TITIJAYA LAND BERHAD
(Company No. 1009114 - M)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR E NDED
30 JUNE 2015

Company No. 1009114 - M

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

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TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

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 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are stated in Note 6 to the financial statements.

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

RESULTS

	Group	Company
	RM	RM
Net profit for the financial year, representing total comprehensive income for the financial year	80,751,419	17,786,954
Attributable to:		
Owners of the Company	80,936,732	17,786,954
Non-controlling interests	(185,313)	-
	80,751,419	17,786,954

DIVIDENDS

Since the end of the previous financial year, the Company paid a final single-tier of 4.0 sen per ordinary share totalling RM14,133,337/- in respect of the financial year ended 30 June 2014 on 18 December 2014.

The directors propose a final single-tier dividend of 4.5 sen per ordinary share in respect of the current financial year, subject to the shareholders' approval at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, 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 had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

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

CURRENT ASSETS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that 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 that has arisen since the end of the financial year which secures the liabilities of any other person; or

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

No contingent liabilities or other liabilities of the Group and 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, in the opinion of the directors, will or may substantially affect the ability of the Group and 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 that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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 issued 13,333,333 new ordinary shares of RM0.50 each arising from the conversion of 40,000,000 unit of RCPS on the basis of 1 new ordinary share for every 3 unit 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 repurchased 22,000 of its issued ordinary shares from the open market at an average price of RM1.89 per shares. The total consideration paid for the repurchase including transaction costs was RM41,566/-. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

As at 30 June 2015, the Company held as treasury shares a total of 22,000 of its 353,333,333 issued ordinary shares. Such treasury shares held at a carrying amount of RM41,566/-.

SHARE OPTION

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

DIRECTORS

The directors in office since the date of the last report are:-

Laksamana Tan Sri Dato' Sri Mohd Anwar Bin Hj Mohd Nor
Tan Sri Dato' Lim Soon Peng
Lim Poh Yit
Lim Puay Fung
Chin Kim Chung
Dato' Ch'ng Toh Eng
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir
(Alternate Director: Adrian Cheok Eu Gene)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 30 June 2015 are as follows:-

	Ordinary shares of RM0.50 each				
	At 1.7.2014	Bought	RCPS Conversion	Sold	At 30.6.2015
The Company					
Direct interest					
Tan Sri Dato' Lim Soon Peng	300,000	-	-	-	300,000
Lim Poh Yit	355,000	425,800	-	-	780,800
Lim Puay Fung	245,000	-	-	-	245,000
Chin Kim Chung	360,000	-	-	-	360,000
Dato' Ch'ng Toh Eng	230,000	20,000	-	-	250,000
Indirect interest					
Tan Sri Dato' Lim Soon Peng * #	208,895,000	-	13,333,333	-	222,228,333
Lim Poh Yit #	208,795,000	-	13,333,333	-	222,128,333
Lim Puay Fung #	208,795,000	-	13,333,333	-	222,128,333
Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir ^	400,000	-	-	-	400,000
Adrian Cheok Eu Gene * (Alternate Director to Tan Sri Syed Mohd Yusof Bin Tun Syed Nasir)	20,000	-	-	-	20,000

DIRECTORS' INTERESTS (Continued)

	Redeemable Convertible Preference Shares of RM0.50 each			
	At 1.7.2014	**Bought**	**Converted**	**At 30.6.2015**
Indirect interest				
Tan Sri Dato' Lim Soon Peng #	100,000,000	-	(40,000,000)	60,000,000
Lim Poh Yit #	100,000,000	-	(40,000,000)	60,000,000
Lim Puay Fung #	100,000,000	-	(40,000,000)	60,000,000

	Ordinary shares of RM1.00 each			
	At 1.7.2014	**Bought**	**Sold**	**At 30.6.2015**
The Holding Company				
Titijaya Group Sdn. Bhd.				
Direct interest				
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 134(12)(c) of the Companies Act, 1965 in Malaysia.

Deemed interested by virtue of Section 6A of the Companies Act, 1965 in Malaysia.

^ Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholding in ISY Holdings Sdn. Bhd.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in 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 a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as shown in notes 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 arrangement whose object was 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.

HOLDING COMPANY

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

AUDITORS

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

On behalf of the Board,

………………………………………….
TAN SRI DATO' LIM SOON PENG
Director

………………………………………….
LIM POH YIT
Director

Kuala Lumpur

Date: 15 October 2015

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	4,510,317	4,465,406	-	-
Land held for property development	5(a)	135,179,120	114,288,799	-	-
Investments in subsidiary companies	6	-	-	191,407,500	183,507,500
Investments in an associate company	7	-	35,000	-	-
Investment properties	8	76,320,248	76,413,220	-	-
Goodwill on consolidation	9	3,706,047	1,595,888	-	-
Total non-current assets		219,715,732	196,798,313	191,407,500	183,507,500
Current assets					
Property development costs	5(b)	365,849,747	343,828,142	-	-
Inventories	10	23,405,993	21,227,307	-	-
Other investments	11	2,164,399	511,000	2,153,205	-
Trade and other receivables	12	217,714,605	95,196,371	114,952,488	108,656,163
Accrued billings in respect of property development costs		33,232,818	10,800,374	-	-
Tax recoverable		5,542,494	1,383,951	-	-
Fixed deposits placed with licensed banks	13	61,268,635	50,541,756	30,472,027	30,145,640
Cash and bank balances	14	127,990,104	93,585,901	20,864,130	365,109
Total current assets		837,168,795	617,074,802	168,441,850	139,166,912
TOTAL ASSETS		1,056,884,527	813,873,115	359,849,350	322,674,412

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Continued)

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	15	176,666,666	170,000,000	176,666,666	170,000,000
Share premium	15	92,957,117	78,839,917	92,957,117	78,839,917
Treasury shares	15	(41,566)	-	(41,566)	-
Other reserves	16	(39,993,241)	(35,038,166)	7,432,614	12,387,689
Retained earnings		245,282,691	178,308,639	19,227,364	15,573,747
		474,871,667	392,110,390	296,242,195	276,801,353
Non-controlling interests		568,681	-	-	-
Total equity		475,440,348	392,110,390	296,242,195	276,801,353
Non-current liabilities					
Hire purchase payables	17	421,641	387,237	-	-
Bank borrowings	18	103,357,249	104,610,950	-	-
RCPS - liability component	19	23,584,925	36,278,919	23,584,925	36,278,919
Deferred tax liabilities	20	35,768,382	38,658,227	1,539,618	3,293,059
Total non-current liabilities		163,132,197	179,935,333	25,124,543	39,571,978
Current liabilities					
Trade and other payables	21	163,262,033	132,746,414	38,362,111	6,171,996
Progress billings in respect of property development costs		190,989,848	81,555,348	-	-
Hire purchase payables	17	175,839	215,712	-	-
Bank borrowings	18	54,536,919	21,282,159	-	-
Tax payables		9,347,343	6,027,759	120,501	129,085
Total current liabilities		418,311,982	241,827,392	38,482,612	6,301,081
Total liabilities		581,444,179	421,762,725	63,607,155	45,873,059
TOTAL EQUITY AND LIABILITIES		1,056,884,527	813,873,115	359,849,350	322,674,412

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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Revenue	22	340,650,247	283,847,715	20,000,000	20,000,000
Cost of sales	23	(191,238,521)	(154,039,800)	-	-
Gross profit		149,411,726	129,807,915	20,000,000	20,000,000
Other income		4,808,033	3,358,365	1,111,154	543,514
Selling and distribution expenses		(21,300,382)	(17,808,843)	-	-
Administrative expenses		(17,574,456)	(13,936,285)	(2,855,787)	(3,374,230)
Other expenses		(3,498,203)	(3,621,136)	(629,856)	(1,098,924)
Operating profit		111,846,718	97,800,016	17,625,511	16,070,360
Finance costs	24	(763,521)	(1,356,929)	-	-
Profit before taxation	25	111,083,197	96,443,087	17,625,511	16,070,360
Income tax expense	26	(30,331,778)	(25,147,681)	161,443	707,085
Net profit for the financial year		80,751,419	71,295,406	17,786,954	16,777,445
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		80,751,419	71,295,406	17,786,954	16,777,445
Attributable to:-					
Owners of the Company		80,936,732	71,295,406	17,786,954	16,777,445
Non-controlling interests		(185,313)	-	-	-
		80,751,419	71,295,406	17,786,954	16,777,445
Earnings per ordinary share attributable to Owners of the Company (sen)					
- Basic	27(a)	23	23		
- Diluted	27(b)	22	21		

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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		Attributable to owners of the Company								
		Non-Distributable					Distributable			
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	RCPS - Equity Component RM	Reserve Arising from Reverse Acquisition RM	Retained Earnings RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group										
At 1 July 2013		129,147,500	-	-	12,387,689	(47,425,855)	107,013,233	201,122,567	-	201,122,567
Issuance of shares		40,852,500	78,839,917	-	-	-	-	119,692,417	-	119,692,417
Total comprehensive income for the financial year		-	-	-	-	-	71,295,406	71,295,406	-	71,295,406
At 30 June 2014		170,000,000	78,839,917	-	12,387,689	(47,425,855)	178,308,639	392,110,390	-	392,110,390
Conversion of RCPS		6,666,666	14,117,200	-	(4,955,075)	-	-	15,828,791	-	15,828,791
Purchase of treasury shares		-	-	(41,566)	-	-	-	(41,566)	-	(41,566)
Dividends on ordinary shares	34	-	-	-	-	-	(14,133,337)	(14,133,337)	-	(14,133,337)
Changes in ownership interests in subsidiaries		-	-	-	-	-	170,657	170,657	753,994	924,651
Total comprehensive income for the financial year		-	-	-	-	-	80,936,732	80,936,732	(185,313)	80,751,419
At 30 June 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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (Continued)

