TITIJAYA LAND BERHAD
BUILT TO INSPIRE

2017 ANNUAL REPORT

CRAFTING THE FUTURE

CONTENTS

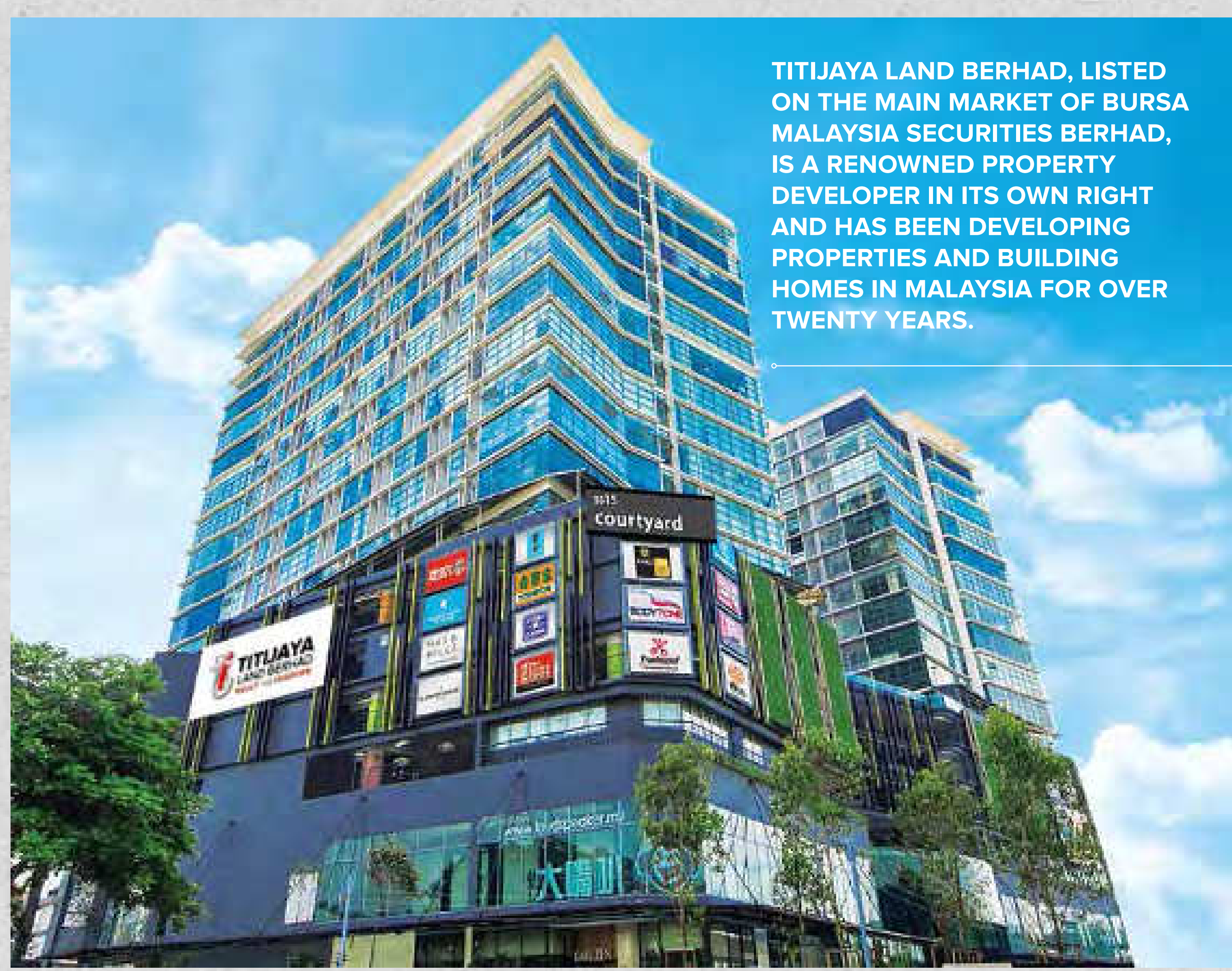
our vision

ASPIRE TO BE THE BEST, GROW RAPIDLY, MOULD AN EXCELLENT TEAM AND WINNING CULTURE.

our mission

TO BUILD PROPERTIES THAT PEOPLE WILL BUY, APPRECIATE AND WANT TO BUY AGAIN.

CORPORATE **PROFILE**



TITIJAYA LAND BERHAD, LISTED ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD, IS A RENOWNED PROPERTY DEVELOPER IN ITS OWN RIGHT AND HAS BEEN DEVELOPING PROPERTIES AND BUILDING HOMES IN MALAYSIA FOR OVER TWENTY YEARS.

Driven by its stimulus BUILT TO INSPIRE, Titijaya Land Berhad is recognised for the versatile and innovative architecture and design it presents throughout its multi-million Ringgit portfolio of development projects.

Titijaya Land Berhad, led by its founder Y. Bhg. Tan Sri Dato' Lim Soon Peng, has proven to be a notable developer within the industry with its successful developments in the Klang Valley.

Under Tan Sri Dato' Lim's leadership and guided by stringent principles, Titijaya Land Berhad is adequately positioned for sustainable and long-term growth with its invaluable and strategic land bank that it has accumulated. Together with and supported by its team of industry expertise, Titijaya Land Berhad has well-structured formula to maximise the value and quality of the Group's property developments.

Aspired and steered by the Group's Vision and Mission, Titijaya Land Berhad will continue to mould its winning culture and build to meet buyers' needs and demands, with designs and developments that will continue to earn recognition.

PERFORMANCE AT A GLANCE 2017

RM382 MILLION
Revenue

RM681 MILLION
Shareholders' Fund

Gross Development Value
RM2.5 BILLION
Properties have been Delivered

Net Profit
RM76 MILLION
for FYE2017

273 ACRES
Strong Land Bank

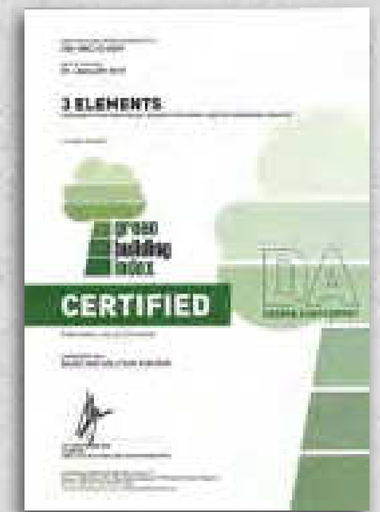
Share Price as at 30 June 2017
RM1.63

RM410 MILLION
Unbilled Sales


QLASSIC DAY 2017

AWARDS of EXCELLENCE

Quality Achievement
QLASSIC AWARD
for Embun @ Kemensah

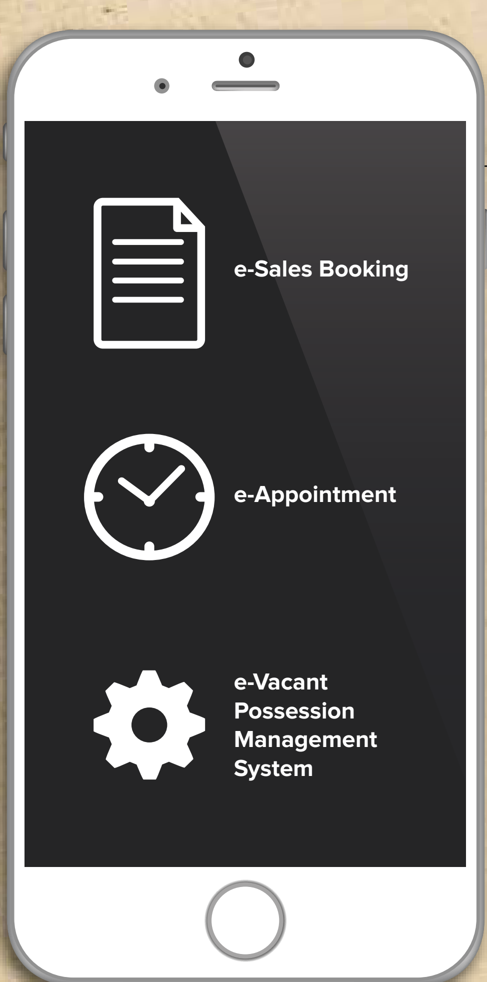

3 ELEMENTS

green building index

CERTIFIED

green building index

GREEN BUILDING INDEX (GBI)
Certified Project:
- 3elements



DIGITAL TRANSFORMATION

e-Sales Booking:

- live sales chart
- online buy property anytime anywhere

e-Appointment:

- purchaser can online set appointment with lawyer and developer to sign Sales & Purchase Agreement
- purchaser can online set appointment with developer for vacant possession

e-Vacant Possession Management System:

- one-stop system from submission of defect until completion of rectification works whereby the developers, contractors and purchasers are shared the same works progress status

COMPANY **MILESTONES**

AREKA

AREKA
Penang
Mix Development
Status : Upcoming Project
GDV : RM2.5 bil

Emery
KEMENSAH

EMERY
Kemensah, Ampang
2 & 3-Storey Semi-D Houses
Status : Ongoing Project
GDV : RM50.7 mil

TAMAN
Seri
RESIDENSI

TAMAN SERI RESIDENSI
North Klang
Phase 1 – 2-Storey Cluster Villas
Phase 2A – 2-Storey Link Semi-D Houses
Phase 2B – Single-Storey Link Semi-D Houses
Status : Ongoing Project
GDV : RM155.3 mil

TAMAN
Seri
RESIDENSI

TAMAN SERI RESIDENSI
North Klang
Phase 3A, 3B & 4 – 2-Storey Semi-D Houses
Status : Upcoming Project
GDV : RM237.9 mil

KLANG SERVICED SENTRAL APARTMENT

KLANG SENTRAL
North Klang
Serviced Apartment
Status : Upcoming Project
GDV : RM700 mil

MUTIARA
RESIDENCES

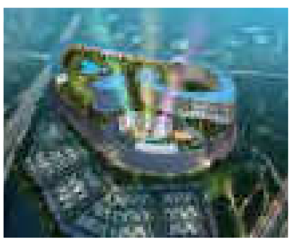
MUTIARA RESIDENCES
Jalan Meru, Klang
2 ½-Storey Terrace House
Status : Ongoing Project
GDV : RM30.3 mil

H2O RESIDENCES
Ara Damansara

Serviced Apartment & SOHO
Status : Ongoing Project
GDV : RM657.8 mil

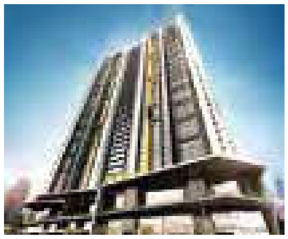
MIZU
Ara Damansara

Serviced Apartment
Status : Ongoing Project
GDV : RM257.8 mil



EMPORIA
Glenmarie, Shah Alam

Mix Development
Status : Upcoming Project
GDV : RM1.5 bil



NEU SUITES @ 3RD NVENUE
Embassy Row, Kuala Lumpur

SOFO, Residential & Retail
Status : Upcoming Project
GDV : RM1.8 bil

RIVERIA CITY
KL Sentral, Kuala Lumpur

Office Suites, Serviced Apartment & Retails
Status : Upcoming Project
GDV : RM1.45 bil

ODEON
Jalan Tunku Abdul Rahman, Kuala Lumpur

Serviced Apartment & Retail Mall
Status : Upcoming Project
GDV : RM1.5 bil

PARK RESIDENCY
Alam Damai, Cheras

3-Storey Strata Villas
Status : Ongoing Project
GDV : RM75.3 mil

Ongoing Project **Upcoming Project**

IN THE NEWS (1 July 2016 – 30 June 2017)

帝亿置地H2O住宅项目 A 栋封顶

Titijaya, CREC meterai perjanjian pegangan saham RM2.1 bilion

90%為可負擔房產
帝億銷售目標維持3億

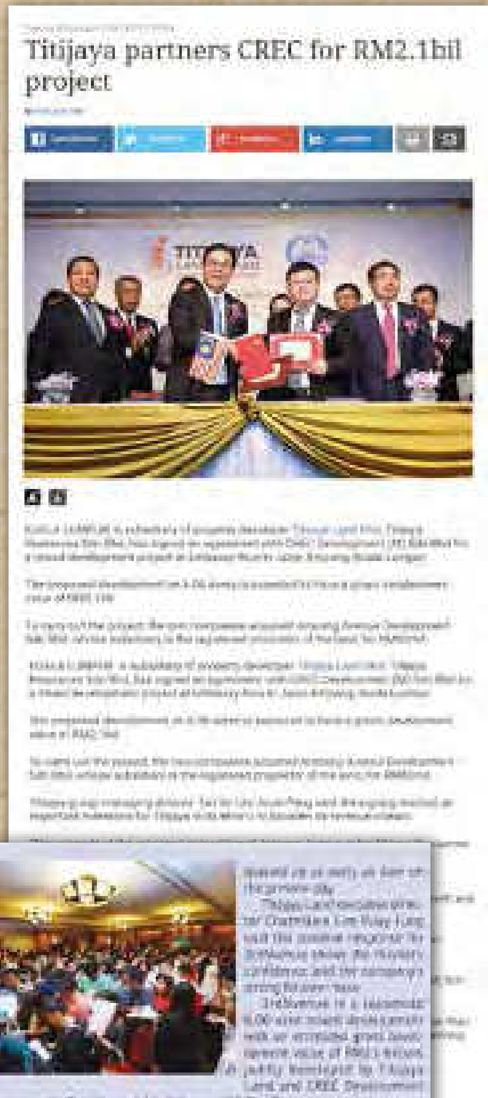
Titijaya eyes land deals for affordable housing

STRATEGOC LOCATIONS: Firm plans projects worth RM2.4b in GDV

一帶一路論壇

證券 農業 基設 港口等

馬中簽總值312億備忘錄



Titijaya partners CREC for RM2.1bil project

安邦路大使馆区，帝亿和中铁联营21亿房产

First phase of Titijaya's 3rdNvenue fully booked

帝亿置地槟雪房产项目
服务公寓交雅诗阁管理

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor
(Retired)
Chairman
Independent
Non-Executive Director

Y. Bhg. Tan Sri Dato' Lim Soon Peng
Group Managing Director

Mr. Lim Poh Yit
Deputy Group Managing Director

Ms. Lim Puay Fung
Executive Director

Y. Bhg. Datuk Nozirah Binti Bahari
Independent Non-Executive Director

Y. Bhg. Dato' Ch'ng Toh Eng
Independent Non-Executive Director

Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
Non-Independent
Non-Executive Director

Mr. Adrian Cheok Eu Gene
(Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir)

Mr. Chin Kim Chung
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Y. Bhg. Datuk Nozirah Binti Bahari
Chairman

Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor
(Retired)

Y. Bhg. Dato' Ch'ng Toh Eng

Mr. Chin Kim Chung

NOMINATION COMMITTEE

Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor
(Retired)
Chairman

Y. Bhg. Dato' Ch'ng Toh Eng

Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

REMUNERATION COMMITTEE

Y. Bhg. Dato' Ch'ng Toh Eng
Chairman

Y. Bhg. Tan Sri Dato' Lim Soon Peng

Mr. Chin Kim Chung

COMPANY SECRETARIES

Ms. Chua Siew Chuan
(MAICSA 0777689)

Ms. Tan Ley Theng
(MAICSA 7030358)

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 2084 9000
Fax : (603) 2094 9940

PRINCIPAL PLACE OF BUSINESS

N-16-01, Penthouse
Level 16, First Subang
Jalan SS 15/4G
47500 Subang Jaya
Selangor Darul Ehsan
Tel : (603) 8022 9999
Fax : (603) 8022 9888
Email : ir@titijaya.com.my
www.titijaya.com.my

H2O Residences Sales Gallery
Tel : (603) 7734 5022
HP : 6019 587 6888
6017 382 1117
6012 293 1033

3rdNvenue Sales Gallery
Tel : (603) 4266 2299
1 300 22 9898

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
(Company No. 378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 7849 0777
Fax : (603) 7841 8151

AUDITORS

Baker Tilly Monteiro Heng (AF0117)
Chartered Accountants
Baker Tilly MH Tower
Level 10, Tower 1
Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 2297 1000
Fax : (603) 2282 9980

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

OCBC Bank Malaysia Berhad

United Overseas Bank (Malaysia) Berhad

Bank Islam Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Sector : Property
Stock Code : 5239
Stock Name : Titijya

CORPORATE **STRUCTURE**

AS AT 3 OCTOBER 2017

TITIJAYA LAND BERHAD
BUILT TO INSPIRE
(1009114-M)

100% wholly-owned subsidiaries

- 100% AMAN KEMENSAH SDN BHD (429811-K)
- 100% CITY MERIDIAN DEVELOPMENT SDN BHD (934265-V)
- 100% EPOCH PROPERTY SDN BHD (955473-D)
- 100% HIGH SPLENDOUR SDN BHD (1155662-T)
- 100% NPO DEVELOPMENT SDN BHD (434271-A)
  - 100% NPO LAND SDN BHD (348591-M)
  - 100% SENDI BANGGA DEVELOPMENT SDN BHD (650372-W)
- 100% PIN HWA PROPERTIES SDN BHD (568176-V)
- 100% PREMSDALE DEVELOPMENT SDN BHD (1121985-U)
- 100% SAFETAGS SOLUTION SDN BHD (755016-A)
- 100% SHAH ALAM CITY CENTRE SDN BHD (221568-X)
- 100% TAMARIND HEIGHTS SDN BHD (1173659-X)
- 100% TERBIT KELANA DEVELOPMENT SDN BHD (594783-M)
- 100% TITIJAYA CAPITAL SDN BHD (934400-D)
- 100% TITIJAYA DEVELOPMENT (PULAU PINANG) SDN BHD (1165342-V)
- 100% TITIJAYA PMC SDN BHD (1047442-P)
- 100% TITIJAYA RESOURCES SDN BHD (1078020-X)
  - 100% AMAN DUTA SDN BHD (1239174-X)
  - 70% AMPANG AVENUE DEVELOPMENT SDN BHD (826917-X)
    - 63% NIPAH VALLEY SDN BHD (901712-H)
  - 70% TENANG SEMPURNA SDN BHD (956004-W)
  - 40% AMONA TITIJAYA SDN BHD (1150341-V)
- 100% TULUS LAGENDA SDN BHD (1040584-D)
- 70% PROSPEROUS HECTARES SDN BHD (1034984-H)

CHAIRMAN'S STATEMENT

Y.B. Senator Laksamana
Tan Sri Dato' Setia Mohd Anwar
bin Hj Mohd Nor *(Retired)*
Independent Non-Executive Director

INTRODUCTION

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Titijaya Land Berhad ("Titijaya" or "Group") for the financial year ended June 30, 2017.

It gives me great pleasure to report another record year of performance by Titijaya, despite the challenging environment. It is with tremendous pride that I share with you, that the continuous investments made in our staff development and training have equipped our personnel with the strength and knowledge to manage and conquer all challenges that comes in our way. The Group has been very focused in executing our strategies for the year, which gave to rise to the improved set of numbers.

For the financial year ended June 30, 2017 ("FYE2017"), Titijaya posted a net profit of RM75.81 million, approximately 11% increase over the previous year. This is attributable to stronger sales achieved from our properties in the Klang Valley such as H2O Residences and 3elements.

CHALLENGES FACED

Without a doubt, one of our biggest challenges was our purchasers' ability to secure financing for their purchases. Purchasers have had their applications turned down countless times that many are now unwilling to sign the sale and purchase agreements before securing a loan. Apart from the stringent loan requirements from financial institutions that are said to have caused the drop in the number of property transactions, the increasing cost of living and economic uncertainties have led to an upswing in worries about job security, which in turn resulted in more cautious consumer spending.

Nevertheless, we believe this situation is turning positive, as not many are aware that in the first quarter of 2017, banks had approved RM22.3 million worth of housing financing to 90,137 borrowers across the nation. From this figure, more than half were borrowers of affordable housing units priced below RM500,000. This works in favour in our strategy and approach to the market as houses priced at RM500,000 and below accounts for 40% for our current launches.

Despite the challenging market condition, we have fared reasonably well. We have been strategic in our launches this year to suit market demand while continuing to deliver on our promises of quality, innovation, and reliable products and services. We believe projects offered by Titijaya are priced reasonably and this should augur well for us to navigate through all these uncertainties.

OUTLOOK & FUTURE PROSPECTS

The Group's long-term growth prospects remain positive based on a strong competitive position and solid demand *for the type of residential properties that the Group is offering.*

It is difficult to predict when the property market will rebound. However, we expect the current subdued market to remain muted for the next 12 to 24 months with little signs of recovery. During the financial year, the ringgit also fell dramatically against the US Dollar to a low of RM4.50. The ringgit has recently trended upwards, but it is still far away from the heydays of before 2016. The fall in ringgit has a dual impact on our business as its movement during the current financial year will impact our costs and revenues.

While we have locked in our construction costs for existing projects, our future launches will still be subject to prevailing prices and will be determined by the margins that we can make on a project. However, a weaker ringgit will make our products cheaper for foreign buyers and we hope that this will have a positive effect on our future sales. Additionally, we are also closely monitoring the actions of our peers and competitors, when it comes to mitigating the high loan rejection rates by the banks. Larger developers with stronger balance sheets are found to be able to offer some form of financing to their customers but for mid-sized developers like us, the options are often limited. Therefore, innovative sales methods and promotions play a big role for us to win customers. We have also embarked on tailoring our future launches to the specific needs of our targeted purchasers and we hope to launch more of these development types in the future.

The current buzzword for property development is affordable housing and our average product price range falls into this category, at prices below RM600,000 per unit. This category entails more than 80% of our total offerings. Moving forward, Titijaya has put in place a robust pipeline of new launches amounting to RM1.8 billion GDV in the coming months. We are optimistic with the future as we are well-positioned to deliver long-term shareholders' value. While the near-term outlook for the residential sector remains mundane, we are of the view that it is sentiment driven, rather than fundamentally driven. The demand for housing, especially for young or first-time home buyers, is still robust.

We remain confident of the future performance of our business, given that most of our 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. Furthermore, we are focused on product design, competitive pricing, and product differentiation with a strategy of "Built to Insipire", which is the embodiment of our very own branding.

CORPORATE GOVERNANCE & SUSTAINABILITY

Titijaya focuses on maintaining high standards of corporate governance, compliance, business conduct, safety, and environmental management – all of which are vital to the Group's performance and business sustainability. It is our belief that good corporate governance supports long-term value creation for all our stakeholders. Our Corporate Governance Statement can be found on pages 42 to 53.

DIVIDENDS

For FYE2017, the Board has recommended a final dividend of RM0.005 per ordinary share which is approximately RM2.05mil to be approved by shareholders at the forthcoming Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

Through our corporate social responsibility efforts, our goal is to improve the lives of others. At Titijaya, we do this by not only volunteering and supporting non-profit organizations, but also put our heart into the communities where we work and live. On 10 March 2017, we sponsored the third 10,000 Smiles Yoga that was held in conjunction with the United Nation's International Day of Happiness on 20 March 2017.

The event, which was organised by International Association for Human Values (IAHV) was held across Penang, Ipoh, Selangor, and Malacca. Registered in 21 countries, IAHV is a humanitarian, non-governmental organisation that is committed to the resurgence of human values in all challenging aspects of life across the globe. Titijaya shall continuously support the 10,000 Smiles Yoga as one of its corporate social responsibility activities. The objective of the 10,000 Smiles Yoga resonates well with the values that Titijaya wishes to impart to all.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my deep appreciation to the Board of Directors, our management, staff, and business associates for their staunch faith and commitment that has kept Titijaya going and progressing to where it is today. I would also like to express my appreciation to our valued shareholders for their unwavering support.

We will continue to explore new opportunities and enhance our existing businesses to deliver greater shareholders' value for all in the years ahead.

Thank you.

Yours Sincerely,

Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)

MANAGING DIRECTOR'S STATEMENT

Y. Bhg. Tan Sri Dato' Lim Soon Peng
Group Managing Director

There are ups and downs in all industries and the same goes to the property industry that Titijaya has been in for the last 30 years. The company has gone through a few financial crises and still stands with its prudent management and robust strategies. We always believe that having innovative property products that are rightly priced, coupled with the right locations can never go wrong. We have done so for the year of 2017 and we will continue to be selective in our product launches going forward. We have faith in our products and we believe that market will be able to absorb what we are introducing and this gives us timely support whenever we need it, be it at corporate level or product wise.

STRATEGIC REVIEW

The years 2016 and 2017 were filled with a series of high impact global events, ranging from the collapse of oil prices, volatility of emerging market currencies against the US Dollar, effects of the UK Referendum to leave European Union ("BREXIT"), as well as the results of the US Presidential Election. On the domestic front, Malaysia's property industry was impacted by the subdued property industry outlook, depreciation of the ringgit, higher cost of goods, stringent lending policies, and weakened consumer sentiments. Nevertheless, the affordable housing segment continues to be in high-demand, following the positive measures announced during the 2017 Budget, which enhanced access to financing.

As for Titijaya, it was an active year where we remained resilient and focused on delivering growth and long-term shareholders' value. We took appropriate and deliberated actions to drive performance. As a result, our business emerged stronger, despite the tough challenges faced during the previous financial year.

Building on our strong relationship with CREC, the Group expanded this partnership, firstly in 3rdNvenue in 2016, followed by The Shore @ Sabah in 2017. We selected CREC as our partner because of its international experience and expertise in the construction industry. Having CREC as a JV partner enabled us to capitalise on new opportunities and to tap on new markets for Titijaya. This partnership strategy is a stepping stone for the Group to realise its medium- to long-term strategy, which is to diversify its property development exposure and venture into other global cities.

Nevertheless, we proceeded to build on our sound foundation, delivering a number of key development milestones during the year. We attribute these achievements to our past and present clear strategies, as well as the strong vision and firm values of our Group. There were several notable achievements that we are proud to highlight, namely:

- The Group achieved actual Gross Sales value of RM355 million, which is a commendable sum, given the state of the current property market
- The Group's ongoing property projects with a total gross development value ("GDV") of RM1.05 billion have achieved more than 80% take-up rate

- A total of RM410 million in unbilled sales that will largely be recognised in the next financial year
- Several remarkable acquisitions for Titijaya to achieve sustainable growth
- Maintained a robust balance sheet with a cash position of RM137 million, positioning the company in a prime position to seize new opportunities for external growth
- Another collaboration with Singapore's The Ascott Ltd., the world's largest serviced residence owner-operator

FYE2017 marked two distinct milestones for Titijaya – the collaboration with China's CREC as well as our first venture into East Malaysia. As we reflect on our achievements and challenges, we are reminded of the strong core values that have become a part of Titijaya, in the way we behave and run the business. As we enter the next chapter for Titijaya, these values will be essential for us and function as our foundation in adapting to the ever-changing business landscape.

The property industry has been one of the most dynamic and competitive industries in the last few years. With a market that is constantly evolving, Titijaya is cognisant that we need to keep ourselves upbeat and understand the variables that have an impact on people's needs and wants. After all, we are operating in an industry that primarily focuses on the requirements of the people – providing a home and designing it with the right environment which will enable them to live, work, and play comfortably within a safe and secure environment. At the same time, we strive to build homes that add value to the surrounding communities to create better appreciation values to their properties. Over the years, we have formed a good reputation within the industry, coupled with our strong track record in developing residential homes that are within the affordability of the majority.

PROPOSED ICPS

On 26 August 2016, the Group proposed to undertake a rights issue of Irredeemable Convertible Preference Shares ("ICPS") of up to 614,999,899 ICPS on the basis of 3 ICPS for every 2 existing Titijaya's shares held by our entitled shareholders.

With a conversion period of 5 years, shareholders can opt for either 10 ICPS to be converted into 1 new Titijaya Share or a combination of 1 ICPS and cash payment of RM1.485 for 1 new Titijaya Share.

This corporate exercise received excess applications of 623,913,944 ICPS, representing 101.45% or an over-subscription rate of 1.45% of the ICPS available for acceptances. The Group has raised a total of RM101.48 million.

BUSINESS AND OPERATIONAL STRATEGIES FOR FYE2018

The Malaysian economy in 2017 is expected to be positive and is largely affirmed on an improving global economy and continued growth in domestic demand. As such, the Malaysian economy is expected to grow by 4.7% - 5.2% in 2017 as compared to 4.2% in 2016. The supportive macro-environment, although still susceptible to adverse shocks, should augur well for the Group's prospects in the coming year.

The outlook for the Property Development business remains encouraging despite a still-challenging market, based on total unbilled sales of RM410 million and upcoming property launches in FYE2018 that is worth RM1.8 billion.

Going forward, our business strategy shall align to synergistic strategic alliances, where we will scout for joint-venture or land-swap project opportunities with reputable government agencies and other synergistic partners such as CREC and Bina Puri. This allows Titijaya to avoid a hefty payment for upfront land cost that will stretch the balance sheet, as well as provide flexibility for Titijaya in the development roll-out timeline. For example, our Riveria City @ KL Sentral is a joint venture project with Bina Puri and Prasarana, 3rdNvenue @ Embassy Row and The Shore @ Kota Kinabalu with CREC, Jalan Stonor Project with Lembaga Getah Malaysia, Bukit Bintang Project with Ministry of Education Malaysia, and Areca @ Batu Maung, Penang with Lembaga Kemajuan Ikan Malaysia.

As Titijaya's land cost/GDV ratio is well positioned at below the 12% threshold, this provides the flexibility for us to adjust the timing of our product offerings and a good buffer and margin of safety in maintaining our development margins.

APPRECIATION

It is never a person's effort in making a company's success. At Titijaya, I value the contribution from everyone. I would like to take this opportunity to thank all my staff for their continuous support to the group. Their hard work, dedication and determination have put Titijaya at where it is today.

I would also like to express my sincere gratitude and appreciation to our Chairman, my fellow directors and management for their trust and believe in the last one year. Without them, we would not be able to complete what we planned and what we desired.

To our valued shareholders, your continued support, confidence and trust in us are precious. We will continue to work hard to provide better shareholders value to everyone.

MANAGEMENT
DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE REVIEW

The Group's overall financial performance was commendable despite the challenging business environment. In the financial year ended 30 June 2017 ("FYE2017"), Titijaya Land Berhad ("Titijaya" or "Group") registered revenue of RM382 million, as compared to RM400 million achieved in the previous financial year ("FYE2016"). Although revenue was largely unchanged, the Group posted a pre-tax profit of RM110 million, a 21% surge from RM91 million recorded in FYE2016. The Group's Profit After Tax and Minority Interests ("PATAMI") for FYE2017 stood at RM76 million, an 12% increase from RM68 million in the previous year.

Residential developments remained the mainstay of the Group's financial performance, notable contribution to the RM382 million revenue achieved in FYE2017 was by H2O Residences, 3elements and Taman Seri Residensi.

The RM145 million gross profit was mainly contributed by Seri Alam Industrial Park Phase I & II, 3elements and H2O Residences.

During the year under review, we have successfully completed 1,509 units of properties with total Gross Development Value ("GDV") of RM1.1 million, derived mainly from Seri Alam Industrial Park Phase I & II, Zone Innovation Park, 3elements and Embun.

The improvement of our bottomline despite a lower topline was attributable to a better cost management and the enhancement of project efficiency, which resulted in a 11% decline in our cost of sales to RM231 million in FYE2017.

The Group's total assets amounted to RM1.5 billion, an increase of 36% over the previous year. This is mainly contributed by the increase of landbank acquired in FYE2017 for property development. Net assets per share attributable to owners of the Company also rose to RM1.65 in FYE2017 from RM1.49 in FYE2016.

As at FYE2017, the Group's total cash and cash equivalents rose to RM137 million from RM95 million a year ago, mainly due to the recognition via the handover of 3elements in April 2017. Our net gearing of 0.37x as at FYE2017 was due to the acquisition activities to ensure the sustainability of the Group. Acquisitions done in FYE2017 include the land located in Batu Maung, Penang and land located at Jalan Ampang, Kuala Lumpur.

The healthy balance sheet position will continue to support the Group's future development activity and landbanking initiatives. Titijaya has the capacity to place the Group in a position to consider sizeable land deals.

BUSINESS AND OPERATION OVERVIEW

Titijaya is a Bursa Malaysia Main Market Listed Company involved in property development business. To date, the Group has approximately 273 acres of landbank, which has an estimated GDV of RM14 billion. Currently, Titijaya has made its presence in the Klang Valley, historically achieving strong sales with its ongoing developments with a total GDV of RM1.05 billion, registering an average take-up rate of more than 80% as at end-March 2017. In FYE2017, the Group's product offering consists of commercial and residential developments, with a ratio of 13%:87%.

