

THE
PODIUM
KUALA LUMPUR

Interim Financial Report

THIRD QUARTER
ENDED 31ST MARCH 2021

INTERIM FINANCIAL REPORT

THIRD QUARTER | ENDED 31ST MARCH 2021



TITIJAYA LAND BERHAD

Registration No. 201201024624 (1009114-M)

N-16-01, Penthouse, Level 16
First Subang, Jalan SS15/4G
47500 Subang Jaya
Selangor Darul Ehsan
Malaysia

Tel : 603-8022 9999

Fax : 603-8022 9888

www.titijaya.com.my

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (UNAUDITED) ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2021 TO 31.03.2021 RM'000	01.01.2020 TO 31.03.2020 RM'000	01.07.2020 TO 31.03.2021 RM'000	01.07.2019 TO 31.03.2020 RM'000
Revenue	45,914	55,815	139,921	143,938
Costs of sales	(30,476)	(37,267)	(99,976)	(96,180)
Gross Profit	15,438	18,548	39,945	47,758
Other Income	1,982	826	9,585	3,456
Selling and distribution expenses	(501)	(1,496)	(1,942)	(3,574)
Administrative expenses	(4,290)	(6,312)	(11,793)	(17,972)
Other expenses	(5,002)	(2,947)	(11,961)	(8,269)
Operating Profit	7,627	8,619	23,834	21,399
Finance income	178	462	452	3,095
Finance costs	(1,686)	(2,491)	(6,248)	(5,610)
Share of results of associates, net of tax	-	-	-	(1)
Profit before tax	6,119	6,590	18,038	18,883
Income tax expense	(3,748)	(3,977)	(9,444)	(8,634)
Net profit for the period	2,371	2,613	8,594	10,249
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the financial period	2,371	2,613	8,594	10,249
Profit attributable to:				
- Owners of the Company	1,280	2,053	2,960	7,116
- Non-controlling interests	1,091	560	5,634	3,133
	2,371	2,613	8,594	10,249
Earnings per share (sen) attributable to owners of the Company				
- Basic ⁽²⁾	0.10	0.16	0.23	0.56
- Diluted ⁽³⁾	0.10	0.15	0.22	0.53

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 2020 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 31 MARCH 2021 (UNAUDITED) ⁽¹⁾

	UNAUDITED	AUDITED
	As At	As At
	31.03.2021	30.06.2020
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	10,190	10,820
Inventories - Property held for development	978,314	958,931
Investment in an associate	445	445
Investment properties	133,980	186,002
Goodwill on consolidation	2,063	2,063
Deferred tax assets	5,780	3,018
Total non-current assets	1,130,772	1,161,279
Current assets		
Inventories - Property under development	405,791	389,136
Inventories - Completed properties	284,417	197,815
Trade and other receivables	462,778	426,466
Contract assets	1,348	784
Contract costs	11,614	14,190
Current tax assets	16,746	12,163
Cash and short-term deposits	178,617	160,385
Total current assets	1,361,311	1,200,939
TOTAL ASSETS	2,492,083	2,362,218

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 (UNAUDITED)
(CONTINUED) ⁽¹⁾**

	UNAUDITED	AUDITED
	As At	As At
	31.03.2021	30.06.2020
	RM'000	RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	784,796	784,412
Treasury Shares	(25,291)	(25,291)
Irredeemable convertible preference shares	59,808	60,192
Other reserves	(47,426)	(47,426)
Retained earnings	376,121	373,161
Equity attributable to equity holders of the Company	1,148,008	1,145,048
Redeemable preference shares	10,141	10,141
Non-controlling interests	15,713	10,079
Total equity	1,173,862	1,165,268
Non-current liabilities		
Trade and other payables	61,255	51,550
Loans and borrowings	319,344	317,899
Deferred tax liabilities	30,598	30,333
Total non-current liabilities	411,197	399,782
Current liabilities		
Trade and other payables	459,989	463,728
Contract liabilities	252,022	160,121
Loans and borrowings	187,264	171,062
Current tax liabilities	7,749	2,257
Total current liabilities	907,024	797,168
Total liabilities	1,318,221	1,196,950
TOTAL EQUITY AND LIABILITIES	2,492,083	2,362,218
Net assets per share attributable to owners of the Company (RM)	0.85 ⁽¹⁾	0.85

Notes:

