





INTERIM FINANCIAL REPORT

SECOND QUARTER ENDED 31ST DECEMBER 2013

TITIJAYA LAND BERHAD

(Company No. 1009114-M)

(Incorporated in Malaysia under the Companies Act, 1965)

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FINANCIAL REPORT

TITIJAYA LAND BERHAD (Co.No.1009114-M)
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013 (UNAUDITED)⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter RM'000	Preceding Year Quarter ⁽²⁾ RM'000	Current Year To-Date RM'000	Preceding Year To-Date ⁽²⁾ RM'000
Revenue	71,776	N/A	138,506	N/A
Costs of sales	(43,010)	N/A	(79,434)	N/A
Gross Profit	28,766	N/A	59,072	N/A
Other Income	624	N/A	1,153	N/A
Selling and distribution expenses	(4,024)	N/A	(7,164)	N/A
Administrative expenses	(2,485)	N/A	(4,746)	N/A
Other expenses	(913)	N/A	(1,703)	N/A
Finance costs	(508)	N/A	(1,066)	N/A
Profit before taxation	21,460	N/A	45,546	N/A
Income tax expense	(5,858)	N/A	(12,728)	N/A
Net profit for the period	15,602	N/A	32,818	N/A
Profit attributable to:				
- Owners of the parent	15,602	N/A	32,818	N/A
- Non-controlling interests	-	N/A	-	-
	15,602	N/A	32,818	N/A
Earnings per share (sen) attributable to owners of the parent				
- Basic ⁽³⁾	5.36	N/A	11.95	N/A
- Diluted ⁽⁴⁾	4.81	N/A	10.65	N/A

TITIJAYA LAND BERHAD (Co.No.1009114-M)
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013 (UNAUDITED)⁽¹⁾

Notes:

N/A Not Applicable

- (1) *The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Section 13 of the Prospectus of the Company dated 11 November 2013 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *No comparative figures for the preceding year quarter and year to-date are available as these are the second interim financial statements on the consolidated results for the second quarter ended 31 December 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.*
- (3) *Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (a)).*
- (4) *Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (b)) and assume the full conversion of 100,000,000 Redeemable Convertible Preference Shares of RM0.50 each ("RCPS") on the basis of one (1) new Share for every three (3) RCPS held.*

TITIJAYA LAND BERHAD (Co.No.1009114-M)
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013
(UNAUDITED) ⁽¹⁾

	UNAUDITED As At 31.12.2013 RM'000	AUDITED As At 30.06.2013 RM'000
Non-current assets		
Property, plant and equipment	4,414	4,327
Land held for property development	241,741	165,145
Investment properties	76,460	76,506
Goodwill on consolidation	1,601	1,596
Other investments	5	5
Total non-current assets	324,221	247,579
Current assets		
Property development costs	207,818	158,708
Inventories	7,782	14,146
Trade and other receivables	38,881	61,903
Accrued billings in respect of property development costs	36,380	78,807
Tax recoverable	-	2,589
Fixed deposits placed with licensed banks	43,250	3,698
Cash and bank balances	75,972	26,435
Total current assets	410,083	346,286
TOTAL ASSETS	734,304	593,865
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	170,000	129,148
Share premium	78,840	-
RCPS - equity component	12,388	12,388
Reserve arising from reverse acquisition	(47,426)	(47,426)
Retained earnings	139,831	107,013
Total equity	353,633	201,123
Non-current liabilities		
Hire purchase payables	368	313
Bank borrowings	108,583	43,915
RCPS - liability component	33,483	33,483
Deferred tax liabilities	39,498	39,499
Total non-current liabilities	181,932	117,210
Current liabilities		
Trade and other payables	120,071	150,818
Progress billings in respect of property development costs	48,538	89,460
Hire purchase payables	189	158
Bank borrowings	19,327	29,339
Current tax payables	10,614	5,757
Total current liabilities	198,739	275,532
Total liabilities	380,671	392,742
TOTAL EQUITY AND LIABILITIES	734,304	593,865
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.04 ⁽²⁾	0.78 ⁽³⁾