However, the property market is unlikely to emerge rapidly due to the slow market conditions across the country. This can be attributed to various factors. Bank lending rules continue to remain strict and tight, constraining the public's ability to get property loan financing. In addition, the increasing cost of living and uncertainties in job security have led to more cautious consumer purchasing. This has resulted in the continued oversupply in certain sub-sectors. Given the slowdown in the market and obstacles faced by the Group, we foresee that the demand for the affordable housing segment is less likely to be affected, which is in line with the Group's objectives to harmonize supply and demand in the housing market in order to provide decent housing with affordable pricing.

More than 80% of Titijaya's products are categorised below RM600,000, which is within the reach of Middle Income Households that constitute 51% of the entire Malaysian population. According to Bank Negara Malaysia (BNM), the overall housing loan approval rate has increased to 74.2%. A total of RM22.3 billion worth of housing financing was approved in the first quarter of 2017 to 90,137 borrowers. Of these, more than half of the amount was for buyers of affordable housing units priced below RM500,000, in line with the affordable range of properties that Titijaya provides. This proves that Titijaya has the ability to be a property developer that is able to evolve and develop products accordingly to suit the market's demands. The Group's focus is to provide decent properties at an affordable price range, located in strategic locations, where amenities are abundant.

(source:https://www.bnm.gov.my/files/publication/qb/2017/Q1/p5_ba1.pdf)

In this regard, the Group's current and near-term planned launches are its two key projects, namely, Riveria City in KL Sentral and 3rdNvenue in Ampang, which have an average unit price of RM604,000 and RM710,000 respectively. These two projects consist of affordable and medium-cost units that are resilient to the demand risk. In FYE2017, Titijaya successfully achieved actual Gross Sales value of RM355 million, which exceeds RM300 million sales target set of the year. It is a commendable sum despite the challenging market conditions which prevailed throughout the year. The target set was met due to the sales from properties in the Klang Valley by its H2O Residences and 3elements projects.

During the year under review, the Group has a few exciting ongoing projects, such as Mutiara Residences, Taman Seri Residensi, Park Residency, Emery, and H2O Residences. The Group has consistently delivered products according to the market's needs. The volatile business environment makes it vital for property developments to be tailored to suit the market. Titijaya is able to sustainably meet its sales target due to its loyal customer following and value propositions offered by each project. This is evident in the faith and confidence of our customers who flock to our preview events and especially during the 3rdNvenue private preview event held in January 2017.

For some of its larger projects, the Group has entered into partnerships with China-based construction company, China Railway Engineering Corporation (CREC). The collaboration is expected to mitigate construction risk and reduce initial working capital requirement. Apart from that, in order to deliver organic and inorganic growth, the Group plans to continue to innovate affordable product offerings to enhance profitability, expand through acquisitions and strategic alliances, expand target market to foreign buyer market, enhance the Group's presence in the Malaysian property market industry and leverage on Malaysia's potential as a business hub, tourism destination, and investment opportunity.

Titijaya is prepared to launch of a total 2 projects in the Klang Valley to meet the various lifestyles of different segments of the property market, namely:

- Phase 1 of 3rdNvenue, a mixed development spread across 6.06 acres with GDV of RM500 million
- Phase 1 of Riveria City, which sits on original total area of 11.2 acres of land, with GDV of RM320 million, situated at KL Sentral

SALES AND MARKETING INITIATIVES

During the Review Period, the Group continued to enhance its product competitiveness while capitalising on market opportunities. With a focus on the demand of first time home buyers and upgraders, the Group adjusted its marketing strategies flexibly in response to the tightening policies in each region, and launched projects in a timely manner at reasonable prices. We believe the sales and marketing department plays a pivotal role in the success of our business, by bridging the gap between the potential purchasers' needs and the products/services that we can offer to fulfil their needs.

One of the initiatives implemented in FYE2017 was the introduction of "Digitalisation" initiatives for the sales process. This includes the live sales chart and online sales booking, whereby the purchasers can eliminate the hassles of being physically present at the showroom to book the unit they prefer. All of these processes can be replaced by a centralised system. This system also provides the convenience among the purchasers, Titijaya and lawyers when it comes to the appointment for the signing of Sales & Purchase Agreement. Also, gone are the days where numerous coordination is needed to set an appointment for the vacant possession. At Titijaya, we hope to give our purchasers a whole-new experience in property purchase.

Post-purchase, our vacant possession management system which known as VP-Care provides convenience when it comes to inspecting and status update of the defects rectification works. This comes with a one-stop system from submission of defect until completion of rectification works whereby the developers, contractors and purchasers are shared the same works progress status. To date, Titijaya is the only developer in town that offer such convenience to the purchasers. It provides us the opportunity to enhance every digital touchpoint and is changing the way we communicate internally and externally.

We, at Titijaya as one integrated team, believe in a unified plan to bring tremendous advantages to ensure consistent standards of the sales process to our customers. We build trust and value them by communicating closely on a one-on-one basis and recognising the products they have purchased.

We want to make them feel that their opinions are valued and the products purchased are worthwhile. Apart from that, with continuous reinforcement of sales training, we are able to maximise user enthusiasm by understanding customers' concerns and motivation.

RISK MANAGEMENT

Titijaya is in the position of developing, managing, and maintaining numerous properties in our portfolio. We are committed to providing a healthy and safe working environment for all our employees and others involved in our works. The Group is aware of that without a robust, healthy, and safe culture in place across all areas, there is expansion of risk, be it from physical forms of hazards or chain reactions creating potential risk to others. These areas include asset construction, maintenance, security, customers, employees, and members of the public.

Our risk management plan identifies potential risks in our business, with measures to minimise the likelihood of an incident by including 'controls' - to either prevent or manage hazards. The plan entails developing and maintaining a positive culture for health, safety, environmental, and service excellence issues throughout the organisation. It also includes systematic identification and management of risks to health, safety, the environment and quality issues, by providing information, instruction, training, supervision, and consultation with employees and other stakeholders as necessary. This is to implement, maintain, and exceed industry standards to ensure that all our workplaces are smoke free, which in turn acknowledges that all our employees have a right to work in a smoke free environment. Smoking is prohibited throughout the entire workplace, all properties, and company vehicles.

3rdNvenue

BUSINESS REVIEW BY PROJECTS

For the year under review, we have 5 ongoing projects, which include Mutiara Residences, Taman Seri Residensi, Park Residency, Emery, and H2O Residences. Meanwhile, the 2 upcoming launches are 3rdNvenue and Riveria City.

3rdNvenue

Sprawling across 6.06 acres, 3rdNvenue is the first mixed property development with a GDV of RM1.8 billion, jointly developed by the Group and CREC Development (M) Sdn. Bhd.. The project comprises 4 blocks with a total of 2,535 units of lifestyle office suites, serviced apartments, and retail lots, with modern industrial designs and vibrant colour schemes.

3rdNvenue is located at Jalan Ampang, KL, which is served by good accessibility, such as 4-minutes walk from Great Eastern Mall, 10-minutes walk from LRT Jelatek and 8-minutes drive from KLCC with the existence of AKLEH Highway.

During the year under review, the Group has identified the need to address the demand of Gen Y and affordable housing. Targeting young professionals, entrepreneurs, and the social high-flyers, 3rdNvenue fits the needs of the new generation, with its modern lifestyle units at affordable pricing. With a project in downtown KL priced from RM300,000 for a 430 sq ft unit, especially only 3km to KLCC, 3rdNvenue representing a definite benchmark of affordability.

3rdNvenue shall launch its first phase of 1,110 units across 42 storeys of lifestyle office suites in next financial year.

H2O Residences & Mizu

Spanning across 6.04 acres of prime freehold land in the heart of affluent residential township, Ara Damansara, H2O Residences is a signature residence in the Klang Valley, with a GDV of RM915 million, offering 1,370 units across 4 blocks. Inspired by the beauty of water, the development combines the design features of water, heavily landscaped with a waterscape environment that bodes well with modern living.

To elevate the residential lifestyle of this fast-growing township, H2O Residences, as a modern flexible lifestyle homes aims to create a new style of living, promoting aquatic element designs to fulfill the demands of higher standard accommodation. Coupled with its strategic location – it neighbours many prominent and established townships such as Tropicana, Bandar Utama, Subang and Kota Damansara, among others.

Undoubtedly, H2O Residences offers price per square foot ranging from RM950 to RM1,100, a price that fits well to the mid to high-end range, given that the surrounding area is relatively matured with housing and commercial areas. Situated amongst many leasehold properties in this premium locality and high-end neighbourhood, a freehold project like H2O Residences is desirable and valuable. This comes as part of the Group's commitment in offering greater value proposition.

The Group's value creation efforts stepped up another notch with the official topping-up of H2O Residences Block A - comprising 240 units, which is estimated to complete by next financial year. A total of 337 units in Block C and 480 units in Block D are targeted for completion in next financial year.

H2O Residences

Embun

Emery

Embun @ Kemensah

Distinguished for its prime and pristine location, Embun @ Kemensah is simply a heaven for those who are eager to escape the madness of the city centre. This project's total gross development value is estimated at RM267.1 million.

Luxurious and massive in size, this property sits on 14.72 acres of land that consist of 103 Double or Triple-Storey Semi D Villa units, ranging from 4,345 to 4,800 square feet in size. High-end club house facilities are provided, such as swimming pool, wading pool, playground, gymnasium, herbs garden, club lounge, and sunbathing deck, among others. This property has a selling price starting from RM2.4 million.

Embun @ Kemensah is located 30 minutes from the city centre. Astonishingly, it has become home to several townships and is even the hotspot for new and rapid developments. It is named after Sungai Kemensah that penetrates right through Hulu Kelang and Gombak.

Embun @ Kemensah represents prestige and elite living in a well-guarded area of Kemensah. The view is spectacular and one's senses are exposed to fresh air from the nearby forest. Located on a freehold land with massive land to spare, buyers who are without a budget cap would be tempted to buy a unit as superior as this. For those who love the idea of having their own private pool, they would definitely give this property a consideration, given the fact that such facilities are available, as it includes a wading pool.

Embun @ Kemensah comprises of 2 phases which are Embun and Emery.

Phase 1 of this project, which is also known as Embun, has been completed and handed over in December 2016. It has been awarded with the Qlassic Achievement Awards in 2017. QLASSIC (Quality Assessment System in Construction) is a system and method to assess and evaluate the workmanship quality of building projects, based on the Construction Industry Standard (CIS 7). The CIS 7 was established as a mean to objectively compare the quality of workmanship among construction projects through a standardised scoring system.

Mutiara Residences

Taman Seri Residensi

As quality in property construction is defined as meeting or exceeding the requirement of buyers, it is vital to set out clear levels of quality to be adhered to by property developers building high quality properties for buyers. Winning this award is a further validation of that ideology.

To date, phase 2 of this project, which is also known as Emery, separating into 2 phases, is an ongoing project that consists a total of 52 units. Emery will soon be completing the first phase, which consists a total of 16 units. The second phase of Emery, which comprises the remaining 36 units, will soon be launched in near term.

Mutiara Residences

Mutiara Residences is an ongoing luxury development located in the vicinity of Klang, Selangor. This development comes with a freehold tenure and sprawls across 3.11 acres of land with a gross development value of RM30.3 million.

This low-density development consists of 39 units of 2½-storey terrace houses. Moreover, Mutiara Residences is surrounded by several facilities, some of which include restaurants, convenience stores, children's playground, and jogging track.

Mutiara Residences also comes with several layouts which has built-up spaces varying between 2,430 to 2,833 square feet, at prices beginning from RM686,000 onwards. It is also located a short distance away from the Klang Sentral Bus Terminal, providing good connectivity for the tenants.

This would be a good location to invest in, as this area is rapidly developing. Additionally, the property value is expected to increase once the project is completed.

Mutiara Residences will be completed and officially handed over during the next financial quarter of 2018 in September 2017.

Taman Seri Residensi

Taman Seri Residensi homes are all distinctively designed with practical layouts. It offers flexible and comfortable living spaces to suit individual needs. This development sits on 15.06 acres of land and its gross development value is estimated at RM155.3 million.

Every Taman Seri Residensi home is prominently designed with a contemporary façade for a more authentically exclusive look. These light-filled homes offer comfort and ample space. This development comprises of 6 phases, where the first 3 phases are Fennel, Primrose and Roseville. The remaining 3 phases will be launched in the near future.

Taman Seri Residensi gives homeowners a choice of 2-storey cluster villas in a gated and guarded compound, a 2-storey link semi-D or a single-storey link semi-D. The landscaped streets line the development, allowing residents to come home to a sanctuary each time they drive in through the guarded entrance.

Luxuriously built, Taman Seri Residensi's architecture is minimalist at its best, achievable after precise planning. This property is primed for families who need the space to grow and play.

To date, Fennel is an ongoing project that has been fully sold and will be completed in early 2018. Meanwhile, Primrose has been launched and Roseville is expected to be launched soon.

Riveria City @ KL Sentral

Strategically located at KL Sentral in Kuala Lumpur and easily accessible via roads and public transportation, Riveria City sits on 11.2 acres of land situated in the heart of Kuala Lumpur city, with a gross development value of RM1.45 billion.

This upcoming mixed development comprises 3 towers with 54 – 63 storeys each, ranging from 255 to 825 square feet. Located within Kuala Lumpur's central business district, Riveria City is a transit oriented development, being well connected to Nu Sentral, Mid Vallley and KLCC.

Riveria City will be starting construction for its first phase, which consists of a 54-storey lifestyle office suite development in 2018.

Park Residency

Located in a mature locality yet offers affordable pricing, Park Residency sits on a 5.25acres of land in Cheras, with a gross development value of RM75 million.

Riveria City

With a well thought out and luxurious layout, this development is just a short drive away from the various commercial, recreational, and educational amenities located in the southern fringe of Cheras.

This low-density, gated and guarded residential development consists of 62 units of 3-storey link residence with 2,859 - 2,946 square feet, boasting of column-free interiors with three designs to choose from. The interior of the residence have been designed to promote cross-ventilation and natural lighting.

This is in line with Titijaya's philosophy in preserving the natural environment, where a large park is situated just next to this project for recreational purposes.

Park Residency is an ongoing project that has been launched and is expected to be completed on 2020.

PROSPECTS AND OUTLOOK

Despite a challenging year for the overall property market in FYE2017, underpinned by cautious consumer sentiment linked to pricing affordability, rising living costs and stringent loan conditions, it is encouraging to observe that economic activities have picked up, with a higher than expected first half 2017 Gross Development Product ("GDP") growth of 5.7% that was driven by stronger private sector spending and higher growth in the manufacturing and services sectors. We are optimistic that the sustained economic growth into the new year could lift overall confidence and provide a catalyst for a more gradual recovery in the property sector. Additionally, the proposal to boost public servants' housing

Park Residency

loan eligibility proposed by the government, may stimulate some residential sales, apart from other plans to increase the number of units of low and medium cost, affordable housing. No doubt residential development will continue to be active beyond the KL fringe, especially supported by the rapid infrastructure development.

Titijaya's target market has always been first-time home buyers or up-graders who are young professionals aged late 20s to 40s. With more than 25% of the country's population demographics belonging to this age group, we believe demand for such offerings is robust. 2016 statistics from Bank Negara Malaysia place approximately 82% of new housing loans approved to houses priced below RM500,000, of which 72% are loans approved for first-time home buyers.

(Source:http://www.thestar.com.my/business/business-news/2017/07/15/bank-negara-housing-loan-approval-rates-remain-high/)

In the pipeline, we have upcoming projects worth more than RM1.8 billion, and RM410 million of unbilled sales that is expected to be largely recognised in next financial year. Amongst the new products slated to be launched in next financial year are the 3rdNvenue and Riveria City @ KL Sentral.

With a view to meeting its future development needs, the Group continued to adopt its strategic land replenishment plan to optimise its landbank. We have achieved past success in identifying good land parcels, primarily within matured or established areas that come with ready amenities that are well suited for affordable homes. We are confident that we can continue to expand our landbank and sustain our development strategy in the affordable market segment.

In the review period, we have proposed the acquisition of 100% stake in NPO Builders Sdn. Bhd. & Sri Komakmur Sdn. Bhd. and 70% stake in Ampang Avenue Sdn. Bhd., which shall replenished our landbank in strategic areas of the Greater Klang Valley region, as well as the East Malaysia region. This will sustain the Group's earnings and profitability through future developments.

We will continue to look at other opportunities to grow our landbank and diversify our product portfolio. With the current ongoing projects and acquisitions coming in, moving forward Titijaya will be looking at a total GDV of approximately RM14 billion, that will keep the Group busy until 2027.

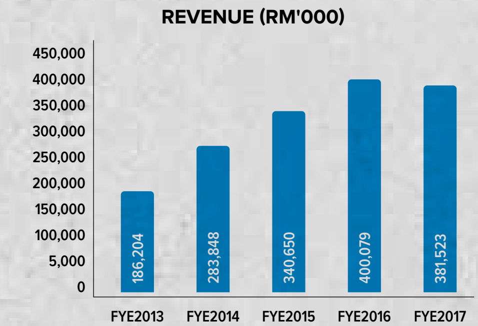
Titijaya is well-positioned to ride the market recovery given our strong branding, established business platform, and strategic location of our undeveloped landbank. We have a good mix of products across the entire real estate spectrum and can mobilise launches in tandem with any upturn in the property market.

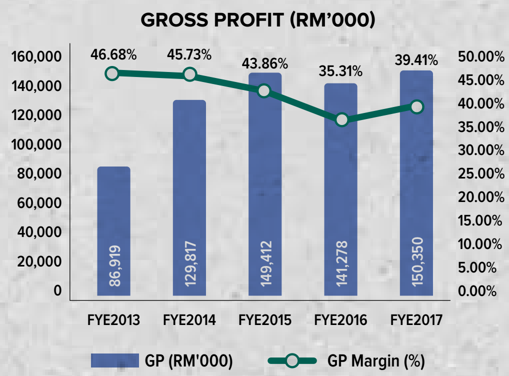
FINANCIAL HIGHLIGHTS

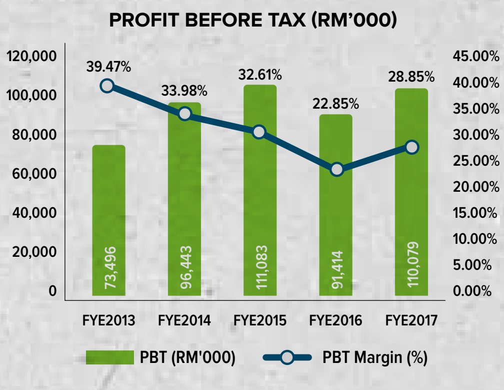
OUR FINANCIAL PERFORMANCE

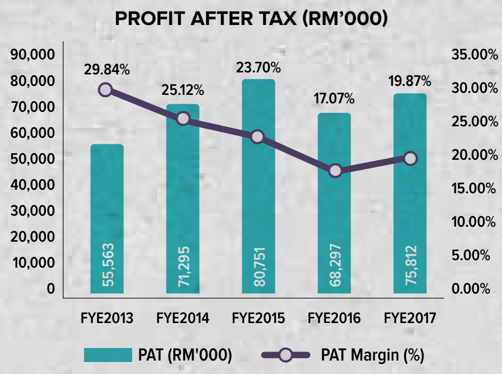
ANNUAL FINANCIAL RESULTS

	FYE2013	FYE2014	FYE2015	FYE2016	FYE2017
Revenue (RM'000)	186,204	283,848	340,650	400,079	381,523
GP (RM'000)	86,919	129,817	149,412	141,278	150,350
PBT (RM'000)	73,496	96,443	111,083	91,414	110,079
PAT (RM'000)	55,563	71,295	80,751	68,297	75,812
GP Margin	46.68%	45.73%	43.86%	35.31%	39.41%
PBT Margin	39.47%	33.98%	32.61%	22.85%	28.85%
PAT Margin	29.84%	25.12%	23.70%	17.07%	19.87%
Net EPS (RM)	0.20	0.23	0.23	0.19	0.20









Note:-
Financial results for FYE2013 is based on the pro-forma results as per the company's IPO prospectus dated 11 November 2013.

BOARD OF **DIRECTORS**

Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*
Independent Non-Executive Chairman

Y. Bhg. Dato' Ch'ng Toh Eng
Independent Non-Executive Director

Y. Bhg. Tan Sri Dato' Lim Soon Peng
Group Managing Director

Mr. Adrian Cheok Eu Gene
Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
Non-Independent Non-Executive Director

Ms. Lim Puay Fung
Executive Director

Y. Bhg. Datuk Nozirah Binti Bahari
Independent Non-Executive Director

Mr. Chin Kim Chung
Non-Independent Non-Executive Director

Mr. Lim Poh Yit
Deputy Group Managing Director

DIRECTORS' **PROFILES**

Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*

Independent Non-Executive Chairman
Malaysian, Male, 67 years old

Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor ("Tan Sri Dato' Setia Mohd Anwar") aged 67, was appointed as the Independent Non-Executive Chairman of the Company on 31 July 2014. He is also the Chairman of the Nomination Committee and a member of the Audit Committee of the Company.

Tan Sri Dato' Setia Mohd Anwar received his education at the Naval Base Secondary School, Singapore and the Officer Cadet School at the Britannia Royal Naval College Dartmouth, United Kingdom. He graduated from the Naval Staff College Rhode Island, USA Class 18 in 1981 and Joint Services Staff College in Canberra, Australia in 1988. He holds a master's degree in Engineering Business Management from University of Warwick, United Kingdom and was conferred an Honorary Doctorate of Doctor of Management by the University Terengganu Malaysia.

He served the Royal Malaysian Navy for thirty-eight and a half (38.5) years, commanded six (6) ships and also several Shores Bases. He rose to the rank of Admiral and took office as Chief of Navy in August 2003 and later became the first Naval Officer to assume the post of the Chief of Defence Force in April 2005 until 2007.

He was the President of the Malaysian Hockey Federation and is currently the President of the Malaysian Golf Association (MGA).

Tan Sri Dato' Setia Mohd Anwar was elected as the President of the Ex-Serviceman Association Malaysia (NGO) and continues to be President of the Retired Malaysian Navy Officers' Association (RMNOA).

Currently, he holds the position of Non-Executive Chairman in Lembaga Tabung Angkatan Tentera (Armed Forces Fund Board), a position he has held since his retirement from the Armed Forces in 2007. He is currently serving as a Senator in the Malaysian Senate since April 2015.

Tan Sri Dato' Setia Mohd Anwar attended three (3) out of five (5) Board Meetings of the Company held during the financial year ended 30 June 2017.

Y. Bhg. Tan Sri Dato' Lim Soon Peng

Group Managing Director
Malaysian, Male, 62 years old

Y. Bhg. Tan Sri Dato' Lim Soon Peng ("Tan Sri Dato' Lim") aged 62, is the Group Managing Director and a member of the Remuneration Committee of the Company.

Tan Sri Dato' Lim's humble and yet enriching early years of his life have been the foundation of his subsequent involvement in the business world which begun from his family's trading business. The inception of Titijaya by Tan Sri Dato' Lim marked the commencement of the Group's property development business, growing from strength to strength to what it is today.

It had been the aspiration of Tan Sri Dato' Lim to transform Titijaya to become a major player in this industry which required the company to enlarge its capital base necessary to meet the financial requirements consequent to the expansion. On 27 November 2013, Titijaya Land Berhad was listed on the Main Market of Bursa Malaysia Securities Berhad.

Over the years, a number of accolades have been awarded to Titijaya in recognition of the high standards accorded to the properties developed by the Company. Tan Sri Dato' Lim was himself accorded the BrandLaureate Icon Leadership Award in 2014 and the Outstanding Fujian Entrepreneur Award in September 2017.

Although he works long hours in the business, Tan Sri Dato' Lim manages to allocate time from his busy schedules to contribute effort, time and finance to society. The following are the various areas of his contributions:

Foundations for the underprivileged, single mothers and those in need
- Titijaya Foundation (Founder & Trustee)
- Malaysian Chinese Women Entrepreneurs Foundation (Founder, Executive Advisor & Trustee)
- Yayasan Penjaja Dan Peniaga Kecil 1Malaysia (YPPKM) (Trustee)
- Love & Care Charitable Association (Founder & President)

Business & Commerce
- Malaysia – China Chamber of Commerce (Honorary President)
- World Lin Chamber of Commerce (President)
- Malaysia Lin Chamber of Commerce (Executive Advisor)

Associations & Community
- The Federation of Chinese Associations Malaysia (Permanent Honorary Advisor)
- The Federation of Malaysia Lim Association (Executive Advisor)
- The Federation of Malaysian Surname Association (Honorary Advisor)
- The Malaysia Tong Ann, Kinmen & Xiamen Association (Executive Advisor)

Chinese Schools
- Persatuan Murid-Murid Tua SRJK(C) Pandamaran B (2016 – present) as Senior Executive Advisor
- SJK(C) Lick Hung Subang Jaya (2017 – present) as Advisor to the Board of Governors

Tan Sri Dato' Lim is the father to Mr. Lim Poh Yit, the Deputy Group Managing Director and substantial shareholder of the Company and Ms. Lim Puay Fung, the Executive Director and substantial shareholder of the Company.

Currently, he holds directorships in the Malaysian Chinese Woman Entrepreneurs Foundation, Titijaya Foundation, Yayasan Penjaja Dan Peniaga Kecil 1 Malaysia and several other private limited companies.

Tan Sri Dato' Lim has attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2017.

Mr. Lim Poh Yit

Deputy Group Managing Director
Malaysian, Male, 34 years old

Mr. Lim Poh Yit ("Mr. Lim") aged 34, is the Deputy Group Managing Director and was appointed to the Board on 28 August 2012. Mr. Lim was promoted to Deputy Group Managing Director on 31 July 2014.

Mr. Lim graduated with a Bachelor of Computing Degree from Monash University, Australia in 2003.

He started his career when he joined the Group in 2004 as Business Development Executive. His role in this position included undertaking project development feasibility studies, identifying suitable land banks and was also the personal assistant to Tan Sri Dato' Lim in the day-to-day management of the Group. During his tenure as the Group's Business Development Executive, he has supervised various development projects of the Group. He was subsequently promoted to the position of Chief Operating Officer in 2005.

Throughout Mr. Lim's career in the property development industry, he has been responsible for the Group's day-to-day management, strategic planning, property development projects, human resources, accounts and finance as well as overseeing the implementation of the Group's internal policies.

Mr. Lim is the son of Tan Sri Dato' Lim, the Group Managing Director and substantial shareholder of the Company and the brother to Ms. Lim Puay Fung, an Executive Director and substantial shareholder of the Company.

Currently, he holds directorship in Titijaya Foundation and several directorships in a number of private limited companies.

Mr. Lim attended four (4) out of five (5) Board Meetings of the Company held during the financial year ended 30 June 2017.

Ms. Lim Puay Fung

Executive Director
Malaysian, Female, 37 years old

Ms. Lim Puay Fung ("Charmaine") aged 37, is an Executive Director of the Company and was appointed to the Board on 24 September 2012. Charmaine graduated with a Bachelor of Commerce (Corporate Finance) from the University of Adelaide, Australia in 2002.

She started her career when she joined the property development industry in 2003 as a Marketing Executive in Titijaya Group. In 2007, she was promoted as the Group's Sales and Marketing Director. During her thirteen (13) years tenure in the property development industry, she has successfully managed the marketing, advertising and promotional activities for the various development projects of the Group.

As the Group's Sales and Marketing Director she is responsible for leading the sales and marketing division and the marketing and promotional activities for ongoing and new development projects of the Group.

Charmaine is the daughter of Tan Sri Dato' Lim, the Group Managing Director and sister of Mr. Lim, the Deputy Group Managing Director. All of them are substantial shareholders of the Company.

Currently, she holds directorship in Titijaya Foundation and several directorships in a number of private limited companies.

Charmaine attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2017.

Y. Bhg. Dato' Ch'ng Toh Eng

Independent Non-Executive Director
Malaysian, Male, 60 years old

Y. Bhg. Dato' Ch'ng Toh Eng ("Dato' Ch'ng") aged 60, is an Independent Non-Executive Director of the Company and was appointed to the Board on 24 September 2012. Dato' Ch'ng is the Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees of the Company.

He obtained his Diploma in Education in 1979 from the Language Institute, Kuala Lumpur.

Dato' Ch'ng started his career in 1980 as a secondary school teacher in Sri Tanjung, Kuala Selangor. In 1990, he was appointed as the Press Secretary to the Minister of Housing and Local Government. Subsequently, in 1993, he was promoted as the Political Secretary to the Minister of Housing and Local Government, a post that he held until 1995. In the same year, he was elected as a Selangor State Assemblyman and was subsequently appointed as a member of the Selangor State Executive Council which he served until 2008.

During his nineteen (19) years in both federal and state government administrations, he had accumulated various experiences in the areas of administration of environment, information communication technology and state planning.

He is a Director of Port Klang Free Zone Sdn. Bhd. and Time Galaxy (M) Sdn. Bhd. He does not hold any directorship in other public companies and listed issuers.

Dato' Ch'ng attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2017.

Y. Bhg. Datuk Nozirah Binti Bahari

Independent Non-Executive Director
Malaysian, Female, 61 years old

Y. Bhg. Datuk Nozirah Binti Bahari ("Datuk Nozirah") aged 61, , is an Independent Non-Executive Director of the Company and was appointed to the Board on 25 September 2017. She is also the Chairman of the Audit Committee of the Company.

Datuk Nozirah graduated with a Bachelor of Social Science (Hons) in Urban Studies from University of Science Malaysia and a Diploma in Public Administration from the National Institute of Public Administration, Malaysia. She has also attended several management programmes such as the Advanced Management Programme in Harvard Business School, United States of America and the Global Leadership Development Programme organised by the International Centre for Leadership in Finance.

Datuk Nozirah has vast experience of over thirty (30) years of service in the Malaysian Civil Service where she started her career as an Assistant Secretary of the Finance Division in the Ministry of Finance Malaysia **("MOF")** in December 1981. Over the years, she has served in several other Ministries including the Ministry of Health Malaysia, Ministry of Agriculture Malaysia as well as Director of Modernization and Management Planning Unit (MAMPU) Sabah. Datuk Nozirah was the Deputy Secretary General of Treasury (Management) of the MOF before she was appointed as the Chairman of Cradle Fund Sdn. Bhd., an agency of the MOF that manages the Cradle Investment Programme which offers funding for development and commercialisation of technology ideas.

Currently, Datuk Nozirah holds directorship in RHB Investment Bank Berhad, RHB Islamic International Asset Management Berhad, Bintulu Port Holdings Berhad and MyWin Academy Berhad. She is also a director of Biport Bulkers Sdn. Bhd., a subsidiary of Bintulu Port Holdings Berhad.

She also sits on the Board of Private Pension Administrator Malaysia, the central administrator for the Private Retirement Schemes **("PRS"),** a body approved by the Securities Commission Malaysia to protect PRS members' interests and educate the public on PRS.

Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir

Non-Independent Non-Executive Director
Malaysian, Male, 69 years old

Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir ("Tan Sri Syed") aged 69, is a Non-Independent Non-Executive Director of the Company and was appointed to the Board on 3 October 2014. Tan Sri Syed is a member of the Nomination Committee of the Company.

Tan Sri Syed graduated with a Bachelor of Economics Degree majoring in Accountancy from the University of Tasmania, Australia in 1975.

He is an entrepreneur who has more than forty (40) years of experience in diverse areas such as property development, construction, media, entertainment, hotel management and hospitality, food and beverage, banking and information technology.

Currently, Tan Sri Syed is also the Chairman of YLI Holdings Berhad, a company listed on Bursa Malaysia Securities Berhad.

He is also on the Board of various private companies and a trustee of Yayasan Raja Muda Selangor, Yayasan Sultan Kelantan Darul Naim and Yayasan Toh Puan Zurina (Melaka).

Tan Sri Syed attended three (3) out of five (5) Board Meetings of the Company held during the financial year ended 30 June 2017.

Mr. Adrian Cheok Eu Gene

Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
Malaysian, Male, 59 years old

Mr. Adrian Cheok Eu Gene ("Mr. Cheok") aged 59, is the Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir, and was appointed to the Board on 3 October 2014.