		Attributable to owners of the Company					
		Non-Distributable				Distributable	
	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	RCPS - Equity Component RM	(Accumulated Losses)/ Retained Earnings RM	Total Equity RM
Company							
At 1 July 2013		129,147,500	-	-	12,387,689	(1,203,698)	140,331,491
Issuance of shares		40,852,500	78,839,917	-	-	-	119,692,417
Total comprehensive income for the financial year		-	-	-	-	16,777,445	16,777,445
At 30 June 2014		170,000,000	78,839,917	-	12,387,689	15,573,747	276,801,353
Conversion of RCPS		6,666,666	14,117,200	-	(4,955,075)	-	15,828,791
Purchase of treasury shares		-	-	(41,566)	-	-	(41,566)
Dividends on ordinary shares	34	-	-	-	-	(14,133,337)	(14,133,337)
Total comprehensive income for the financial year		-	-	-	-	17,786,954	17,786,954
At 30 June 2015		176,666,666	92,957,117	(41,566)	7,432,614	19,227,364	296,242,195

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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:				
Profit before taxation	111,083,197	96,443,087	17,625,511	16,070,360
Adjustments for:-				
Accretion of interest on RCPS	1,817,574	2,795,837	1,817,574	2,795,837
Depreciation of investment properties	92,972	92,972	-	-
Depreciation of property, plant and equipment	517,365	397,059	-	-
Dividend income	(153,567)	(85)	(20,153,205)	(20,000,000)
Interest expense	763,521	1,356,929	-	-
Interest income	(2,936,001)	(1,863,626)	(957,949)	(543,514)
Loss on disposal of motor vehicle	7,672	-	-	-
Receivables written off	9,330	-	-	-
Operating profit/(loss) before working capital changes	111,202,063	99,222,173	(1,668,069)	(1,677,317)
Changes In Working Capital:-				
Inventories	4,988,453	8,747,180	-	-
Receivables	(41,125,956)	26,828,243	(580,325)	(1,004,500)
Payables	136,785,972	(9,314,049)	40,000	279,000
Property development costs	(21,913,592)	(130,129,320)	-	-
Net cash generated from/(used in) operations	189,936,940	(4,645,773)	(2,208,394)	(2,402,817)
Income tax paid	(33,213,654)	(26,964,786)	(283,358)	-
Income tax refunded	470,295	2,453,091	-	-
Interests paid	(261,836)	(490,180)	-	-
Interests received	2,936,001	1,863,626	957,949	543,514
Net Operating Cash Flows	159,867,746	(27,784,022)	(1,533,803)	(1,859,303)

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (Continued)

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES:				
Acquisition of subsidiary companies (Note A)	-	-	(3,000,002)	(6)
Additional investment in a subsidiary company	-	-	(4,899,998)	(1,759,998)
Investment in an associate	35,000	(35,000)	-	-
Investment in unit trusts	(1,500,096)	(505,483)	(2,000,000)	-
Deposit paid for acquisition of land held for property development	-	-	-	-
Dividend received	264	43	20,000,000	20,000,000
Land held for property development costs incurred	(25,232,360)	(19,963,375)	-	-
Net cash outflow from acquisitions of subsidiary companies (Note A)	(1,845,290)	-	-	-
Proceed from disposal of property, plant and equipment	30,000	-	-	-
Purchase of property, plant and equipment (Note B)	(350,948)	(226,168)	-	-
Net Investing Cash Flows	(28,863,430)	(20,729,983)	10,100,000	18,239,996
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES:				
Dividend paid on ordinary shares	(14,133,337)	-	(14,133,337)	-
Proceed from issuance of share to non-controlling interest of a subsidiary	900,000	-	-	-
Fixed deposits pledged as security values	(11,840,703)	(609,619)	-	-
Interests paid	(501,685)	(866,749)	-	-
Net changes in amount due from/to related parties	(34,842,577)	(8,777,389)	26,434,114	(105,574,188)
Drawdown of bank borrowings	5,026,171	91,700,000	-	-
Purchase of treasury shares	(41,566)	-	(41,566)	-
Proceeds from issuance of shares	-	119,692,417	-	119,692,417
Net repayment of bank borrowings	(39,759,394)	(31,528,619)	-	-
Repayment of hire purchase payables	(254,469)	(178,331)	-	-
Net Financing Cash Flows	(95,447,560)	169,431,710	12,259,211	14,118,229

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (Continued)

	Group		**Company**	
	2015	2014	2015	2014
	RM	RM	RM	RM
NET CHANGE IN CASH AND CASH EQUIVALENTS	35,556,756	120,917,705	20,825,408	30,498,922
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	132,964,140	12,046,435	30,510,749	11,827
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	168,520,896	132,964,140	51,336,157	30,510,749
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Cash and bank balances	127,990,104	93,585,901	20,864,130	365,109
Fixed deposits placed with licensed banks	61,268,635	50,541,756	30,472,027	30,145,640
Bank overdrafts	(4,589,720)	(6,856,097)	-	-
	184,669,019	137,271,560	51,336,157	30,510,749
Less: Fixed deposits held as security values	(16,148,123)	(4,307,420)	-	-
	168,520,896	132,964,140	51,336,157	30,510,749

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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (Continued)

A. EFFECTS ON ACQUISITIONS OF OTHER SUBSIDIARY COMPANIES

Effects on acquisitions of the following subsidiary companies:-

2015

(a) **Tenang Sempurna Sdn. Bhd. ("Tenang Sempurna")**

On 14 July 2014, the Company through its subsidiary, Titijaya Resouces Sdn. Bhd., acquired 105,000 of new ordinary shares of RM1.00 each in Tenang Sempurna representing 70% of the equity interest in Tenang Sempurna for a total consideration of RM105,000/- satisfied by cash. Tenang Sempurna is now a wholly-owned subsidiary company of the Company.

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

On 24 March 2015, the Company acquired 1 ordinary share of RM1.00 each from Aziah Binti Musa and Radijah Binti Abdul Razak (collectively referred to as "Premsdale Development Vendors") representing the entire issued and paid-up share capital in Premsdale Development for a total purchase consideration of RM2/- satisfied by cash. Premsdale Development is now a wholly-owned subsidiary company of the Company.

(c) **Tulus Lagenda Sdn. Bhd. ("Tulus Lagenda")**

On 8 May 2015, the Company acquire 500,000 ordinary shares of RM1.00 each from Fazidah Binti Abdullah and Chan Peng Kooh (collectively referred to as "Tulus Lagenda Vendors") representing the entire issued and paid-up share capital in Tulus Lagenda for a total consideration of RM3,000,000/- satisfied by cash. Tulus Lagenda is now a wholly owned-subsidiary company of the Company.

TITIJAYA LAND BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (Continued)

A. EFFECTS ON ACQUISITIONS OF OTHER SUBSIDIARY COMPANIES (Continued)

2015 (Continued)

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

	Group 2015 RM
Land held for property development	2,933,113
Trade and other receivables	103,853,746
Cash and bank balances	1,259,712
Minority interests	(24,651)
Trade and other payables	(38,026,418)
Bank borrowings	(69,000,659)
Net identifiable assets	994,843
Add: Goodwill on consolidation (Note 9)	2,110,159
Total purchase consideration	3,105,002
Less: Cash and cash equivalents of subsidiary companies acquired	(1,259,712)
Cash outflow on acquisitions	1,845,290

2014

(a) **Prosperous Hectares Sdn. Bhd. ("Prosperous Hectares")**

On 8 July 2013, the Company acquired 1 ordinary share of RM1.00 each from Lim Kok Heng and Lim Kok Shee (collectively referred to as "Prosperous Hectares Vendors") representing the entire issued and paid-up share capital in Prosperous Hectares for a total purchase consideration of RM2/- satisfied by cash. Prosperous Hectares is now a wholly-owned subsidiary company of the Company.

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (Continued)

A. EFFECTS ON ACQUISITIONS OF OTHER SUBSIDIARY COMPANIES (Continued)

2014 (Continued)

(b) **Titijaya PMC Sdn. Bhd. (“Titijaya PMC”)**

On 9 July 2013, the Company acquired 1 ordinary share of RM1.00 each from Lim Kok Heng and Lim Kok Shee (collectively referred to as “Titijaya PMC Vendors”) representing the entire issued and paid-up share capital in Titijaya PMC for a total purchase consideration of RM2/- satisfied by cash. Titijaya PMC is now a wholly-owned subsidiary company of the Company.

(c) **Titijaya Resources Sdn. Bhd. (formerly known as Exquisite Acres Sdn. Bhd.) (“Titijaya Resources”)**

On 17 March 2014, the Company acquired 1 ordinary share of RM1.00 each from Sumami Bt. Kiman and Saharuddin B. Abdullah (collectively referred to as “Titijaya Resources Vendors”) representing the entire issued and paid-up share capital in Titijaya Resources for a total purchase consideration of RM2/- satisfied by cash. Titijaya Resources is now a wholly-owned subsidiary company of the Company.

On 8 May 2014, the Company has further subscribed additional 9,998 of new ordinary shares of RM1.00 each for a total consideration of RM9,998/- in Titijaya Resources.

(d) **Liberty Park Development Sdn. Bhd. (“Liberty Park”)**

On 20 May 2014, the Company has further subscribed additional 1,750,000 of new ordinary shares of RM1.00 each for a total consideration of RM1,750,000/- in Liberty Park.