TITIJAYA LAND BERHAD (Co.No.1009114-M)
(Incorporated In Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2013 (UNAUDITED) ⁽¹⁾**

Notes:

- (1) *The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report for the financial year ended 31 December 2013 as disclosed in the Section 13 of the Prospectus of the Company dated 11 November 2013 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *Based on the issued share capital of 340,000,000 ordinary shares of RM0.50 each ("Shares") after the completion of the Public Issue (as detailed in Note B7 (ii)).*
- (3) *Based on the issued share capital of 258,295,000 ordinary shares of RM0.50 each ("Shares") after the completion of the Acquisitions (as detailed in Note B7 (i)) but prior to the Public Issue (as detailed in Note B7 (ii)).*

TITIJAYA LAND BERHAD (Co.No.1009114-M)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013 (UNAUDITED) ⁽¹⁾

	<i>Attributable to owners of the Company</i>					
	<i>Non –</i>				<i>Distributable</i>	
	Share Capital	Share Premium	RCPS - Equity - Component	Reserve arising from Reverse Acquisition	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 30 June 2013	129,148	-	12,388	(47,426)	107,013	201,123
Public issue of shares	40,852	81,705	-	-	-	122,557
Total comprehensive income for the period	-	-	-	-	32,818	32,818
Share issue expenses	-	(2,865)	-	-	-	(2,865)
At 31 December 2013	170,000	78,840	12,388	(47,426)	139,831	353,633

Notes:

(1) The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Section 13 of the Prospectus of the Company dated 11 November 2013 and the accompanying explanatory notes attached to these interim financial statements.

No comparative figures for the preceding year quarter and year to-date are available as these are the second interim financial statements on the consolidated results for the second quarter ended 31 December 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

TITIJAYA LAND BERHAD (Co.No.1009114-M)
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013 (UNAUDITED) ⁽¹⁾

	Current Year To-Date 31.12.2013 RM'000	Preceding Year To-Date 31.12.2012 ⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	45,546	N/A
Adjustments for:		
Depreciation of investment properties	46	N/A
Depreciation of property, plant and equipment	148	N/A
Dividend income	-	N/A
Interest expense	1,066	N/A
Interest income	(336)	N/A
Operating profit before working capital changes	<u>46,470</u>	N/A
Changes In Working Capital		
Inventories	6,364	N/A
Receivables	23,024	N/A
Payables	(26,994)	N/A
Progress billings	1,506	N/A
Property development costs	22,573	N/A
Net cash generated from operations	<u>72,943</u>	N/A
Interest received	336	N/A
Interest paid	(487)	N/A
Tax paid	(5,282)	N/A
Net Cash generated from Operating Activities	<u>67,510</u>	N/A
CASH FLOW FROM INVESTING ACTIVITIES		
Land held for property development costs incurred	(146,847)	N/A
Purchase of property, plant and equipment	(236)	N/A
Net Cash used in Investment Activities	<u>(147,083)</u>	N/A
CASH FLOW FROM FINANCING ACTIVITIES		
Fixed deposit pledged as security values	(52)	N/A
Interest paid	(2,012)	N/A
Proceeds from issuance of shares	122,558	N/A
Net change in amounts from/to related parties	(3,759)	N/A
Payment of initial public offering expenses	(2,865)	N/A
Drawdown of bank borrowing	83,100	N/A
Repayment of bank borrowings	(13,890)	N/A
Repayment of hire purchase payables	(81)	N/A
Net Cash From Financing Activities	<u>182,999</u>	N/A

TITIJAYA LAND BERHAD (Co.No.1009114-M)
(Incorporated In Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2013 (UNAUDITED) ⁽¹⁾

	Current Year To-Date 31.12.2013 RM'000	Preceding Year To-Date 31.12.2012 ⁽²⁾ RM'000
NET CHANGE UN CASH AND CASH EQUIVALENTS	103,426	N/A
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	12,046	N/A
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	115,472	N/A
Analysis of Cash and cash equivalents at end of period comprises:		
Cash and bank balances	75,972	N/A
Fixed deposit placed with licensed banks	43,250	N/A
Bank overdrafts	-	N/A
	119,222	N/A
Less: Fixed deposits held as security values	(3,750)	N/A
	115,472	N/A

Notes:

N/A Not applicable.

