquidated ascertain damages income	(7,225)	(1,400)	(13,665)	(1,400)
Gain on disposal of motor vehicle	(78)	-	(90)	-
Rental income	(468)	(513)	(1,648)	(730)

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

B8. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.04.2017 TO 30.06.2017 RM'000	01.04.2016 TO 30.06.2016 RM'000	01.07.2016 TO 30.06.2017 RM'000	01.07.2015 TO 30.06.2016 RM'000
Current tax expense	11,943	5,752	35,693	24,497
Deferred taxation	(1,094)	(207)	(1,476)	(1,191)
	10,849	5,545	34,217	23,306

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) 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.

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.

On 24 February 2017, TLB has decided to withdraw the application in relation to the Proposed Share Split and additional listing applications in relation to the Proposed Rights Issue of ICPS and Proposed Issuance of Consideration Shares to update the relevant information in light of the Companies Act 2016, which came into effect on 31 January 2017.

On 28 July 2017, Bursa Securities had vide its letter approved the Proposal.

- (b) 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.

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

B9. Status of Corporate Proposal (Cont.)

- (c) 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 is pending for the completion.

- (d) 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 is pending for completion.

- (e) On 27 February 2017, TLB entered into Framework Agreement with CREC Development (M) Sdn Bhd (Company No. 1206194-U) to record the provisional intention of TLB with respect of the Engineering Procurement Construction and Commission Agreement, the participation in business opportunity with Laksana Wawasan Sdn Bhd, and the joint marketing collaboration with respect to project known as The Shore, Kota Kinabalu, Sabah on a leasehold land held under title TL017526475 (Kota Kinabalu, District of Koata Kinabalu). (“Proposed Acquisition”)

The Proposed Acquisition is pending for completion.

B10. Group Borrowings

	As at 30.06.2017 RM'000	As at 30.06.2016 RM'000
Current - Secured		
Hire purchase payables	302	119
Bank overdrafts	33,208	29,803
Term loans	103,042	59,816
Revolving credit	15,000	15,000
	<u>151,552</u>	<u>104,738</u>
Non-current - Secured		
Hire purchase payables	1,453	431
Redeemable preference share	235	-
Term loans	238,825	100,681
	<u>240,513</u>	<u>101,112</u>
Total group borrowings	<u>392,065</u>	<u>205,850</u>

The above borrowings were denominated in Ringgit Malaysia.

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

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	
	01.04.2017 TO 30.06.2017	01.04.2016 TO 30.06.2016	01.07.2016 TO 30.06.2017	01.07.2015 TO 30.06.2016
Profit attributable to owners of the company (RM'000)	17,012	14,906	76,735	68,352
Weighted average number of ordinary shares in issue ('000)	394,301	356,851	394,301	357,248
Basic earnings per share (sen)	4.31	4.18	19.46	19.13

(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	
	01.04.2017 TO 30.06.2017	01.04.2016 TO 30.06.2016	01.07.2016 TO 30.06.2017	01.07.2015 TO 30.06.2016
Profit attributable to owners of the Company (RM'000)	17,012	14,906	76,735	68,352
Weighted average number of ordinary shares in issue ('000)	394,301	356,851	394,301	357,248
Effect of dilution: Redeemable Convertible Preference Shares ('000)	-	13,333	-	13,333
Adjusted weighted average number of ordinary shares ('000)	394,301	370,184	394,301	370,581
Diluted earnings per share (sen)	4.31	4.03	19.46	18.44

Note:

Diluted EPS of the Company for the individual quarter 30 June 2017 and cumulative quarter 30 June 2017 is equivalent to the basic EPS as the Company does not have convertible options at the end of the reporting period.

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

B11. Earnings per Share

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 30.06.2017 RM'000	As At 30.06.2016 RM'000
Total retained earnings of the Group		
- Realised	399,179	321,487
- Unrealised	(306)	(789)
	<u>398,873</u>	<u>320,698</u>
Consolidation adjustments	(26,100)	(23,182)
Total retained earnings as per statement of financial position	<u>372,773</u>	<u>297,516</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.