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (Continued)

A. EFFECTS ON ACQUISITIONS OF OTHER SUBSIDIARY COMPANIES (Continued)

2014 (Continued)

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

	Group
	2014
	RM
Cash and bank balances	6
Net identifiable assets/ Total purchase consideration	6
Less: Cash and cash equivalents of subsidiary companies acquired	(6)
Cash inflow on acquisitions	-

B. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM599,948/- (2014: RM535,968/-), of which RM249,000/- (2014: RM309,800/-) were acquired by means of finance lease.

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

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is principally engaged in investment holding. The principal activities of its subsidiary companies are stated in Note 6 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and 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 immediate and ultimate holding company.

The financial statements are expressed in Ringgit Malaysia (“RM”).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 October 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 2.3.

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 reported period. It also requires Directors to exercise their judgment in the process of applying the Group’s and the Company’s accounting policies. Although these estimates and judgment are based on the Directors’ best knowledge of current events and actions, actual results may differ.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.1 **Basis of Preparation (Continued)**

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 **New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int")**

(a) **Adoption of Amendments/Improvements to FRSs and New IC Int**

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

Amendments/Improvements to FRSs	
FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 8	Operating Segments
FRS 10	Consolidated Financial Statements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 124	Related Party Disclosures
FRS 127	Separate Financial Statements
FRS 132	Financial Instruments: Presentation
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 139	Financial Instruments: Recognition and Measurement
FRS 140	Investment Property

New IC Int	
IC Int 21	Levies

The adoption of the above amendments/improvements to FRSs and new IC Int do not have any significant effect on the financial statements of the Group and of the Company except for those as discussed below:-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (Continued)

(a) Adoption of Amendments/Improvements to FRSs and New IC Int (Continued)

Amendments to FRS 3 Business Combinations

Amendments to FRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to FRS 132 *Financial Instruments: Presentation*. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to FRS 3 clarifies that FRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in FRS 11 *Joint Arrangements*) in the financial statements of the joint arrangement itself.

Amendments to FRS 8 Operating Segments

Amendments to FRS 8 require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker. The Amendments only impact the presentation of the disclosure in the financial statements it has no impact on the financial results and positions of the Group.

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosure of Interests in Other Entities and FRS 127 Separate Financial Statements

Amendments to FRS 10 introduces an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value thorough profit or loss in accordance with FRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to FRS 12 and FRS 127.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (Continued)

(a) Adoption of Amendments/Improvements to FRSs and New IC Int (Continued)

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosure of Interests in Other Entities and FRS 127 Separate Financial Statements (Continued)

In addition, amendments to FRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of FRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with FRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 132 does not change the current offsetting model in FRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria. This Amendments only impacts the presentation in the financial statements but has no impact on the financial results and positions of the Group and of the Company.

Amendments to FRS 136 Impairment of Assets

Amendments to FRS 136 clarifies that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.2 **New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (Continued)**

(b) **New FRS and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted**

The Group and the Company have not adopted the following new FRS and amendments/improvements to FRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New FRS		
FRS 9	Financial Instruments	1 January 2018
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments/Improvements to FRSs		
FRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
FRS 7	Financial Instruments: Disclosures	1 January 2016
FRS 10	Consolidated Financial Statements	1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosure of Interests in Other Entities	1 January 2016
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 116	Property, Plant and Equipment	1 January 2016
FRS 119	Employee Benefits	1 January 2016
FRS 127	Separate Financial Statements	1 January 2016
FRS 128	Investments in Associates and Joint Ventures	1 January 2016
FRS 134	Interim Financial Reporting	1 January 2016
FRS 138	Intangible Assets	1 January 2016

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

FRS 9 Financial Instruments

FRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.2 **New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (Continued)**

(b) **New FRS and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (Continued)**

FRS 9 Financial Instruments (Continued)

Classification and measurement

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 statement 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 statement of financial position.

Impairment

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 timelier 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.

Hedge accounting

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (Continued)

(b) **New FRS and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (Continued)**

FRS 14 Regulatory Deferral Accounts

FRS 14 permits first-time adopters of FRSs to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt FRSs. An entity that already presents FRSs financial statements is not eligible to apply this Standard.

As regulatory deferral account balances were not recognised in the FRS financial statements, the principles specified in FRS 14 would have no impact to the Malaysian entities.

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 5 introduces specific guidance when an entity reclassifies an asset (or disposal group) from held-for-sale to held-for-distribution to owners (or vice versa), or when held-for-distribution is discontinued.

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 7 provides 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 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 (whether it is housed in a subsidiary or not), as defined in FRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (Continued)

(b) New FRS and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (Continued)

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 addresses the following issues that have arisen in the application of the consolidation exception for investment entities:-

- Exemption from presenting consolidated financial statements:- the Amendments clarifies 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 clarifies 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 allows 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.

Amendments to FRS 11 Joint Arrangements

Amendments to FRS 11 clarifies that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in FRS 3 *Business Combinations*, it shall apply the relevant principles on business combinations accounting in FRS 3, and other FRSs, that do not conflict with FRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The Amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.2 **New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (Continued)**

(b) **New FRS and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (Continued)**

Amendments to FRS 101 Presentation of Financial Statements

Amendments to FRS 101 improves the effectiveness of disclosures. The Amendments clarifies 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 clarify the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation / amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to FRS 116 prohibits 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 provide a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by FRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

In addition, the Amendments clarifies 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.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.2 **New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (Continued)**

(b) **New FRS and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (Continued)**

Amendments to FRS 127 Separate Financial Statements

Amendments to FRS 127 allows 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 138 Intangible Assets

Amendments to FRS 138 introduces a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the Amendments to FRS 116). This presumption can be overcome only in the limited circumstances:-

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or

- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

(c) **MASB Approved Accounting Standards, MFRSs**

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreements for the Construction of Real Estate* ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2017. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (Continued)

(c) MASB Approved Accounting Standards, MFRSs (Continued)

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 31 July 2018.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group 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:

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (Continued)

(c) MASB Approved Accounting Standards, MFRSs (Continued)

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.

Amendments to MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises.

The Group does not expect any impact on the financial statements arising from the adoption of this standard.

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the Amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

The Group does not expect any impact on the financial statements arising from the adoption of this standard.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial year, potential voting rights are considered when assessing control when such rights are presently exercisable.

- The Group considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider *de facto* power in its assessment of control.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transactions costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether it measures the 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.

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.

(iii) Acquisition of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

(iv) Loss of control

Upon loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and other components of equity related to the former subsidiary from consolidated statement of financial position. Any surplus or deficit 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 equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Associates

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

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

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 a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

(v) Associates (Continued)

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. 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.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Joint arrangements

Joint arrangements are arrangement of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with other investors, in relation to the joint operation.

- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interest have a deficit balances.

(viii) Transactions eliminated on consolidation

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

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

(ix) Goodwill

Goodwill arises on business combinations are measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted associates and joint venture.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(b) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing 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 and 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.

Property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. The annual rates used for this purpose are as follows:-

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

No depreciation is provided on freehold land.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date. The effects of any revisions of the residual values and useful lives are included in the profit or loss for the financial period in which the changes arise.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

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 included in the profit or loss in the financial period the asset is derecognised.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(c) **Investment Properties**

(i) **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.

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.

(ii) **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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(d) Property Development Activities

(i) 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.

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.

(ii) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(d) Property Development Activities (Continued)

(ii) Property Development Costs (Continued)

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.

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.

(e) Financial Instruments

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial instruments recognised initially, they are measured at fair value, plus, in the case of financial instruments not at fair value through profit or loss, directly attributable transaction costs.

An embedded derivatives 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 nature of the host contract.

The Group and the Company categorise 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 if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(e) Financial Instruments (Continued)

(i) Financial Assets (Continued)

- ***Financial Assets at Fair Value Through Profit or Loss (Continued)***

  Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

  Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

- ***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. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

  Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

- ***Held-to-Maturity Investments***

  Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

  Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

  Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(e) **Financial Instruments (Continued)**

(i) **Financial Assets (Continued)**

- ***Available-for-Sale Financial Assets***

  Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

  After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method 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 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.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

  Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(e) Financial Instruments (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 and financial liabilities designated upon initial recognition as at fair value through profit or loss.

  Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit and loss. Net gains or losses on derivatives include exchange differences.

  The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

- ***Other Financial Liabilities***

  The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

  Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

  Loans and borrowings are recognised initially at fair value, net of transaction cost incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

  For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(f) 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.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to the financial guarantee contract when it is due and the Group and the Company, as the issuer, are required to reimburse the holder for the associated loss, 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.

(g) Impairment of Assets

(i) Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

- **Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost**

  To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group’s and the Company’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

  If any such evidence exists, the amount of impairment loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(g) **Impairment of Assets (Continued)**

(i) **Financial Assets (Continued)**

- **Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost (Continued)**

  The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

  If in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

- **Unquoted Equity Securities Carried at Cost**

  If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, profitability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets difference between the asset's carrying amount of the loss is measured as the difference between the asset's carrying amount 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 are not reversed in subsequent periods.

- **Available-for-sale Financial Assets**

  Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(g) **Impairment of Assets (Continued)**

(i) **Financial Assets (Continued)**

- **Available-for-sale Financial Assets (Continued)**

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in 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 in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(ii) **Non-Financial Assets**

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Significant Accounting Policies (Continued)

(g) Impairment of Assets (Continued)

(ii) Non-Financial Assets (Continued)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, 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.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the specific identification basis for completed units of unsold developed properties.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(i) Provisions for Liabilities

Provisions for liabilities 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.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(i) **Provisions for Liabilities (Continued)**

Provision 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 reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(j) **Leases**

(i) **Finance Lease**

Assets financed by finance leases arrangements which transfer substantially all the risks and rewards of ownership to the Group and the Company are capitalised as property, plant and equipment, and the corresponding obligations are treated as liabilities. The assets so capitalised are depreciated in accordance with the accounting policy on property, plant and equipment.