- (1) The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report for the financial year ended 30 June 2013 as disclosed in the Section 13 of the Prospectus of the Company dated 11 November 2013 and the accompanying explanatory notes attached to these interim financial statements.
- (2) No comparative figures for the preceding year to-date are available as these are the second interim financial statements on the consolidated results for the second quarter ended 31 December 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

TITIJAYA LAND BERHAD *(Co.No.1009114-M)*

(Incorporated In Malaysia)

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Accounting Policies and Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134 : Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”), and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

These are the second interim financial statements on consolidated results for the second quarter ended 31 December 2013 announced by the Company in compliance with the Main Market Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial statements should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants’ Report for the financial year ended 30 June 2013 as disclosed in the Prospectus of the Company dated 11 November 2013.

The interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries (“the Group”) since the financial year ended 30 June 2013.

The Group has adopted acquisition method for the preparation of these interim financial statements. The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus of the Company dated 11 November 2013, the audited financial statements of the Company for the financial period ended 30 June 2013 and the adoption of the following new Financial Reporting Standards (“FRS”) , Amendments to FRSs and Issues Committee (“IC”) Interpretations which are applicable for the Group’s financial year beginning 1 July 2013, as disclosed below:

Adoption of FRSs, Amendments to FRSs and IC Interpretations	Effective For Annual Periods Beginning on or After
<u>New FRSs</u>	
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
<u>Revised FRSs</u>	
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investments in Associates and Joint Ventures	1 January 2013
<u>Amendments/Improvements to FRSs</u>	
Amendments to FRS 1 First-time adoption of Financial Reporting	1 January 2013
Amendments to FRS 7 Financial Instruments: Disclosures	1 January 2013
Amendments to FRS 10 Consolidated Financial Statements	1 January 2013
Amendments to FRS 11 Joint Arrangements	1 January 2013
Amendments to FRS 12 Disclosure of Interests in Other Entities	1 January 2013
Amendments to FRS 101 Presentation of Financial Statements	1 January 2013
Amendments to FRS 116 Property, Plant and Equipment	1 January 2013
Amendments to FRS 132 Financial Instruments: Presentation	1 January 2013
Amendments to FRS 134 Interim Financial Reporting	1 January 2013
<u>New IC Int</u>	
IC Int 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
<u>Amendment to IC Int</u>	
Amendments to IC Int 20 Members’ Shares in Co-operative Entities & Similar Instruments	1 January 2013

TITIJAYA LAND BERHAD (Co.No.1009114-M)
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A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Accounting Policies and Basis of Preparation (Continued)

The adoption of the above standards and interpretations will not have any material impact on the financial position and performance of the Group.

A2. Auditors' Report on Preceding Annual Financial Statements

There was no audit qualification reported in the Auditors' Report on the financial statements of the Company and its subsidiaries for the financial year ended 30 June 2013.

A3. Seasonality or Cyclicity of Operations

The Group's operations were not significantly affected by any seasonal or cyclical factors during the current quarter and current financial year-to-date under review.

A4. Unusual Items

There were no significant items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual during the current quarter and current financial year-to-date.

A5. Changes in Estimates

There were no changes in the estimates that have a material effect in the current quarter and current financial year-to-date results.

A6. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current quarter and financial year-to-date except for those disclosed in Note B7.

A7. Dividend Paid

There were no dividends paid in the current quarter under review.