Mr. Cheok graduated from Monash University in Melbourne, Australia, with a Bachelor of Economics Degree. He has also obtained a postgraduate qualification in Company Law from RMIT, Melbourne, Australia.

Mr. Cheok's career began in 1982 as Head of General and Marine Insurance Claims in QBE Supreme Insurance. Subsequently, he left to join Malayan United Bank as a Foreign Exchange and Money Market Dealer before joining Bumiputera Merchant Bankers as a Fund Manager. He was later appointed Head of Investment at Prudential Assurance Berhad before joining Vickers Ballas Research (M) Sdn. Bhd. as Managing Director. Over the years, he has accumulated vast experience in investment banking and capital markets. He has served on the Board of various public listed companies in Malaysia and Hong Kong.

Currently, he is on the Board of Rockwills Trustee Berhad and various private limited companies.

Mr. Chin Kim Chung

Non-Independent Non-Executive Director
Malaysian, Male, 53 years old

Mr. Chin Kim Chung ("Mr. Chin") aged 53, is a Non-Independent Non-Executive Director of the Company. Mr. Chin was appointed to the Board on 24 September 2012. Mr. Chin is a member of the Audit Committee and Remuneration Committee of the Company. Mr. Chin was re-designated to Non-Independent Non-Executive Director on 25 September 2017.

Currently, he is a Chartered Accountant with the Malaysian Institute of Accountants, an Associate of the Malaysian Institute of Taxation, a Fellow of the Association of Chartered Certified Accountants and a Member of the Malaysian Institute of Certified Public Accountants.

Mr. Chin started his career in the audit profession in 1992 with Deloitte Malaysia. In 2003, he co-founded a professional partnership firm which provides professional services in external and internal audit, liquidation and corporate finance related services. Since 2006, his firm practiced under the name of Russell Bedford LC & Company, a member of Russell Bedford International, a global network of independent professional services firms.

At Russell Bedford Malaysia, he is responsible for the firm's professional service lines in the areas of external audit, liquidation and corporate secretarial related services.

With more than two (2) decades in the audit profession, he has accumulated vast invaluable experience in the areas of auditing, advisory work involving corporate exercises, liquidation, recovery and turnaround management and corporate advisory related services.

Currently, Mr. Chin holds the position as a board member in several private limited company. He also holds directorship in the Malaysian Chinese Women Entrepreneurs Foundation.

Mr. Chin attended all five (5) Board Meetings of the Company held during the financial year ended 30 June 2017.

Notes:-
Save as disclosed, none of the Directors has:-
- *any family relationship with any directors and/or major shareholders of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past 5 years other than possible traffic offences, if any ; and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

SENIOR MANAGEMENT TEAM PROFILES

1. **Mr. Tan Kian Whoo ("Edmund")**
   Group Chief Financial Officer

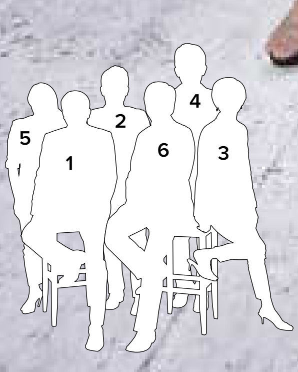
2. **Mr. Chong Swee Hoe ("Shawn")**
   General Manager of Property Development and Project Department

3. **Ms. Ng Che Chin ("Ms. Ng")**
   Assistant General Manager of Contracts and Administration Department

4. **Mr. Teh Kian Joo ("Mr. Teh")**
   General Manager of Property Development and Project Department

5. **Ms. Regine Yap Lay Ching ("Ms. Regine")**
   Assistant General Manager of Marketing and Sales Department

6. **Mr. Harry Lim Hee Guan ("Mr. Harry")**
   General Manager of Property Development and Project Department



Mr. Tan Kian Whoo ("Edmund") aged 41, is the Group Chief Financial Officer and was appointed by the Company on 1 September 2014. Edmund is responsible for the financial and risk management operations of the Company. He is responsible for developing the Company's financial strategy, treasury planning and ensuring prudent financial reporting for the Company. He is also involved in the Company business strategy and structural planning.

Edmund graduated from University of Technology Sydney, Australia with a Bachelor of Business Degree in Accounting and Finance. He holds a professional qualification as Certified Practising Accountant, Australia (CPA) and is also a member of the Malaysian Institute of Accountants (MIA).

He started his career in 2000 as an Auditor in Ernst & Young and subsequently ventured into the property development industry in 2006. He has been previously employed by a number of public listed companies in Malaysia including MK Land Berhad, Nam Fatt Corporation Berhad and Glomac Berhad.

He does not hold any directorship in public listed companies and listed issuers.

Edmund has over seventeen (17) years of accounting and finance experience in the property development industry.

Mr. Chong Swee Hoe ("Shawn") aged 42, is the General Manager for Property Development and Project Department. He began his tenure with the Group on 1 November 2016. He holds a Bachelor of Planning and Design in the University of Melbourne and a Bachelor of Architecture from University of Melbourne. He is a corporate member of the Pertubuhan Akitek Malaysia and a registered Architect of the Board of Architects Malaysia.

Shawn has more than seventeen (17) years of working experience in several industries namely, designing, property development and construction. Before joining the Group, he served in various job segments such as architectural design and consultancy and project management in ArchiCentre Sdn. Bhd. from 2001 to 2003 and in Garis Architects Sdn. Bhd. from 2003 to 2007. Later, from 2007 to 2016, he worked with Modular Construction Technology Sdn. Bhd. (now known as MCT Bhd), a property development company, where he has overseen various projects for planning and managing the development.

He does not hold any directorship in public listed companies and listed issuers.

With his vast industry experience, Shawn's current role in the Group consists of managing current developments in product development and planning for upcoming projects.

Ms. Ng Che Chin ("Ms. Ng") aged 41, is the Assistant General Manager for Contracts and Administration Department. She has been with the Group since 2 August 2004. She holds a Bachelor of Science in Construction Management from Heriot-Watt University, United Kingdom.

Ms. Ng has more than twenty (20) years of working experience in the construction industry. Before joining the Company, she served as an Assistant Quantity Surveyor in Pembinaan Mitrajaya Sdn. Bhd., a wholly owned subsidiary of Mitrajaya Holdings Berhad and as a Quantity Surveyor in Titijaya Construction Sdn Bhd.

Ms. Ng has vast experience in overseeing various types of contracts in connection with the construction industry, which include to negotiate, evaluate and to finalise the terms of the tender documents, the main contracts and sub-contracts with the contractors and sub-contractors. She also provides guidance and/or advice to the project managers or other operational staff to ensure that the project administration are in accordance with the terms of the contracts. She is also responsible in handling the dispute resolution process and assisting management in connection with the claims payment.

She does not hold any directorship in public listed companies and listed issuers.

Mr. Teh Kian Joo ("Mr. Teh") aged 52, was appointed as the General Manager of the Property Development and Project Department on 1 June 2015. After graduating with a Bachelor of Science (Building) from the University of Newcastle, Australia, he then obtained Master of Business Administration in Construction Management from Warnborough University, United Kingdom.

Mr. Teh has more than thirty (30) years of working experience in Low-rise to High-rise residential and commercial building in the property development industry. He has served at various senior management positions, with Masalam Sdn. Bhd., MBF Property Services Sdn. Bhd., SunwayMas Sdn. Bhd., Nam Fatt Corporation Berhad and Glomac Berhad.

He does not hold any directorship in public listed companies and listed issuers.

Mr. Teh is duly responsible for project implementation, ensuring and monitoring smooth execution of property construction, to complete project within time, budget and quality.

Ms. Yap Lay Ching ("Ms. Regine") aged 39, is the Assistant General Manager for Marketing and Sales Department. She has been with the Group since 24 April 2006. She holds an Advanced Diploma in Business Studies from Sepang Institute of Technology, Malaysia and a Graduate Diploma in Management Studies in Institute of Commercial Management, England.

Ms. Regine has more than seventeen (17) years of working experience in planning, organising, preparing, and arranging sales, as well as implementing marketing strategies. Prior to working with the Group, she served as a Senior Marketing Executive in both WCT Land Sdn. Bhd., a wholly owned subsidiary of WCT Holdings Berhad and Mah Sing Group Berhad. She has been involved in the planning for a few major township projects namely Bandar Bukit Tinggi 1 and 2 and Bandar Parklands by WCT Land Sdn. Bhd. and Amana Perdana Klang by Mah Sing Group Berhad.

She does not hold any directorship in public listed companies and listed issuers.

Ms. Regine is responsible for overseeing the marketing and sales in the Company.

Mr. Lim Hee Guan ("Mr. Harry") aged 58, is the General Manager for Property Development and Project Department. He joined the Company on 17 March 2014. He holds a Bachelor of Science in Civil Engineering (Hons) from Universiti Kebangsaan Malaysia and is also a member of the Institution of Engineers Australia.

Mr. Harry has more than thirty five (35) years of working experience in the property development, construction and consultant design services. Prior to joining the Group, he was holding various senior management positions in different companies such as Promet Bhd, Konsortium Malaysia, Da Chiang Enterprise Sdn. Bhd., Dijaya Corporation Berhad, A&M Construction Sdn. Bhd., Gallery Development Sdn. Bhd. and John Holland Group (Australia).

He does not hold any directorship in public listed companies and listed issuers.

Mr. Harry's main portfolio comprises planning, directing, designing, and coordinating various property development projects.

Notes:-
Save as disclosed, none of the Key Senior Management has:-
- *any family relationship with any directors and/or major shareholders of the Company;*
- *any conflict of interest with the Company;*
- *any conviction for offences within the past 5 years other than possible traffic offences, if any; and*
- *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

CORPORATE
SOCIAL RESPONSIBILITY

CONTRIBUTING TO THE COMMUNITY

One of the key agendas of Titijaya is to give back to the society. It is the company's practice and core value to lend a helping hand in building a stronger society for a better tomorrow. Hence, Titijaya focuses on improving aspects or lives across three fields, namely, the underprivileged, community, and education. The company has identified these three fields as its key focus areas, which are believed to be vital components in improving the state of the society. The company channels its efforts to assist the needy through various efforts, be it monetary, moral support, endorsements, or advocacies.

With education being an important factor in breaking the cycle of poverty, Titijaya has a fervent commitment to the development of education in Malaysia. The company believes in allocating funds to primary and secondary schools to improve facilities and equip schools with better learning resources for greater student development. In addition, Titijaya also supports the schools' sports activities and Teacher's Day celebrations. Currently, schools that have benefited from Titijaya's initiative are mainly located within the Klang Valley, though the company has aspirations to extend its initiatives to more schools, particularly schools in suburban and rural areas across the nation. Many schools are in dire need for additional funding to improve its facilities, and at times, the amount of funds raised is not sufficient. Hence, Titijaya also calls on other corporations from the private sector to channel some of their CSR efforts to include schools.

The schools that benefited from the group's initiatives are as listed below, among others.

- SJKC Pandamaran A&B
- Sekolah Menengah Chung Hua (PSDN) Klang
- SRJK Aik Hua Taiping
- SJKC Lick Hung
- Hin Hua High School

One of Titijaya's major events under its CSR initiatives during FYE2017 was through its monetary contribution to the Love and Care Charitable Association ("Love and Care" or "Association") in January. Love and Care is a charitable association that provides food for the underprivileged who live in or around Klang. Following Titijaya's contribution, a

SJK (C) Pandamaran B New Building Opening Ceremony

Chinese New Year celebration for 170 elderly, organized by the Love And Care Charitable Association Selangor with Guests of Honor; the Duli Yang Maha Mulia Tengku Permaisuri Selangor, Tengku Permaisuri Norashikin, Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor & Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir.

reunion lunch was organised in conjunction with the 2017 Chinese New Year festival. The association invited a total of 170 senior citizens and volunteers to the event to celebrate the festivities together. The event also encouraged the Chinese New Year tradition of giving 'Ang Pao' to the invitees and spending some quality time with the elders from the Association.

The Chinese New Year event was graced by DYMM Tengku Permaisuri Selangor, Datin Paduka Seri Norashikin Abd Rahman, who is actively involved in charitable activities and compassionate deeds for the underprivileged. The Tengku Permaisuri also donated a total of RM50,000 to the Association to help the needy. Other attendees during the event were Love and Care Founder and Main Sponsor Tan Sri Dato Lim Soon Peng, Advisor Y.A.B. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir, Main Sponsor Dato KS Lim, Mr Lim Chai Beng, Secretary Datuk Lim Mooi Choo as well as other reputable corporate leaders.

Besides, Titijaya, via Titijaya Foundation, provides food to the needy on a weekly basis through a soup kitchen in Klang. It provides a complete lunch meal once a week to a group of families. The families will also be given local treats like cakes, during the weekends. The programme is aimed towards helping the poor, who are struggling with the rising cost of living. Many members of the underprivileged society have turned to soup kitchens for food and other basic necessities.

Apart from that, Titijaya contributed meals during an event to help the poor, held in August this year at Kampong Raja Uda Mosque. An estimated 50 households benefited from this initiative, with Titijaya distributing lunch packed in tiffin carriers and plastic containers. The total recipients of this initiative stands at 205.

Another major CSR activity to note in FYE2017 would be Titijaya's sponsorship for the third 10,000 Smiles Yoga on 10 March 2017, held in conjunction with the United Nation's International Day of Happiness on 20 March. The event, which was organised by International Association for Human Values (IAHV), was held concurrently across Penang, Ipoh, Selangor, and Malacca.

Registered in 21 countries, IAHV is a humanitarian, non-governmental organisation that is committed to the resurgence of human values in all challenging aspects of life across the globe. The association incorporates human values into all fronts of humanity, leading to the development of a more peaceful, just, sustainable, and balanced world. It also brings about world peace and development through individual commitment towards "joyful living", "selfless service", and "self awareness".

The first 10,000 Smiles Yoga was held on 28 March 2015 in Penang with 5,000 participants while the second 10,000 Smiles Yoga was held on 21 June 2015, in the four states as mentioned previously, with a total 5,000 participants. Titijaya shall continuously sponsor and advocate the 10,000 Smiles Yoga as one of its corporate social responsibility. In addition, the objective of the 10,000 Smiles Yoga resonates well with the values that Titijaya wishes to impart to the society, to increase morale.

Besides that, Titijaya also contributed to the development of several Chinese associations and temples in Malaysia over the past year. Such contributions facilitate the building of additional space required for such associations to host events or carry out their projects, especially when it comes to promoting the Chinese culture and championing racial interaction.

In FYE2017, Titijaya also contributed to the CSR Programme organised by NTV7, in regards to the fundraising activities for Pertubuhan Penyakit Lisosomal Malaysia or The Malaysia Lysosomal Diseases Association ("MLDA"). MLDA is a not-for-profit patient support organisation dedicated to improving the lives of all patients afflicted by Lysosomal Storage Diseases ("LSD") by advocating for the establishment of a sustainable healthcare system for all LSD patients and creating greater awareness of the 50 Lysosomal Storage Diseases, among others. The NGO also supports research works with the objective of developing a cure or treatments that will improve the patients' quality of life. The NGO also helps to develop and sustain an effective patient community network that provides comprehensive support for the ever increasing needs of individuals and families affected by Lysosomal Storage Diseases.

OUR WORK PLACE

We believe in empowering our staff through various bonding and self-development activities. By fostering better relationship, we aim to create a more robust team, with our people working together with utmost trust and unity, which will in turn improve work efficiency.

In FYE2017, some of the staff events we have organised include Christmas Gathering and Gift exchange, Chinese New Year Lion Dance, Titijaya Chinese New Year Dinner, Mother's Day, Father's Day, Annual Dinner, Hari Raya Buka Puasa Lunch as well as Hari Raya Gathering. Titijaya is a diverse group, made up of people with different ethnicities and various backgrounds. We promote mutual understanding and a close-knit community among our staff, in regards to the festivals and beliefs of each race. The aforementioned activities are examples that can help nurture a harmonious working society, which can be further enhanced through constant communication and teamwork.

We believe in creating bonds among our staff as it is vital for teamwork. We do not promote the culture of personal performance but instead focus on the individual performance that can lead to better achievements for the group. We value all contributions from every staff in the company, be it at the management or administrative level. Each staff carries a different weight in contributing to the success of Titijaya. We believe that only when we are able to master every small thing, we will then be able to succeed in bigger ways.

ENVIRONMENT

As a developer, one of the key focus areas when embarking on our property projects is that we preserve the environment. It is our priority that we incorporate the "environment protecting" element in our projects. One of our efforts include the adoption of green building index ("GBI"). According to GBI's website, a green building focuses on increasing the efficiency of resources used – energy, water, and materials – while reducing building impact on human health and the environment during the building's lifecycle, through better siting, design, construction, operation, maintenance, and removal.

It also stated that green buildings should be designed and operated to reduce the overall impact of the built environment on its surroundings. We concur with the GBI's idea that building green buildings send the right message about a company or organisation – that it is well run, responsible, and committed to the future.

We are pleased that one of our developments – 3elements located at Seri Kembangan, Selangor, received the GBI certification in January this year. Spanning across 6.3 acres of prime land in Puchong South, 3elements carries three key components that embody the urban live-work-play concept: Serviced Apartment, Office Suites and Retail/Shop Offices ~ all in one boutique city. It is one of the most innovative mixed developments in the Klang Valley that Titijaya has developed to date.

The GBI certification received is a testament to our efforts in preserving the environment as a responsible developer. We will continue to apply such methods into our other developments. Going green is the trend going forward and we believe that this shall add value to our developments to further strengthen our position as an innovative developer.

The CSR efforts by Titijaya will be a continuous and growing agenda for the company. In order to build a better Malaysia, we believe that this can only be achieved through collective efforts from all parties. As a private corporation with a heart for the people, Titijaya hopes to see more companies joining hands to unanimously channel greater efforts in CSRs aimed at empowering the society.

Datin Paduka Chew Mei Fun visit to Love & Care Charitable Association Selangor

CORPORATE GOVERNANCE STATEMENT

The Statement on Corporate Governance by the Board of Directors **("Board")** has been set out in accordance with the Main Market Listing Requirements **("MMLR")** of Bursa Malaysia Securities Berhad **("Bursa Securities") ("Listing Requirements of Bursa Securities")**.

The Board recognises the importance of practicing high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the financial performance of the Group.

The Board is pleased to report on the manner in which the Group has applied the Principles and Recommendations of the Malaysia Code on Corporate Governance 2012 **("MCCG 2012")** and the governance standards in accordance with the Listing Requirements of Bursa Securities during the financial year ended 30 June 2017.

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITY

1.1 CLEAR FUNCTIONS OF THE BOARD AND MANAGEMENT

The Board leads the Group and plays a strategic role in overseeing the Group's corporate objective, directions and long term goals of the business. The Board is responsible for oversight and overall management of the Company.

To ensure the effective discharge of its functions and responsibilities, the Board has delegated specific responsibilities to the Audit Committee, Nomination Committee and Remuneration Committee. Each of the Committees is entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective written Terms of Reference. The Chairmen of the respective Committees shall report the outcome of their meetings to the Board. Minutes of all Board Committee meetings are circulated to the Board members so that they are kept abreast of proceedings and matters discussed at Board Committee meetings.

Independent Non-Executive Directors provide unbiased and independent views in ensuring that the strategies proposed by the Management are fully deliberated and examined objectively, taking into perspective of the long term interest of shareholders, other stakeholders and communities at large.

The Executive Directors take on primary responsibilities for implementing the Group's business plans and managing the business activities.

1.2 CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is primarily entrusted with the responsibility of charting the direction of the Group and focuses mainly on strategies, financial performance and critical business issues, including the following areas:-

- Reviewing the Group's strategic action plans particularly promoting sustainability and policies;
- Overseeing the conduct of the Group's business to ensure that it is being properly managed;
- Identifying principal risks of the business and ensuring the implementation of appropriate systems to manage these risks;
- Appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Succession planning;
- Developing and implementing investor relations programmes and shareholder communications policy for the Company;
- Reviewing the adequacy and the integrity of the Group's system of internal control, risk management framework and management information systems, including systems for compliance with application laws, regulations, rules, directives and guidelines; and
- Responsible for the preparation of the Company's financial statements.

1.3 FORMALISED ETHICAL STANDARDS THROUGH CODE OF CONDUCT

The Directors continue to observe the code of conduct expected of Directors of Companies as set out in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, and ensure implementation of appropriate internal systems to support, promote and ensure the compliance of the Company Directors' Code of Ethics.

1.4 STRATEGIES TO PROMOTE SUSTAINABILITY

The Board is mindful of the importance of building a sustainable business and is committed to the promotion of best practice principles in this regard. The Board recognises that enhancing sustainability is a long-term commitment and therefore takes into consideration of the environmental, social and governance impact when developing the corporate strategy.

The Group is committed to provide a safe workplace for its employees with emphasis on best practice in health, safety and environment and conducting its business in a way that is environmentally sound. The Group is also committed to protect the environment through conscientious efforts to ensure pollution levels are kept to a minimum in respect of its construction works. The Group also aims to eliminate all occupational injuries, prevent pollution at its source and optimises the use of natural resources.

1.5 ACCESS TO INFORMATION AND ADVICE

To ensure effective conduct of Board meetings, a structured formal agenda and Board meeting papers relating to the agenda including progress reports on operations, quarterly results of the Group and the Company, financial and corporate proposals and minutes of the Board Committees are circulated to all Directors prior to each Board meeting. The Directors are thus given sufficient time to peruse the matters that will be tabled at the Board meetings to enable them to participate in the deliberations of the issues to be raised and to make informed decisions.

Where a potential conflict arises in the Group's investments, projects or any transactions involving Director's interest, such Director is required to declare his interest and abstain from further discussion and the decision making process.

Where necessary, members of senior management and external advisers are invited to attend Board meetings to furnish additional insights and professional views on specific items to be tabled for the Board's consideration.

Minutes of the Board and Board Committee meetings are circulated to Directors for their perusal prior to confirmation of the Minutes at the following Board and Board Committee Meetings. The Directors may request for further clarification or raise comments on the Minutes prior to confirmation of the Minutes to be tabled at the respective Board Committee meetings as the correct records of the proceedings.

In exercising Directors' duties, the Board has access to all information within the Company, the advice and services of the Company Secretary and independent professional advice where necessary, at the Company's expense.

1.6 QUALIFIED AND COMPETENT COMPANY SECRETARY

The Board is supported by a qualified and experienced Company Secretary in carrying out its roles and responsibilities. The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, Board policies and procedures and compliance with the relevant regulatory requirements, code of guidance and legislations.

The Company Secretary attends and ensures Board and Board Committee meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the registered office of the Company. Nevertheless the Board does not have any agreed procedure for Directors whether as a full Board or in their individual capacity, in furtherance of their duties to take independent professional advice at the Company's expenses, if necessary. Any need for professional advice normally comes under the purview of the Board who will deliberate on a consensual basis.

1.7 BOARD CHARTER

The Directors are expected to act in a professional manner and discharge their duties with high ethical values, honesty and accountability in their commitment to good corporate governance practices.

The Board Charter adopted by the Company clearly sets out the roles and responsibilities of the Board, the division of authority and responsibilities of the Board, Management and Committees and the composition of Board to ensure all Board members acting on behalf of the Company are aware of their duties and responsibilities. The Board Charter serves as a reference providing guidance and clarity to prospective and existing Board members and Management on the fiduciary and leadership functions of the Company's Directors.

The Board Charter is made available on the Company's website at www.titijaya.com.my and will be reviewed when necessary to ensure the Charter remains consistent with the Board's objectives, current law and practices.

PRINCIPLE 2: STRENGTHEN COMPOSITION

2.1 NOMINATION COMMITTEE

The Nomination Committee is made up of three (3) Non-Executive Directors, a majority of whom are independent whose details are as follows:-

Name	Designation	Directorship	Management Strategy
Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)	Chairman	Independent	Non-Executive Director
Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	Member	Non-Independent	Non-Executive Director
Y. Bhg. Dato' Ch'ng Toh Eng	Member	Independent	Non-Executive Director

The Board is in the opinion that Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired), an Independent Non-Executive Director, is an ideal Chairman of the Nomination Committee, given his experience and available time commitment.

The Nomination Committee is empowered by the Board to, amongst others, recommend to the Board, suitable candidates for new appointments to the Board. In making these recommendations, the NC considers the required mix of skills and experiences which the Directors would bring to the Board. Any new nomination received is recommended to the full Board for assessment and endorsement.

The Nomination Committee assesses the effectiveness of the Board and the Committees of the Board annually to ensure that the Board has an appropriate balance of skills, expertise and core competencies.

Further information on the functions of the Nomination Committee are set out in its Terms of Reference, which is available under the "Corporate" section on the Company's website at www.titijaya.com.my.

2.2 DEVELOP, MAINTAIN AND REVIEW CRITERIA FOR RECRUITMENT AND ANNUAL ASSESSMENT OF DIRECTORS

Appointments of Directors

The NC is responsible for making recommendations for any new appointments to the Board and its various Board Committees. In making these recommendations, the Nomination Committee considers the required mix of skills and experience which the Directors should bring to the Board.

The Directors also observe the recommendation of MCCG 2012 that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

All the Board members shall notify the Chairman of the Board prior to the acceptance of new Board appointment(s) in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction.

The Chairman of the Board shall notify the Board members before accepting any new directorships in public and public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The notification should include an indication of time that will be spent on the new appointment.

Re-election of Directors

In accordance with the Company's Articles of Association ("Articles"), all Directors who are appointed by the Board are subject to re-election by shareholders at the next Annual General Meeting ("AGM"). The Articles also provide that at least one third (1/3) of the Directors is subject to re-election by rotation at each AGM, provided that the Directors including the Managing Director shall retire at least once in every three (3) years but shall be eligible for re-election.

The Articles further provide that all Directors who are appointed during the financial year are subject to retirement and re-election by the shareholders at the AGM following their appointment.

Gender, Ethnicity and Age Group Diversity Policies

The Board is cognisant of the gender diversity recommendation promoted by MCCG 2012 pertaining to the need to establish a policy formalising the approach to boardroom diversity and to set targets and measures for the adoption of the said recommendation. Presently, there are two (2) existing female Directors on the Board of the Company.

The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have a specific policy on setting target for female candidates in the workforce. The Company does not practice any form of gender, ethnicity and age group biasness as all candidates shall be given fair and equal treatment.

The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board, the Nomination Committee will consider candidates based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Company and with due regard for the benefits of diversity on the Board.

Annual Assessment

The Nomination Committee has a formal assessment mechanism to assess the effectiveness of the Board as a whole and the contribution of each individual Director.

During the financial year ended 30 June 2017, the Nomination Committee held one (1) meeting with full attendance of all its members, to deliberate the following matters:-

- Reviewed the Performance Evaluation Forms for Directors and Board Committees;
- Reviewed the effectiveness of the Board as a whole and of the Board Committees; and
- Annual assessment of the Independent Directors.

Based on the results of the annual assessment, the Nomination Committee has made the following observations:-

- the current size and composition of the Board is appropriate and well-balanced with the right mix of skills with the Board composition comprising individuals of high caliber, credibility and with necessary skills and qualifications to enable the Board to discharge its responsibility effectively.
- all Board Committees members have discharged their duties with care and diligence according to the respective Terms of Reference of the Remuneration Committee and Audit Committee.

2.3 REMUNERATION POLICIES

Remuneration Committee

The Remuneration Committee comprises one (1) Independent Non-Executive Director, one (1) Non-Independent Non-Executive Director and one (1) Executive Director whose details are as follows:-

Name	Designation	Directorship	Management Strategy
Y. Bhg. Dato' Ch'ng Toh Eng	Chairman	Independent	Non-Executive Director
Mr. Chin Kim Chung	Member	Non-Independent	Non-Executive Director
Y. Bhg. Tan Sri Dato' Lim Soon Peng	Member	Non-Independent	Group Managing Director

Details on the functions of the Remuneration Committee are set out in its Terms of Reference, which is available under the "Corporate" section on the Company's website at www.titijaya.com.my.

Directors' Remuneration

The Remuneration Committee meets as and when required, has responsibility for determining all aspects of remuneration and terms and conditions of service of all the Directors, drawing from outside advice whenever necessary prior to making the relevant recommendation to the Board such that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. The individual concerned must abstain from deliberations and voting on decisions in respect of his individual remuneration.

Remuneration packages for Executive Directors are structured so as to link rewards to corporate and individual performances. The remuneration of Executive Directors includes salary, bonus, allowance and benefits-in-kind. In the case of Independent Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned and is determined by the Board and will be tabled to the Company's shareholders for approval at the Company's Annual General Meeting prior to payment to the Directors.

The policy of the Remuneration Committee is in line with the Group's overall practice on compensation and benefits. The Group operates a performance-linked bonus set against key performance indicator for all employees, including the Executive Directors. The criteria for the performance-linked bonus are dependent on the financial performance of the Group based on an established formula.

The aggregate remuneration paid to Executive Directors and Non-Executive Directors of the Company are as follows:-

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Executive Directors				
Fees	**124,200**	108,000	**124,200**	108,000
Salaries and other emoluments	**2,214,257**	2,292,378	**18,000**	19,500
	2,338,457	2,400,378	**142,200**	127,500
Non-Executive Directors				
Fees	**213,900**	186,000	**213,900**	186,000
Other emoluments	**38,000**	33,689	**38,000**	33,689
	2,590,357	2,620,067	**394,100**	347,189

The remuneration paid to Executive Directors of the Company by category and in the bands of RM50,000 is as set out below:-

Range (RM)	No. of Executive Directors	No. of Non-Executive Directors
50,000 and below	-	1
50,001 – 100,000	-	3
550,001 – 600,000	-	-
600,001 – 650,000	-	-
650,001 – 700,000	1	-
700,001 – 750,000	-	-
750,001 – 800,000	-	-
800,001 – 850,000	2	-
850,001 – 900,000	-	-
Total	**3**	**4**

During the financial year ended 30 June 2017, the Remuneration Committee met two (2) times with full attendance of all its members and via circular resolution, to deliberate the following matters prior to making recommendations to the Board for approval:-

- Reviewed the bonus payment for the Executive Directors of the Company;
- Reviewed the existing employment terms and remuneration package of the Executive Directors of the Company;
- Reviewed the benefits in-kind for the Directors of the Company;
- Reviewed the Directors' fees for the Directors of the Company; and
- Reviewed the bonus payment for employees of the Group.

PRINCIPLE 3: REINFORCE INDEPENDENCE

3.1 ANNUAL ASSESSMENT OF INDEPENDENCE

The Board recognises the importance of independence and objectivity in the decision-making process as advocated in MCCG 2012. The Board is committed to ensure that the Independent Directors are capable to exercise independent judgment and act in the best interest of the Company.

In line with Recommendation 3.1 of the MCCG 2012, the Board via the NC conducted an independent assessment of the Independent Directors. The NC is satisfied with the results whereby all the Independent Directors fulfilled the criteria of "Independence" as prescribed under the Listing Requirements of Bursa Securities.

3.2 TENURE OF INDEPENDENT DIRECTORS

The Board is aware that the tenure of an independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) years term, an Independent Director may continue to serve on the Board subject to the said Director's re-designation as a Non-Independent Director.

There is no Independent Director of the Company whose tenure has exceeded a cumulative of nine (9) years.

3.3 SEPARATION OF POSITION OF THE CHAIRMAN AND GROUP MANAGING DIRECTOR

The Board is led by Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) as the Independent Non-Executive Chairman. Y. Bhg. Tan Sri Dato' Lim Soon Peng and Mr. Lim Poh Yit are the Group Managing Director and Deputy Group Managing Director of the Company, respectively.

The roles of the Chairman and the Group Managing Director are separately held by different individuals and the division of their responsibilities is clearly established, with each having distinct and clearly defined authority and responsibilities. This is to ensure there is an appropriate balance of roles, responsibilities and accountability at the Board level.

The Board recognises the crucial role and contribution played by Independent Non-Executive Directors. They represent the element of objectivity and independent judgement of the Board. This ensures that there is sufficient check and balance so that no one or particular group dominates the Board.

3.4 COMPOSITION OF THE BOARD

The Board consists of nine (9) Directors, comprising three (3) Independent Non-Executive Directors, three (3) Executive Directors, two (2) Non-Independent Non-Executive Directors and one (1) Alternate Director. This Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent. The profile of each Director is set out in the section of Directors' Profiles of this Annual Report.