Assets acquired by way of finance lease are stated at an amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses, if any. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's and the Company's incremental borrowing rate is used. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance cost, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(j) **Leases (Continued)**

(ii) **Operating leases**

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

(k) **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past event and whose existence will only be confirm by the occurrence of one or more uncertain future events not wholly within the control of the Group and the Company. It can also be a present obligation arisng from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(l) **Equity Instruments**

(i) **Ordinary Shares**

Ordinary shares are recorded at the nominal value and the consideration in excess of nominal value of shares issued, if any, is accounted for as share premium. Both ordinary shares and shares premium are classified as equity.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the financial year end. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, if any, otherwise it is charged to the profit or loss. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(l) **Equity Instruments (Continued)**

(ii) **Redeemable Cumulative 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.

(iii) **Treasury Shares**

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid, including directly attributable costs, net of any tax effects, is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sales, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(m) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition and construction of land held for property development, investment properties and other properties are capitalised as part of the costs of those assets, until such time the assets are substantially ready for their intended use or sale. Borrowing cost incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs will be suspended when the assets are completed or during the period in which development and constructions are stalled. The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawdown from that borrowing facility.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(m) **Borrowing Costs (Continued)**

All other borrowing costs are recognised as an expense in the profit or loss in the period in which they are incurred.

(n) **Taxation**

(i) **Current Tax**

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

(ii) **Deferred Tax**

Deferred tax is provided for, using the liability method, on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused 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.

The carrying amount of deferred tax assets, if any, 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 all or part of the asset to be recovered.

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 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 when 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 and the Group and the Company intend to settle its current tax assets and current tax liabilities on a net basis.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(o) **Currencies**

Functional and Presentation Currency

The financial statements of in the Group and the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The financial statements are presented in RM, which is the Group's and the Company's functional currency and presentation currency.

(p) **Revenue Recognition**

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.

(i) **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.

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.

(ii) **Interest Income**

Interest income other than late payment interest income by house buyers and other trade receivables are recognised on an accrual basis.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(p) **Revenue Recognition (Continued)**

(iii) **Rental Income**

Rental income is recognised on an accrual basis.

(iv) **Dividend Income**

Dividend income is recognised when the right to receive payment is established.

(q) **Employee Benefits**

(i) **Short Term Employee Benefits**

Wages, salaries, bonuses, social security contribution and non-monetary benefits are recognised as an expense in the financial year in which the associated services are rendered by the employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave and maternity leave are recognised when absences occur.

(ii) **Post-Employment Benefits**

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to profit or loss in the period to which they are related. Once the contributions have been paid, the Group has no further payment obligations.

(r) **Cash and Cash Equivalents**

For the purpose of statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances and fixed deposits placed with licensed banks that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, net of fixed deposits pledged with licensed banks and bank overdrafts.

(s) **Segment Information**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.3 **Significant Accounting Policies (Continued)**

(t) **Fair value measurements**

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 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.

(u) **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.

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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Judgements in Applying the Group's and the Company's Accounting Policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements except for the matter discussed below:-

(i) Revenue Recognition on Property Development Projects

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.

3. **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)**

(b) **Key Sources of Estimation Uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as stated below:

(i) **Impairment of Investments in Subsidiary Companies and Recoverability of Amount Owing by Subsidiary Companies**

The Company tests investments in subsidiary companies 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 subsidiary companies affects the result of the impairment test. Costs of investments in subsidiary companies which have ceased operations were impaired up to net assets of the subsidiary companies. The impairment made on investment in subsidiary companies entails an allowance for doubtful debts to be made to the amount owing by these subsidiary companies.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiary companies, 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 subsidiary companies.

(ii) **Impairment of Non-current Assets and Current Assets**

The Group and the Company review the carrying amount of its non-current assets and current assets, which include property, plant and equipment, land held for property development, property development costs and investment properties to determine whether there is an indication that those assets have suffered an impairment loss in accordance with relevant accounting policies on the respective category of non-current assets and current assets. Independent professional valuations to determine the carrying amount of these assets will be procured when the need arise.

As at the end of the financial year under review, the directors are of the view that there is no indication of impairment to these assets and therefore no independent professional valuation was procured by the Group and the Company during the financial year to determine the carrying amount of these assets.

3. **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)**

(b) **Key Sources of Estimation Uncertainty (Continued)**

(iii) **Impairment of goodwill**

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash-generating units to which goodwill is allocated.

When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(iv) **Useful lives of property, plant and equipment**

The Group estimate the useful lives of property, plant and equipment based on period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectation differs from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of useful lives of property, plant and equipment are based on experience with similar assets in the industries. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(v) **Taxation**

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(vi) **Contingent liabilities**

Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency.

4. **PROPERTY, PLANT AND EQUIPMENT**

Group	Freehold Land and Building RM	Computers RM	Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Renovation RM	Cabins RM	Total RM
Cost								
At 1 July 2013	3,547,576	230,608	102,475	300,044	1,870,180	75,061	22,460	6,148,404
Additions	16,635	132,923	6,566	30,399	349,445	-	-	535,968
At 30 June 2014	3,564,211	363,531	109,041	330,443	2,219,625	75,061	22,460	6,684,372
Additions	-	252,395	2,380	30,280	310,993	3,900	-	599,948
Disposal	-	-	-	-	(48,324)	-	-	(48,324)
At 30 June 2015	3,564,211	615,926	111,421	360,723	2,482,294	78,961	22,460	7,235,996
Accumulated Depreciation								
At 1 July 2013	-	157,109	97,019	164,691	1,323,496	57,133	22,459	1,821,907
Depreciation for the financial year	71,284	29,576	1,625	40,863	248,369	5,342	-	397,059
At 30 June 2014	71,284	186,685	98,644	205,554	1,571,865	62,475	22,459	2,218,966
Depreciation for the financial year	71,284	72,225	2,741	47,999	317,126	5,990	-	517,365
Disposal	-	-	-	-	(10,652)	-	-	(10,652)
At 30 June 2015	142,568	258,910	101,385	253,553	1,878,339	68,465	22,459	2,725,679
Net Carrying Amounts								
At 30 June 2015	3,421,643	357,016	10,036	107,170	603,955	10,496	1	4,510,317
At 30 June 2014	3,492,927	176,846	10,397	124,889	647,760	12,586	1	4,465,406

Included in the freehold land and building of the Group with a net book value totaling RM3,421,643/- (2014: RM3,492,927/-) are pledged to financial institutions to secure credit facilities granted to the Group.

Motor vehicles with a total carrying amount of RM603,952/- (2014: RM647,756/-) were acquired under hire purchase arrangements.

5. 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 2013	140,669,826	-	24,474,771	165,144,597
Additions during the financial year	-	-	19,963,375	19,963,375
Transfer to property development costs (Note 5(b))	(62,227,382)	-	(8,591,791)	(70,819,173)
At 30 June 2014	78,442,444	-	35,846,355	114,288,799
Acquisition of subsidiary company	-	-	2,933,113	2,933,113
Additions during the financial year	-	15,000,000	10,232,360	25,232,360
Transfer to property development costs (Note 5(b))	(6,782,695)	-	(492,457)	(7,275,152)
At 30 June 2015	71,659,749	15,000,000	48,519,371	135,179,120

Land held for property development amounting to RM71,125,735/- (2014: RM75,124,560/-) 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 RM746,978/- (2014: RM1,097,660/-) being interest expense capitalised during the financial year.

5. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (Continued)

(b) Property Development Costs

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group				
Cumulative Property Development Costs				
At 1 July 2013	67,743,867	18,800,000	102,841,263	189,385,130
Cost incurred during the financial year	137,383,263	-	138,018,510	275,401,773
Transfer from land held for property development (Note 5(a))	62,227,382	-	8,591,791	70,819,173
Reversal of completed projects	(333,140)	-	(3,507,458)	(3,840,598)
Unsold units transferred to inventories	(1,372,959)	-	(14,455,167)	(15,828,126)
At 30 June 2014	265,648,413	18,800,000	231,488,939	515,937,352
Cost incurred during the financial year	50,000	-	208,089,448	208,139,448
Transfer from land held for property development (Note 5(a))	6,782,695	-	492,457	7,275,152
Reversal of completed projects	(5,361,107)	(2,658,146)	(105,432,739)	(113,451,992)
Unsold units transferred to inventories	(531,323)	-	(6,635,816)	(7,167,139)
At 30 June 2015	266,588,678	16,141,854	328,002,289	610,732,821

5. **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 2013	(1,037,637)	(1,171,774)	(28,467,944)	(30,677,355)
Recognised during the financial year	(18,515,585)	(2,995,768)	(123,761,100)	(145,272,453)
Reversal of completed projects	333,140	-	3,507,458	3,840,598
At 30 June 2014	(19,220,082)	(4,167,542)	(148,721,586)	(172,109,210)
Recognised during the financial year	(28,329,100)	(689,963)	(157,206,793)	(186,225,856)
Reversal of completed projects	5,361,107	2,658,146	105,432,739	113,451,992
At 30 June 2015	(42,188,075)	(2,199,359)	(200,495,640)	(244,883,074)
Property Development Costs				
At 30 June 2015	224,400,603	13,942,495	127,506,649	365,849,747
At 30 June 2014	246,428,331	14,632,458	82,767,353	343,828,142

Included in the property development costs of the Group are RM6,021,478/- (2014: RM910,587/-) being interest expense capitalised during the financial year.

The freehold land under property development costs amounting to RM186,952,047/- (2014: RM188,128,742/-) have been pledged to financial institutions to secure credit facilities granted to the Group.

6. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company 2015 RM	Company 2014 RM
Unquoted shares - at cost	191,407,500	183,507,500

The details of the subsidiary companies are as follows:

Name of entity	Country of Incorporation	Effective Equity Interest 2015	Effective Equity Interest 2014	Principal Activities
Direct subsidaries				
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%	100%	Property development
Pin Hwa Properties Sdn. Bhd.	Malaysia	100%	100%	Investment holding and joint venture for property development
Terbit Kelana Development Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Titijaya Resources Sdn. Bhd.	Malaysia	100%	100%	Property development
Titijaya PMC Sdn. Bhd.	Malaysia	100%	100%	Providing management services
City Meridian Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Liberty Park Development Sdn. Bhd.	Malaysia	100%	100%	Dormant
Premsdale Development Sdn. Bhd.	Malaysia	100%	-	Property development
Tulus Lagenda Sdn. Bhd. *	Malaysia	100%	-	Dormant
Indirect subsidaries				
Subsidairies of NPO Development Sdn. Bhd:				
NPO Land Sdn. Bhd.	Malaysia	100%	100%	Property development
Sendi Bangga Development Sdn. Bhd.	Malaysia	100%	100%	Property development
Subsidairies of Titijaya Resources Sdn. Bhd:				
Tenang Sempurna Sdn. Bhd. *	Malaysia	70%	23%	Dormant

* *Not audited by Baker Tilly Monteiro Heng.*

7. INVESTMENTS IN AN ASSOCIATE COMPANY

	Group	
	2015	2014
	RM	RM
Unquoted shares - at cost	35,000	35,000
Transfer to investment in subsidiary companies	(35,000)	-
	-	35,000

The associate company is Tenang Sempurna Sdn. Bhd., incorporated in Malaysia. The principal activity of the associate is that of property development.

On 14 July 2014, the Company increased its shareholding in Tenang Sempurna Sdn. Bhd. ("TSSB"), an associate company from 23% to 70% through the acquisition of 70,000 ordinary shares of RM1/- each in TSSB for a total consideration of RM70,000/-. TSSB has then become the subsidiary of the Company.

The summarised financial statements of the associate are as follows:-

	Group
	2014
	RM
Assets and liabilities	
Total assets	100,000
Total liabilities	66,831
Results	
Expenses	66,831

8. INVESTMENT PROPERTIES

Group	Freehold land RM	Buildings RM	Total RM
Costs			
At 1 July 2013	71,989,369	4,648,613	76,637,982
Addition	-	-	-
At 30 June 2014	71,989,369	4,648,613	76,637,982
Addition	-	-	-
At 30 June 2015	71,989,369	4,648,613	76,637,982
Accumulated Depreciation			
At 1 July 2013	-	131,790	131,790
Depreciation for the financial year	-	92,972	92,972
At 30 June 2014	-	224,762	224,762
Depreciation for the financial year	-	92,972	92,972
At 30 June 2015	-	317,734	317,734
Net Carrying Amount			
At 30 June 2015	71,989,369	4,330,879	76,320,248
At 30 June 2014	71,989,369	4,423,851	76,413,220

	Group 2015 RM	Group 2014 RM
Fair value of investment properties	81,620,000	80,173,120
Rental income generated	1,210,218	1,238,634
Direct operating expenses arising from investment properties	24,211	8,670

Buildings consist of office unit and a food court.

8. **INVESTMENT PROPERTIES (Continued)**

(a) **Fair value information**

The fair value of investment properties of approximately RM81,620,000/- (2014: RM80,173,120/-) is determined based on the valuation performed by the independent professional valuers with recent experience in the location and categories of land being valued. The fair value of investment properties is measured at Level 2 hierarchy.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active market for identical properties that the entity can access at the measurement date.

Level 2 fair value

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.

Transfer between level 1 and level 2 fair values

There is no transfer between level 1 and 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the land and buildings.

(b) The investment properties amounting to RM50,620,000/- (2014: RM50,980,000/-) have been pledged to financial institutions to secure credit facilities granted to the Group.

9. GOODWILL ON CONSOLIDATION

	Group	
	2015	2014
	RM	RM
At the beginning of the financial year	1,595,888	1,595,888
Acquisition of subsidiary companies	2,110,159	-
At the end of the financial year	3,706,047	1,595,888

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. 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 6.75% 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.

10. INVENTORIES

	Group	
	2015	2014
	RM	RM
Completed properties held for sale, at cost	23,405,993	21,227,307

The Group's cost of inventories recognised as cost of sales during the financial year amounted to RM4,680,834/- (2014: RM8,747,180/-).

11. OTHER INVESTMENTS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Current				
Financial assets at fair value through profit or loss				
-Held for trading	2,164,399	511,000	2,153,205	-

12. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2015	2014	2015	2014
		RM	RM	RM	RM
Trade receivables	(a)	73,454,121	80,705,216	-	-
Amount due from:	(b)				
- holding company		-	2,000	-	-
- subsidiary companies		-	-	113,367,663	107,651,663
- a subsidiary company of the holding company		-	17,694	-	-
Other receivables	(c)	29,036,310	11,250,457	580,325	1,000,000
Deposits	(d)	112,977,624	3,167,725	1,004,500	4,500
Prepayments	(e)	2,246,550	53,279	-	-
		144,260,484	14,491,155	114,952,488	108,656,163
Total trade and other receivables		217,714,605	95,196,371	114,952,488	108,656,163

(a) Trade receivables

The Group's normal trade credit terms ranges from 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	
	2015	2014
	RM	RM
Neither past due nor impaired	26,212,773	60,204,616
1 to 30 days past due not impaired	23,041,641	16,263,900
31 to 75 days past due not impaired	543,554	586,307
More than 75 days past due but not impaired	23,656,153	3,650,393
	73,454,121	80,705,216

12. **TRADE AND OTHER RECEIVABLES (Continued)**

(a) **Trade receivables (Continued)**

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 64% (2014: 25%) of the Group's trade receivables are unsecured in nature.

Based on the management experience, no receivables past due were written off as a result of irrecoverability. 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.

(b) **Amounts due from holding company, subsidiary companies and a subsidiary company of the holding company**

The amounts due from holding company, subsidiary companies and a subsidiary company of the holding company are unsecured, interest free and receivable upon demand.

(c) **Other receivables**

(i) Included in the other receivables of the Group is an amount of RM17,393,194/- (2014: RM7,770,615/-) deposited with a lawyer as stakeholders' sum from house buyers.

(ii) Included in the other receivables of the Group is an amount of RM799,512/- (2014: Nil) due from entities which certain directors have interests.

(d) **Deposits**

Included in deposits of the Group as follows:

(i) RM2,031,505/- (2014: RM2,031,505/-) in relation to the deposits paid for the purchase of land held for property development for a total consideration of RM131,570,080/- (2014: RM131,570,080/-). The balance of the purchase considerations are disclosed as capital commitment in Note 29 to the financial statements.

(ii) RM70,000,000/- (2014: Nil) paid in connection to proposed development. The deposit is secured by a third party charge over a parcel of leasehold land.

12. TRADE AND OTHER RECEIVABLES (Continued)

(e) Prepayments

Included in prepayments of the Group is an amount totaling RM1,937,017/- (2014: Nil) in relation to the amount paid for the property development cost.

13. FIXED DEPOSITS PLACED WITH LICENSED BANKS

Group

Fixed deposits placed with licensed banks have maturity dates of one (1) month which bear interests rates ranging from 2.90% to 3.40% (2014: 2.75% to 3.00%) per annum for the financial year.

Fixed deposits of RM16,148,123/- (2014: RM4,307,420/-) placed with licensed banks have been pledged to the licensed banks to secure credit facilities granted to the Group.

Company

Fixed deposits placed with licensed banks have maturity dates of one (1) month which bear interests rates at 3.15% (2014: 3.00%) per annum for the financial year.

14. CASH AND BANK BALANCES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash in hand	7,609	7,713	2	2
Housing development accounts	23,694,212	57,368,223	-	-
Cash at banks	104,288,283	36,209,965	20,864,128	365,107
	127,990,104	93,585,901	20,864,130	365,109

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 subsidiary companies upon the completion of the property development projects and after all property development expenditure have been fully settled.

15. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Group and Company				
	Ordinary Shares of RM0.50 each		*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 2013	258,295,000	-	129,147,500	-	-
Issued during the financial year	81,705,000	-	40,852,500	78,839,917	-
At 30 June 2014/1 July 2014	340,000,000	-	170,000,000	78,839,917	-
Conversion of RCPS	13,333,333	-	6,666,666	14,117,200	-
Purchase of treasury shares	-	(22,000)	-	-	(41,566)
At 30 June 2015	353,333,333	(22,000)	176,666,666	92,957,117	(41,566)

	Group and Company			
	2015		2014	
	Number of Shares Unit	RM	Number of Shares Unit	RM
Authorised share capital				
Ordinary Shares of RM0.50 each				
At the beginning/end of the financial year	500,000,000	250,000,000	500,000,000	250,000,000

(a) Share Capital

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.

(b) Share premium

Share premium comprises the premium paid on subscription of shares of the Company over and above the par value of the shares.

15. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (Continued)

(c) 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.