(1) The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (UNAUDITED) ⁽¹⁾

	Share Capital RM'000	Treasury Shares RM'000	Reserve arising from Reverse Acquisition RM'000	Irredeemable Convertible Preference Shares RM'000	Retained Earnings RM'000	Total RM'000	Redeemable Preference Shares RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Group									
Balance at 30 June 2019	773,239	(22,230)	(47,426)	71,365	389,510	1,164,458	141	5,263	1,169,862
Issuance of preference shares	-	-	-	-	-	-	10,000	-	10,000
Conversion of ICPS	11,173	-	-	(11,173)	-	-	-	-	-
Repurchase of treasury shares	-	(3,061)	-	-	-	(3,061)	-	-	(3,061)
Dividend paid	-	-	-	-	(14,232)	(14,232)	-	-	(14,232)
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	526	526
Total comprehensive (loss)/income for the financial year	-	-	-	-	(2,117)	(2,117)	-	4,290	2,173
Balance at 30 June 2020	784,412	(25,291)	(47,426)	60,192	373,161	1,145,048	10,141	10,079	1,165,268
Conversion of ICPS	384	-	-	(384)	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	2,960	2,960	-	5,634	8,594
Balance at 31 March 2021	784,796	(25,291)	(47,426)	59,808	376,121	1,148,008	10,141	15,713	1,173,862

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021
(UNAUDITED) ⁽¹⁾**

	01.07.2020 TO 31.03.2021 RM'000	01.07.2019 TO 31.03.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	18,038	18,883
Adjustments for:		
Non cash item	1,527	3,745
Operating Profit Before Working Capital Changes	19,565	22,628
Net changes in working capital		
Inventories - property under development	(30,003)	(44,406)
Inventories - completed properties	19,613	22,573
Receivables	60,601	107,877
Payables	5,348	33,295
Net Cash Generated from Operations	75,124	141,967
Interest paid	(6,248)	(5,610)
Interest received	452	3,095
Tax paid	(11,034)	(22,350)
Net Operating Cash Flows	58,294	117,102
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6)	(114)
Proceed from disposal of an investment property	3,378	-
Investment properties costs incurred	(10,405)	(10,487)
Property held for development costs incurred	(50,676)	(47,846)
Net Investing Cash Flows	(57,709)	(58,447)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	(14,232)
Payment for treasury shares	-	(3,061)
Changes in hire purchase payables	(183)	(190)
Proceed for issuance of shares	-	39,400
Proceed for issuance of Class A Shares	-	(8,600)
Changes in bank borrowings	12,830	(78,039)
Placement of fixed deposits	(568)	1,507
Net Financing Cash Flows	12,079	(63,215)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD ENDED 31 MARCH 2021 (UNAUDITED) (CONTINUED) ⁽¹⁾

	01.07.2020 TO 31.03.2021 RM'000	01.07.2019 TO 31.03.2020 RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	12,664	(4,560)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	73,238	70,539
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>85,902</u>	<u>65,979</u>
Cash and cash equivalents at end of financial period comprises :		
Cash and bank balances	102,718	159,859
Fixed deposit placed with licensed banks	75,899	21,567
Bank overdrafts	(5,000)	-
Islamic commercial paper	(70,000)	(100,000)
	<u>103,617</u>	<u>81,426</u>
Less: Fixed deposit pledged to licensed banks	(17,715)	(15,447)
	<u>85,902</u>	<u>65,979</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 2020 and the accompanying explanatory notes attached to these interim financial statements*

A EXPLANATORY NOTES

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 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 2020 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 2020.

A2. Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the financial year ended 30 June 2020 except for the adoption of the relevant new MFRSs, amendments to MFRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2020. The adoption of the new MFRSs, amendments to MFRSs and IC Interpretations did not have any material impact on the financial position and results of 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 2020.

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 year 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 year to-date results.

A7. Debt and Equity Securities

Save for the following, there was no issuance, cancellation, share buyback, resale or repayment of debt and equity securities during the current financial period under review.

Repurchase of shares

During the quarter under review, there was no repurchase of the Company’s issued ordinary shares, nor any resale, cancellation or distribution of treasury shares.

As at 31 March 2021, the Company held a total of 83,572,100 or RM 25,290,710 treasury shares at average price of RM 0.303 per share.

A8. Dividend Paid

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

A EXPLANATORY NOTES (CONTINUED)**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 statement.

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	As At
	31.03.2021	30.06.2020
	RM'000	RM'000
Corporate guarantees for credit facilities granted to subsidiaries	362,803	376,878

Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 31 March 2021.