The Executive Directors and the management team are responsible for making and implementing day-to-day operational decisions of the Company. Non-Executive Directors play supporting and impartial role to the Company, providing check and balance and ensuring a high standard of corporate governance, contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate objective, policies and decisions.

The Board composition is appropriate in terms of membership and size with a good mix of skills and core competencies and is well represented by individuals with diverse range of knowledge, experiences and ability to make independent judgments.

All members of the Board comply with the limitation of directorship requirements under the MMLR of Bursa Securities.

PRINCIPLE 4: FOSTER COMMITMENT

4.1 TIME COMMITMENT

The Directors have demonstrated their commitment to the business of the Board and Board Committees and key events, towards discharging their roles and responsibilities and fiduciary duties as Directors of the Company, despite an extremely busy year both from the business and corporate perspectives. Commitment to the time necessary to carry out their duties as Directors is a term of their appointment.

Board and Board Committee meetings are scheduled at the onset of the calendar year and an annual corporate calendar with an indication of the key business items for each meeting is circulated to all Directors, to facilitate the Directors' time planning.

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be made between the scheduled meetings.

During the financial year, the Board met five (5) times, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions, the business direction of the Group, related party transaction and corporate governance matters. The Board also notes the decisions, recommendations and issues deliberated by the Board Committees through the minutes of these committees.

In the interval between Board meetings, any matter requiring urgent Board decision and/or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

The details of attendance of each Director for the financial year ended 30 June 2017 are as follows:-

Name of Directors	Number of Meetings Attended
Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	3/5
Y. Bhg. Tan Sri Dato' Lim Soon Peng	5/5
Lim Poh Yit	4/5
Lim Puay Fung	5/5
Chin Kim Chung	5/5
Y. Bhg. Dato' Ch'ng Toh Eng	5/5
Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	3/5
Y. Bhg. Datuk Nozirah Binti Bahari *(appointed with effect from 25 September 2017)*	Not Applicable

4.2 TRAINING

The Board acknowledges that continuous education is essential for the Directors to further enhance their skills and knowledge. The Board shall ensure compliance with the Mandatory Accreditation Programme as required by Bursa Securities for the newly appointed Directors.

Newly appointed Directors are invited to attend an in-house orientation programme which is usually conducted after their effective appointment date.

Training is available to all Directors on an ongoing basis and the Board of Directors will evaluate and determine the training needs of its Directors. Directors will undergo relevant training programmes to further enhance their knowledge on a continuous basis in compliance with the Listing Requirements of Bursa Securities.

During the current financial year, the Directors have attended appropriate training programmes conducted by external experts to equip themselves with the knowledge to discharge their duties more effectively and to keep abreast of developments in the marketplace. The training programmes that the Directors had attended are as follows:-

Name of Directors	Training / Courses Attended
Y. Bhg. Tan Sri Dato' Lim Soon Peng	• Belt and Road Initiative : Malaysia-China Business Dialogue
Lim Poh Yit	• Learning Bhutan's GHP Index
Lim Puay Fung	• The Global Leadership Summit
Chin Kim Chung	• National Tax Conference 2016; • GST Conference 2016; • Future of Audit; • 2017 Budget; • CSP Practical Issues under the Companies Act 2016; • Auditors, Financial Statements and Reports under the Companies Act, 2016; • MFRS/FRS Update 2016/2017 Seminar.
Y. Bhg. Dato' Ch'ng Toh Eng	• The 11th Asia Ports, Logistics & Shipping Conference; • Navigating through New Normet; • IAPH World Ports Conference; • Driving Financial Integrity and Performance
Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	• Key Amendments to Listing Requirements 2016

Although Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired) has not been able to attend a structured training programme during the financial year under review due to work commitments. He continued to gain updates through briefings by the Company Secretary, Internal and External Auditors during quarterly meetings, communications with other Directors as well as the daily work exposures.

The Directors will continue to participate in future professional development programme from time to time as necessary to enable them to carry out their roles and duties effectively.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board is committed to providing a balanced, clear and understandable assessment of the financial position, performance and prospects of Titijaya Group in the disclosures made to the shareholders and the regulatory authorities.

The Board takes responsibility to ensure that the financial statements of the Company present a balanced and meaningful assessment of the Group's position and prospects and to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable accounting standards in Malaysia.

The Board, assisted by the Audit Committee, oversees the Group's financial reporting process and the information for disclosure to ensure accuracy, adequacy and completeness.

A statement by the Directors of their responsibilities in preparing the financial statements is also set out in this Annual Report.

5.2 ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The role of the Audit Committee in relation to the External Auditors is outlined in the Audit Committee Report in this Annual Report. The Company has always maintained a formal and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

The Group's independent External Auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of these financial statements.

The External Auditors have an obligation to bring any significant defects in the Group's system of control and compliance to the attention of the Management; and if necessary, to the Audit Committee and the Board. This includes the communication of fraud.

The Audit Committee undertakes an annual assessment of the suitability and independence of the External Auditors. The External Auditors are invited to attend the Audit Committee meeting twice a year to discuss their audit plan, audit findings and the Company's financial statements. At least one of these meetings is held with the External Auditors without the presence of the management. The Audit Committee also meets with the External Auditors additionally whenever it deems necessary. In addition, the External Auditors are invited to attend the Annual General Meeting of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and content of the Annual Report.

PRINCIPLE 6: RECOGNISE AND MANAGE RISK

6.1 SOUND FRAMEWORK TO MANAGE RISK

Risk Management is regarded by the Board to be an integral part of the business operations. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards.

The Board has put in place a formal risk management framework that allows more structured and focused approach to identify, evaluate, monitor and report the principal risks that affect the achievement of the Group's business objectives and enables the adoption of a risk-based internal control system.

The Board has established a Management level Risk Management Committee **("RMC")** under the purview of the Deputy Group Managing Director, to spearhead risk management activities across the Group. The RMC undertakes various initiatives towards embedding a risk based approach to the activities of the various business and support units.

The following activities have taken place as part of establishing this formal framework:

- Risk profile has been developed for the Group.
- Risk Management Policy has been developed which incorporates amongst others a structure process for identifying, evaluating and prioritising risks as well as clearly defining the risk responsibilities and escalation process.
- Risk Management Reports are tabled to the Audit Committee summarising identified risks and controls taken to mitigate or manage the identified risks.

6.2 INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent consulting firm, to assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

The internal audit function has prepared a risk-based internal audit plan and incorporated a holistic schedule of assignments to provide independent assurance on the system of risk management and safeguarding of the Group's assets. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Audit Committee.

During the financial year ended 30 June 2017, internal audit reviews were carried out and the findings of the reviews, including the recommended management actions plans were presented directly to the Audit Committee. Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

The information on the Group's risk management and internal control is presented in the Statement of Risk Management and Internal Control in this Annual Report.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 CORPORATE DISCLOSURE POLICY

The Company recognises the value of transparent, consistent and coherent communications with the investing community consistent with commercial confidentiality and regulatory considerations.

The Company is committed to ensure that communications to the investing public regarding the business, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

The Company is guided by the Corporate Disclosure Guide issued by Bursa Securities with the consultation of the Company Secretary, advisers and/or other service providers.

The Company's website incorporates an Investor Relations section which provides all relevant information of the Company and is accessible by the public. The Investor Relations section enhances the Investor Relations function by including all announcements made by the Company.

7.2 LEVERAGE ON INFORMATION TECHNOLOGY FOR EFFECTIVE DISSEMINATION OF INFORMATION

The Board has established a dedicated section for corporate information on the Company's website where information on the Company announcements, financial information and stock information can be accessed.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 ENCOURAGE SHAREHOLDER PARTICIPATION AT GENERAL MEETING

The Board and Management convey information about the Company's performance, corporate strategy and other matters affecting shareholders and investors through timely dissemination of information which include distribution of annual reports and relevant circulars and issuance of press releases. Enquiries by shareholders are dealt with promptly as practicable as possible.

Annual General Meeting

The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders. Notice of the AGM and annual reports are sent out to shareholders at least twenty-one (21) days before the date of the meeting. At the meeting, Management makes a presentation on the year's financial results and business activities.

At each AGM, the Board encourages shareholders to participate in the question and answer session whereby the Directors are available to discuss aspects of the Group's performance and its business activities. The Chairman responds to shareholders' questions during the meeting.

An explanatory statement to facilitate full understanding and evaluation of the issues involved will accompany items of special business included in the notice of the meeting.

8.2 POLL VOTING

Pursuant to the MMLR, any resolution set out in the notice of any general meeting, or in any notice of resolution which may be properly moved and is intended to be moved at any general meeting, is voted by poll. The Company shall be conducting poll voting for all resolutions set out in the notice of general meeting.

The Company will explore providing facilities for poll voting via electronic means to expedite verification and counting of votes.

8.3 EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENT

The Board believes that a constructive and effective relationship with all investors is essential in enhancing shareholder value and recognises the importance of timely dissemination of information to the investor community and shareholders.

During the last AGM, the Group Chief Financial Officer presented an overview and explained the operational and financial performance of the Group, its corporate strategies, trends and the outlook for the future. Shareholders present at the meeting had the opportunity to enquire on the Group's performance and operations and were invited to ask questions during the question and answer session.

Further, apart from announcements and public statements required by Bursa Securities, the Company issues press releases and conducts media and analysts briefings in conjunction with the release of the Group's quarterly and annual financial results announcements as deemed fit.

STATEMENT OF COMPLIANCE

The Principles and Recommendations of the MCCG 2012 have been considered in making this Statement.

The Board has taken reasonable steps to ensure the Group has implemented as far as possible the governance standards and recommendations of MCCG 2012. The Board considers that the recommendations of MCCG 2012 have been substantially implemented. Nevertheless, there are still areas for further enhancement and efforts will continue in this regard.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

a. On 22 September 2016, the Company issued 36,666,600 new ordinary shares by way of private placement at an issue price of RM 1.35 per placement share which raised a total gross proceeds of RM49,500,000.

As at the date of this Annual Report, the details of the proceeds raised and the status of utilisation are as follows:-

Purpose	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Amount (RM'000)
Expansion of the Company and its subsidiaries' property	30,000	30,000	-
Working Capital	19,240	19,240	-
Estimated expenses in relation to the private placement	260	260	-
Total	**49,500**	**49,500**	**-**

b. On 4 October 2017, the Company completed the rights issue of 614,999,899 new irredeemable convertible preference shares ("ICPS") at an issue price of RM0.165 per ICPS which raised a total gross proceeds of RM101,474,983.

As at to date of this Annual Report, the gross proceeds raised from the rights issue of ICPS have not been utilised.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the external auditors and their affiliates by the Company and its subsidiaries for the financial year ended 30 June 2017 are as below:

	Group (RM)	Company (RM)
Audit services rendered	286,500	72,000
Non-audit services rendered		
Review of the Statement of Risk Management and Internal Control	6,000	6,000
Review of Statement of Realised and Unrealise Profits or Losses	5,000	5,000
Internal Audit Advisory	70,000	70,000
Advisory Fee on Goods and Services Tax	33,600	33,600

3. MATERIAL CONTRACTS

Save as disclosed below, the Company and its subsidiaries have not entered into any material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year, which involved the interest of the Directors and major shareholders other than contracts entered into in the ordinary course of business:-

(i) City Meridian Development Sdn. Bhd. **("CMD")**, a wholly owned subsidiary of the 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 **("Acquisition of Land")**.

On 19 January 2015, CMD had entered into the supplemental agreement with TGSB to vary, amend, modify or alter certain provisions, terms and conditions of the SPA and to extend the period for the fulfilment of the conditions precedent for 1 year from 21 September 2014 or any other period as mutually agreed between the parties.

The Company had on 27 May 2015 obtained the approval from its shareholders in relation to the Acquisition of Land.

Subsequently, pursuant to the letters between CMD and TGSB dated 21 September 2015, 10 November 2015, 15 February 2016 and 26 May 2016, the parties had mutually agreed to further extend the date for fulfilment of the conditions precedent of the SPAs to 31 December 2015, 10 February 2016, 10 May 2016 and 10 December 2016, respectively. On 22 September 2016, the conditions precedent had been fulfilled by the respective parties.

As at the date of this Annual Report, TGSB, on behalf of CMD as stipulated in the SPAs, is in the midst of preparing its submission application to the Town and Country Planning Department of Penang and State Planning Committee of Penang for approval in varying the zoning of the land use to mixed development and approval in undertaking the development ratio of the Land with plot ratio of 1:4.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Fourth Annual General Meeting of the Company held on 23 November 2016, the Company had obtained a general mandate from its shareholders **("Shareholders' Mandate")** for a recurrent related party transaction of revenue and trading nature **("RRPTs")**.

There were no RRPTs conducted pursuant to the Shareholders' Mandate during the financial year ended 30 June 2017.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control by the Board of Directors ("Board") on the Group is made pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Principles and Best Practices provisions relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance ("Code").

This Statement outlines the nature and scope of risk management and internal control of the Group during the financial year ended 30 June 2017 and covers all Group's operations except for associate companies as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

BOARD'S RESPONSIBILITIES

The Board recognises and affirms its overall responsibility for the Group's system of internal controls, which includes the establishment of an appropriate risk and control framework as well as the review of its effectiveness, adequacy and integrity. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement or loss.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The process has been in place during the year up to the date of approval of the annual report and is subject to review by the Board.

The Board is assisted by Senior Management in implementing the Board approved policies and procedures on risk and control by identifying and analysing risk information; designing, operating suitable internal controls to manage and control these risks; and monitoring effectiveness of risk management and control activities.

The key features of the risk management and internal control systems are described below.

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Group has in place a database of risks and controls information captured in the format of risk registers. Key risks of major business units are identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence. Risk profiles for the major operating business units are presented to the Audit Committee and Board for deliberation and approval for adoption. Action plans to address key risks were developed and their status of implementation was reported to the Audit Committee and Board of Directors.

The risk profile of the major operating business units of the Group are being monitored by its respective operating department. The risks identified for the Group were considered in formulating the strategies and plans that were approved and adopted by the Board.

RISK MANAGEMENT FRAMEWORK

The Board has formalised an Enterprise Risk Management ("ERM") framework for the Group, which comprises the following:

- Identification of risks or particular circumstances that could affect the achievement of organisation's objectives;
- assessment and analysis of the cause, likelihood, impact and consequence of the risks;
- evaluation of the adequacy and effectiveness of existing controls;
- determining appropriate response strategy or additional control; and
- reporting and monitoring of risks across the Group.

As part of the framework, a management-level Risk Management Committee ("RMC"), chaired by the Deputy Group Managing Director, has been established to oversee the following:

- Identifying and communicating to the Board, critical risks the Group faces, their changes and Management's action plans to manage the risks.
- Performing risk oversight activities and reviewing the risk profile of the Group as well as organisational performance.
- Aggregating the Group's risk position and half-yearly reporting to the Audit Committee and ultimately to the Board on risk situation and status.

The RMC meets periodically to assess and evaluates risks that may impede the Group from achieving its strategic and operational objectives, as well as develop action plans to mitigate such risks.

During the financial year under review, the result of the risk updates was deliberated at the RMC meetings, and the updated risk profile was used as one of the basis to develop a risk-based internal audit plan for the financial year ended 30 June 2017, which was approved by the Audit Committee.

The Audit Committee has undertaken a half-yearly review on the results of risk updates presented by the RMC, with deliberation on causes, existing controls, impact, and actions planned to address the top risks of the organisation. Result of the risk review was then reported to the Board for endorsement and approval.

Key risks of the group were assessed and recorded in the risk profile for continuous monitoring (see table below). Being in the property and project development businesses, it is inherent that the group is facing with the key risks such as project progress challenges, product quality expectation and customer relationship; and etc.

The Board and management have formulated strategy and plans to address the following key risks, among others are:

Risk	Specific Risk	Management Strategy
R1	Project Progress Challenges	Close monitoring on progress report and contractor performance
R2	Product Quality Expectation	Enhancement on checklist for quality assurance
R3	Customer Relationship	Dedicated team is assigned to manage customer expectation

INTERNAL CONTROL

The Board receives and reviews regular reports from the Management on key financial data, performance indicators and regulatory matters. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis. The Board approves appropriate responses or amendments to the Group's policy. Besides, the results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner.

There is a comprehensive budgeting system that requires preparation of the annual budget by all departments. The annual budget which contains financial, operating targets and performance indicators are reviewed and approved by the Deputy Managing Director together with the Senior Management before being presented to the Board.

Issues relating to the business operations are highlighted to the Board's attention during Board meetings. Further independent assurance is provided by the Group internal audit function and the Audit Committee. The Audit Committee reviews internal control matters and update the Board on significant control gaps for the Board's attention and action.

The other salient features of the Group's systems of internal controls are as follows:-

- Quarterly review of the financial performance of the Group by the Board and the Audit Committee;
- Defined organisation structure and delegation of responsibilities;
- Limit of Authority (LOA) matrix that clearly outlines Senior Management limits and approval authority across various key processes;
- Operations review meetings and annual budgeting processes are held by the respective departments to monitor the progress of business operations, deliberate significant issues and formulate corrective measures;
- Adoption of whistle blowing policies;
- Code of conduct was communicated to all employees of the Group; and
- Formation of management tender committee and safety committee.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to a professional service firm, as part of its efforts in ensuring that the Group systems of internal controls are adequate and effective. The internal audit activities of the Group is carried out according to an annual audit plan approved by the Audit Committee. The internal audit function adopts a risk-based approach and prepares its audit plans based on risk profile of the group and significant risks identified. The internal audit provides an assessment of the adequacy and integrity of the Group's system of internal controls, and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the internal audit assessments are reported periodically to the Audit Committee.

The internal audit reports are reviewed by the Audit Committee and forwarded to the Senior Management so that any recommended corrective actions could be implemented. The Senior Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame.

A total of RM82,902.70 inclusive Goods and Services Tax and disbursement was spent on internal audit activities for the financial year ended 30 June 2017.

INTERNAL CONTROL FRAMEWORK

The key elements of the Group's internal control framework are described below:

(a) Integrity and ethical values

The Board believes ethical corporate culture begins from the top which the control environment sets the tone for the Group by providing fundamental discipline and structure.

- **Code of Ethics and Conduct**
  The Board has set the tone at the top for corporate behavior and corporate governance. All employees of the Group shall adhere to the Code of Ethics and Conduct of the Group which sets out the principles and standard to guide employees in carrying out their duties and responsibilities to the high standards of personal and corporate integrity when dealing within the Group and with external parties.

- **Whistle Blowing Policy and Procedure**
  The Board has formalised a set of Whistle Blowing Policy and Procedures to provide an avenue for stakeholders of the Company to raise concerns related to possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices. The Whistle Blowing Policy and Procedures set out the protection accorded to whistleblowers who disclose such irregularities in good faith.

(b) Limits of authority and responsibility

Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant terms of reference, organizational structures and appropriate authority limits, including matters requiring the Board's approval. The corporate structure further enhances the ability of each subsidiary or division, as the case may be, to focus on its assigned core or support functions within the Group.

(c) Planning, monitoring and reporting

The following internal control processes have been deployed by the Group:

- **Documented Policies and Procedures**
  Internal policies and procedures, which are set out in a series of clearly documented standard operating manuals covering a majority of areas within the Group, are maintained and subject to review as considered necessary;

- **Performance Monitoring and Reporting**
  The Group's management team monitors and review financial and operating results, including monitoring and reporting of performance against the operating plans. The management team formulated and communicates action plans to address areas of concern;

- **Financial Performance Review**
  The preparation of periodic and annual results and the state of affairs of the Group are reviewed and approved by the Board before release of the same to the regulators whilst the full year financial statements are audited by the External Auditors before their issuance to the regulators and shareholders;

This internal control framework has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

REVIEW BY BOARD

The Board considered the adequacy and effectiveness of the risk management and internal control process in the Group during the financial year.

The Board's review of risk management and internal control effectiveness is based on information from:

- Senior Management within the organisation responsible for the development and maintenance of the risk management and internal control framework;
- Self-assessments of each department and functional controls by respective Senior Management to complement the above input in providing a holistic view of the Group risk and control framework effectiveness; and
- The work by the internal audit function which submit reports to the Audit Committee together with recommendations for improvement.

The Audit Committee performs oversight duty on monitoring the implementation of key risk action plans and any internal control weakness and ensure continuous process improvement.

The Board also received assurance from Deputy Group Managing Director (DGMD) and Group Chief Financial Officer (GCFO) of the Company that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Company.

The Board considers the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business and operating environment. The Board and Management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

For the financial year under review, the Board is satisfied that the system of internal controls was satisfactory and has not resulted in any material loss, contingency or uncertainty.

The above statement is made in accordance with the resolution of the Board dated 12 October 2017.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

In accordance to Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the 2017 Annual Report. The External Auditors reported that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Company was not prepared, in all material respects, in accordance with the disclosures required by Paragraph 41 and 42 of the Guidelines, nor was it factually inaccurate.

AUDIT
COMMITTEE REPORT

COMPOSITION

CHAIRMAN

Y. Bhg. Datuk Nozirah Binti Bahari
(Independent Non-Executive Director)
(Appointed on 25 September 2017)

MEMBERS

Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor (Retired)
(Independent Non-Executive Director)

Y. Bhg. Dato' Ch'ng Toh Eng
(Independent Non-Executive Director)

Mr. Chin Kim Chung
(Non-Independent Non-Executive Director)
(Re-designated as Member from Chairman on 25 September 2017)

TERMS OF REFERENCE

The full Terms of Reference of the Audit Committee, outlining the Audit Committee's composition, proceeding of meeting, authority, duties and responsibilities, roles and rights, retirement and resignation, is available at the Company's corporate website, www.titijaya.com.my.

MEETINGS

Five (5) Audit Committee Meetings were held during the financial year ended 30 June 2017. The attendance record of each member is as follows:-

Name of Member	Meeting Dates					
	24.08.2016	06.10.2016	23.11.2016	23.02.2017	25.05.2017	Total
Mr. Chin Kim Chung	✓	✓	✓	✓	✓	5/5
Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	-	✓	✓	-	✓	3/5
Y. Bhg. Dato' Ch'ng Toh Eng	✓	✓	✓	✓	✓	5/5
Y. Bhg. Datuk Nozirah Binti Bahari *(appointed with effect from 25 September 2017)*	Not Applicable					

The Group Chief Financial Officer was invited to all Audit Committee meetings to facilitate direct communications and to provide clarification on financial reports. Minutes of each meeting were recorded and tabled for confirmation at the next Audit Committee meeting and subsequently presented to the Board for notation.

Mr. Chin Kim Chung, the former Chairman of the Audit Committee briefed the Board on matters of significant concern discussed during the Audit Committee Meeting held prior to the Board Meeting. The applicable recommendations of the Audit Committee were presented by the Audit Committee's Chairman at subsequent Board Meeting for the Board's approval.

SUMMARY OF THE WORK OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The work undertaken by the Audit Committee in the discharge of its functions and duties during the financial year ended ("FYE") 30 June 2017 is summarised as follows:-

A. FINANCIAL REPORTING

(i) FYE 30 June 2016

(a) On 24 August 2016, the Audit Committee reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2016 at its meeting, prior to deliberation and approval by the Board.

(b) The Audit Committee at its meeting held on 6 October 2016, reviewed the Audited Financial Statements of the Company and Group for FYE 2016, and recommended the same for the Board's approval.

(ii) FYE 30 June 2017

(a) The Audit Committee reviewed the unaudited first, second, and third quarterly financial results for the respective periods ended 30 September 2016, 31 December 2016, and 31 March 2017 at the meetings held on 23 November 2016, 23 February 2017 and 25 May 2017 respectively.

(b) The Audit Committee at its meeting held on 28 August 2017, reviewed and recommended the unaudited fourth quarterly financial results for the period ended 30 June 2017 to the Board for approval.

(c) On 12 October 2017, the Audit Committee having reviewed the Audited Financial Statements of the Company and Group for FYE 30 June 2017 at its meeting, recommended the same to the Board for approval.

The Audit Committee carried out the review of the quarterly results and annual financial statements to ensure that they were prepared in accordance with the applicable Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

B. EXTERNAL AUDIT

(i) FYE 30 June 2016

(a) On 24 August 2016, the Audit Committee reviewed the Audit Review Memorandum which had summarised the significant audit findings arising from the statutory audit of the Group and the Company for FYE 30 June 2016, with the External Auditors, Messrs Baker Tilly Monteiro Heng ("BTMH").

(b) On 24 August 2016, the audit engagement partner of BTMH had declared their independence to the Group and their compliance with By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. The partner affirmed that there had been no change in the representation of BTMH made to the Committee during the planning stage of the audit of the Group. BTMH remained unaware of any relationship that would impair their independence as the external auditors of the Group.

(c) On 24 August 2016, the Audit Committee deliberated on the final report presented by BTMH pertaining to the principal accounting and audit matters arising from the statutory audit of the Company and its subsidiaries for FYE 30 June 2016. The Audit Committee was briefed by BTMH on the following significant audit concerns:-

- Impairment review on investment properties
- Recoverability of long outstanding receivables
- Impairment review on investment in subsidiaries
- Impairment review on inter-company balances
- Going concern consolidation – subsidiaries

(d) On 24 August 2016, the Audit Committee had a private session with BTMH without the presence of Management staff and the Executive Board members. There were no areas of concern raised by BTMH that needed to be escalated to the Board.

(e) On 6 October 2016, the Audit Committee undertook an assessment of the suitability and independence of BTMH. In its assessment, the AC had considered several factors, which included the adequacy of experience and resources of BTMH and the professional staff assigned to the audit. The Audit Committee was satisfied with the quality of services provided by BTMH and subsequently recommended the re-appointment of BTMH for the financial year ended 30 June 2017 for the Board's approval.

(ii) FYE 30 June 2017

(a) On 25 May 2017, the Audit Committee reviewed the Audit Plan for FYE 30 June 2017 prepared by BTMH, outlining the audit scope, methodology and timetable, audit materiality, areas of focus, fraud consideration and the risk of management override, and also the new and revised auditors reporting standards.

(b) On 25 May 2017, BTMH confirmed that they will continuously comply with the relevant ethical requirements regarding independence with respect to the audit of the financial statements of the Company and Group for FYE 30 June 2017 in accordance with the International Federation of Accountants Code of Ethics for Professional Accountants and the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

(c) On 25 May 2017, the Audit Committee discussed with BTMH the scope of work, key areas of audit emphasis, audit approach, audit timetable and the proposed audit fees of the Group before the commencement of the annual statutory audit for FYE 30 June 2017. The proposed audit fees was recommended to the Board for approval.

BTMH highlighted the changes in the Auditors' Report, which would be required to include an assessment of the indicators of going concern (based on the revised ISA 570), the key audit matters (based on the new ISA 701) and the review of draft annual report (based on the revised ISA 720).

(d) The Audit Committee had one (1) private session with BTMH without the presence of Management staff and the Executive Board members on 25 May 2017. BTMH did not highlight any private issues to be brought for the Board's attention.

(e) The AC deliberated on the Audit Review Memorandum with BTMH at its meeting held on 28 August 2017 with regard to the significant accounting and audit issues arising from the statutory audit of the Group and the Company for FYE 30 June 2017.

(f) BTMH also informed the Audit Committee that there were no other significant matters relating to any frauds or suspected frauds that may involve:-
- Management;
- Employees who have significant roles in internal control; and
- Others where the fraud could have a material effect on financial statements.

(g) During the presentation of the Audit Review Memorandum, the internal control weaknesses which were identified by BTMH during their course of audit of the Group together with the Management's comments, were highlighted for the AC' attention.

(h) During the review of the Audited Financial Statements of the Company and Group for FYE 30 June 2017 at its meeting on 12 October 2017, the Audit Committee considered the summary of audit adjustments identified during the course of audit and agreed by the Management to be adjusted in the financial statements for FYE 30 June 2017, to ensure consistency of accounting policies with those adopted by the Group.

BTMH presented a summary of audit adjustments identified during the course of the audit and agreed by the Management to be passed to the financial statements for FYE 30 June 2017. The AC was also briefed on the analysis of uncorrected audit misstatements which did not have a material impact to the financial statements for FYE 30 June 2017.

C. INTERNAL AUDIT

(a) Reviewed the Internal Audit Strategy Document of the internal audit function presented by the Internal Auditors to ensure adequate scope and comprehensive coverage of the activities of the Group.

(b) Considered the findings of internal audit and Management's responses thereon and where relevant, recommended appropriate actions.

(c) Noted the corrective actions on outstanding audit issues and follow-up actions to be taken by either the Internal Auditors or the Management to ensure the key risks and control lapses have been addressed and rectified.

During the financial year under review, the Internal Auditors had conducted the audit activities as per the approved audit plan and presented their Internal Audit reports on 23 February 2017, 25 May 2017 and 28 August 2017 respectively to the Audit Committee.

Areas covered by the Internal Audit included the assessment of internal control implemented by Management in managing risks associated with the operating processes as listed below:-

- Property and Leasing Management
- Financial Management
- Information Technology
- Sales and Marketing
- Human Resources
- Project Development and Project Management
- Health, Safety and Environment Management

Summary reports which provided status updates of the implementation of management action plans on the findings reported in the Internal Audit reports for all the previous audit cycles were presented to the Audit Committee.

D. RISK MANAGEMENT

On 24 August 2016, the Audit Committee reviewed the status report on Enterprise Risk Management and summary of the Risk Management Committee ("RMC") activities carried out during the financial year as presented by Management.

The RMC, chaired by the Deputy Group Managing Director, has been established to oversee the following:-

- Identifying and communicating to the Board, critical risks the Group faces, their changes and Management's action plans to manage the risks;
- Performing risk oversight activities and reviewing the risk profile of the Group as well as organisational performance; and
- Aggregating the Group's risk position and half-yearly reporting to the Board on the risk situation and status.

The RMC re-visited all the existing risks of the Risk Register to identify any relevant inherent and emerging new risks and assess the adequacy of actions taken to mitigate the risks.

For the RMC and Internal Auditors to liaise closely and have a clear understanding of each other's work and plan their work on the same risk framework, finalised minutes of the RMC and status reports on Enterprise Risk Management were furnished to the Internal Auditors. Arrangements are also in place for the RMC and Internal Auditors to share information on a regular basis.

E. RELATED PARTY TRANSACTIONS

(a) Reviewed the quarterly report on recurrent related party transactions for compliance with both in-house procedures and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(b) Reviewed the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature prior to its approval by the Board.

F. OTHER MATTERS

(a) Reviewed the Statement to Shareholders in relation to the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the issued share capital of the Company, prior to the submission to the Board for approval.

(b) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control, prior to submission to the Board for consideration and inclusion in the Annual Report of the Company.

(c) Reviewed the proposed corporate exercises contemplated to be undertaken by the Group as presented by the Management and thereafter, escalated the Audit Committee's observations to be Board for consideration.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional services firm, Axcelasia Columbus Sdn. Bhd., which reports directly to the Audit Committee.

The Audit Committee has full access to the outsourced Internal Auditors and reports from them on all internal audits performed. The main role of the internal audit function is to carry out independent assessments of the adequacy and effectiveness of the Group's internal control systems in anticipation of any potential risk areas within key business processes of the Group.

During the financial year ended 30 June 2017, internal audit activities have been carried out in accordance with the pre-approved internal audit plan. Representatives from the outsourced Internal Auditors led the role of the internal audit functions of the Group (referred to as the **"IA Team"**) and conducted its internal audit visits based on the approved Internal Audit Plan **("IA Plan")**. Any significant changes to the IA Plan will be referred to the Audit Committee for approval prior to the commencement of the internal audit.

The IA team also engaged the respective operations management of the auditable entities within the Group during the course of audit, in order to facilitate the issuance of the audit reports based on the IA Plan, incorporating the audit recommendations and Management's responses with regards to any audit findings on the weaknesses in the systems and controls of the operations.

In developing the IA Plan, the IA team will:

- Perform a risk assessment through review of documents, interviews with key management personnel and representatives from the Audit Committee to identify and highlight risks and concerns of Management and members of the Audit Committee.
- Identify auditable areas and risk significance of such auditable areas.
- Develop an audit plan focusing on compliance, efficiency and effectiveness.

For each internal audit visit, the IA Team will perform the following and provide Management with periodic progress updates as and when requested, and meet with management at the conclusion of each visit to review the results:-

- Understand the process, key performance indicators, risks involved and controls in place through interviews with various personnel, observations and review of Management reports and other documents such as corporate policies, procedures and guidelines before summarising key process risks and control design.
- Evaluate control design effectiveness and discuss observations with the Management.
- Develop control testing programmes.
- Conduct testing programs, analyse root causes of findings and identify improvement opportunities.
- Discuss issues and improvement opportunities with process owners.
- Summarise issues and recommend action plans.