The Company acquired 22,000 (2014: Nil) shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the financial year at an average price of RM1.89 per shares. The total consideration paid to acquire the shares was RM41,566/- (2014: Nil) and this was presented as component within shareholders' equity.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

16. OTHER RESERVES

	Reserve arising from reverse acquisition RM	Equity component of redeemable convertible preference shares RM	Total RM
Group			
At 1 July 2013	(47,425,855)	12,387,689	(35,038,166)
Transaction during the year	-	-	-
At 30 June 2014/1 July 2014	(47,425,855)	12,387,689	(35,038,166)
Conversion of RCPS	-	(4,955,075)	(4,955,075)
At 30 June 2015	(47,425,855)	7,432,614	(39,993,241)
Company			
At 1 July 2013		12,387,689	12,387,689
Transaction during the year		-	-
At 30 June 2014/1 July 2014		12,387,689	12,387,689
Conversion of RCPS		(4,955,075)	(4,955,075)
At 30 June 2015		7,432,614	7,432,614

16. **OTHER RESERVES (Continued)**

(a) **Reserve Arising From Reserve Acquisition**

The reserve arising from reverse acquisition is arising from the acquisition of 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.

17. **HIRE PURCHASE PAYABLES**

	Group	
	2015	2014
	RM	RM
Minimum hire purchase payments		
- within twelve months	200,002	238,624
- more than twelve months	460,472	419,298
	660,474	657,922
Less: Future interest charges	(62,994)	(54,973)
Present value of hire purchase payables	597,480	602,949
Analysis of present value of hire purchase payables		
- not later than one year	175,839	215,712
- later than one year and not later than five years	421,641	387,237
	597,480	602,949

The hire purchase payables bear interest at the effective interest rates ranging from 3.59% to 7.13% (2014: 2.93% to 6.08%) per annum.

18. BANK BORROWINGS

	Group 2015 RM	Group 2014 RM
Short term bank borrowings - secured		
Bank overdrafts	4,589,720	6,856,097
Term loans	49,947,199	14,426,062
	54,536,919	21,282,159
Long term bank borrowings - secured		
Term loans	103,357,249	104,610,950
	103,357,249	104,610,950
Total bank borrowings	157,894,168	125,893,109
Comprising portion repayable		
Within one year	59,971,318	21,282,159
More than one year but less than two years	53,291,177	24,290,899
More than two years but less than five years	38,816,168	73,930,155
More than five years	5,815,505	6,389,896
	157,894,168	125,893,109

Bank Overdrafts

(i) The bank overdraft bear interests of 8.44% (2014: 8.17%) per annum.

(ii) The bank overdraft 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 the Company; and
(e) Jointly and severally guarantee by certain Directors of the Group.

Term loans

(i) The bank borrowings bear interests at rates ranging from 5.50% to 7.63% (2014: 5.23% to 7.36%) 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;

18. **BANK BORROWINGS (Continued)**

Term loans (Continued)

(ii) The term loans of the Group are secured by way of: (Continued)

(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/immediate 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 Group;
(l) Letter of undertaking from the holding company; and
(m) Corporate guarantee from the holding company and the ultimate holding company.

19. **RCPS – LIABILITY COMPONENT**

	Group and Company	
	2015	2014
	RM	RM
At the beginning of the financial year/period	36,278,919	33,483,082
Conversion of RCPS	(14,511,568)	-
Accretion- amortised cost	1,817,574	2,795,837
At the end of the financial year	23,584,925	36,278,919

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 subsidiary companies.

19. **RCPS – LIABILITY COMPONENT (Continued)**

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.

20. DEFERRED TAX LIABILITIES

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Deferred tax liabilities				
At the beginning of the financial year	38,658,227	39,498,220	3,293,059	4,129,229
Recognised in profit or loss during the financial year	(1,572,622)	(839,993)	(436,218)	(836,170)
Conversion of RCPS	(1,317,223)	-	(1,317,223)	-
At the end of the financial year	35,768,382	38,658,227	1,539,618	3,293,059

The deferred tax liabilities comprise the following:-

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Tax effects on temporary differences arising from:-				
Property, plant and equipment	70,464	12,915	-	-
Investment properties	15,755,033	15,755,033	-	-
Land held for property development	18,403,267	19,597,220	-	-
RCPS	1,539,618	3,293,059	1,539,618	3,293,059
	35,768,382	38,658,227	1,539,618	3,293,059

Details of deferred tax assets pertaining to certain subsidiary companies which have not been recognised in the financial statements due to uncertainty of realisation are as follow:-

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Deferred tax assets				
Unutilised tax losses	6,658,995	2,717,120	-	-
Potential deferred tax benefit at 24% (2014: 24%)	1,598,159	652,109	-	-

The unutilised tax losses are available for offset against future taxable profits of the subsidiary companies.

21. TRADE AND OTHER PAYABLES

		Group		Company	
		2015	2014	2015	2014
		RM	RM	RM	RM
Trade payables	(a)	73,080,475	34,666,745	-	-
Amount due to:	(b)				
- Holding company		923,533	944,552	120	-
- Subsidiary companies		-	-	37,151,171	5,001,176
- Directors		2,982,114	6,312,389	-	-
- Subsidiary companies of the holding company		217,465	31,728,442	-	-
Other payables	(c)	55,395,659	23,732,425	885,820	885,820
Accruals	(d)	28,733,697	29,173,049	325,000	285,000
Deposits	(e)	1,929,090	6,188,812	-	-
		90,181,558	98,079,669	38,362,111	6,171,996
Total trade and other payables		163,262,033	132,746,414	38,362,111	6,171,996

(a) **Trade payables**

The normal trade credit terms granted to the Group range from 30 days to 90 days.

Included in trade payables is an amount of RM27,704,916/- (2014: RM10,988,903/-) held as retention sum payable to contractors.

(b) **Amounts due to holding company, subsidiary companies, directors and subsidiary companies of the holding company**

The amounts due to holding company, subsidiary companies, directors and subsidiary companies of the holding company are unsecured, interest free and repayable on demand.

(c) **Other payables**

(i) Included in other payable is an amount of RM33,975,100/- (2014: Nil) owing to previous shareholder of a subsidiary. The amount due is unsecured, interest free and repayable on demand.

(ii) Included in other payable is an amount of RM72,387/- (2014: RM84,172/-) owing to companies in which persons connected to certain directors have interests.

(iii) Included in other payables is an amount of RM3,482,729/- (2014: RM3,482,729/-) owing to companies in which certain directors have interests.

(d) **Accruals**

Included in accruals are an amount totalling RM23,952,892/- (2014: RM28,260,069/-) which represents costs accrued for the development projects undertaken by the Group.

21. TRADE AND OTHER PAYABLES (Continued)

(e) Deposits

Included in deposits are in relation to partial payments towards the sales of development properties.

22. REVENUE

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Property development revenue	339,440,029	282,609,081	-	-
Rental income	1,210,218	1,238,634	-	-
Dividend income from a subsidiary company	-	-	20,000,000	20,000,000
	340,650,247	283,847,715	20,000,000	20,000,000

23. COST OF SALES

	Group	
	2015	2014
	RM	RM
Property development costs	191,214,310	154,031,130
Direct operating expenses arising from investment properties	24,211	8,670
	191,238,521	154,039,800

24. FINANCE COSTS

	Group	
	2015	2014
	RM	RM
Interest expense on:		
- Hire purchase	28,517	25,625
- Bank overdrafts	261,836	490,180
- Term loans	473,168	841,124
	763,521	1,356,929

25. PROFIT BEFORE TAXATION

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
After charging:-				
Accretion of interest on RCPS	1,817,574	2,795,837	1,817,574	-
Auditors' remuneration:				
- statutory audit				
- current financial year	221,500	185,000	35,000	30,000
- under provision in prior year	-	9,880	-	9,000
- non-statutory	22,000	91,000	22,000	91,000
Depreciation of investment properties	92,972	92,972	-	-
Depreciation of property, plant and equipment	517,365	397,059	-	-
Directors' remuneration (Note 30(c))	2,318,572	2,070,916	356,500	334,500
Listing expenses	64,537	636,565	64,537	636,565
Liquidated ascertain damages expense	6,755	-	-	-
Loss on disposal of property, plant and equipment	7,672	-	-	-
Rental of sales office	337,000	384,200	-	-
Rental of equipment	18,872	12,250	-	-
Receivables written off	9,330	-	-	-
Salaries, allowances and bonuses	7,464,407	5,332,728	-	-
Defined contribution plan	870,678	629,120	-	-
Other staff related expenses	520,542	447,101	-	-
And crediting:-				
Bank interest income	1,045,420	725,897	-	-
Dividend income from other investments	153,567	85	153,205	-
Fixed deposit interest income	1,098,173	648,175	957,949	543,514
Other interest income	792,408	489,554	-	-
Rental income	676,114	529,544	-	-
Liquidated ascertain damages income	94,000	-	-	-

26. INCOME TAX EXPENSE

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Income tax				
- current financial year	31,455,031	26,197,011	270,502	129,085
- under/(over) provision in prior year	449,369	(209,337)	4,273	-
	31,904,400	25,987,674	274,775	129,085
Deferred taxation (Note 20)				
- current financial year	(1,572,432)	(680,219)	-	(671,001)
- over provision in prior year	(190)	(159,774)	(436,218)	(165,169)
	30,331,778	25,147,681	(161,443)	(707,085)

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the financial year.

The reconciliation of income tax expense applicable to profit before taxation 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	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit before taxation	111,083,197	96,443,087	17,625,511	16,070,360
Taxation at applicable statutory tax rate of 25% (2014: 25%)	27,770,799	24,110,772	4,406,378	4,017,590
Tax effect arising from:-				
- Expenses not deductible for tax purposes	1,134,181	1,496,410	427,906	440,494
- Income not subject to tax	(59)	-	(5,000,000)	(5,000,000)
- Deferred tax recognised in different tax rate	31,628	29,395	-	-
- Deferred tax assets not recognised in the financial statements	946,050	(119,785)	-	-
- Under/(Over) accrual of tax in prior year	450,203	(209,337)	4,273	(165,169)
- Over provision of deferred tax in prior year	(1,024)	(159,774)	-	-
Tax expense for the financial year	30,331,778	25,147,681	(161,443)	(707,085)

27. 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	
	2015	2014
Net profit attributable to owners of the Company (RM)	80,936,732	71,295,406
Weighted average number of ordinary shares (units)	352,783,700	306,870,301
Basic earnings per share for the financial year (sen)	23	23

(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.