A13. Significant Related Party Transactions

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

A EXPLANATORY NOTES (CONTINUED)**A14. Segmental Information**

The segmental analysis for the financial period ended 31 March 2021 was as follows.

Analysis by Operating Divisions:-

	Property Development RM'000	Investment Holding & Others RM'000	Total RM'000
Segment profit/(loss)	35,175	(6,530)	28,645
Included in the measure of segment profit are:-			
Revenue from external customers	139,270	651	139,921
Inter-segment revenue	31,489	4,448	35,937
Finance income	421	31	452
Finance costs	(1,896)	(4,352)	(6,248)
Depreciation	(143)	(1,060)	(1,203)
Not included on the measure of segment profit but provided to the Management :-			
Tax expense	(9,244)	(200)	(9,444)
Segment assets	2,657,251	1,674,568	4,331,819
Segment liabilities	2,212,746	695,348	2,908,094

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

	Total RM'000
Total revenue for reportable segments	175,858
Elimination of inter-segment revenue	(35,937)
Consolidated total	139,921
Total profit or loss for reportable segment	28,645
Elimination of inter-segment profits	(10,607)
Consolidated profit before tax	18,038
Total reportable segments assets	4,331,819
Elimination of inter-segment transactions or balances	(1,839,736)
Consolidated total	2,492,083
Total reportable segments liabilities	2,908,094
Elimination of inter-segment transactions or balances	(1,589,873)
Consolidated total	1,318,221

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**B1. Review of Group Performance**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2021 TO 31.03.2021	01.01.2020 TO 31.03.2020	01.07.2020 TO 31.03.2021	01.07.2019 TO 31.03.2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
Property Development	45,646	55,623	139,270	143,364
Other Operations	268	192	651	574
	45,914	55,815	139,921	143,938
Profit / (Loss) before tax				
Property Development	11,008	14,351	33,632	37,210
Other Operations	(4,889)	(7,761)	(15,594)	(18,327)
	6,119	6,590	18,038	18,883

Performance of the third quarter against the same quarter in the preceding year (Q3 FY2021 vs Q3 FY2020)**(a) Property Development**

The Group's recorded revenue of RM45.65 million for the current quarter was lower by 17.94% or RM9.98 million as compared to the revenue of RM55.62 million registered in the previous year's corresponding quarter. This is mainly due to completed units for Roseville and Primrose as majority of the units had completed sold out which contributed for the previous year's corresponding quarter. Revenue for the current quarter is mainly attributable to the property developments at Neu Suites @ Off Jalan Ampang and The Riv @ KL Sentral; and The Shore @ Kota Kinabalu.

As a result of decrease in revenue which contributed to the lower profit before tax by RM 3.34 million for the current quarter as compared to the previous year's corresponding quarter.

(b) Other Operations

Revenue from Other Operations mainly contributed by rental business. Losses before tax were mainly due the operating expenses and staff payroll and staff related costs.

Performance of the third quarter cumulative period against the same period in the preceding year (Q3 YTD FY2021 vs Q3 YTD FY2020)**(a) Property Development**

The Group's revenue in the current year to-date of RM 139.27 million is 2.9% or RM 4.09 million slightly lower than the corresponding period in the preceding year. The decline in revenue was mainly due to completed units for Roseville and Primrose as majority of the units had completed sold out which contributed for the previous year's corresponding quarter. Revenue in current financial period was progressively generated by on-going projects contributed by property developments progress recognition from project Neu Suites @ 3rdNvenue, The Riv @ Riveria City and The Shore @ Kota Kinabalu.

As for the Group current year to-date profit before tax, no major changes in comparison between current financial period and previous financial period.

(b) Other Operation

Revenue from Other Operation mainly contributed by rental business. Losses before tax were mainly due the operating expenses and staff payroll and staff related costs.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)**B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter**

	INDIVIDUAL QUARTER		CHANGES RM'000
	01.01.2021 TO 31.03.2021 RM'000	01.10.2020 TO 31.12.2020 RM'000	
Revenue	45,914	47,383	(1,469)
Gross Profit	15,438	9,241	6,197
Profit before interest and tax	7,627	7,921	(294)
Profit before tax	6,119	6,298	(179)
Profit after tax	2,371	4,131	(1,760)
Profit attributable to owners of the Company	1,280	1,570	(290)

Overall, the performance in current quarter is consistent as compared to the preceding quarter save for gross profit in previous quarter was lower mainly due to provision of liquidated and ascertained damages for late delivery to purchasers amounting to RM5.1 million and impairment loss of RM4 million for inventories - land held for development. Lower in profit after tax mainly resulted from the under accrued of tax expense for prior financial years.