The total costs incurred for the internal audit function of the Group during the financial year ended 30 June 2017 amounted to **RM82,902.70**, inclusive of Goods and Services Tax and disbursements.

STATEMENT OF
DIRECTORS' RESPONSIBILITY

As required under the Companies Act, 2016 ("Act"), the Directors of Titijaya Land Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company for the financial year ended 30 June 2017.

In preparing the financial statements for the financial year ended 30 June 2017, the Directors have:

- Adopted suitable accounting policies and practices to ensure that they were consistently applied throughout the year;
- Made judgements and estimates that are prudent and reasonable;
- Ensured all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- Prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Additionally, the Directors have relied on the system of internal controls to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board of Directors dated 12 October 2017.

OUR FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are stated in Note 7 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit/(loss) for the financial year, representing total comprehensive income for the financial year	75,811,974	(4,410,955)
Attributable to:		
Owners of the Company	76,012,138	(4,410,955)
Non-controlling interests	(200,164)	-
	75,811,974	(4,410,955)

DIVIDENDS

Since the end of the previous financial year, the Company paid a final single-tier dividend of RM0.005 per ordinary share totalling RM2,016,799 in respect of the financial year ended 30 June 2016 on 19 December 2016.

The directors propose a final single-tier dividend of RM0.005 per ordinary share in respect of the current financial year, subject to the shareholders' approval at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

CURRENT ASSETS (continued)

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group and of the Company which have arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

(i) issued 36,666,600 new ordinary shares of RM1.35 each to expand the property development business for working capital and to finance its estimated expenses in relation to the Proposed Private Placement; and

(ii) issued 13,333,333 new ordinary shares of RM0.50 each arising from the conversion of 40,000,000 units of redeemable convertible preference shares ("RCPS") on the basis of 1 new ordinary share for every 3 units of RCPS. These new ordinary shares rank pari passu with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

TREASURY SHARES

During the financial year, the Company disposed 3,148,800 issued ordinary shares held as treasury shares at open market with an average price of RM1.55 per share. The net total consideration received from disposal of the treasury shares amounting to RM4,879,970.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*

Y. Bhg. Tan Sri Dato' Lim Soon Peng*

Lim Poh Yit*

Lim Puay Fung*

Y. Bhg. Datuk Nozirah Binti Bahari *(appointed on 25 September 2017)*

Y. Bhg. Dato' Ch'ng Toh Eng

Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir* *(Alternate Director: Adrian Cheok Eu Gene*)*

Chin Kim Chung

** Directors of the Company and its subsidiary(ies).*

The names of directors of the Company's subsidiary(ies) since the beginning of the financial year to date of this report, excluding those who are already listed above are disclosed in Note 7 to the financial statements.

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings required to be kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares				
	At 1.7.2016	**Bought**	**RCPS Conversion**	**Sold**	**At 30.6.2017**
The Company					
Direct interest					
Y. Bhg. Tan Sri Dato' Lim Soon Peng	300,000	-	-	-	300,000
Lim Poh Yit	780,800	-	-	-	780,800
Lim Puay Fung	245,000	-	-	-	245,000
Chin Kim Chung	360,000	-	-	-	360,000
Y. Bhg. Dato' Ch'ng Toh Eng	250,000	-	-	-	250,000
Indirect interest					
Y. Bhg. Tan Sri Dato' Lim Soon Peng * #	228,895,000	-	13,333,333	-	242,228,333
Lim Poh Yit #	228,795,000	-	13,333,333	-	242,128,333
Lim Puay Fung #	228,795,000	-	13,333,333	-	242,128,333
Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir #	400,000	-	-	-	400,000
Adrian Cheok Eu Gene * (Alternate Director to Y.A.D. Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir)	20,000	-	-	-	20,000

DIRECTORS' INTERESTS (continued)

	Redeemable Convertible Preference Shares			
	At 1.7.2016	Bought	Converted	At 30.6.2017
Indirect interest				
Y. Bhg. Tan Sri Dato' Lim Soon Peng #	40,000,000	-	(40,000,000)	-
Lim Poh Yit #	40,000,000	-	(40,000,000)	-
Lim Puay Fung #	40,000,000	-	(40,000,000)	-

	Number of Ordinary Shares			
	At 1.7.2016	Bought	Sold	At 30.6.2017
The Holding Company				
Titijaya Group Sdn. Bhd.				
Direct interest				
Y. Bhg. Tan Sri Dato' Lim Soon Peng	1,500,000	-	-	1,500,000
Lim Poh Yit	2,550,000	-	-	2,550,000
Lim Puay Fung	950,000	-	-	950,000

* Deemed interested by virtue of Section 59(11)(c) of the Companies Act, 2016 in Malaysia.

\# Deemed interested by virtue of Section 8(4) of the Companies Act, 2016 in Malaysia.

Y. Bhg. Tan Sri Dato' Lim Soon Peng, Lim Poh Yit and Lim Puay Fung are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed Note 32(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage for the directors and certain officers of the Company were RM20,000,000.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

The auditors' reports on the accounts of the subsidiaries did not contain any qualifications.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 27 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 39 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year are disclosed in Note 40 to the financial statements.

ULTIMATE HOLDING COMPANY

The directors regard Titijaya Group Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the ultimate holding company of the Company.

AUDITORS

The auditors, Messrs. Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

Y. BHG. TAN SRI DATO' LIM SOON PENG
Director

LIM POH YIT
Director

Kuala Lumpur
Date: 12 October 2017

STATEMENTS OF **FINANCIAL POSITION**

AS AT 30 JUNE 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	**12,114,731**	11,295,216	**-**	-
Land held for property development	6(a)	**330,439,187**	189,526,601	**-**	-
Investment in subsidiaries	7	**-**	-	**191,657,504**	191,407,506
Investment in an associate	8	**390,791**	-	**-**	-
Investment properties	9	**72,893,434**	74,268,760	**-**	-
Goodwill on consolidation	10	**3,706,047**	3,706,047	**-**	-
Total non-current assets		**419,544,190**	278,796,624	**191,657,504**	191,407,506
Current assets					
Property development costs	6(b)	**467,468,217**	408,613,044	**-**	-
Inventories	11	**174,648,192**	20,951,591	**-**	-
Other investments	12	**5,646**	5,647	**-**	-
Trade and other receivables	13	**262,431,888**	219,389,346	**269,535,885**	208,775,005
Accrued billings in respect of property development costs		**13,656,567**	60,346,756	**-**	-
Tax recoverable		**8,497,844**	9,266,952	**70,475**	86,159
Fixed deposits placed with licensed banks	14	**24,708,329**	33,589,656	**6,511,852**	12,032,910
Cash and bank balances	15	**112,063,524**	61,351,274	**3,362,691**	1,434,206
Total current assets		**1,063,480,207**	813,514,266	**279,480,903**	222,328,280
TOTAL ASSETS		**1,483,024,397**	1,092,310,890	**471,138,407**	413,735,786

STATEMENTS OF FINANCIAL POSITION
(continued)

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	16(a)	**352,695,195**	180,000,000	**352,695,195**	180,000,000
Share premium	16(a)	**-**	100,451,394	**-**	100,451,394
Treasury shares	16(a)	**-**	(4,742,235)	**-**	(4,742,235)
Other reserves	17	**(47,425,855)**	(42,446,004)	**-**	4,979,851
Retained earnings	16(a)	**371,600,731**	297,516,546	**39,893,289**	46,321,043
		676,870,071	530,779,701	**392,588,484**	327,010,053
Non-controlling interests		**4,016,044**	513,567	**-**	-
TOTAL EQUITY		**680,886,115**	531,293,268	**392,588,484**	327,010,053
Non-current liabilities					
Hire purchase payables	18	**1,453,206**	430,770	**-**	-
Bank borrowings	19	**279,895,414**	100,680,697	**-**	-
RCPS - liability component	20	**-**	17,036,177	**-**	17,036,177
Deferred tax liabilities	21	**32,039,131**	34,019,631	**-**	711,317
Total non-current liabilities		**313,387,751**	152,167,275	**-**	17,747,494
Current liabilities					
Trade and other payables	22	**319,300,223**	194,650,286	**43,571,207**	53,978,239
Provision	22	**11,938,176**	4,130,254	**-**	-
Progress billings in respect of property development costs		**14,294,746**	96,603,459	**-**	-
Hire purchase payables	18	**301,547**	119,178	**-**	-
Bank borrowings	19	**110,161,371**	104,619,025	**34,978,716**	15,000,000
Tax payables		**32,754,468**	8,728,145	**-**	-
Total current liabilities		**488,750,531**	408,850,347	**78,549,923**	68,978,239
TOTAL LIABILITIES		**802,138,282**	561,017,622	**78,549,923**	86,725,733
TOTAL EQUITY AND LIABILITIES		**1,483,024,397**	1,092,310,890	**471,138,407**	413,735,786

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Revenue	23	**381,523,419**	400,079,477	**564,000**	45,540,000
Cost of sales	24	**(231,173,657)**	(258,801,266)	**-**	-
Gross profit		**150,349,762**	141,278,211	**564,000**	45,540,000
Other income	25	**19,105,080**	6,239,505	**360,847**	636,140
Selling and distribution expenses		**(13,737,145)**	(20,672,258)	**-**	-
Administrative expenses		**(24,089,065)**	(17,812,030)	**(3,216,579)**	(2,571,204)
Other expenses		**(17,954,793)**	(15,724,985)	**(1,093,995)**	(597,890)
Operating profit/(loss)		**113,673,839**	93,308,443	**(3,385,727)**	43,007,046
Finance costs	26	**(3,585,591)**	(1,894,780)	**(1,018,852)**	-
Share of results of associates, net of tax		**(9,209)**	-	**-**	-
Profit/(loss) before tax	27	**110,079,039**	91,413,663	**(4,404,579)**	43,007,046
Income tax expense	28	**(34,267,065)**	(23,117,062)	**(6,376)**	204,493
Net profit/(loss) for the financial year		**75,811,974**	68,296,601	**(4,410,955)**	43,211,539
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income/(loss) for the financial year		**75,811,974**	68,296,601	**(4,410,955)**	43,211,539
Attributable to:					
Owners of the Company		**76,012,138**	68,351,715	**(4,410,955)**	43,211,539
Non-controlling interests		**(200,164)**	(55,114)	**-**	-
		75,811,974	68,296,601	**(4,410,955)**	43,211,539
Earnings per ordinary share attributable to Owners of the Company (sen)					
- Basic	29(a)	**20**	19		
- Diluted	29(b)	**20**	18		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Group	Note	Share Capital (Note 16a) RM	Share Premium (Note 16a) RM	Treasury Shares (Note 16a) RM	RCPS - Equity Component (Note 17) RM	Other Reserve (Note 17) RM	Retained Earnings (Note 16a) RM	Total RM	Non-Controlling Interests (Note 7) RM	Total Equity RM
		← *Attributable to owners of the Company* →								
		← *Non-Distributable* →					*Distributable*			
At 1 July 2015		176,666,666	92,957,117	(41,566)	7,432,614	(47,425,855)	245,282,691	474,871,667	568,681	475,440,348
Conversion of RCPS		3,333,334	7,494,277	-	(2,452,763)	-	-	8,374,848	-	8,374,848
Dividends paid	37	-	-	-	-	-	(16,117,860)	(16,117,860)	-	(16,117,860)
Purchase of treasury shares		-	-	(4,700,669)	-	-	-	(4,700,669)	-	(4,700,669)
Total comprehensive income for the financial year		-	-	-	-	-	68,351,715	68,351,715	(55,114)	68,296,601
At 30 June 2016		180,000,000	100,451,394	(4,742,235)	4,979,851	(47,425,855)	297,516,546	530,779,701	513,567	531,293,268
Conversion of RCPS		6,666,667	16,556,189	-	(4,979,851)	-	-	18,243,005	-	18,243,005
Disposal of treasury shares		-	137,735	4,742,235	-	-	-	4,879,970	-	4,879,970
Dividends paid	37	-	-	-	-	-	(2,016,799)	(2,016,799)	-	(2,016,799)
Issuance of ordinary shares		18,333,300	31,166,610	-	-	-	-	49,499,910	-	49,499,910
Utilisation of share premium		-	(616,700)	-	-	-	-	(616,700)	-	(616,700)
Issuance of redeemable preference shares of a subsidiary (Note 16b)		-	-	-	-	-	-	-	235,000	235,000
NCI shares of purchase of subsidiaries		-	-	-	-	-	257,817	257,817	3,298,670	3,556,487
Reclassification		-	-	-	-	-	(168,971)	(168,971)	168,971	-
Transition to non-par-value regime under Companies Act, 2016 (Note 16a)		147,695,228	(147,695,228)	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the financial year		-	-	-	-	-	76,012,138	76,012,138	(200,164)	75,811,974
At 30 June 2017		352,695,195	-	-	-	(47,425,855)	371,600,731	676,870,071	4,016,044	680,886,115

		← Attributable to owners of the Company					→
		← Non-Distributable			→	Distributable	
Company	Note	Share Capital (Note 16a) RM	Share Premium (Note 16a) RM	Treasury Shares (Note 16a) RM	RCPS - Equity Component (Note 17) RM	Retained Earnings (Note 16a) RM	Total Equity RM
At 1 July 2015		176,666,666	92,957,117	(41,566)	7,432,614	19,227,364	296,242,195
Conversion of RCPS		3,333,334	7,494,277	-	(2,452,763)	-	8,374,848
Dividends paid	37	-	-	-	-	(16,117,860)	(16,117,860)
Purchase of treasury shares		-	-	(4,700,669)	-	-	(4,700,669)
Total comprehensive income for the financial year		-	-	-	-	43,211,539	43,211,539
At 30 June 2016		180,000,000	100,451,394	(4,742,235)	4,979,851	46,321,043	327,010,053
Conversion of RCPS		6,666,667	16,556,189	-	(4,979,851)	-	18,243,005
Disposal of treasury shares		-	137,735	4,742,235	-	-	4,879,970
Dividends paid	37	-	-	-	-	(2,016,799)	(2,016,799)
Issuance of ordinary shares		18,333,300	31,166,610	-	-	-	49,499,910
Utilisation of share premium		-	(616,700)	-	-	-	(616,700)
Transition to non-par-value regime under Companies Act, 2016 (Note 16a)		147,695,228	(147,695,228)	-	-	-	-
Total comprehensive loss for the financial year		-	-	-	-	(4,410,955)	(4,410,955)
At 30 June 2017		352,695,195	-	-	-	39,893,289	392,588,484

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit/(loss) before tax	**110,079,039**	91,413,663	**(4,404,579)**	43,007,046
Adjustments for:				
Accretion of interest on RCPS	**651,989**	1,312,894	**651,989**	1,312,894
Depreciation of investment properties	**92,972**	92,972	**-**	-
Depreciation of property, plant and equipment	**687,519**	481,839	**-**	-
Dividend income	**-**	(119,065)	**-**	(45,118,938)
Impairment loss on investment properties	**1,282,354**	1,958,516	**-**	-
Impairment loss on trade receivables	**-**	2,288,171	**-**	-
Interest expense	**3,585,591**	1,894,780	**1,018,852**	-
Interest income	**(3,144,974)**	(2,717,186)	**(360,847)**	(636,140)
Gain on disposal of property, plant and equipment	**(89,998)**	-	**-**	-
Other income - liquidated ascertain damages	**(13,430,800)**	(1,400,000)	**-**	-
Provision for liquidated ascertain damages	**8,463,482**	4,105,602	**-**	-
Written off on:				
Deposits	**366,200**	-	**-**	-
Other receivables	**79,577**	-	**-**	-
Trade receivables	**308,888**	-	**-**	-
Share of result of an associate, net of tax	**9,209**	-	**-**	-
Share issuance expenses	**(616,700)**	-	**(616,700)**	-
Write back of payables	**(260,187)**	-	**-**	-
Operating profit/(loss) before working capital changes	**108,064,161**	99,312,186	**(3,711,285)**	(1,435,138)
Changes In Working Capital:				
Inventories	**(153,696,601)**	2,454,402	**-**	-
Receivables	**11,244,003**	(25,088,331)	**(10,673,747)**	(593,535)
Payables	**(44,984,943)**	(58,160,433)	**116,689**	28,993
Property development costs	**123,328,593**	(57,540,034)	**-**	-
Net cash generated from/(used in) operations	**43,955,213**	(39,022,210)	**(14,268,343)**	(1,999,680)
Income tax paid	**(11,165,874)**	(28,696,263)	**(147,170)**	(317,262)
Income tax refunded	**268,579**	-	**-**	-
Interests paid	**(2,440,968)**	(1,370,622)	**(632,047)**	-
Interests received	**3,144,974**	2,717,186	**360,847**	636,140
Net Operating Cash Flows	**33,761,924**	(66,371,909)	**(14,686,713)**	(1,680,802)

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of subsidiaries (Note A)	**(4,458,556)**	-	**(249,998)**	(6)
Acquisition of associate (Note C)	**(400,000)**	-	**-**	-
Acquisition of property, plant and equipment (Note B)	**(102,036)**	(7,266,738)	**-**	-
Other investments	**1**	2,277,817	**-**	2,272,143
Dividend received	**-**	-	**-**	45,000,000
Land held for property development costs incurred	**(142,622,704)**	(45,557,263)	**-**	-
Proceed from disposal of property, plant and equipment	**90,000**	-	**-**	-
Net Investing Cash Flows	**(147,493,295)**	(50,546,184)	**(249,998)**	47,272,137
CASH FLOWS FROM FINANCING ACTIVITIES:				
Dividends paid	**(2,016,799)**	(16,117,860)	**(2,016,799)**	(16,117,860)
Proceeds from the issuance of ordinary shares	**49,499,910**	-	**49,499,910**	-
Fixed deposits pledged as security values	**(4,812,990)**	(2,912,013)	**(3,862,980)**	(2,000,000)
Interests paid	**(1,144,623)**	(524,158)	**(386,805)**	-
Advances from ultimate holding company	**2,535,199**	(923,533)	**-**	(120)
Advances to related party	**(823,770)**	-	**(57,502,710)**	(77,641,733)
Drawdown of bank borrowings	**162,879,775**	79,263,905	**15,000,000**	15,000,000
Advances to receivables	**-**	-	**(3,108,144)**	-
Proceeds from disposal of treasury shares	**4,879,970**	-	**4,879,970**	-
Proceeds from issuance of preference shares	**235,000**	-	**-**	-
Amount due to directors	**1**	(2,491,518)	**-**	6
Drawdown of hire purchase	**-**	133,000	**-**	-
Purchase of treasury shares	**-**	(4,700,669)	**-**	(4,700,669)
Net repayment of bank borrowings	**(63,686,571)**	(57,071,884)	**-**	-
Repayment of hire purchase payables	**(200,195)**	(180,532)	**-**	-
Net Financing Cash Flows	**147,344,907**	(5,525,262)	**2,502,442**	(85,460,376)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**33,613,536**	(122,443,355)	(12,434,269)	(39,869,041)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**46,077,541**	168,520,896	**11,467,116**	51,336,157
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**79,691,077**	46,077,541	**(967,153)**	11,467,116

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Cash and bank balances	**112,063,524**	61,351,274	**3,362,691**	1,434,206
Fixed deposits placed with licensed banks	**24,708,329**	33,589,656	**6,511,852**	12,032,910
Bank overdrafts	**(33,207,650)**	(29,803,253)	**(4,978,716)**	-
	103,564,203	65,137,677	**4,895,827**	13,467,116
Less: Fixed deposits held as security values (Note 14)	**(23,873,126)**	(19,060,136)	**(5,862,980)**	(2,000,000)
	79,691,077	46,077,541	**(967,153)**	11,467,116

A. EFFECTS ON ACQUISITION OF SUBSIDIARIES

The fair values and carrying amounts of the identifiable assets and liabilities of the subsidiaries as at the date of acquisitions are as follows:

	Group	
	2017 RM	2016 RM
Property development costs	**174,344,907**	-
Trade receivables	**84,970**	-
Cash and bank balances	**1,924,005**	6
Non-controlling interest	**(79,461)**	-
Trade and other payables	**(84,380,043)**	-
Bank borrowings	**(82,177,013)**	-
Net identifiable assets	**9,717,365**	6
Add: Property development costs	**142,222**	-
Fair value purchase consideration	**9,859,587**	6
Less: Cash and cash equivalents of subsidiaries acquired	**(1,924,005)**	(6)
Cash outflow on acquisitions	**7,935,582**	-
NCI interest at fair value	**(3,477,026)**	-
Fair value of consideration transferred	**4,458,556**	-

A. EFFECTS ON ACQUISITION OF SUBSIDIARIES (continued)

Effects on acquisition of the subsidiaries is from the following:

2017

(a) Ampang Avenue Development Sdn. Bhd. ("Ampang Avenue") and Nipah Valley Sdn. Bhd. ("Nipah Valley")

On 8 November 2016, the Company through its subsidiary, Titijaya Resources Sdn. Bhd. ("Titijaya Resources") entered into share sale agreement together with CREC Development (M) Sdn. Bhd. ("CRECD") for the acquisition of 70% and 30% issued and paid-up capital of Ampang Avenue Development Sdn. Bhd. from the vendors (namely Chan Peng Kooh and Rafidah Binti Menan) as disclosed in Note 39(vi).

(b) Premsdale Development Sdn. Bhd. ("Premsdale Development")

On 14 July 2017, Titijaya Land Berhad subscribed for an additional 249,998 ordinary shares in Premsdale Development.

2016

(a) High Splendour Sdn. Bhd. ("High Splendour")

On 21 January 2016, the Company acquired 2 ordinary shares of RM1.00 each from Aziah Binti Musa and Radijah Binti Abdul Razak (collectively referred to as the "High Splendour Vendors") representing the entire issued and paid-up share capital in High Splendour for a total purchase consideration of RM2.00 satisfied by cash. High Splendour is now a wholly-owned subsidiary company of the Company.

(b) Titijaya Development (Pulau Pinang) Sdn. Bhd. ("Titijaya Development") (formerly known as Golden Integrity Sdn. Bhd.)

On 21 January 2016, the Company acquired 2 ordinary shares of RM1.00 each from Aziah Binti Musa and Radijah Binti Abdul Razak (collectively referred to as the "Titijaya Development Vendors") representing the entire issued and paid-up share capital in Titijaya Development for a total purchase consideration of RM2.00 satisfied by cash. Titijaya Development is now a wholly-owned subsidiary company of the Company.

(c) Tamarind Heights Sdn. Bhd. ("Tamarind Heights")

On 23 February 2016, the Company acquired 2 ordinary shares of RM1.00 each from Rafidah Binti Menan and Nur Diana Binti Arifin (collectively referred to as the "Tamarind Heights Vendors") representing the entire issued and paid-up share capital in Tamarind Heights for a total purchase consideration of RM2.00 satisfied by cash. Tamarind Heights is now a wholly-owned subsidiary company of the Company.

B. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM1,507,036 (2016: RM7,266,738), of which RM1,405,000 (2016: RM6,083,000) were acquired by means of borrowings.

C. EFFECTS ON ACQUISITION OF AN ASSOCIATE

On 30 October 2015, Titijaya Resources entered into a Shareholders' Agreement with Amona Development Sdn. Bhd. and Amona Titijaya Sdn. Bhd. (formerly known as Metrogale Development Sdn. Bhd.) (referred as "JV Company") to form a strategic collaboration and to govern the material aspects of the joint venture, the conduct of the business and the management of the JV Company ("Proposed Joint Venture"). The transaction had been completed on 21 March 2017. Titijaya Resources hold 400,000 of ordinary shares representing the 40% of entire issued and paid-up share capital in Amona Titijaya Sdn. Bhd..

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Titijaya Land Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal place of business of the Company is located at N-16-01, Penthouse, Level 16, First Subang, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan.

The directors regard Titijaya Group Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the ultimate holding company of the Company.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are stated in Note 7 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 12 October 2017.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 2016 in Malaysia.

2.2 Adoption of amendments/improvements to FRSs

The Group and the Company had adopted the following amendments/improvements to FRSs that are mandatory for the current financial year:

Amendments/Improvements to FRSs

FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interest in Other Entities
FRS 101	Presentation of Financial Statements
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures
FRS 138	Intangible Assets

The adoption of the above amendments/improvements to FRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies, except for those as discussed below:

2. BASIS OF PREPARATION (continued)

2.2 Adoption of amendments/improvements to FRSs (continued)

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of FRS 7.

The amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 7) to condensed interim financial statements.

Amendments to FRS 101 Presentation of Financial Statements

Amendments to FRS 101 improve the effectiveness of disclosures. The amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to FRS 116 Property, Plant and Equipment

Amendments to FRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to FRS 119 Employee Benefits

Amendments to FRS 119 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to FRS 127 Separate Financial Statements

Amendments to FRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosures of Interests in Other Entities and FRS 128 Investments in Associates and Joint Ventures

These amendments address the following issues that have arisen in the application of the consolidation exception for investment entities:

- Exemption from presenting consolidated financial statements: the amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

- Consolidation of intermediate investment entities: the amendments clarify that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

- Policy choice for equity accounting for investments in associates and joint ventures: the amendments allow a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

2. BASIS OF PREPARATION (continued)

2.3 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective

The Group and the Company have not adopted the following new FRS, amendments/improvements to FRSs and new IC Int that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
Amendments/Improvements to FRSs		
FRS 1	First-time adoption of MFRSs	1 January 2018
FRS 2	Share-based Payment	1 January 2018
FRS 4	Insurance Contracts	1 January 2018
FRS 10	Consolidated Financial Statements	Deferred
FRS 12	Disclosure of Interest in Other Entities	1 January 2017
FRS 107	Statement of Cash Flows	1 January 2017
FRS 112	Income Taxes	1 January 2017
FRS 128	Investments in Associates and Joint Ventures	1 January 2018/Deferred
FRS 140	Investment Property	1 January 2018
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

A brief discussion on the above significant new FRS, amendments/improvements to FRSs and new IC Int are summarised below. Due to the complexity of these new FRS, amendments/improvements to FRSs and new IC Int, the financial effects of their adoption are currently still being assessed by the Group and the Company.

FRS 9 Financial Instruments

Key requirements of FRS 9:

- FRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

2. BASIS OF PREPARATION (continued)

2.3 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (continued)

FRS 9 Financial Instruments (continued)

Key requirements of FRS 9 (continued):

- FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.
- FRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Amendments to FRS 1 First-time Adoption of MFRSs

Amendments to FRS 1 deleted the short-term exemptions that relate to FRS 7 *Financial Instruments: Disclosure,* FRS 119 *Employee Benefits* and FRS 10 *Consolidated Financial Statements* because they are no longer applicable.

Amendments to FRS 2 Share-based Payment

Amendments to FRS 2 provide specific guidance on the accounting for:

(a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;

(b) share-based payment transactions with a net settlement feature for withholding tax obligations; and

(c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Amendments to FRS 4 Insurance Contracts

Amendments to FRS 4 introduce two additional voluntary options, namely an overlay approach and a deferral approach to be applied subject to certain criteria being met, which help to address temporary volatility in reported results of entities dealing with insurance contracts. The overlay approach involves option to recognise the possible volatility in other comprehensive income, instead of profit or loss, whilst the deferral approach provides temporary exemption from applying the Standard on Financial Instruments for entities whose activities are predominantly connected with insurance.

Amendments to FRS 12 Disclosure of Interests in Other Entities

Amendments to FRS 12 clarify that entities classified as held for sale are required to apply all the disclosure requirements of FRS 12 except for the disclosure requirements set out in paragraphs B10-B16.

Amendments to FRS 107 Statement of Cash Flows

Amendments to FRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

2. BASIS OF PREPARATION (continued)

2.3 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (continued)

Amendments to FRS 112 Income Taxes

Amendments to FRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

Amendments to FRS 128 Investments in Associates and Joint Ventures

Amendments to FRS 128 clarify that an entity, which is a venture capital organisation, or a mutual fund, unit trust or similar entities, has an investment-by-investment choice to measure its investments in associates or joint ventures at fair value through profit or loss.

Amendments to FRS 140 Investment Property

Amendments to FRS 140 clarify that to transfer to, or from, investment properties there must be evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition of investment property. A change in intention, in isolation, does not provide evidence of a change in use.

The amendments also clarify that the list of circumstances that evidence a change in use is not exhaustive.

Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in FRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

IC Int 22 Foreign Currency Transactions and Advance Consideration

IC Int 22 clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

IC Int 23 Uncertainty over Income Tax Treatments

IC Int clarifies that where there is uncertainty over income tax treatments, an entity shall:

(i) assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

(ii) reflect the effect of uncertainty in determining the related tax position (using either the most likely amount or the expected value method) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

2. BASIS OF PREPARATION (continued)

2.3 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (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 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 discussed below.

The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effects 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 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 and the Company are 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 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:

(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) recognise 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.

2. BASIS OF PREPARATION (continued)

2.3 New FRS, amendments/improvements to FRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (continued)

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises 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 low value asset leases.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with FRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associates used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.7 to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, an available-for-sale financial asset or a held for trading financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of an available-for-sale financial asset or a held for trading financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).
- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with FRS 128 *Investments in Associates and Joint Ventures.*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(d) Joint arrangements (continued)

The Group has assessed the nature of its joint arrangement and determined them to be a joint venture and accounted for its interest in the joint venture using the equity method.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.11(b) to the financial statements.

3.3 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

Financial instruments are recognised initially at fair value, except for financial instruments not measured at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial assets are either held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or are designated into this category upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at costs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows (continued):

(i) Financial assets (continued)

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a) to the financial statements. Gains and losses are recognised in profit or loss through the amortisation process.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a) to the financial statements. Gains and losses are recognised in profit or loss through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets comprise investment in equity and debt securities that are designated as available-for-sale or are not classified in any of the three preceding categories.

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair values hedges which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Unquoted equity instruments carried at cost

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(a) to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows (continued):

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company themselves purchase or sell an asset). Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(f) Hedge accounting

Fair value hedge

In a fair value hedge, the gain or loss from remeasuring the hedging instrument at fair value or the foreign currency component of its carrying amount translated at the exchange rate prevailing at the reporting date is recognised in profit or loss. For a hedged item that is otherwise measured at cost, the gain or loss attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profit or loss. For a hedged item categorised as available-for-sale, the fair value gain or loss attributable to the hedged risk is recognised in profit or loss.

Fair value hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective or the hedge designation is revoked.

Cash flow hedge

In a cash flow hedge, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income are transferred from equity and included in the initial amount of the asset or liability.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial instruments (continued)

(f) Hedge accounting (continued)

Hedge of a net investment

In a net investment hedge, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

The cumulative gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss on disposal of the foreign operation.

3.4 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b) to the financial statements.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16 to the financial statements.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate items of property, plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Freehold building	2%
Computers	20%
Office equipment	20%
Furniture and fittings	20%
Motor vehicles	20%
Renovation	20%
Plant and machinery	20%
Cabins	20%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment (continued)

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.5 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(a) Lessee accounting

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Group does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user’s benefit.

Any upfront lease payments are classified as land use rights within intangible assets.

(b) Lessor accounting

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3.6 Investment properties

(a) Investment property carried at cost less accumulated depreciation and impairment loss

Investment properties are investment in lands and buildings that are held for long term rental yields and/or for capital appreciation. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Investment properties (continued)

(a) Investment property carried at cost less accumulated depreciation and impairment loss (continued)

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment in freehold land is stated at cost and is not depreciated as it has an indefinite life. Investment property under construction is not depreciated until the assets are ready for its intended use.

Other investment properties are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives at an annual rate of 2%.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised from the statements of financial position. The difference between the net disposal proceeds and its carrying amount is recognised in the profit or loss in the financial period in which the item is derecognised.

(b) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.7 Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b) to the financial statements.

In respect of equity-accounted associates and joint ventures, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost includes:

- freehold and leasehold rights for land
- amounts paid to contractors for construction
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Inventories (continued)

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

3.9 Property development activities

(a) Land held for property development

Land held for property development consists of development costs on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.11(b) to the financial statements.

Cost comprises the cost of land and all related costs incurred on activities necessary to prepare the land for its intended use.

Land held for property development is transferred to property development costs and included under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion of property development costs incurred for the work performed up to the reporting date over the estimated total property development costs to completion. Under this method, profits are recognised as the property development activity progresses.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any foreseeable loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately in the profit or loss.