	Group	
	2015	2014
Profit attributable to owners of the Company (RM)	80,936,732	71,295,406
Weighted average number of ordinary shares (units)	352,783,700	306,870,301
Effect of dilution for:		
Conversion of RCPS	20,000,000	33,333,333
Adjusted weighted average number of ordinary shares in issue and issuable	372,783,700	340,203,634
Diluted earnings per share (sen)	22	21

28. CONTINGENT LIABILITIES

(a) Corporate guarantees

	Company 2015 RM	Company 2014 RM
Corporate guarantees for credit facilities granted to subsidiary companies	467,822,000	145,302,000

The Group also provided bank guarantees amounting to RM16,148,123/- (2014: RM4,307,420/-).

(b) Legal suits

(i) XL Wood Floors Sdn. Bhd. vs Sendi Bangga Development Sdn. Bhd.

On 22 August 2013, a subsidiary company, Sendi Bangga Development Sdn. Bhd. ("Sendi Bangga"), received from a writ of summon and statement of claim from a nominated sub-contractor of Sendi Bangga's trade payable for a breach of collateral contract. The sub-contractor alleged that it has suffered loss and damage and thereby claims against Sendi Bangga.

Sendi Bangga filed its defence and striking out application on 19 September 2013. The trial has been conducted on 13 August 2014. The court has fixed 22 September 2014 for parties to file and exchange submission and submission in reply by 29 September 2014. The court has fixed a case management on 17 October 2014 for parties to fix the clarification date for the case.

The management is of the opinion that the claim is not valid as the nominated sub-contractor has no contractual relationship with Sendi Bangga. Accordingly, no provision for liabilities was made.

On 22 May 2015, the Court upon hearing submissions of all parties and evaluating all the evidence adduced, dismissed the Plaintiff's claim against Sendi Bangga with cost of RM30,000/- to be paid by Plaintiff to Sendi Bangga.

29. COMMITMENTS

	Group 2015 RM	Group 2014 RM
Appproved and contracted but not provided for:-		
- Land held for property development		
Purchase considerations	131,570,080	131,570,080
Less: Deposits paid *	(2,031,505)	(2,031,505)
Capital commitments	129,538,575	129,538,575

30. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification 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 nature of relationship with the related parties is as follows:

Name of Related Parties	**Nature of Relationship**
Titijaya Group Sdn. Bhd.	Immediate and ultimate holding company
Titijaya PMC Sdn. Bhd.	Direct subsidiary
NPO Development Sdn. Bhd.	Direct subsidiary

30. 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	
	2015	2014	2015	2014
	RM	RM	RM	RM
Titijaya PMC Sdn. Bhd.				
- Project management fee	-	-	72,000	72,000
NPO Development Sdn. Bhd.				
- Dividend income	-	-	20,000,000	20,000,000
Titijaya Group Sdn. Bhd.				
- Deposit paid for proposed acquisition of land	-	1,000,000	-	-

(c) Directors' remuneration

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Executive Directors:				
Salaries, allowance and bonus	1,769,500	1,497,500	29,500	7,000
Other emoluments	222,072	245,916	-	-
Directors' fees	108,000	108,000	108,000	108,000
	2,099,572	1,851,416	137,500	115,000
Non-Executive Directors:				
Allowance	33,000	33,500	33,000	33,500
Directors' fees	186,000	186,000	186,000	186,000
	219,000	219,500	219,000	219,500
Total directors' remuneration	2,318,572	2,070,916	356,500	334,500

30. 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	
	2015	2014
Executive Directors:		
Below RM550,000	-	-
RM550,001 - RM600,000	1	1
RM600,001 - RM650,000	-	2
RM650,001 - RM700,000	1	-
RM700,001 - RM750,000	-	-
RM750,001 - RM800,000	-	-
RM800,001 - RM850,000	1	-
Non-executive Directors:		
RM1 - RM50,000	1	2
RM50,001 - RM100,000	3	2

(d) Key management personnel compensation

	Group	
	2015	2014
	RM	RM
Included in staff costs were remunerations for key management personnel other than directors		
- Salaries, bonuses and allowances	1,153,591	815,242
- Defined contribution plan	129,246	88,124
	1,282,837	903,366

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.

31. SEGMENT INFORMATION

FRS 8 requires the identification of operating segments on the basis on internal reports that are regularly reviewed by the management in order to allocate resources to the segments and assess their performance.

For management purpose, the Group is organised into the following operating divisions:-

(i) Property development
(ii) Investment holding

Group **2015**	Property development RM	Investment holding RM	Total RM
Segment profit	136,229,968	19,629,043	155,859,011
Included in the measure of segment profit are:			
Revenue from external customers	340,569,397	80,850	340,650,247
Inter-segment revenue	23,609,017	35,951,555	59,560,572
Finance income	1,928,655	1,007,346	2,936,001
Finance cost	748,885	14,636	763,521
Depreciation	464,693	145,644	610,337
Accertion of interest on RCPS	-	1,817,574	1,817,574
Not included in the measure of segment profit but provided to the Management:			
Tax expenses	(30,030,099)	(301,679)	(30,331,778)
Segment assets	1,136,820,985	386,321,582	1,523,142,567
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	197,031	402,917	599,948
Segment liabilities	872,288,273	85,493,942	957,782,215

31. SEGMENT INFORMATION (Continued)

Group **2014**	Property development RM	Investment holding RM	Total RM
Segment profit	101,303,526	15,139,561	116,443,087
Included in the measure of segment profit are:			
Revenue from external customers	283,709,115	138,600	283,847,715
Inter-segment revenue	22,533,836	29,220,045	51,753,881
Finance income	1,314,551	549,075	1,863,626
Gain on bargain purchase from acquisitions of subsidiary			
Finance cost	1,350,940	5,989	1,356,929
Depreciation	397,059	92,972	490,031
Accertion of interst on RCPS	-	2,795,837	2,795,837
Not included in the measure of segment profit but provided to the Management:			
Tax expenses	25,854,967	(707,286)	25,147,681
Segment assets	774,435,524	339,833,594	1,114,269,118
Included in the measure of segment assets are:			
Investment in associates	-	35,000	35,000
Additions to non-current assets other than financial instruments and deferred tax assets	493,134	42,834	535,968
Segment liabilities	581,728,221	59,987,205	641,715,426

31. SEGMENT INFORMATION (Continued)

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

	Group	
	2015	2014
	RM	RM
Total revenue for reportable segments	400,210,819	335,601,596
Elimination of inter-segment revenue	(59,560,572)	(51,753,881)
Consolidated total	340,650,247	283,847,715
Total profit or loss for reportable segments	155,859,011	116,443,087
Elimination of inter-segment profits	(44,775,814)	(20,000,000)
Consolidated profit before taxation	111,083,197	96,443,087
Total reportable segments assets	1,523,142,567	1,114,269,118
Elimination of inter-segment transactions or balances	(466,258,040)	(300,396,003)
Consolidated total	1,056,884,527	813,873,115
Total reportable segments liabilities	957,782,215	641,715,426
Elimination of inter-segment transactions or balances	(376,338,036)	(219,952,701)
Consolidated total	581,444,179	421,762,725

32. 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**	**Available for sale**	**Other financial liabilities**	**Total**
2015	RM	RM	RM	RM
Financial assets:				
Other investments	-	2,164,399	-	2,164,399
Trade and other receivables (exclude prepayments)	215,468,055	-	-	215,468,055
Fixed deposits placed with licensed banks	61,268,635	-	-	61,268,635
Cash and bank balances	127,990,104	-	-	127,990,104
Total financial assets	404,726,794	2,164,399	-	406,891,193
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	161,332,943	161,332,943
Hire purchase payables	-	-	597,480	597,480
Bank borrowings	-	-	157,894,168	157,894,168
RCPS - liability component	-	-	23,584,925	23,584,925
Total financial liabilities	-	-	343,409,516	343,409,516
2014				
Financial assets:				
Other investments	-	511,000	-	511,000
Trade and other receivables (exclude prepayments)	95,143,092	-	-	95,143,092
Fixed deposits placed with licensed banks	50,541,756	-	-	50,541,756
Cash and bank balances	93,585,901	-	-	93,585,901
Total financial assets	239,270,749	511,000	-	239,781,749

32. **FINANCIAL INSTRUMENTS (Continued)**

(a) **Classification of Financial Instruments (Continued)**

	Loans and receivables	Available for sale	Other financial liabilities	Total
Group				
2014	RM	RM	RM	RM
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	126,557,602	126,557,602
Hire purchase payables	-	-	602,949	602,949
Bank borrowings	-	-	125,893,109	125,893,109
RCPS - liability component	-	-	36,278,919	36,278,919
Total financial liabilities	-	-	289,332,579	289,332,579
Company				
2015				
Financial assets:				
Other investments	-	2,153,205	-	2,153,205
Trade and other receivables (exclude prepayments)	114,952,488	-	-	114,952,488
Fixed deposits placed with licensed banks	30,472,027	-	-	30,472,027
Cash and bank balances	20,864,130	-	-	20,864,130
Total financial assets	166,288,645	2,153,205	-	168,441,850
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	38,362,111	38,362,111
RCPS - liability component	-	-	23,584,925	23,584,925
Total financial liabilities	-	-	61,947,036	61,947,036
2014				
Financial assets:				
Trade and other receivables (exclude prepayments)	108,656,163	-	-	108,656,163
Fixed deposits placed with licensed banks	30,145,640	-	-	30,145,640
Cash and bank balances	365,109	-	-	365,109
Total financial assets	139,166,912	-	-	139,166,912

32. FINANCIAL INSTRUMENTS (Continued)

(a) Classification of Financial Instruments (Continued)

Company	**Loans and receivables**	**Available for sale**	**Other financial liabilities**	**Total**
2014	RM	RM	RM	RM
Financial liabilities:				
Trade and other payables (exclude deposits received)	-	-	6,171,996	6,171,996
RCPS - liability component	-	-	36,278,919	36,278,919
Total financial liabilities	-	-	42,450,915	42,450,915

(b) Fair Values

(i) Recognised Financial Instruments

The fair values of financial assets and financial liabilities of the Group and the Company approximate their carrying values on the statements of financial position of the Group and of the Company.