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

With the continuous Covid 19 pandemic and coupled by the weak consumer sentiments, the market is expected to remain lacklustre and challenging for the financial year ending 2021. Hence, the Group continues to remain resilient and prudent by continuing to sell the existing launched properties and the inventories - completed properties.

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

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 (CONTINUED)**B6 Dividend**

The Board of Directors does not recommend any interim dividend for the current financial period ended 31 March 2021.

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2021 TO 31.03.2021	01.01.2020 TO 31.03.2020	01.07.2020 TO 31.03.2021	01.07.2019 TO 31.03.2020
	RM'000	RM'000	RM'000	RM'000
After charging:				
Depreciation of property, plant and equipment	211	217	636	672
Depreciation of investment properties	189	189	567	567
Directors' remuneration	346	494	1,026	1,389
Interest expenses	764	2,491	5,326	5,610
Expenses relating to low value assets	144	73	143	208
Staff costs	2,176	3,410	7,594	9,196
Unwinding of discount on payables	279	-	1,046	-
After crediting:				
Bank interest income	(41)	(93)	(123)	(312)
Fixed deposit interest income	(299)	(339)	(308)	(2,579)
Gain on disposal of an investment property	-	-	(3,090)	-
Other interest income	162	(30)	(21)	(204)
Reversal of liquidated damages income	-	(10)	428	(10)
Rental income	(1,001)	(1,018)	(2,644)	(3,287)

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

B8. Income tax expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2021 TO 31.03.2021	01.01.2020 TO 31.03.2020	01.07.2020 TO 31.03.2021	01.07.2019 TO 31.03.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense	6,363	3,775	13,175	10,452
Deferred taxation	(2,615)	202	(3,731)	(1,818)
	3,748	3,977	9,444	8,634

The Group's effective tax rate for the current financial year is higher than the statutory tax rate of 24% by the Inland Revenue Board mainly due certain expenses are not tax deductible, under accrued of tax expense for prior financial years and deferred tax assets not recognised in certain subsidiaries.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)**B9. Status of Corporate Proposal**

There were no material transactions or events subsequent to the current quarter ended 31 March 2021 until 21 May 2021 (the latest practicable date which is not earlier than 7 calendar days from the date of issue of this quarterly report).

B10. Group Loans and Borrowings and Debt Securities

The Group's total loans and borrowings and debt securities as were as follows:-

	31.03.2021 RM'000	30.06.2020 RM'000
Non-current:		
Bank borrowings	318,727	317,137
Finance lease liabilities	617	762
	319,344	317,899
Current:		
Bank borrowings	187,034	170,793
Finance lease liabilities	230	269
	187,264	171,062
Total loans and borrowings	506,608	488,961

All 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	
	01.01.2021 TO 31.03.2021	01.01.2020 TO 31.03.2020	01.07.2020 TO 31.03.2021	01.07.2019 TO 31.03.2020
Profit attributable to owners of the company (RM'000)	1,280	2,053	2,960	7,116
Weighted average number of ordinary shares in issue ('000)	1,276,251	1,266,917	1,275,280	1,264,288
Basic earnings per share (sen)	0.10	0.16	0.23	0.56

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)**B11. Earnings per Share (continued)****(b) Diluted Earnings Per Share**

Dilutive earnings per share of current quarter have been calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of shares that would have been issued upon full conversion of the remaining Irredeemable Convertible Preference Shares (“ICPS”) on the basis of one (1) ordinary share for every ten (10) ICPS held.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2021 TO 31.03.2021	01.01.2020 TO 31.03.2020	01.07.2020 TO 31.03.2021	01.07.2019 TO 31.03.2020
Profit attributable to owners of the Company (RM'000)	1,280	2,053	2,960	7,116
Weighted average number of ordinary shares in issue ('000)	1,276,251	1,266,917	1,275,280	1,264,288
Effect of dilution: Irredeemable Convertible Preference Shares ('000)	59,808	86,503	59,808	86,503
Adjusted weighted average number of ordinary shares ('000)	1,336,059	1,353,420	1,335,088	1,350,791
Diluted earnings per share (sen)	0.10	0.15	0.22	0.53