Property development costs not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net realisable value. Upon the completion of development, the unsold completed development properties are transferred to inventories.

Borrowing costs incurred on the property development project are capitalised and included as part of the property development costs in accordance with the accounting policy on borrowing cost in Note 3.16 to the financial statements.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings under current assets and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings under current liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts and fixed deposits held as security values.

3.11 Impairment of asset

(a) Impairment and uncollectibility of financial assets

At each reporting date, all financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries, associates and joint ventures) are assessed whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

<u>Loans and receivables and held-to-maturity investments</u>

The Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If no objective evidence for impairment exists for an individually assessed financial asset, whether significant or not, the Group and the Company may include the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that are individually assessed for impairment for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases due to an event occurring after the impairment that was recognised, the previously recognised impairment loss is then reversed by adjusting an allowance account to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If a write-off is later recovered, the recovery is credited to the profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of asset (continued)

(a) Impairment and uncollectibility of financial assets (continued)

Available-for-sale financial assets

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment. The Group and the Company use their judgement to determine what is considered as significant or prolonged decline, evaluating past volatility experiences and current market conditions.

Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of cumulative loss that is reclassified from equity to profit or loss shall be the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss.

Impairment losses on available-for-sale equity investments are not reversed through profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss, is recognised in other comprehensive income.

For available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to a loss event occurring after the recognition of the impairment loss in profit or loss.

Unquoted equity instruments carried at cost

In the case of unquoted equity instruments carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from customers for contract work, deferred tax assets, assets arising from employee benefits, investment properties measured at fair value, biological assets and non-current assets or disposal groups classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of asset (continued)

(b) Impairment of non-financial assets (continued)

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.12 Equity instruments

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Redeemable convertible preference shares ("RCPS")

The RCPS are regarded as compound instruments, consisting of a liability component and an equity component. The component of RCPS that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. On issuance of the RCPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability.

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs.

Transaction costs are apportioned between the liability and equity components of the RCPS based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

(c) Redeemable preference shares

The redemption of preference shares may be mandatory or at the option of the Company, depending upon the terms of payments. If both dividend payment and redemption are at the option of the Company, the entire instrument is classified as equity.

If preference shares are issued with mandatory dividend payment and mandatory redemption, the entire instrument is a financial liability, which should be measured at amortised cost using the effective interest method. Dividend expense, calculated using the effective interest rate method, is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Equity instruments (continued)

(d) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

3.13 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.14 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reserved.

3.15 Revenue and other income

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Property development

Revenue from property development projects is recognised progressively as the project activity progresses and is in respect of sales when the agreements have been finalised. The recognition of revenue is based on the percentage of completion method, net of discount, and is consistent with the method adopted for profit recognition. Provision for foreseeable losses is made when estimated future revenue realisable is lower than the carrying amount of the project.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

(a) Property development (continued)

Interest income from late payments by house buyers and forfeiture income are recognised on an accrual basis unless the collectability is in doubt in which recognition will be on a receipt basis.

(b) Interest income

Interest income other than late payment interest income by house buyers and other trade receivables are recognised on an accrual basis.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Rental income

Rental income is recognised on an accrual basis.

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.17 Taxes

(a) Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(i) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Taxes (continued)

(a) Income tax (continued)

(ii) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(b) Goods and service tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Managing Director of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

3.19 Fair value

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.20 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3.21 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basics EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own share held.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Earnings per ordinary share (continued)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

(a) Revenue recognition on property development projects (Note 23)

The Group recognises property development projects in the profit or loss by using the percentage of completion method, which is the standard for similar industries.

The percentage of completion is determined by the proportion that property development and contract costs incurred for work performed to date bear to the estimated total property development and contract costs. Estimated losses are recognised in full when determined. Property development projects and expenses estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

Significant judgement is required in determining the percentage of completion, the extent of the property development projects incurred, the estimated total property development and contract revenue and costs as well as the recoverability of the project undertaken. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a contract is completed, but would recognise a loss as soon as the loss becomes evident.

Adjustments based on the percentage of completion method are reflected in property development and contract revenue in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development and contract revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

(b) Accruals – costs accrued for the development projects (Note 22(d))

Significant judgement is required in the estimation of the costs accrued for the development projects. The Group evaluates the amount accrued based on past track records and experience.

(c) Impairment of investments in subsidiaries and recoverability of amount owing by subsidiaries (Note 7)

The Company tests investments in subsidiaries for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test. Costs of investments in subsidiaries which have ceased operations were impaired up to net assets of the subsidiaries. The impairment made on investment in subsidiaries entails an allowance for doubtful debts to be made to the amount owing by these subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Company's tests for impairment of investments in subsidiaries.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land and Building RM	Computers RM	Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Renovation RM	Others RM	Total RM
Cost								
At 1 July 2015	3,564,211	615,926	111,421	360,723	2,482,294	78,961	22,460	7,235,996
Additions	7,000,000	76,935	1,840	25,464	147,259	15,240	-	7,266,738
Disposal	-	-	-	-	-	-	-	-
At 30 June 2016	10,564,211	692,861	113,261	386,187	2,629,553	94,201	22,460	14,502,734
Additions	-	69,523	1,982	20,106	1,415,075	-	350	1,507,036
Disposal	-	-	-	-	(834,987)	-	-	(834,987)
At 30 June 2017	10,564,211	762,384	115,243	406,293	3,209,641	94,201	22,810	15,174,783
Accumulated Depreciation								
At 1 July 2015	142,568	258,910	101,385	253,553	1,878,339	68,465	22,459	2,725,679
Depreciation for the financial year	94,617	103,727	2,824	51,712	222,314	6,645	-	481,839
Disposal	-	-	-	-	-	-	-	-
At 30 June 2016	237,185	362,637	104,209	305,265	2,100,653	75,110	22,459	3,207,518
Depreciation for the financial year	211,283	109,688	3,135	38,536	318,810	5,717	350	687,519
Disposal	-	-	-	-	(834,985)	-	-	(834,985)
At 30 June 2017	448,468	472,325	107,344	343,801	1,584,478	80,827	22,809	3,060,052
Net Carrying Amounts								
At 30 June 2017	10,115,743	290,059	7,899	62,492	1,625,163	13,374	1	12,114,731
At 30 June 2016	10,327,026	330,224	9,052	80,922	528,900	19,091	1	11,295,216

Included in the freehold land and building of the Group with a net book value totaling RM10,115,742 (2016: RM10,327,026) are pledged to financial institutions to secure credit facilities granted to the Group.

Motor vehicles with a total carrying amount of RM1,625,163 (2016: RM528,900) were acquired under hire purchase arrangements.

6. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
At 1 July 2015	71,659,749	15,000,000	48,519,371	135,179,120
Additions during the financial year	37,364,598	-	8,192,665	45,557,263
Transfer from/(to) property development costs [Note 6(b)]	8,188,751	(15,000,000)	15,601,467	8,790,218
At 30 June 2016	117,213,098	-	72,313,503	189,526,601
Additions during the financial year	126,000,000	-	16,622,704	142,622,704
Transfer (to) property development costs [Note 6(b)]	-	-	(1,710,118)	(1,710,118)
Reclassification	(35,275,402)	-	35,275,402	-
At 30 June 2017	207,937,696	-	122,501,491	330,439,187

Land held for property development amounting to RM273,242,241 (2016: RM139,076,812) have been pledged to financial institutions to secure credit facilities granted to the Group.

Included in the land held for property development costs of the Group are RM8,312,325 (2016: RM4,793,659) being interest expense capitalised during the financial year.

(b) Property Development Costs

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
Cumulative Property Development Costs				
At 1 July 2015	266,588,678	16,141,854	323,078,531	605,809,063
Cost incurred during the financial year	1,700	-	312,365,718	312,367,418
Transfer from land held for property development [Note 6(a)]	(8,188,751)	15,000,000	(15,601,467)	(8,790,218)
At 30 June 2016	258,401,627	31,141,854	619,842,782	909,386,263
Cost incurred during the financial year	-	31,357	267,445,789	267,477,146
Transfer from land held for property development [Note 6(a)]	-	-	1,710,118	1,710,118
Acquisition of subisidiaries	-	134,768,758	39,718,371	174,487,129
Reclassification	201,630	-	(201,630)	-
Reversal of completed projects	(52,764,889)	(11,696,228)	(389,958,501)	(454,419,618)
Unsold units transferred to inventories	(9,807,101)	(4,445,626)	(141,259,288)	(155,512,015)
At 30 June 2017	196,031,267	149,800,115	397,297,641	743,129,023

6. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (continued)

(b) Property Development Costs (continued)

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
Cumulative Costs Recognised in Profit or Loss				
At 1 July 2015	(42,188,075)	(2,199,359)	(200,495,640)	(244,883,074)
Recognised during the financial year	(28,745,054)	(6,014,224)	(221,130,866)	(255,890,145)
Reversal of completed projects	-	-	-	-
At 30 June 2016	(70,933,129)	(8,213,583)	(421,626,506)	(500,773,219)
Recognised during the financial year	(44,869,631)	(3,482,645)	(180,954,929)	(229,307,205)
Reversal of completed projects	56,057,461	11,696,228	386,665,929	454,419,618
At 30 June 2017	(59,745,299)	-	(215,915,506)	(275,660,806)
Property Development Costs				
At 30 June 2017	136,285,968	149,800,115	181,382,135	467,468,217
At 30 June 2016	187,468,498	22,928,271	198,216,276	408,613,044

Included in the property development costs of the Group are RM4,909,859 (2016: RM10,041,724) being interest expense capitalised during the financial year.

The freehold land under property development costs amounting to RM266,264,912 (2016: RM187,468,497) have been pledged to financial institutions to secure credit facilities granted to the Group.

7. INVESTMENTS IN SUBSIDIARIES

	Company 2017 RM	Company 2016 RM
Unquoted shares - at cost	**191,657,504**	191,407,506

The details of the subsidiaries are as follows:

Name of Entity	Country of Incorporation	Effective Equity Interest 2017	Effective Equity Interest 2016	Principal Activities
Direct subsidiaries				
Aman Kemensah Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Epoch Property Sdn. Bhd.	Malaysia	**100%**	100%	Property development
NPO Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Safetags Solution Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Shah Alam City Centre Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Prosperous Hectares Sdn. Bhd.	Malaysia	**70%**	70%	Turnkey contractor
Pin Hwa Properties Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding and joint venture for property development
Terbit Kelana Development Sdn. Bhd.	Malaysia	**100%**	100%	Property Investment
Titijaya Resources Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding
Titijaya PMC Sdn. Bhd.	Malaysia	**100%**	100%	Providing management services
City Meridian Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Titijaya Capital Sdn. Bhd.	Malaysia	**100%**	100%	Money lending business
Premsdale Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Tulus Lagenda Sdn. Bhd.	Malaysia	**100%**	100%	Property development
High Splendour Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Titijaya Development (Pulau Pinang) Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
Tamarind Heights Sdn. Bhd.	Malaysia	**100%**	100%	Joint venture for property development
Indirect subsidiaries				
Subsidiaries of NPO Development Sdn. Bhd.				
NPO Land Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Sendi Bangga Development Sdn. Bhd.	Malaysia	**100%**	100%	Property development
Subsidiaries of Titijaya Resources Sdn. Bhd.				
Ampang Avenue Development Sdn. Bhd.	Malaysia	**70%**	-	Property development
Tenang Sempurna Sdn. Bhd.	Malaysia	**70%**	70%	Dormant
Subsidiaries of Ampang Avenue Development Sdn. Bhd.				
Nipah Valley Sdn. Bhd.*	Malaysia	**63%**	-	Dormant

* *Audited by auditors other than Baker Tilly Monteiro Heng*

7. INVESTMENTS IN SUBSIDIARIES (continued)

Names of directors of the Company's subsidiary(ies):

In addition to the directors listed in the Directors' Report, the following are the directors of some of the subsidiary(ies):

Puan Sri Datin Chan Lian Yen
Datuk Tee Hock Hin
Dr Tan Cheng Kiat
Lim Soon Koon
Aziah Binti Musa *(Resigned on 1 September 2016)*
Nur Diana Binti Arifin *(Resigned on 1 September 2016)*
Radijah Binti Abdul Razak *(Resigned on 1 September 2016)*
Rafidah Binti Menan *(Resigned on 1 September 2016)*

The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows:

2017	Prosperous Hectares Sdn. Bhd. RM	Tenang Sempurna Sdn. Bhd. RM	Ampang Avenue Development Sdn. Bhd. RM	Nipah Valley Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	30%	30%	30%	37%	
Carrying amount of NCI	712,408	(48,675)	2,790,962	561,348	4,016,044
Net loss allocated to NCI	(10,166)	(8,638)	(176,703)	(4,656)	(200,164)
Summary financial information before intra-group elimination					
As at 30 June 2017					
Non-current assets	-	2,160,423	900,000	115,457,919	
Current assets	18,960,341	2,266,645	188,548,350	20,750,365	
Non-current liabilities	-	-	(82,176,844)	-	
Current liabilities	(16,585,647)	(4,589,318)	(97,968,298)	(134,691,126)	
Net assets/(liabilities)	2,374,694	(162,250)	9,303,208	1,517,158	
Year ended 30 June 2017					
Net loss for the financial year	(33,887)	(28,794)	(1,067,555)	(61,479)	
Cash flow (used in)/from operating activities	(459,624)	(1,626,294)	2,094,855	(1,133,414)	
Cash flow used in investing activities	-	-	(900,000)	(3,100)	
Cash flow from/(used in) financing activities	16,967	1,715,912	(168)	1,135,000	
Net (decrease)/increase in cash and cash equivalents	(442,657)	89,618	1,194,687	(1,514)	

7. INVESTMENTS IN SUBSIDIARIES (continued)

The Group's subsidiaries that have material non-controlling interest ("NCI") are as follows (continued):

2016	Prosperous Hectares Sdn. Bhd. RM	Tenang Sempurna Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	30%	30%	
Carrying amount of NCI	722,574	(209,007)	513,567
Loss allocated to NCI	(1,395)	(53,719)	(55,114)
Summary financial information before intra-group elimination			
As at 30 June 2016			
Current assets	20,891,057	1,679,950	
Current liabilities	(18,482,476)	(2,376,641)	
Net assets/(liabilities)	2,408,581	(696,691)	
Year ended 30 June 2016			
Loss for the financial year	(4,649)	(179,065)	
Cash flow (used in)/from operating activities	(2,916,146)	2,472,416	
Cash flow from/(used in) financing activities	11,052	(2,460,389)	
Net (decrease)/increase in cash and cash equivalents	(2,905,094)	12,027	

8. INVESTMENT IN AN ASSOCIATE

	Group 2017 RM	Group 2016 RM
Unquoted shares - at cost	**400,000**	-
Share of post-acquisition reserves	**(9,209)**	-
	390,791	-

Details of the associate are as follows:

Name of company	Country of Incorporation	Effective Equity Interest 2017	Effective Equity Interest 2016	Principal Activities
Amona Titijaya Sdn. Bhd.*	Malaysia	40%	-	Property development and construction

* *Audited by auditors other than Baker Tilly Monteiro Heng*

8. INVESTMENT IN AN ASSOCIATE (continued)

The summarised financial information of the associate acquired during the financial year is as follows:

	Group 2017 RM
Results	
Loss for the financial year	**(23,023)**
Assets and liabilities	
Non-current assets	**5,260,785**
Current assets	**1,000,966**
Non-current liabilities	**-**
Current liabilities	**(5,286,880)**
Net assets	**974,871**
Reconciliation of net assets to carrying amount:	
Group's share of net assets	**390,791**
Impairment losses	**-**
Carrying amount in the statements of financial position	**390,791**

9. INVESTMENT PROPERTIES

Group	Freehold land RM	Buildings RM	Total RM
Costs			
At 1 July 2015	71,989,369	4,648,613	76,637,982
Addition	-	-	-
At 30 June 2016	71,989,369	4,648,613	76,637,982
Addition	-	-	-
At 30 June 2017	71,989,369	4,648,613	76,637,982
Accumulated Depreciation and Impairment			
At 1 July 2015	-	317,734	317,734
Depreciation for the financial year	-	92,972	92,972
Impairment during the financial year	-	1,958,516	1,958,516
At 30 June 2016	-	2,369,222	2,369,222
Depreciation for the financial year	-	92,972	92,972
Impairment during the financial year	-	1,282,354	1,282,354
At 30 June 2017	-	3,744,548	3,744,548
Net Carrying Amount			
At 30 June 2017	71,989,369	904,065	72,893,434
At 30 June 2016	71,989,369	2,279,391	74,268,760

9. INVESTMENT PROPERTIES (continued)

	Group	
	2017 RM	2016 RM
Fair value of investment properties	**78,420,000**	79,020,000
Rental income generated	**1,724,002**	1,901,089
Direct operating epenses arising from investment properties		
• income generating investment properties	**24,675**	47,005
• non-income generating investment properties	**88,578**	68,758
	113,253	115,763

Buildings consist of office unit and a food court.

(a) **Fair value information**

The fair value of investment properties of approximately RM78,420,000 (2016: RM79,020,000) is determined based on the valuation performed by the independent professional valuers with relevant experience in the location and categories of land being valued. The fair value of investment properties is measured at Level 2 hierarchy.

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the property, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square foot of comparable properties.

(b) The investment properties with net carrying amount of RM68,580,000 (2016: RM49,220,000) have been pledged to financial institutions to secure credit facilities granted to the Group.

10. GOODWILL ON CONSOLIDATION

	Group	
	2017 RM	2016 RM
At the beginning/end of the financial year	**3,706,047**	3,706,047

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination.

The carrying amount of goodwill had been allocated to investment holding segment as independent CGU.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value in use calculation using 2 to 5 years of cash flows projections from financial budgets and projects approved by the management. The key assumptions for the value in use calculation are those regarding number of development units sold and progress development, discount rate and expected changes to selling prices and direct costs during the period. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU. A discount rate factor of 11.68% has been applied in arriving at the present value of future cash flows. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

Based on the sensitivity analysis performed, management believes that no reasonably possible change in base case assumptions would cause the carrying values of the CGUs to exceed its recoverable amounts.

11. INVENTORIES

	Group 2017 RM	Group 2016 RM
Completed properties held for sale, at cost	**174,648,192**	20,951,591

The Group's cost of inventories recognised as cost of sales during the financial year amounted to RM1,815,414 (2016: RM2,899,425).

12. OTHER INVESTMENTS

	Group 2017 RM	Group 2016 RM
Current		
• Available for sale financial assets	**5,646**	5,647

13. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Trade receivables					
Trade receivables	(a)	**54,234,814**	31,887,346	**-**	-
Less: Written off for trade receivables	(a)	**(308,888)**	-	**-**	-
		53,925,926	31,887,346	**-**	-
Less: Impairment for trade receivables	(a)	**(2,288,171)**	(2,288,171)	**-**	-
		51,637,755	29,599,175	**-**	-
Other receivables					
Amount due from:					
• holding company	[b(i)]	**-**	2,000	**-**	-
• subsidiaries		**-**	-	**253,575,634**	206,596,645
• a related company	[b(i)]	**823,770**	-	**-**	-
Other receivables	[b(ii)]	**54,814,020**	47,205,297	**3,268,968**	1,160,825
Less: written off for other receivables		**(79,577)**	-	**-**	-
GST refundable		**3,443,651**	2,692,575	**76,696**	13,035
Deposits	[b(iii)]	**145,597,670**	133,808,637	**12,614,587**	1,004,500
Less: written off for deposits		**(366,200)**	-	**-**	-
Prepayments	[b(iv)]	**6,560,799**	6,081,662	**-**	-
		210,794,133	189,790,171	**269,535,885**	208,775,005
Total trade and other receivables		**262,431,888**	219,389,346	**269,535,885**	208,775,005

13. TRADE AND OTHER RECEIVABLES (continued)

(a) **Trade receivables**

Included in the trade receivables of the Group is an amount of RM18,374,518 (2016: RMNil) deposited with a lawyer as stakeholders' sum from house buyers.

The Group's normal trade credit terms ranges from 14 days to 90 days (2016: 14 days to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Ageing analysis of trade receivables is as follows:

	Group	
	2017 RM	**2016 RM**
Neither past due nor impaired	**37,128,295**	15,748,112
1 to 30 days past due not impaired	**4,288,482**	1,995,005
31 to 75 days past due not impaired	**2,112,260**	4,397,040
More than 75 days past due but not impaired	**8,108,718**	7,459,018
	51,637,755	29,599,175
Impaired	**2,288,171**	2,288,171
	53,925,926	31,887,346

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables is as follows:

	Group	
	2017 RM	**2016 RM**
At 1 July	**2,288,171**	-
Charge for the financial year		
• Impairment loss	**-**	2,288,171
At 30 June	**2,288,171**	2,288,171

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have default on payment.

Receivables that are neither past due nor impaired

The directors of the Group are of the opinion that no impairment loss is necessary in respect of these not past due trade receivables.

Receivables that are past due but not impaired

The balance of trade receivables that are past due but not impaired, representing approximately 28% (2016: 47%) of the Group's trade receivables are unsecured in nature.

The management has a credit procedure in place to monitor and minimise the exposure of default. The directors of the Group are of the opinion that no impairment loss is necessary in respect of these past due trade receivables.

13. TRADE AND OTHER RECEIVABLES (continued)

(b) **Other receivables**

(i) **Amounts due from holding company, subsidiaries and related company**

The amounts due from holding company, subsidiaries and related company are unsecured, interest free and receivable upon demand in cash.

(ii) **Other receivables**

- Included in the other receivables of the Group is an amount of RM31,111,238 (2016: RM35,609,551) in relation to the consideration paid for a joint development project.
- Included in the other receivables of the Group is an amount of RM1,160,825 (2016: RM1,561,042) due from entities in which persons connected to certain directors have interests.
- Included in the other receivables of the Group is an amount of RM998,731 (2016: RM1,287,340) deposited with a lawyer as stakeholders' sum from house buyers.

(iii) **Deposits**

Included in deposits of the Group as follows:

- RM103,672,800 (2016: RM103,672,800) paid in connection to development project. The deposit is secured by a third party charge over a parcel of leasehold land.
- RM23,000,000 (2016: RM25,042,826) in relation to deposits paid for a joint development project.
- RM1,032,005 (2016: RM2,032,005) in relation to the deposits paid for the purchase of land held for property development for a total consideration of RM5,570,080 (2016: RM131,570,080). The balance of the purchase considerations are disclosed as capital commitment in Note 31 to the financial statements.

(iv) **Prepayments**

Included in prepayments of the Group is an amount totalling RM6,492,454 (2016: RM5,986,519) in relation to the amount paid for the property development cost.

14. FIXED DEPOSITS PLACED WITH LICENSED BANKS

Group

Fixed deposits placed with licensed banks have maturity dates of one (1) month, twelve (12) months, and fifteen (15) months which bear interests rates ranging from 2.65% to 3.50% (2016: 2.90% to 4.30%) per annum for the financial year.

Fixed deposits of RM23,873,126 (2016: RM19,060,136) placed with licensed banks have been pledged to the licensed banks to secure credit facilities granted to subsidiaries and a third party.

Company

Fixed deposits placed with licensed banks have maturity dates of one (1) month, twelve (12) months and fifteen (15) months which bear interests rates ranging from 3.05% to 3.50% (2016: 3.15% to 4.30%) per annum for the financial year.

Fixed deposits of RM5,862,980 (2016: RM2,000,000) placed with licensed banks have been pledged to the licensed banks to secure credit facilities granted to subsidiaries and a third party.

15. CASH AND BANK BALANCES

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Short term funds	**23,571**	5,680	**-**	-
Cash in hand	**20,843**	12,615	**2**	2
Housing development accounts	**83,361,469**	43,079,675	**-**	-
Cash at banks	**28,657,641**	18,253,304	**3,362,689**	1,434,204
	112,063,524	61,351,274	**3,362,691**	1,434,206

The housing development accounts which held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, comprise monies received from purchasers, are for the payment of property development expenditure incurred and are restricted from use in other operations. The surplus monies, if any, will be released to the subsidiaries upon the completion of the property development projects and after all property development expenditure have been fully settled.

16. REDEEMABLE PREFERENCE SHARE, RETAINED EARNINGS, SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

(a) SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND RETAINED EARNINGS

	Group and Company				
	Ordinary Shares		*Amount*		
	Share capital (Issued and fully paid) Unit	Treasury shares Unit	Share capital (Issued and fully paid) RM	Share premium RM	Treasury shares RM
At 1 July 2015	353,333,333	(22,000)	176,666,666	92,957,117	(41,566)
Conversion of RCPS	6,666,667	-	3,333,334	7,494,277	-
Purchase of treasury shares	-	(3,126,800)	-	-	(4,700,669)
At 30 June 2016/1 July 2016	360,000,000	(3,148,800)	180,000,000	100,451,394	(4,742,235)
Conversion of RCPS	13,333,333	-	6,666,667	16,556,189	-
Issued during the financial year	36,666,600	-	18,333,300	31,166,610	-
Disposal of treasury shares	-	3,148,800	-	137,735	4,742,235
Utilisation of share premium	-	-	-	(616,700)	-
Transition to non-par-value regime under Companies Act, 2016	-	-	147,695,228	(147,695,228)	-
At 30 June 2017	409,999,933	-	352,695,195	-	-

16. REDEEMABLE PREFERENCE SHARE, RETAINED EARNINGS, SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (continued)

(a) SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND RETAINED EARNINGS (CONTINUED)

	Group and Company			
	2017		2016	
	Number of Shares Unit	RM	Number of Shares Unit	RM
Authorised Share Capital Ordinary Shares with no par value (2016: par value RM0.50 each)				
At the beginning/end of the financial year	-	-	500,000,000	250,000,000
Redeemable Convertible Preference Share with no par value (2016: par value RM0.50 each)				
At the beginning of the financial year	**40,000,000**	**20,000,000**	60,000,000	30,000,000
Converted during the financial year	**(40,000,000)**	**(20,000,000)**	(20,000,000)	(10,000,000)
At the end of the financial year	-	-	40,000,000	20,000,000

(i) **Share capital**

During the year, the company issued 36,666,600 new ordinary shares of RM1.35 each to expand the property development business, working capital and to finance its estimated expenses in relation to the Proposed Private Placement; and issued 13,333,333 new ordinary shares of RM0.50 each arising from the conversion of 40,000,000 units of redeemable convertible preference shares ("RCPS") on the basis of 1 new ordinary share for every 3 units of RCPS. These new ordinary shares rank pari passu with the existing ordinary shares of the Company.

The new Companies Act, 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM147.69 million become part of the Company's share capital pursuant to the transitional provisions 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 the amount standing to the credit of its share premium account of RM147.69 million for purposes as set out in Section 618(3). There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The holders of ordinary shares (except treasury shares) are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

(ii) **Share premium**

The share premium is arrived at after accounting for the premium received over the nominal value of the shares issued. During the current financial year, the share premium has been transferred to share capital in accordance with Section 618(2) of the Companies Act, 2016.

16. REDEEMABLE PREFERENCE SHARE, RETAINED EARNINGS, SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (continued)

(a) SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND RETAINED EARNINGS (CONTINUED)

(iii) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

During the financial year, the Company disposed 3,148,800 of its issued ordinary shares at open market with an average price of RM1.55 per shares. The net total consideration received from disposal of the treasury shares amounting to RM4,879,970.

(iv) Retained earnings

Under the single tier system, all the Company's retained earnings are distributable by way of dividend and tax on the Company's profit is the final tax and dividend distributed to shareholders will be exempted from tax.

(b) REDEEMABLE PREFERENCE SHARES OF A SUBSIDIARY

The redeemable preference shares are arising from a newly acquired indirect subsidiary, Nipah Valley Sdn. Bhd. by the issuance of 23,500,000 units of redeemable preference shares for RM235,000.

The main features of the redeemable preference shares are as follows:

(i) Rights to dividends

The preference shares shall not confer upon the holders the right to be paid out of the profits of the subsidiary available for the payment any fixed or rate of dividend which is pre-determined in respect of any financial year or other period for which the subsidiary's accounts are made up. However, the Board reserves the right and sole discretion right to declare or not declare any dividend to be paid on the holder of preference shares.

(ii) The right to rank in regard to dividends and return of capital in priority to the ordinary shares.

(iii) The holders shall not have the same rights as ordinary shareholders to receive notice of or to attend or vote at any general meeting of the subsidiary unless the business of the subsidiary includes the consideration of a reduction for the reducing of capital or for the winding up or reconstruction of the subsidiary or any resolution directly or adversely modifying or abrogating any of the special rights and privileges attached to the preference shares.

(iv) The preference shares shall be redeemed on a date to be determined by the Board and authorised by the ordinary shareholders.

17. OTHER RESERVES

	Other reserve RM	Equity component of redeemable convertible preference shares RM	Total RM
Group			
At 1 July 2015	(47,425,855)	7,432,614	(39,993,241)
Conversion of RCPS	-	(2,452,763)	(2,452,763)
At 30 June 2016	(47,425,855)	4,979,851	(42,446,004)
Conversion of RCPS	-	(4,979,851)	(4,979,851)
At 30 June 2017	(47,425,855)	-	(47,425,855)
Company			
At 1 July 2015		7,432,614	7,432,614
Conversion of RCPS		(2,452,763)	(2,452,763)
At 30 June 2016		4,979,851	4,979,851
Conversion of RCPS		(4,979,851)	(4,979,851)
At 30 June 2017		-	-

(a) **Other reserve**

The other reserve is arising from the acquisition of a subsidiary, NPO Development Sdn. Bhd..

(b) **Equity component of redeemable convertible preference shares**

This represents the residual amount of redeemable convertible preference shares ("RCPS") after deducting the fair value of the liability component. This amount is presented net of transaction costs and deferred tax liability arising from RCPS.

18. HIRE PURCHASE PAYABLES

	Group 2017 RM	Group 2016 RM
Minimum hire purchase payments		
• within twelve months	**376,100**	141,373
• later than 1 year and not later than 5 years	**1,210,873**	480,001
• later than 5 years	**445,981**	-
	2,032,954	621,374
Less: Future interest charges	**(278,201)**	(71,426)
Present value of hire purchase payables	**1,754,753**	549,948
Analysis of present value of hire purchase payables		
• not later than one year	**301,547**	119,178
• later than 1 year and not later than 5 years	**1,027,523**	430,770
• later than 5 years	**425,683**	-
	1,754,753	549,948

The hire purchase payables bear interest at the effective interest rates ranging from 3.59% to 5.72% (2016: 3.59% to 5.72%) per annum.

19. BANK BORROWINGS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Short term bank borrowings - secured				
Bank overdrafts	**33,207,650**	29,803,253	**4,978,716**	-
Bridging loans	**-**	1,732,784	**-**	-
Revolving credits	**30,000,000**	15,000,000	**30,000,000**	15,000,000
Term loans	**46,953,721**	58,082,988	**-**	-
	110,161,371	104,619,025	**34,978,716**	15,000,000
Long term bank borrowings - secured				
Term loans	**279,895,414**	100,680,697	**-**	-
	279,895,414	100,680,697	**-**	-
Total bank borrowings	**390,056,785**	205,299,722	**34,978,716**	15,000,000
Comprising portion repayable				
Within one year	**110,161,371**	104,619,025	**34,978,716**	15,000,000
More than one year but less than two years	**115,006,547**	40,392,074	**-**	-
More than two years but less than five years	**153,032,827**	51,836,933	**-**	-
More than five years	**11,856,040**	8,451,690	**-**	-
	390,056,785	205,299,722	**34,978,716**	15,000,000

19. BANK BORROWINGS (continued)

Bank Overdrafts

(i) The bank overdrafts bear interests ranging from 6.95% to 8.15% (2016: 6.85% to 9.20%) per annum.

(ii) The bank overdrafts of the Group are secured by way of:

(a) Third party and second legal charge over the development land;

(b) Specific debenture over all the fixed and floating assets on the property development land;

(c) Deed of assignment over the property, plant and equipment of the Group;

(d) Corporate guarantee granted by ultimate holding company and by the Company; and

(e) Personal, joint and several guarantee by certain directors of the Company and its subsidiary.

Revolving credits

(i) The revolving credits of the Group and of the Company bear interest rate at rates ranging from 5.15% to 5.50% (2016: 5.45% to 5.50%) per annum.

Term loans

(i) The term loans bear interests at rates ranging from 4.75% to 7.35% (2016: 5.35% to 7.35%) per annum.