(ii) Unrecognised Financial Instruments

Fair value of other investments is determined directly by reference to their published market closing price at the reporting date.

The Group's financial instruments carried at fair value by level of fair value hierarchy in which the different levels have been defined as follows:

Level 1	:	Unadjusted quoted prices in active markets for identical financial instrument
Level 2	:	Inputs other than quoted prices included within Level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Lever 3	:	Inputs for the financial instrument that are not based on observable market data

The other investments of the Group is measured at Level 1 hierarchy.

The Group does not have any financial assets or financial liabilities measured at Levels 2 and 3 hierarchy.

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 subsidiary's borrowings in view of the securities pledged by subsidiary.

32. FINANCIAL INSTRUMENTS (Continued)

(b) Fair Values (Continued)

(ii) Unrecognised Financial Instruments (Continued)

There were no other unrecognised financial instruments as at 30 June 2015 that are required to be disclosed.

33. 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 directors of the Company review and agree policies and procedures for the management of these risks.

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 12 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 12 to the financial statements.

Receivables that are past due but not impaired

Information regarding trade receivables that are past due but not impaired is disclosed in Note 12 to the financial statements.

33. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (Continued)

(a) Credit Risk (Continued)

Credit risk concentration profile

At the reporting date, there was no significant concentration of credit risk in the Group.

(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.

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			
2015	**Carrying amount**	**On demand or within 1 year**	**1 - 5 Years**	**> 5 years**	**Total**
Group	RM	RM	RM	RM	RM
Financial liabilities:					
Trade and other payables	163,262,033	163,262,033	-	-	163,262,033
Hire purchase payables	597,480	200,002	460,472	-	660,474
Bank borrowings	157,894,168	69,299,160	102,620,352	6,023,318	177,942,830
RCPS - liability component	23,584,925	-	23,584,925	-	23,584,925
	345,338,606	232,761,195	126,665,749	6,023,318	365,450,262
Company					
Financial liabilities:					
Trade and other payables	38,362,111	38,362,111	-	-	38,362,111
RCPS - liability component	23,584,925	-	23,584,925	-	23,584,925
	61,947,036	38,362,111	23,584,925	-	61,947,036

33. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (Continued)

(b) Liquidity Risk (Continued)

		Contractual undiscounted cash flows			
2014	**Carrying amount**	**On demand or within 1 year**	**1 - 5 Years**	**> 5 years**	**Total**
Group	RM	RM	RM	RM	RM
Financial liabilities:					
Trade and other payables	132,746,414	132,746,414	-	-	132,746,414
Hire purchase payables	602,949	238,624	419,298	-	657,922
Bank borrowings	125,893,109	27,751,691	111,083,186	7,755,620	146,590,497
RCPS - liability component	36,278,919	-	36,278,919	-	36,278,919
	295,521,391	160,736,729	147,781,403	7,755,620	316,273,752
Company					
Financial liabilities:					
Trade and other payables	6,171,996	6,171,996	-	-	6,171,996
RCPS - liability component	36,278,919	-	36,278,919	-	36,278,919
	42,450,915	6,171,996	36,278,919	-	42,450,915

(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.

33. FINANCIAL RISK MANAGEMENT AND OBJECTIVES (Continued)

(c) Interest Rate Risk (Continued)

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:-

	Carrying amount	Movement in basis point	Effect on profit after tax
2015	RM		RM
Group			
Fixed deposits placed with licensed banks	61,268,635	0.50%	229,757
Bank borrowings	157,894,168	0.50%	592,103
Net effect			821,860
Company			
Fixed deposits placed with licensed banks	30,472,027	0.50%	114,270
Net effect			114,270
2014			
Group			
Fixed deposits placed with licensed banks	50,541,756	0.50%	189,532
Bank borrowings	125,893,109	0.50%	(472,099)
Net effect			(282,567)
Company			
Fixed deposits placed with licensed banks	30,145,640	0.50%	113,046
Net effect			113,046

The profit after tax will be higher/lower when the interest rates decrease/increase.

34. DIVIDEND

	Group and Company	
	2015	2014
	RM	RM
Dividends paid		
- final interim single tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 30 June 2014	14,133,337	-

35. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company'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 and the Company 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 and the Company monitor the level of dividends to be paid to shareholders. The Group's and the Company's objective are 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 and of the Company consists of equity attributable to the owner of the Group and of the Company, comprising share capital, retained earnings and total liabilities.

35. **CAPITAL MANAGEMENT (Continued)**

The debt-to-equity ratio is as follows:-

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total liabilities	581,444,179	421,762,725	63,607,155	45,873,059
Equity attributable to the owner of the Company	475,440,348	392,110,390	296,242,195	276,801,353
Debt-to-equity ratio	122%	108%	21%	17%

There were no changes in the Group's and in the Company's approach to capital management during the financial year.

36. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

(i) On 14 July 2014, Titijaya Resources Sdn. Bhd. ("TRSB") has further acquired 70,000 new ordinary shares of RM1.00 each for a total consideration of RM70,000/- in Tenang Sempurna Sdn. Bhd. ("TSSB"). The acquisition has increased the shareholding of TRSB in the capital of TSSB to 105,000 ordinary shares of RM1.00 each representing 70% of the equity interest in TSSB and subsequently TSSB becomes an indirect subsidiary of the Company.

(ii) On 16 July 2014, the Company increased its issued and paid-up ordinary share capital from RM170,000,000/- to RM176,666,667/- by way of issuance of 13,333,333 ordinary shares of RM0.50 each through a conversion of the 40,000,000 of RCPS into ordinary shares.

(iii) On 18 March 2015, pursuant to the terms and conditions of the joint venture agreement between Bina Puri Constuction Sdn. Bhd. ("BPCSB") and the Company, the Company and BPCSB have subscribed for new ordinary shares of RM1.00 each in Prosperous Hectares Sdn. Bhd. ("PHSB"), resulting in the enlarged and issued share capital of PHSB being held by the Company and BPCSB and subsequent thereto, the Company's equity interest in PHSB has decreased from 100% to 70% of the issued and paid-up share capital of PHSB, thus resulting in PHSB ceased to be a wholly owned subsidiary of the Company, but remains as a subsidiary of the Company.

36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (Continued)

(iv) On 8 May 2015, the Company entered into a Share Sale Agreement with Fazidah Binti Abdullah and Chan Peng Kooh to acquire 100% equity interest in Tulus Lagenda Sdn Bhd comprising 1,000,000 ordinary shares of RM1.00 each for purchase consideration of RM3,000,000/-.

(v) On 27 May 2015, the shareholders of the Company at the Extraordinary General Meeting ("EGM") have approved the resolution as set out in the Notice of EGM dated 5 May 2015 in respect of the proposed acquisition by City Meridian Development Sdn. Bhd. ("CMD"), a wholly-owned subsidiary of the Company, of a parcel of leasehold land held under PN 4022, Lot No. 12174, Mukim 12, Daerah Barat Daya, Pulau Pinang from Titijaya Group Sdn. Bhd. ("TGSB") for cash consideration of RM126,000,000/-.

37. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

(i) On 21 August 2015, the Company increased its issued and paid-up ordinary share capital from RM176,666,666/- to RM180,000,000/- 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.

(ii) On 28 September 2015, City Meridian Development ("CMD") and the Vendor had on 21 September 2015 mutually agreed to extend the date for fulfilment of the Conditions Precedent stipulated in the SPA and Supplemental Agreement from 21 September 2015 until 10 November 2015.

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

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 2015 are as follows:-

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total retained earnings				
- Realised	265,745,599	197,372,057	19,227,364	15,573,747
- Unrealised	(1,610,083)	(3,305,975)	-	-
	264,135,516	194,066,082	19,227,364	15,573,747
Less: Consolidation adjustments	(18,852,825)	(15,757,443)	-	-
Total retained earnings as per statements of financial position	245,282,691	178,308,639	19,227,364	15,573,747

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.

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

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 financial statements set out on pages 7 to 97 are properly drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2015 and of their financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

The supplementary information set out on page 98 have been compiled 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.

On behalf of the Board,

…………………………………………
TAN SRI DATO' LIM SOON PENG
Director

…………………………………………
LIM POH YIT
Director

Kuala Lumpur

Date: 15 October 2015

TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION

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 accompanying financial statements 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 15 October 2015.

Before me,

………………………………………………
ZULKIFLA MOHD DAHLIM (No. W541)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITIJAYA LAND BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Titijaya Land Berhad, which comprise the statements of financial position as at 30 June 2015 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 a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 97.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view 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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITIJAYA LAND BERHAD (Continued)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out in page 98 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 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TITIJAYA LAND BERHAD (Continued)
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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	Ng Boon Hiang
No. AF 0117	No. 2916/03/16 (J)
Chartered Accountants	Chartered Accountant

Kuala Lumpur

Date: 15 October 2015