(ii) The term loans of the Group are secured by way of:

(a) 1st party 1st, 2nd and 3rd legal charge over the Group's development land;

(b) Fixed legal charged over the development properties;

(c) First legal charge-over the investment property of a subsidiary;

(d) Specific debenture over all the fixed and floating assets on the property development land;

(e) Third party 1st legal charged over a vacant land and creation of a third party charge in escrow over the said land;

(f) An open all monies facilities agreement;

(g) Power of Attorney in favour of the bank to appoint a contractor at the bank's discretion to proceed and complete the entire development in the event of repayment default and/or inability to complete the project;

(h) Deed of subordination of advances from the ultimate holding company/directors;

(i) Assignment of all the rights, title and interest in respect of the rental proceeds for a property from the tenant in favour of the lender;

(j) Facility agreement;

(k) Personal guarantee by a director of the Company and its subsidiary;

(l) Letter of undertaking from the ultimate holding company; and

(m) Corporate guarantee from the ultimate holding company.

20. RCPS – LIABILITY COMPONENT

	Group and Company	
	2017 RM	2016 RM
At the beginning of the financial year	**17,036,177**	23,584,925
Conversion of RCPS	**(17,688,166)**	(7,861,642)
Accretion- amortised cost	**651,989**	1,312,894
At the end of the financial year	-	17,036,177

On 29 March 2013, the Company had issued 100,000,000 5-years RCPS of RM0.50 each at the nominal amount of RM0.50 as partial settlement of the purchase consideration for the acquisitions of certain subsidiaries.

The RCPS was segregated into equity and liability components at inception. The liability component was computed by applying the prevailing market interest rate of 8.35% to the estimated future cash flows up till the date of redemption.

The principal terms of the RCPS are as follows:

(a) The RCPS has a par value of RM0.50 each and bears zero dividend rate.

(b) The RCPS has a maturity period of five (5) years from the date of issuance. Redemption of the RCPS by the Company at 100% of its nominal value is only allowed at the sole option of the Company at any time during the tenure of the RCPS. Any RCPS not redeemed or converted shall, on maturity date, be automatically redeemed by the Company at 100% of its nominal value.

(c) The registered holder will have the right to convert the RCPS on the basis of one (1) new Company's ordinary share of RM0.50 each for every three (3) RCPS held at any time from the issuance date until the maturity, subject to the maximum amount of conversion as stipulated at each conversion period.

(d) The RCPS shall carry no right to vote at any general meetings of the Company except with regards to any proposal on the followings:

  (i) any proposal to wind up the Company;

  (ii) during the winding up of the Company;

  (iii) on any proposal directly or indirectly varies or affects the rights, privileges or conditions attached to the RCPS, or the exercise of any those rights, privileges or conditions;

  (iv) on a proposal to reduce the Company's share capital;

  (v) on a proposal for the disposal of the whole of the Company's property, business and undertaking; or

  (vi) when the dividend or part of the dividend on the RCPS is in arrears for more than six (6) months (if any).

(e) In any such case, the RCPS holders shall be entitled to vote together with the holders of ordinary shares and to one (1) vote for each RCPS held.

(f) The RCPS will not be listed. However, the new shares to be issued upon conversion of the RCPS will be listed on the Main Market of Bursa Malaysia Securities Berhad.

21. DEFERRED TAX LIABILITIES

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Deferred tax liabilities				
At the begining of the financial year	**34,019,631**	35,768,382	**711,317**	1,539,618
Recognised in profit or loss during the financial year (Note 28)	**(1,425,661)**	(1,235,545)	**(156,478)**	(315,095)
Conversion of RCPS	**(554,839)**	(513,206)	**(554,839)**	(513,206)
At the end of the financial year	**32,039,131**	34,019,631	**-**	711,317

The deferred tax liabilities comprise the following:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Tax effects on temporary differences arising from:				
Property, plant and equipment	**69,618**	78,034	**-**	-
Investment properties	**15,755,032**	15,755,032	**-**	-
Land held for property development	**10,025,267**	17,475,248	**-**	-
Property development cost	**6,189,214**	-	**-**	-
RCPS	**-**	711,317	**-**	711,317
	32,039,131	34,019,631	**-**	711,317

Details of deferred tax assets pertaining to certain subsidiaries which have not been recognised in the financial statements are as follows:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Deferred tax assets				
Unutilised tax losses	**3,645,930**	1,197,644	**-**	-
Temporary difference	**(116,191)**	(257,567)	**-**	-
	3,529,739	940,077	**-**	-
Potential deferred tax benefit at 24% (2016: 24%)	**847,137**	225,618	**-**	-

The unutilised tax losses are available for offset against future taxable profits of the subsidiaries.

22. TRADE AND OTHER PAYABLES

		Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Trade					
Trade payables	(a)	**106,521,363**	109,534,700	**-**	29,065
Non-trade					
Amount due to:	(b)				
• Ultimate holding company		**2,533,200**	-	**-**	-
• Subsidiaries		**-**	-	**42,214,699**	52,738,420
• Directors		**492,597**	492,596	**6**	6
Other payables	(c)	**123,480,693**	47,479,771	**970,724**	829,570
GST payable		**1,093,932**	1,280,886	**-**	-
Accruals	(d)	**82,248,252**	32,237,732	**385,778**	381,178
Refundable deposits	(e)	**2,930,186**	3,624,601	**-**	-
		212,778,860	85,115,586	**43,571,207**	53,949,174
Total trade and non-trade payables		**319,300,223**	194,650,286	**43,571,207**	53,978,239
Provision	(f)	**11,938,176**	4,130,254	**-**	-

(a) **Trade payables**

The normal trade credit terms granted to the Group range from 30 days to 90 days (2016: 30 days to 90 days).

Included in trade payables is an amount of RM45,758,569 (2016: RM38,683,146) held as retention sum payable to contractors.

(b) **Amounts due to holding company, subsidiaries and directors**

The amounts due to holding company, subsidiaries and directors are unsecured, interest free and repayable on demand in cash.

(c) **Other payables**

(i) Included in other payable is an amount of RM24,452,099 (2016: RM24,452,099) owing to previous shareholder of a subsidiary. The amount due is unsecured, interest free and repayable on demand in cash.

(ii) Included in other payables is an amount of RM1,514,476 (2016: RM3,426,479) owing to companies in which certain directors have interests.

(iii) Included in other payable is an amount of RM512,653 (2016: RM72,387) owing to companies in which persons connected to certain directors have interests.

22. TRADE AND OTHER PAYABLES (continued)

(d) **Accruals**

Included in accruals are an amount totalling RM82,038,030 (2016: RM31,277,346) which represents costs accrued for the development projects undertaken by the Group.

(e) **Refundable Deposits**

Included in deposits are in relation to partial payments received from purchaser towards the sales of development properties.

(f) **Provision**

	Group	
	2017 RM	**2016 RM**
Provision for liquidated and ascertained damages		
At the beginning of the financial year	**4,130,254**	24,652
Recognised in profit or loss	**8,845,018**	4,106,316
Reversed during the financial year	**(381,536)**	(714)
Payment made during the financial year	**(655,560)**	-
At the end of the financial year	**11,938,176**	4,130,254

23. REVENUE

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Property development revenue	**377,071,417**	393,818,223	**-**	-
Revenue from sale of completed properties	**3,394,641**	5,032,097	**-**	-
Rental income	**1,052,069**	1,229,157	**-**	-
Dividend income from a subsidiary company	**-**	-	**-**	45,000,000
Corporate management fees	**-**	-	**564,000**	540,000
Others	**5,292**	-	**-**	-
	381,523,419	400,079,477	**564,000**	45,540,000

24. COST OF SALES

	Group 2017 RM	Group 2016 RM
Property development costs	**229,307,205**	255,890,145
Costs of completed properties sold	**1,843,196**	2,899,425
Direct operating expenses arising from investment properties	**23,256**	11,696
	231,173,657	258,801,266

25. OTHERS INCOME

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Administrative fee received	**235,192**	277,052	**-**	-
Forfeiture income	**1,156,822**	318,392	**-**	-
Gain on disposal of fixed asset	**89,998**	-	**-**	-
Interest income	**3,144,974**	2,717,186	**360,847**	636,140
Interest from investment available for sale	**18,684**	19,890	**-**	-
Liquidated and ascertained damages income	**13,430,800**	1,400,000	**-**	-
Miscellaneous income	**257,090**	1,077,636	**-**	-
Rental income	**511,333**	429,349	**-**	-
Write back of payables	**260,187**	-	**-**	-
	19,105,080	6,239,505	**360,847**	636,140

26. FINANCE COSTS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Interest expense on:				
• Hire purchase	**59,129**	26,162	**-**	-
• Bank overdrafts	**2,440,968**	1,370,622	**632,047**	-
• Revolving Credit	**386,805**	-	**386,805**	-
• Term loans	**698,689**	497,996	**-**	-
	3,585,591	1,894,780	**1,018,852**	-

27. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving of profit/(loss) before tax:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Accretion of interest on RCPS	**651,989**	1,312,894	**651,989**	1,312,894
Auditors' remuneration:				
• statutory audit				
• current financial year	**286,500**	230,200	**72,000**	35,000
• under provision in prior year	**5,800**	9,200	**-**	-
• non-statutory	**11,000**	11,000	**11,000**	11,000
Defined contribution plan	**977,546**	948,810	**-**	-
Depreciation of investment properties	**92,972**	92,972	**-**	-
Depreciation of property, plant and equipment	**687,519**	481,839	**-**	-
Directors' remuneration (Note 32(c))	**2,590,357**	2,620,067	**394,100**	347,189
Impairment loss on:				
• trade receivables	**-**	2,288,171	**-**	-
• investment properties	**1,282,354**	1,958,516	**-**	-
Provision for liquidated and ascertain damages	**8,463,482**	4,105,602	**-**	-
Other staff related expenses	**399,191**	147,444	**-**	-
Rental of sales office	**432,300**	409,446	**-**	-
Rental of equipment	**20,022**	14,125	**-**	-
Rental of warehouse	**-**	9,600	**-**	-
Written off on:				
• Deposit	**366,200**	-	**-**	-
• Other receivables	**79,577**	-	**-**	-
• Trade receivables	**308,888**	-	**-**	-
Salaries, allowances and bonuses	**8,337,238**	8,444,667	**-**	-
SOCSO	**81,650**	52,838	**-**	-

28. INCOME TAX EXPENSE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Income tax				
• current financial year	**34,204,007**	24,176,388	**-**	112,842
• under/(over) provision in prior year	**1,488,719**	176,219	**162,854**	(2,240)
	35,692,726	24,352,607	**162,854**	110,602
Deferred tax liabilities (Note 21)				
• current financial year	**(1,417,244)**	(1,241,238)	**(156,478)**	(315,095)
• under/(over) provision in prior year	**(8,417)**	5,693	**-**	-
	(1,425,661)	(1,235,545)	**(156,478)**	(315,095)
	34,267,065	23,117,062	**6,376**	(204,493)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the financial year.

The reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit/(loss) before tax	**110,079,039**	91,413,663	**(4,404,579)**	43,007,046
Taxation at applicable statutory tax rate of 24% (2016: 24%)	**26,418,969**	21,939,279	**(1,057,099)**	10,321,691
Tax effect arising from:				
• Expenses not deductible for tax purposes	**5,746,275**	2,691,136	**900,621**	591,150
• Income not subject to tax	**-**	-	**-**	(11,115,094)
• Deferred tax assets not recognised in the financial statements	**621,519**	(1,695,265)	**-**	-
• Under/(Over) accrual of tax in prior year	**1,488,719**	176,219	**162,854**	(2,240)
• (Over)/Under provision of deferred tax in prior year	**(8,417)**	5,693	**-**	-
Tax expense for the financial year	**34,267,065**	23,117,062	**6,376**	(204,493)

29. EARNINGS PER ORDINARY SHARE

(a) **Basic**

Basic earnings per share are calculated by dividing the Group's net profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2017	**2016**
Net profit attributable to owners of the Company (RM)	**76,012,138**	68,351,715
Weighted average number of ordinary shares (units)	**388,686,697**	357,247,528
Basic earnings per share for the financial year (sen)	**20**	19

(b) **Diluted**

Diluted earnings per share are calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares from exercise of RCPS into ordinary shares.

	2017	**2016**
Profit attributable to owners of the Company (RM)	**76,012,138**	68,351,715
Weighted average number of ordinary shares (units)	**388,686,697**	357,247,528
Effect of dilution for: Conversion of RCPS	**-**	13,333,333
Adjusted weighted average number of ordinary shares in issue and issuable	**388,686,697**	370,580,861
Diluted earnings per share (sen)	**20**	18

30. GUARANTEES

(a) **Financial guarantees**

	Group	
	2017 RM	**2016 RM**
Corporate guarantees for credit facilities of RM569,672,000 (2016: RM552,672,000) granted to subsidiaries	**250,465,321**	150,622,087

30. GUARANTEES (continued)

(b) **Bank guarantees**

	Group	
	2017 RM	**2016 RM**
Bank guarantees issued to authorities	**4,657,980**	795,000
Bank guarantees issued to a third party for joint development project	**14,048,696**	16,048,696
	18,706,676	16,843,696

31. COMMITMENTS

	Group	
	2017 RM	**2016 RM**
Approved and contracted but not provided for:		
• Land held for property development		
Purchase considerations	**5,570,080**	131,570,080
Less: Deposits paid	**(1,031,505)**	(2,031,505)
	4,538,575	129,538,575

32. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) **Identity of related parties**

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with the Group and the Company or that has an interest in the Group and the Company that gives it significant influence over the Group's and the Company's financial operating policies. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence for which significant voting power in the Group and the Company reside with, directly or indirectly.

The Company has a related party relationship with:

(i) its ultimate holding company as disclosed in Note 1 to the financial statements;

(ii) its subsidiaries as disclosed in Note 7 to the financial statements;

(iii) its associates as disclosed in Note 8 to the financial statements;

(iv) the directors who are the key management personnel;

(v) close members of the family of a directors; and

(vi) key management personnel of the Group's and of the Company's, comprises persons (including directors) having the authority and responsibility for planning, diversifying and controlling the activities directly or indirectly.

32. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(b) **Significant related party transactions**

Significant transactions between the Group and its related parties during the financial year are as follows:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Titijaya PMC Sdn. Bhd.				
• Project management fee	**-**	-	**(72,000)**	(72,000)
Titijaya Land Berhad				
• Corporate management fee	**-**	-	**564,000**	540,000
NPO Development Sdn. Bhd.				
• Dividend income	**-**	-	**-**	45,000,000
City Meridian Development Sdn. Bhd.				
• Completion of acquisition of leasehold land	**126,000,000**	-	**-**	-

(c) **Directors' remuneration**

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Executive Directors:				
Salaries, allowance and bonus	**1,918,586**	1,990,362	**18,000**	19,500
Other emoluments	**68,331**	67,056	**-**	-
Defined contribution plan	**227,340**	234,960	**-**	-
Directors' fees	**124,200**	108,000	**124,200**	108,000
	2,338,457	2,400,378	**142,200**	127,500
Non-Executive Directors:				
Allowance	**38,000**	33,689	**38,000**	33,689
Directors' fees	**213,900**	186,000	**213,900**	186,000
	251,900	219,689	**251,900**	219,689
Total directors' remuneration	**2,590,357**	2,620,067	**394,100**	347,189

32. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(c) **Directors' remuneration (continued)**

The number of the directors whose total remuneration during the financial year fall within the following bands is analysed below:

	Number of directors	
	2017	**2016**
Executive Directors:		
Below RM550,000	**-**	-
RM550,001 - RM600,000	**-**	-
RM600,001 - RM650,000	**-**	1
RM650,001 - RM700,000	**1**	-
RM700,001 - RM750,000	**-**	-
RM750,001 - RM800,000	**-**	1
RM800,001 - RM850,000	**2**	-
RM850,001 - RM900,000	**-**	1
Non-executive Directors:		
RM1 - RM50,000	**1**	1
RM50,001 - RM100,000	**3**	3

(d) **Key management personnel compensation**

	Group	
	2017 **RM**	**2016** **RM**
Included in staff costs were remunerations for key management personnel other than directors		
• Salaries, bonuses and allowances	**1,250,723**	1,451,857
• Defined contribution plan	**157,196**	176,297
	1,407,919	1,628,154

Other key management personnel comprise persons other than the directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

33. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with FRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group Managing Director for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	Products and services
Property development	Development of housing and commercial units for sales to house and office building purchasers.
Investment holding and others	Investment holding and others.

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as the Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment assets are measured based on all assets (excluding investment in associates, deferred tax assets and current tax assets) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

Segment liabilities

The total of segment liabilities are measured based on all liabilities (excluding deferred tax liabilities and current tax liabilities) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

33. SEGMENT INFORMATION (continued)

Group	Note	Property development RM	Investment holding and others RM	Adjustment and eliminations RM	Consolidation RM
2017					
Revenue					
Revenue from external customers		380,466,058	1,057,361	-	381,523,419
Inter-segment revenue	A	-	11,839,494	(11,839,494)	-
Total		380,466,058	12,896,855	(11,839,494)	381,523,419
Results					
Segment results		127,328,382	(7,670,736)	(5,983,806)	113,673,840
Finance costs		(1,815,043)	(1,770,548)	-	(3,585,591)
Share of results of associate		-	(9,209)	-	(9,209)
Profit/(loss) before tax	B	125,513,339	(9,450,493)	(5,983,806)	110,079,040
Income tax expense		(35,224,044)	(303,788)	1,260,767	(34,267,065)
Net profit/(loss) for the financial year	B	90,289,295	(9,754,281)	(4,723,039)	75,811,974
Assets					
Segment assets		1,802,911,183	612,358,005	(944,839,473)	1,470,429,715
Investment in an associate		-	400,000	(9,209)	390,791
Goodwill on consolidation		-	-	3,706,047	3,706,047
Tax recoverable		6,325,739	2,172,105	-	8,497,844
Total assets	C			(941,142,635)	1,483,024,397
Liabilities					
Segment liabilities		1,408,637,397	194,775,113	(866,067,827)	737,344,683
Tax payables		32,734,542	19,926	-	32,754,468
Deferred tax liabilities		179	69,439	31,969,513	32,039,131
Total liabilities	D			(834,098,314)	802,138,282
Other segment information					
Addition of property, plant and equipment		4,472	1,502,564	-	1,507,036
Depreciation of property, plant and equipment		161,545	525,974	-	687,519
Depreciation of investment properties		92,972	-	-	92,972
Gain on disposal of property, plant and equipment		89,998	-	-	89,998
Impairment loss on investment properties		-	-	1,282,354	1,282,354
Interest expenses		1,815,043	1,770,548	-	3,585,591
Interest income		2,741,212	403,762	-	3,144,974
Liquidated and ascertained damages income		13,430,800	-	-	13,430,800
Provision for liquidated and ascertain damages		8,463,482	-	-	8,463,482

33. SEGMENT INFORMATION (continued)

Group	Note	Property development RM	Investment holding and others RM	Adjustment and eliminations RM	Consolidation RM
2016					
Revenue					
Revenue from external customers		398,850,320	1,229,157	-	400,079,477
Inter-segment revenue	A	-	67,342,893	(67,342,893)	-
Total		398,850,320	68,572,050	(67,342,893)	400,079,477
Results					
Segment results		152,848,002	47,785,649	(107,325,208)	93,308,443
Finance costs		(1,380,152)	(514,628)	-	(1,894,780)
Share of results of associate		-	-	-	-
Profit/(loss) before tax	B	151,467,850	47,271,021	(107,325,208)	91,413,663
Income tax expense		(22,084,792)	(1,960,289)	928,019	(23,117,062)
Net profit/(loss) for the financial year	B	129,383,058	45,310,732	(106,397,189)	68,296,601
2016					
Assets					
Segment assets		1,211,042,690	516,480,085	(648,184,884)	1,079,337,891
Investment in associate		-	-	-	-
Goodwill on consolidation		-	-	3,706,047	3,706,047
Tax recoverable		7,633,712	1,633,240	-	9,266,952
Total assets	C			(644,478,837)	1,092,310,890
Liabilities					
Segment liabilities		945,085,500	156,589,167	(583,404,821)	518,269,846
Tax payables		7,814,480	913,665	-	8,728,145
Deferred tax liabilities		178	789,173	33,230,280	34,019,631
Total liabilities	D			(550,174,541)	561,017,622
Other segment information					
Addition of property, plant and equipment		3,466	7,263,272	-	7,266,738
Depreciation of property, plant and equipment		271,504	210,335	-	481,839
Depreciation of investment properties		92,972	-	-	92,972
Impairment loss on investment properties		-	1,958,516	-	1,958,516
Impairment loss on trade receivables		2,288,171	-	-	2,288,171
Interest expenses		1,380,152	514,628	-	1,894,780
Interest income		2,044,861	672,325	-	2,717,186
Liquidated and ascertained damages income		1,400,000	-	-	1,400,000
Provision for liquidated and ascertain damages		4,105,602	-	-	4,105,602

33. SEGMENT INFORMATION (continued)

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items are as follows:

A Inter-segment revenue

Inter-segment revenue are eliminated on consolidation.

B Reconciliation of profit or loss

Profit/(Loss) from other segment transactions are eliminated on consolidation.

C Reconciliation of assets

	2017 RM	2016 RM
Amount due from holding company	**(62,328,456)**	(206,596,645)
Amount due from subsidiaries	**(253,575,634)**	(376,808,176)
Amount due from related companies	**(427,011,888)**	-
Investment in subsidiaries	**(204,250,956)**	-
Intra group transactions	**6,033,508**	(61,074,016)
Sharing of losses for investment in an associate	**(9,209)**	-
	(941,142,635)	(644,478,837)

D Reconciliation of liabilities

	2017 RM	2016 RM
Amount due to holding company	**(388,297,393)**	(206,596,645)
Amount due to subsidiaries	**(43,064,516)**	(376,808,176)
Amount due to related companies	**(427,011,888)**	-
Intra group transactions	**24,275,483**	33,230,280
	(834,098,314)	(550,174,541)

Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

34. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	Loans and receivables RM	Available for sale RM	Other financial liabilities RM	Total RM
2017				
Financial assets:				
Other investments	-	5,646	-	5,646
Trade and other receivables (exclude GST refundable and prepayments)	252,427,438	-	-	252,427,438
Fixed deposits placed with licensed banks	24,708,329	-	-	24,708,329
Cash and bank balances	112,063,524	-	-	112,063,524
Total financial assets	389,199,291	5,646	-	389,204,937
Financial liabilities:				
Trade and other payables (exclude GST payable)	-	-	318,206,291	318,206,291
Hire purchase payables	-	-	1,754,753	1,754,753
Bank borrowings	-	-	390,056,785	390,056,785
RCPS - liability component	-	-	-	-
Total financial liabilities	-	-	710,017,829	710,017,829
2016				
Financial assets:				
Other investments	-	5,647	-	5,647
Trade and other receivables (exclude GST refundable and prepayments)	210,615,109	-	-	210,615,109
Fixed deposits placed with licensed banks	33,589,656	-	-	33,589,656
Cash and bank balances	61,351,274	-	-	61,351,274
Total financial assets	305,556,039	5,647	-	305,561,686
Financial liabilities:				
Trade and other payables (exclude GST payable)	-	-	193,369,400	193,369,400
Hire purchase payables	-	-	549,948	549,948
Bank borrowings	-	-	205,299,722	205,299,722
RCPS - liability component	-	-	17,036,177	17,036,177
Total financial liabilities	-	-	416,255,247	416,255,247

34. FINANCIAL INSTRUMENTS (continued)

(a) **Classification of Financial Instruments (continued)**

Company	Loans and receivables RM	Available for sale RM	Other financial liabilities RM	Total RM
2017				
Financial assets:				
Trade and other receivables (exclude GST refundable)	**269,459,189**	**-**	**-**	**269,459,189**
Fixed deposits placed with licensed banks	**6,511,852**	**-**	**-**	**6,511,852**
Cash and bank balances	**3,362,691**	**-**	**-**	**3,362,691**
Total financial assets	**279,333,732**	**-**	**-**	**279,333,732**
Financial liabilities:				
Trade and other payables	**-**	**-**	**43,571,207**	**43,571,207**
RCPS - liability component	**-**	**-**	**-**	**-**
Total financial liabilities	**-**	**-**	**43,571,207**	**43,571,207**
2016				
Financial assets:				
Trade and other receivables (exclude GST refundable)	208,761,970	-	-	208,761,970
Fixed deposits placed with licensed banks	12,032,910	-	-	12,032,910
Cash and bank balances	1,434,206	-	-	1,434,206
Total financial assets	222,229,086	-	-	222,229,086
Financial liabilities:				
Trade and other payables	-	-	53,978,239	53,978,239
RCPS - liability component	-	-	17,036,177	17,036,177
Total financial liabilities	-	-	71,014,416	71,014,416

34. FINANCIAL INSTRUMENTS (continued)

(b) **Fair Values**

(i) Recognised Financial Instruments

The carrying amount of cash and cash equivalents, short term receivables and payables and short term borrowings reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair value of long-term financial assets and liabilities are determined by the present value of future cash flows estimated and discounted using the current interest rates for similar instruments at the end of the reporting period. There is no material difference between the fair values and carrying values of these assets and liabilities at the end of the reporting period.

The Group's long-term loans other than the redeemable convertible preference shares (liablitity component) bear interest at floating rate and hence their carrying amounts approximates fair values. The liability component of the redeemable convertible preference shares is recognised initially at fair value and subsequently at amortised cost using effective interest method.

The carrying amount and fair value of financial instruments, other than the carrying amounts which are reasonable approximation of fair values, are as follows:

	2017		2016	
	Carrying amount	**Fair Value**	**Carrying amount**	**Fair Value**
Group	**RM**	**RM**	**RM**	**RM**
Financial liabilities				
Hire purchase payables	**1,754,753**	**1,676,702**	549,948	525,487

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

34. FINANCIAL INSTRUMENTS (continued)

(b) Fair Values (continued)

(i) Recognised Financial Instruments (continued)

Group	Note	Fair value of financial instruments not carried at fair value			
		Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2017					
Financial assets:					
Other investments	**12**	**-**	**5,646**	**-**	**5,646**
Financial liabilities:					
Borrowings:					
• Bank overdraft	**19**	**-**	**-**	**33,207,650**	**33,207,650**
• Bridging loans	**19**	**-**	**-**	**-**	**-**
• Revolving credit	**19**	**-**	**-**	**30,000,000**	**30,000,000**
• Term loans	**19**	**-**	**-**	**326,849,135**	**326,849,135**
Hire purchase payables	**18**	**-**	**-**	**1,754,753**	**1,754,753**
2016					
Financial assets:					
Other investments	12	-	5,647	-	5,647
Financial liabilities:					
Borrowings:					
• Bank overdraft	19	-	-	29,803,253	29,803,253
• Bridging loans	19	-	-	1,732,784	1,732,784
• Revolving credit	19	-	-	15,000,000	15,000,000
• Term loans	19	-	-	158,763,685	158,763,685
Hire purchase payables	18	-	-	549,948	549,948
RCPS - liability component	20	-	-	17,036,177	17,036,177

Company	Note	Fair value of financial instruments not carried at fair value			
		Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2017					
Financial liabilities:					
Borrowings:					
• Bank overdraft	**19**	**-**	**-**	**4,978,716**	**4,978,716**
• Revolving credit	**19**	**-**	**-**	**30,000,000**	**30,000,000**
2016					
Financial liabilities:					
Borrowings:					
• Revolving credit	**19**	**-**	**-**	**15,000,000**	**15,000,000**
RCPS - liability component	**20**	**-**	**-**	**17,036,177**	**17,036,177**

34. FINANCIAL INSTRUMENTS (continued)

(b) **Fair Values (continued)**

(ii) Unrecognised Financial Instruments

Fair value of corporate guarantee has not been recognised since the fair value on initial recognition was not material as the corporate guarantee provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by subsidiaries.

There were no other unrecognised financial instruments as at 30 June 2017 that are required to be disclosed.

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Group Managing Director and does not trade in derivative financial instruments. Financial risk management is carried through internal control systems and adherence to Group's financial risk management policies. The Group is exposed mainly to credit risk, liquidity risk, and interest rate risk.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) **Credit Risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to the credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding exposure to credit risk for trade and other receivables is disclosed in Note 13 to the financial statements.

Receivables that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 13 to the financial statements.

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

(a) **Credit Risk (continued)**

Receivables that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 13 to the financial statements.

Credit risk concentration profile

At the reporting date, there was no significant concentration of credit risk in the Group.

Inter-company balances

The Company provides unsecured advances to its subsidiaries. The Company monitors the result of related companies regularly.

As at the end of the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Financial guarantee

The Company provides secured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayment made by the subsidiaries.

The maximum exposure to credit risk amounts to RM250,465,321 (2016: RM152,622,087) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting year.

As at the end of reporting date, there was no indication that any subsidiary would default on repayment.

Fair value of financial guarantees has not been recognised since the fair value on initial recognition was not material as the corporate guarantee provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by subsidiaries.

(b) **Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds, the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meets its liabilities when they fall due.

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

(b) **Liquidity Risk (continued)**

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

		Contractual undiscounted cash flows			
2017	**Carrying amount RM**	**On demand or within 1 year RM**	**1 - 5 Years RM**	**> 5 Years RM**	**Total RM**
Group					
Financial liabilities:					
Trade and other payables (exclude GST payables)	**318,206,291**	**318,206,291**	**-**	**-**	**318,206,291**
Hire purchase payables	**1,754,753**	**376,100**	**1,210,873**	**445,981**	**2,032,954**
Bank borrowings	**390,056,785**	**120,265,101**	**279,536,280**	**13,486,662**	**431,288,043**
	710,017,829	**438,847,492**	**298,747,153**	**13,932,643**	**751,527,288**
Company					
Financial liabilities:					
Trade and other payables	**43,571,207**	**43,571,207**	**-**	**-**	**43,571,207**
	43,571,207	**43,571,207**	**-**	**-**	**43,571,207**
2016					
Group					
Financial liabilities:					
Trade and other payables	193,369,400	193,369,400	-	-	193,369,400
Hire purchase payables	549,948	141,373	480,001	-	621,374
Bank borrowings	205,299,722	113,963,672	102,290,854	9,979,967	226,234,493
RCPS - liability component	17,036,177	-	17,036,177	-	17,036,177
	416,255,247	307,474,445	119,807,032	9,979,967	437,261,444
Company					
Financial liabilities:					
Trade and other payables	53,978,239	53,978,239	-	-	53,978,239
RCPS - liability component	17,036,177	-	17,036,177	-	17,036,177
	71,014,416	53,978,239	17,036,177	-	71,014,416

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (continued)

(c) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings and cash deposits placed with the financial institutions. Most of the Group's loans and borrowings are charged a fixed spread above the financial institutions' base lending rate or cost of fund per annum. The spread rate is reviewed annually. Whilst, the base lending rate and cost of fund used by the financial institutions vary according to the rates set by Bank Negara Malaysia. Meanwhile, interest rates charged on hire purchase are fixed at the inception of the hire purchase arrangements. For interest income from cash deposits, the Group managed the interest rate risks by placing cash deposits with reputable financial institutions with varying maturities and interest rate terms.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit after tax:

2017	Carrying amount RM	Movement in basis point	Effect on profit after tax RM
Group			
Bank borrowings	**390,056,785**	**0.50%**	**1,482,216**
Company			
Bank borrowings	**34,978,716**	**0.50%**	**132,919**
2016			
Group			
Bank borrowings	205,299,722	0.50%	780,139
Company			
Bank borrowings	15,000,000	0.50%	57,000

The profit/(loss) after tax will be higher/lower when the interest rates decrease/increase.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to build and maintain a strong capital base so as to maintain healthy capital ratios and at the same time be able to leverage on the capital to provide the funds to fund their expansion and growth.

The Group manage their capital structure, and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares, raise new debts and reduce existing debts.

The Group monitor the level of dividends to be paid to shareholders. The Group's objective is to pay out regular dividends to the shareholders based on the level of the Group's profitability and cash flows.

The capital structure of the Group consists of equity attributable to the owner of the Group and of the Company, comprising share capital, retained earnings and total liabilities.

The debt-to-equity ratio is as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Total liabilities	**802,138,282**	561,017,622	**78,549,923**	86,725,733
Equity attributable to the owners of the Company	**677,105,071**	530,779,701	**392,588,484**	327,010,053
Debt-to-equity ratio	**118%**	106%	**20%**	27%

There were no changes in the Group's and in the Company's approach to capital management during the financial year.

37. DIVIDENDS

	Group and Company	
	2017 RM	2016 RM
Dividends paid		
• final single tier dividend of RM0.005 per ordinary share in respect of the financial year ended 30 June 2016	**2,016,799**	-
• final single tier dividend of RM0.045 per ordinary share in respect of the financial year ended 30 June 2015	**-**	16,117,860

38. COMPARATIVE FIGURES

The following comparative amounts have been reclassified in order to conform to the presentation in the current financial year.

Group	As previously reported RM	Reclassification RM	As restated RM
At 30 June 2016			
Statement of Financial Position			
Property development	414,599,563	(5,986,519)	408,613,044
Prepayment	95,143	5,986,519	6,081,662

The cash flows statement of the Group have been adjusted accordingly.

The above reclassification does not have any impact on the retained earnings for ordinary shares of the Group.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 28 September 2015, 10 November 2015, 16 February 2016 and 26 May 2016, City Meridian Development Sdn. Bhd. ("CMD") and the Vendor had mutually agreed to extend the date for fulfilment of the Conditions Precedent stipulated in the SPA and Supplemental Agreement. The latest extension is until 10 December 2016.

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

(ii) On 3 August 2016, the Company increased its issued and paid-up ordinary share capital from RM180,000,000 to RM186,666,667 by way of issuance of 6,666,667 ordinary shares of RM0.50 each through a conversion of the 20,000,000 of RCPS into ordinary shares.

(iii) On 9 to 11 August 2016, the Company disposed 3,148,800 of its issued ordinary shares at open market with an average price of RM1.55 per shares. The net total consideration received from disposal of the treasury shares amounting to RM4,879,790.

(iv) On 26 August 2016, the Company:

- issued renounceable rights issue of up to 614,999,899 new irredeemable convertible preference shares of RM0.05 each in TLB ("ICPS") on the basis of three (3) ICPS for every two (2) existing ordinary shares of RM0.50 each in TLB ("TLB Share" or "Share") held at an entitlement date to be determined later ("Proposed Rights Issue of ICPS");
- increased in the authorised share capital of TLB from RM300,000,000 comprising 500,000,000 TLB Shares and 100,000,000 redeemable convertible preference shares of RM0.50 each in TLB ("RCPS") to RM1,000,000,000 comprising 1,800,000,000 TLB Shares, 100,000,000 RCPS and 1,000,000,000 ICPS to facilitate the Proposed Rights Issue of ICPS ("Proposed Increase in Authorised Share Capital"); and
- proposed amendments to the Memorandum and Articles of Association of TLB to facilitate the Proposed Rights Issue of ICPS and the Proposed Increase in Authorised Share Capital ("Proposed Amendments").

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)

(v) On 30 September 2016, the Company 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.

(vi) On 8 November 2016, Titijaya Resources Sdn. Bhd. ("TRSB"), a wholly owned subsidiary of the Company entered into the following agreement:

- A share sales agreement between TRSB, CREC Development (M) Sdn. Bhd. ("CREC"), Chan Peng Kooh and Rafidah Binti Menan for the proposed acquisition of 10,440,000 ordinary share of RM1.00 each, representing the entire issued and paid-up share capital of Ampang Avenue Development Sdn. Bhd. ("Ampang Avenue") for a purchase consideration of RM10,000,000 and assumption of the shareholders' advances of RM70,000,000 from Chan Peng Kooh and Rafidah Binti Menan arriving at a total purchase consideration of RM80,000,000 ("Proposed Acquisition"); and
- A shareholder agreement between TRSB and CREC to regulate their relationship inter se as shareholders of Ampang Avenue ("Proposed Joint Venture").

(vii) On 27 February 2017, the Company 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 RM3,000,000, representing the entire issued share capital of Sri Komakmur Development Sdn. Bhd. for a purchase consideration of RM70,919,000. ("Proposed Acquisition")

The Proposed Acquisition is pending for completion.

(viii) On 27 February 2017, the Company ("TLB") entered into Framework Agreement with CREC Development (M) Sdn. Bhd. 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 Kota Kinabalu).

40. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(i) TLB and Titikaya Sdn. Bhd. ("TKSB") had on 9 August 2017 entered into a supplemental share sale agreement to vary the late payment interest as consideration to extend the completion date up to 25 September 2017, from 6% per annum tabulated on daily basis to 7.35% per annum tabulated on daily basis, over the balance purchase price (i.e., after excluding the refundable deposit of 10% of the purchase price payable to TKSB) between the expiry of the Extended Completion Date to the date upon which the Company settles the balance purchase price to TKSB.

On 3 July 2017 and 29 September 2017, in relation to the proposed acquisition of the entire equity interest in NPOB, TLB, and the vendors, TKSB, Lee Eng Wah and Lim Wen Yeh had mutually agreed to extend the Extended Completion Date of the SSAs for the parties to obtain/fulfil conditions precedent pursuant thereto. The latest extension is until 16 October 2017.

The Proposed Acquisition is pending for completion.

(ii) On 8 August 2017, in relation to the Proposed Acquisition and Proposed Joint Venture referring to the announcement dated 8 November 2016, TRSB, CRECD and the Vendors had on 8 August 2017 mutually agreed to extend the date for fulfilment of all terms and conditions stipulated in the Share Sale Agreement dated 8 November 2016 for another 6 months until 7 November 2017.

(iii) On 25 September 2017, Titijaya Resources Sdn. Bhd., a wholly owned subsidiary of the Company had acquired two ordinary shares, representing 100% of the issued share capital of Aman Duta Sdn. Bhd. ("ADSB"), a shelf company incorporated in Malaysia, for a total consideration of RM2.00. Following the above acquisition, ADSB has become an indirect wholly owned subsidiary of TLB.

ADSB was incorporated on 18 July 2017 as a private company limited by shares under the Companies Act, 2016. ADSB has an issued share capital of 2 ordinary shares equivalent to RM2.00.

The intended principal activity of ADSB is investment holding.

(iv) On 30 August 2017, the Company ("TLB") issue of 614,999,899 new irredeemable convertible preference shares in TLB ("ICPS") on the basis of 3 ICPS for every 2 existing ordinary shares in TLB ("TLB Shares" or "Shares") at an issue price of RM0.165 per ICPS ("Rights Issue of ICPS").

On 4 October 2017, the Rights Issue of ICPS has been completed with the listing of 614,999,899 ICPS on the Main Market of Bursa Securities.

SUPPLEMENTARY INFORMATION ON DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 30 June 2017 are as follows:

	Group		**Company**	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Total retained earnings				
• Realised	**399,169,851**	321,487,895	**39,893,289**	46,321,043
• Unrealised	**(69,618)**	(789,351)	**-**	-
	399,100,233	320,698,544	**39,893,289**	46,321,043
Less: Consolidation adjustments	**(27,499,502)**	(23,181,998)	**-**	-
Total retained earnings as per statements of financial position	**371,600,731**	297,516,546	**39,893,289**	46,321,043

The determination of realised and unrealised profits is based on Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

STATEMENT BY **DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **TAN SRI DATO' LIM SOON PENG** and **LIM POH YIT** being two of the directors of Titijaya Land Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 73 to 150 are properly drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 151 has been prepared in accordance with the 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 Requirement,* issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

Y. BHG. TAN SRI DATO' LIM SOON PENG
Director

LIM POH YIT
Director

Kuala Lumpur
Date: 12 October 2017

STATUTORY **DECLARATION**

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, **TAN KIAN WHOO,** being the officer primarily responsible for the financial management of Titijaya Land Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on page 73 to 150 and the supplementary information set out on page 151 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

TAN KIAN WHOO

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 12 October 2017.

Before me,

TAN KIM CHOOI (No. W661)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TITIJAYA LAND BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Titijaya Land Berhad, which comprise the statements of financial position as at 30 June 2017 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 73 to 150.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue and cost of sales recognition for property development business [Note 22(d), 23 and Note 24]

We focused on this area because the amounts of revenue and related cost of sales recognised in the property development business require the Group to apply significant judgement. The revenue and corresponding cost of sales are recognised based on the estimated total revenue and costs, the extent of costs incurred to date and the stage of completion method. The stage of completion method is determined by reference to costs incurred for work performed to date to the estimated total costs for each project. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

OUR RESPONSE:

Our audit procedures on a sample of major projects included, among others:

- evaluating the design and assessing the implementation of controls over the Group's process in recording project costs, preparing project budgets and calculating the stage of completion;
- challenging the Group' major assumptions by comparing to contractual terms, historical margins and our understanding gathered from the analysis of changes in assumptions from previous year;
- discussing the progress of the projects and expected outcome with the respective project managers to obtain an understanding of the basis on which the estimates are made;
- assessing the reasonableness of the computed stage of completion for identified projects against architect certificates or progress reports and the physical completion;
- testing the mathematical accuracy of the underlying calculations and the input data for the computation of the recognised revenue and expenses during the financial year;
- performing tests of details on the initial, estimates of the project development costs by substantiating the estimates with supporting documents or agreements from external parties; and
- discussing with the management and reading of subsequent correspondences.

KEY AUDIT MATTERS (continued)

Other receivables and deposits [Note 13(b)]

The Group has significant balance of other receivables and deposits in relation to various development projects. The assessment of recoverability of other receivables and deposits involved significant judgements and estimations of uncertainty.

OUR RESPONSE:

Our audit procedures included, among others:

- reviewing management's judgement in determining recoverable amounts;
- developing understanding of significant credit exposure; and
- reviewing the Group's correspondence and agreements.

Investment in subsidiaries and amount owing by subsidiaries (Note 7)

The Company determined whether there is any indication of impairment in investment in subsidiaries and assessed whether objective evidence of impairment exists for amount owing by subsidiaries.

The recoverable amount of investment in subsidiaries and amount owing by subsidiaries were determined based on the recoverable amount which includes the assessment of value in use by comparing the present value of estimated future cash flows, which involves exercise of significant judgement on the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, future sales, gross profit margin and operating expenses.

OUR RESPONSE:

Our audit procedures included, among others:

- evaluating the cash flow projections and the Company's forecasting procedures;
- comparing the cash flow projections to available business plan;
- comparing the actual results with previous budget to assess the performance of the business and reliability of the forecasting process;
- comparing the Company's assumptions to externally derived data as well as our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections;
- testing the mathematical accuracy of the impairment assessment;
- performing a sensitivity analysis around the key assumptions; and
- reviewing valuation performed by experts to determine the fair value of the properties held in certain subsidiaries.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 151 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Ng Boon Hiang
No. 2916/03/18 (J)
Chartered Accountant

Kuala Lumpur
Date: 12 October 2017

ANALYSIS OF SHAREHOLDINGS

AS AT 3 OCTOBER 2017

Total Number of Issued Shares : (i) 409,999,933 Ordinary Shares; and
(ii) 614,999,899 Irredeemable Convertible Preference Shares

Class of Shares : Ordinary Shares
Irredeemable Convertible Preference Shares

Voting Rights : (i) One vote per Ordinary Share held

(ii) The Irredeemable Convertible Preference Share does not carry any voting right except in circumstances set out in the Company's Articles of Association

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Ordinary Shares	% of Issued Share Capital
Less than 100	10	0.67	100	0.00
100 – 1,000	195	12.97	141,300	0.03
1,001 – 10,000	771	51.30	4,003,100	0.98
10,001 – 100,000	396	26.35	13,315,100	3.25
100,001 to 20,499,995 *(less than 5% of the issued shares)*	126	8.38	229,489,533	55.97
20,499,996 and above *(5% and above issued shares)*	5	0.33	163,050,800	39.77
Total	**1,503**	**100.0**	**409,999,933**	**100.0**

DISTRIBUTION OF SHAREHOLDINGS IN IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

Size of Shareholdings	No. of ICPS Holder	% of ICPS Holder	No. of ICPS	% of Issued ICPS Holding
Less than 100	1	0.18	50	0.00
100 – 1,000	12	2.19	5,300	0.00
1,001 – 10,000	179	32.66	937,900	0.15
10,001 – 100,000	221	40.33	8,716,450	1.42
100,001 to 30,749,993 *(less than 5% of the issued shares)*	129	23.54	178,854,099	29.08
30,749,994 and above *(5% and above issued shares)*	6	1.09	426,486,100	69.35
Total	**548**	**100.0**	**614,999,899**	**100.00**

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES

(based on the Register of Directors' Shareholdings)

Name of Directors	Direct Shareholdings	% of Direct Shareholding*	Indirect Shareholdings	% of Indirect Shareholding*
Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	-	-	-	-
Y. Bhg. Tan Sri Dato' Lim Soon Peng	300,000	0.07	242,228,333 [(a)]	59.08
Lim Poh Yit	780,800	0.19	242,128,333 [(b)]	59.06
Lim Puay Fung	245,000	0.06	242,128,333 [(b)]	59.06
Chin Kim Chung	360,000	0.09	-	-
Y. Bhg. Dato' Ch'ng Toh Eng	250,000	0.06	-	-
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	-	400,000 [(c)]	0.10
Adrian Cheok Eu Gene *(Alternate Director to Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir)*	-	-	20,000 [(d)]	*Neg*
Y. Bhg. Datuk Nozirah Binti Bahari	-	-	-	-

Notes:-

* Calculated based on 409,999,933 Ordinary Shares

(a) Deemed interested pursuant to Section 8(4) of the Companies Act, 2016 **("Act")** by virtue of his substantial shareholdings in Titijaya Group Sdn. Bhd. **("TGSB")** and disclosure made pursuant to Section 59(11)(c) of the Act by virtue of his spouse's shareholdings in the Company.

(b) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

(c) Deemed interested pursuant to Section 8(4) of the Act by virtue of his shareholdings in ISY Holdings Sdn. Bhd.

(d) Deemed interested pursuant to Section 59(11)(c) of the Act by virtue of the shareholdings of his spouse and children in the Company.

DIRECTORS' SHAREHOLDINGS IN ICPS

(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct holdings	% of Direct holding*	Indirect holdings	% of Indirect holding*
Y.B. Senator Laksamana Tan Sri Dato' Setia Mohd Anwar Bin Hj Mohd Nor *(Retired)*	-	-	-	-
Y. Bhg. Tan Sri Dato' Lim Soon Peng	-	-	353,352,400 [(1)]	57.46
Lim Poh Yit	-	-	353,202,400 [(2)]	57.43
Lim Puay Fung	-	-	353,202,400 [(2)]	57.43
Chin Kim Chung	-	-	-	-
Y. Bhg. Dato' Ch'ng Toh Eng	-	-	-	-
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir	-	-	-	-
Adrian Cheok Eu Gene *(Alternate Director to Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir)*	-	-	600,000 [(3)]	0.10
Y. Bhg. Datuk Nozirah Binti Bahari	-	-	-	-

Notes:

* Calculated based on 614,999,899 ICPS

(1) Deemed interested pursuant to Section 8(4) of the Act by virtue of his substantial shareholdings in TGSB and disclosure made pursuant to Section 59(11)(c) of the Act by virtue of his spouse's shareholdings in the Company.

(2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

(3) Deemed interested pursuant to Section 8(4) of the Act by virtue of his shareholdings in ISY Holdings Sdn. Bhd.

SUBSTANTIAL ORDINARY SHAREHOLDERS

(Based on the Register of Substantial Shareholders)

Name of Directors	Direct holdings	% of Direct holding*	Indirect holdings	% of Indirect holding*
Y. Bhg. Tan Sri Dato' Lim Soon Peng	300,000	0.07	242,128,333 [a]	59.06
Lim Poh Yit	780,800	0.19	242,128,333 [a]	59.06
Lim Puay Fung	245,000	0.06	242,128,333 [a]	59.06
Titijaya Group Sdn. Bhd.	242,128,333	59.06	-	-
AIA Bhd.	32,050,800	7.82	1,255,200 [b]	0.31
AIA Company Limited	-	-	33,306,000 [c]	8.12
AIA Group Limited	-	-	33,306,000 [c]	8.12
Premium Policy Berhad *(In Members' Voluntary Liquidation)*	-	-	33,306,000 [c]	8.12
Orange Policy Sdn. Bhd.	-	-	33,306,000 [c]	8.12

Notes:

* Calculated based on 409,999,933 Ordinary Shares

(a) Deemed interested pursuant to Section 8(4) of the Act by virtue of his/her substantial shareholdings in TGSB.

(b) Deemed interested pursuant to Section 8(4) of the Act by virtue of the shares held by AIA PUBLIC Takaful Bhd. **("AIA PUBLIC")** and AIA Pensions and Assets Management Sdn. Bhd. **("APAM").**

(c) Deemed interested pursuant to Section 8(4) of the Act by virtue of the shares held by AIA Bhd., AIA PUBLIC and APAM.

LIST OF THIRTY (30) LARGEST ORDINARY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% *
1	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE BANK AG SINGAPORE FOR TITIJAYA GROUP SDN. BHD. (MAYBANK SG)	36,000,000	8.78
2	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	35,000,000	8.54
3	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR AIA BHD.	32,050,800	7.82
4	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR TITIJAYA GROUP SDN. BHD. (SMART)	30,000,000	7.32
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (3RD PARTY EDSP)	30,000,000	7.32

ANALYSIS OF SHAREHOLDINGS
(continued)

No.	Name of Shareholders	No. of Shares	% *
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (6000103)	20,090,000	4.90
7	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	19,000,000	4.63
8	LEMBAGA TABUNG HAJI	17,256,000	4.21
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	14,010,000	3.42
10	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR TITIJAYA GROUP SDN. BHD. (MY2856)	12,200,000	2.98
11	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	10,000,000	2.44
12	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	8,000,000	1.95
13	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	7,500,000	1.83
14	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	7,500,000	1.83
15	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR INNOFARM SDN. BHD.	6,221,200	1.52
16	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD – KENANGA GROWTH FUND	6,045,800	1.47
17	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	5,875,400	1.43
18	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD. (THIRD PARTY)	5,000,000	1.22
19	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	4,877,000	1.19
20	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA TAKAFUL BERHAD (FAMILY PRF EQ)	4,669,200	1.14
21	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	4,515,700	1.10
22	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (CIMB EQUITIES)	4,072,400	0.99
23	TITIJAYA GROUP SDN. BHD.	4,028,333	0.98
24	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN BHD	3,800,000	0.93
25	MALAYSIA NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	3,305,200	0.81
26	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	3,000,000	0.73
27	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	2,700,000	0.66
28	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD. FOR RHB SMALL CAP OPPORTUNITY UNIT TRUST	2,610,000	0.64
29	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA INSURANCE BERHAD (LIFE PAR FUND)	2,230,000	0.54
30	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ETIQA TAKAFUL BERHAD (ANNUITY PIF EQ)	2,188,300	0.53
	TOTAL	**343,745,333**	**83.84**

Notes:
* Calculated based on 409,999,933 Ordinary Shares

LIST OF THIRTY (30) LARGEST ICPS HOLDERS

No.	Name of Shareholders	No. of Shares	% *
1	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	120,000,000	19.51
2	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR TITIJAYA GROUP SDN. BHD. (SMART)	120,000,000	19.51
3	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TITIJAYA GROUP SDN. BHD.	60,600,000	9.85
4	PARK AVENUE CONSTRUCTION SDN. BHD.	60,000,000	9.76
5	TITIJAYA GROUP SDN. BHD.	34,302,400	5.58
6	NG WAI YUAN	31,583,700	5.14
7	LEMBAGA TABUNG HAJI	25,884,000	4.21
8	PROGEREX SDN. BHD.	25,039,500	4.07
9	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR TITIJAYA GROUP SDN. BHD. (MY2856)	18,300,000	2.98
10	TAN CHIN HOE	7,500,000	1.22
11	WAI CHOO	6,819,000	1.11
12	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR RHB CAPITAL FUND (200189)	5,948,550	0.97
13	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	5,045,000	0.82
14	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	4,500,000	0.73
15	LAO CHOK KEANG	4,000,000	0.65
16	ONG YOK MOI	4,000,000	0.65
17	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED GF)	3,150,000	0.51
18	TOH EAN HAI	3,018,899	0.49
19	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR KOK CHEE YUN @ KOK CHEE YAN (MY0971)	2,701,800	0.44
20	GINA GAN	2,500,000	0.41
21	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED BCF)	2,400,000	0.39
22	YONG SIEW NGEE	2,015,000	0.33
23	KHOO LEE HIANG	2,000,000	0.33
24	LEOU THIAM LAI	2,000,000	0.33
25	YAU SIEW FUN	1,900,000	0.31
26	DB (MALAYSIA) NOMINEES (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG FLEXI FUNDII	1,645,350	0.27
27	LIM POH FONG	1,504,500	0.24
28	LOH SAI ENG	1,502,800	0.24
29	LEE HONG SANG	1,333,300	0.22
30	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AND FOR AFFIN HWANG ASSET MANAGEMENT BERHAD (TST AC/CLT-MB-T)	1,305,000	0.21
	TOTAL	**562,498,799**	**91.46**

LIST OF
TOP 10 PROPERTIES

No.	Registered Owner	Location	Usage	Tenure	Land Area (sq. ft)	NBV RM	Date of Acquisition
1	Nipah Valley Sdn Bhd	PN 51538, Lot 104 Bandar Kuala Lumpur, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur	On Going Development: 3rdNvenue	99 year lease *(expiring on 20 May 2113)*	264,149	184,962,458	08-Nov-16
2	Epoch Property Sdn Bhd	Lot No. PT 1424, Mukim Damansara, District Of Petaling, Selangor Darul Ehsan	On Going Development: H2O Residences	Freehold	263,059	181,025,169	30-Aug-12
3	City Meridian Development Sdn Bhd	Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang	Future Development	99 year lease *(expiring on 02 April 2095)*	889,530	173,774,925	21-May-14
4	Shah Alam City Centre Sdn Bhd	Lot 1204, 386-391, GRN 39772, GM 44-49 Mukim of Damansara Section U1, Shah Alam, Selangor Darul Ehsan.	Future Development	Freehold	306,553	72,788,922	06-Sep-07
5	Aman Kemensah Sdn Bhd	Lot PT 18223, Mukim Ulu Kelang, District of Gombak, Selangor Darul Ehsan HSD 14774	On Going & Future Development: Emery Phase I & II	Freehold	641,152	67,825,752	03-Jul-07
6	NPO Land Sdn Bhd	Lot No. PT 72961 - PT 73136 Lot No. PT 73321 - PT 73322 Lot No. PT 60773 HSD 153215 - HSD 153390 HSD 153575 - HSD 153576 HSD 130824 Mukim Kapar, District of Klang, Selangor Darul Ehsan.	Future Development	Freehold	1,195,503	23,692,301	30-Jun-06

No.	Registered Owner	Location	Usage	Tenure	Land Area (sq. ft)	NBV RM	Date of Acquisition
7	Premsdale Development Sdn Bhd	PT 56555, Mukim of Cheras, District of Hulu Langat, Selangor	On Going Development: Park Residency	99 year lease *(expiring on 04 August 2109)*	217,431	18,383,534	31-Mar-15
8	NPO Land Sdn Bhd	Lot No. PT 73137 - PT 73320 HSD 153391 - HSD 153574 Mukim Kapar, District of Klang, Selangor Darul Ehsan.	On Going Development: Taman Seri Residensi Phase 1, 2A & 2B (Fennel, Primrose, Roseville)	Freehold	505,391	8,714,645	30-Oct-06
9	NPO Development Sdn Bhd	Lot No. 58964 - 59010, Mukim of Kapar, District Of Klang, Selangor HS (D) 122572 - 122618	On Going Development: Mutiara Residence	Freehold	135,472	6,556,660	15-Dec-03
10	Pin Hwa Properties Sdn Bhd	Lot No. PT 65496 - PT 65561, PT 65563 HSD 137229 - HSD 137294, HSD 137296 All in the Mukim Kapar, District of Klang, State of Selangor Darul Ehsan.	Future Development: Shoplots	Freehold Freehold	11,800 5,678	26,500,000	02-Nov-03

NOTICE OF
FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting **("AGM")** of TITIJAYA LAND BERHAD will be held at Grand Patio, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 29 November 2017 at 10:00 a.m. or at any adjournment thereof for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2017 together with the Reports of the Directors and Auditors Reports thereon. **[Please refer to Explanatory Note (a)]**

2. To approve the declaration of a final single-tier dividend of RM0.005 per ordinary share for the financial year ended 30 June 2017. **Resolution 1**

3. To approve the payment of Directors' fees amounting to RM338,100.00 for the financial year ended 30 June 2017. **Resolution 2**

4. To approve the payment of Directors' benefits up to an amount of RM100,000.00 from 1 February 2017 until the next AGM of the Company in year 2018. **Resolution 3**

5. To re-elect the following Directors who retire pursuant to Article 81 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
   i. Y. Bhg. Tan Sri Dato' Lim Soon Peng **Resolution 4**
   ii. Lim Poh Yit **Resolution 5**

6. To re-elect Y. Bhg. Datuk Nozirah Binti Bahari who retire pursuant to Article 88 of the Company's Articles of Association and being eligible, has offered herself for re-election. **Resolution 6**

7. To re-appoint Messrs. Baker Tilly Monteiro Heng as the Company's Auditors for the ensuing year and to authorise the Board of Directors to determine their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following Ordinary and Special resolutions:-

8. **ORDINARY RESOLUTION** **Resolution 8**
   Authority to Allot Shares pursuant to the Companies Act 2016

   "**THAT** subject always to the Companies Act, 2016, the Articles of Association of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued share capital of the Company for the time being;

   AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

9. **ORDINARY RESOLUTION** **Resolution 9**

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

"**THAT,** subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties **("RRPT")** as set out in Part A, Section 2.5 of the Circular to Shareholders dated 31 October 2017, provided such transactions are necessary for the day-to-day operations of the Company and/or its subsidiaries and are carried out in the ordinary course of business, on arm's length basis and on normal commercial terms which are not more favourable to the parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Renewal of Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

10. **ORDINARY RESOLUTION** **Resolution 10**
Proposed Renewal of Authority for the Company to Purchase its own Shares ("Proposed Renewal of Share Buy-Back")

"**THAT**, subject always to the Companies Act, 2016, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

(i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued share capital of the Company as quoted on Bursa Malaysia Securities Berhad as at the point of purchase;

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits and share premium account of the Company based on the latest audited financial statement and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividend.

THAT the authority conferred by this resolution will commence immediately and will, subject to renewal thereat, and shall continue to be in force until:

(a) the conclusion of the next AGM of the Company following the General Meeting at which such resolution was passed at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM after the date is required by law to be held; or

(c) revoked or varied by a resolution of the shareholders of the Company in a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby generally empowered to do all acts and things to give full effect to the aforesaid purchase with full power to assets to any conditions, modifications, revaluations, variation and/or amendments (if any) as may be imposed by the relevant authorities and/or to do all such acts and things act the Directors may deem fit and expedient in the best interest of the Company."

11. To transact any other ordinary business for which due notice has been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a final single-tier dividend of RM0.005 per ordinary share in respect of the financial year ended 30 June 2017, if approved by the shareholders at the Fifth AGM of the Company, will be payable on 28 December 2017 to the depositors whose names appear in the Record of Depositors at the close of business on 14 December 2017.

A Depositor shall qualify for entitlement only in respect of:

(a) shares transferred into the Depositor's Securities Account before 4:00 p.m. on 14 December 2017 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689)
TAN LEY THENG (MAICSA 7030358)
Company Secretaries

Kuala Lumpur
31 October 2017

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at **23 November 2017** shall be eligible to attend the Meeting or appoint proxies to attend and/or vote in his/her stead.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his stead. When a member appoints more than one (1) proxy, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the office of the Registrar of the Company at Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTE (a)

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS:-

(a) Ordinary Resolution 3
Approval for the payment of Directors' Benefits

Section 230(1) of the Companies Act, 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting.

In this respect, the Company wishes to seek shareholders' approval on the Directors' benefits payable to the Directors of the Company with effect from 1 February 2017 until the next AGM in year 2018 (the **"Period"**). The Directors' benefits payable for the Period comprise the following:-

Description	Non-Executive Director (excluding the Alternate Director)	Remarks
Meeting Allowance (for attendance of Board meetings, Board Committee meetings and/or ad-hoc Working Committee meetings)	RM500.00 per meeting	The meeting allowance shall only be paid whenever meetings are called during the Period.
Insurance Allowance	RM2,000.00 per annum	-

(b) Ordinary Resolution 8
Authority to Allot Shares Pursuant to the Companies Act, 2016

This is the renewal of the general mandate for issuance of shares by the Company obtained from the Shareholders of the Company at the Fourth AGM of the Company held on 23 November 2016 (hereinafter referred to as the **"Previous Mandate").**

The proposed resolution is primarily to give a renewal mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be time consuming to organise a general meeting. The general mandate will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or working capital requirements, which the Directors of the Company consider to be in the best interest of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the Previous Mandate and accordingly, no proceeds were raised.

(c) Ordinary Resolution 9
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This proposed Resolution 9, if passed, will renew the authority given to the Company and/or its subsidiaries a mandate to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties in Compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Detailed information of the Proposed Renewal of Shareholders' Mandate is set out in Part A of the Circular/Statement to Shareholders dated 31 October 2017 circulated together with this Annual Report.

(d) Ordinary Resolution 10
Proposed Renewal of Authority for the Company to Purchase its own Shares

The proposed adoption of the Resolution 10, if passed, will renew the authority given to the Directors to exercise the power of the Company to purchase not more than ten per centum (10%) of the total issued share capital of the Company at any time within the time period stipulated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back is set out in Part B of the Circular/Statement to Shareholders dated 31 October 2017 circulated together with this Annual Report.

FORM OF
PROXY

TITIJAYA LAND BERHAD
BUILT TO INSPIRE

TITIJAYA LAND BERHAD
(Company No. 1009114-M)

NO. OF SHARES HELD
CDS ACCOUNT NO.

I/We ____ (FULL NAME IN BLOCK LETTERS)

of ____ (FULL ADDRESS)

being a member of **TITIJAYA LAND BERHAD,** hereby appoint ________________________ (FULL NAME IN BLOCK LETTERS)

of ____ (FULL ADDRESS)

or failing him/her ____ (FULL NAME IN BLOCK LETTERS)

of ____ (FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Fifth Annual General Meeting of the Company to be held at Grand Patio, Level 2, Concorde Hotel Shah Alam, 3, Jalan Tengku Ampuan Zabedah, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 29 November 2017 at 10:00 a.m. or at any adjournment thereof.

My/Our proxy(ies) is/are to vote as indicated below:-

Resolutions	Agenda	FOR	AGAINST
1.	To approve the declaration of a final single-tier dividend of RM0.005 per ordinary share for the financial year ended 30 June 2017.		
2.	To approve the payment of Directors' fees amounting to RM338,100.00 for the financial year ended 30 June 2017.		
3.	To approve the payment of Directors' benefits up to an amount of RM100,000.00 from 1 February 2017 until the next AGM of the Company in year 2018.		
4.	To re-elect Y. Bhg. Tan Sri Dato' Lim Soon Peng who retires in accordance with Article 81 of the Company's Articles of Association.		
5	To re-elect Mr. Lim Poh Yit who retires in accordance with Article 81 of the Company's Articles of Association.		
6.	To re-elect Y. Bhg. Datuk Nozirah Binti Bahari who retires in accordance with Article 88 of the Company's Articles of Association.		
7.	To re-appoint Messrs. Baker Tilly Monteiro Heng as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.		
As Special Business			
8.	Authority to Allot Shares pursuant to the Companies Act, 2016.		
9.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
10.	Proposed Renewal of Authority for the Company to Purchase its Own Shares		

Please indicate with a "X" in the space provided on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this ________day of ____________________2017.

____
Signature of Member/Common Seal

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at **23 November 2017** shall be eligible to attend the Meeting or appoint proxies to attend and/or vote in his/her stead.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his stead. When a member appoints more than one (1) proxy, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the office of the Registrar of the Company at Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

PLEASE FOLD ALONG THIS LINE (1)

Postage Stamp

The Registrar
TITIJAYA LAND BERHAD
(Company No. 1009114-M)

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan

PLEASE FOLD ALONG THIS LINE (2)

1300 22 9898

www.titijaya.com.my

TITIJAYA LAND BERHAD (1009114-M)

Head Office

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Fax: 03-8022 9888 Email: sales@titijaya.com.my