A8. Segment Information

Segmental information is presented based on the Group's business segment:

	Current quarter ended 31 Dec 2013 RM'000	Current year to-date 31 Dec 2013 RM'000
Property development activities	66,831	126,769
Sale of completed properties	4,628	11,118
Rental income	317	619
	71,776	138,506

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A EXPLANATORY NOTES PURSUANT TO FRS 134

A9. Valuation of Property, Plant and Equipment

The valuation of land and buildings has been brought forward, without amendment from the financial statements as at 30 June 2013.

A10. Material Events subsequent to the End of the Interim Period

Save as disclosed in Note B7 on the Status of Corporate Proposals, there were no other material events subsequent to the end of the current quarter up to the date of issue of this report that have not been reflected in the financial statements for the current quarter and financial year-to-date.

A11. Changes in Composition of the Group

There is no changes in the composition of the Group in the current quarter ended 31 December 2013.

A12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

	As at 31 Dec 2013 RM'000	As at 30 Jun 2013 RM'000
Litigation / Arbitration*	4,804	2,981
Corporate guarantees for credit facilities granted to related companies	-	55,932
	4,804	58,913

Note:

* Please refer to Note B9 for further details on our Group's litigation / arbitration.

Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 31 December 2013.

A13. Capital Commitments

	As at 31 Dec 2013 RM'000	As at 30 June 2013 RM'000
Approved and contracted but not provided for:		
- Land held for property development		
Purchase consideration	5,570	127,103
Less: Deposits paid	(1,032)	(30,626)
	4,538	96,477

TITIJAYA LAND BERHAD (Co.No.1009114-M)

(Incorporated In Malaysia)

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

B1. Review of Performance

The Group achieved revenue of RM71.78 million and recorded a profit after taxation of RM15.60 million for the current quarter.

For the first six (6) months of the financial year ended 31 December 2013, the Group's revenue was RM138.51 million and profit after tax was RM32.82 million.

The Group's gross profit margin is 42.65% whereas the net profit margin is 23.69% for the financial year-to-date.

The revenue for the current quarter and current financial year-to-date was mainly derived from our property development activities which contributed approximately 93.11% and 91.53% of our total revenue respectively. Sales of completed properties contributed approximately 6.45% and 8.03% for the current quarter and current financial year-to-date respectively while rental income contributed approximately 0.44% for both current quarter and current financial year-to-date respectively.

No comparative figures are presented for the preceding year's corresponding period as these are the second interim financial statements on the consolidated results for the second quarter ended 31 December 2013 being announced by the Company.

B2. Variation of Results for the current quarter ended 31 December 2013 against the immediate preceding quarter

In the current quarter under review, the Group registered a consolidated profit after tax of RM15.60 million compared to RM17.22 million in the immediate preceding quarter ended 30 September 2013. The decrease in profit after tax of RM1.62 million is mainly due to lower gross profit margin recorded from the revenue recognized from 3 Elements project, despite the increase in revenue of RM5.05 million for the period. The decrease in profit after tax is also due to the higher selling and distribution expenses of RM0.88 million incurred during the period under review.

B3. Commentary on Prospects

Based on the developments as highlighted in Section 6.19.3 of the Prospectus dated 11 November 2013, our future plans and strategies as outlined in Section 6.19.2 of the Prospectus dated 11 November 2013, and our competitive strengths as outlined in Section 6.3 of the Prospectus dated 11 November 2013, our Board is of the view that we are well positioned to enjoy positive growth in the foreseeable future notwithstanding that the upward revision in Real Property Gain Tax and the prohibition of development projects that feature developer interest bearing scheme as announced in Budget 2014 on 25 October 2013, may have a short term impact on our Group's financial performance. Whilst we recognise the existence of market challenges in the industry and the various risk factors as outlined in Section 4 of the Prospectus dated 11 November 2013, we are committed to our business and our growth strategies which have been put in place to propel us to be a stronger property player.

B4. Variance of Profit Forecast

No profit forecast has been issued by the Group previously in any public document.

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

B5. Notes to the Statement of Comprehensive Income

The profit before taxation is arrived at after charging / (crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To-Date	To-Date
	31.12.2013	31.12.2012 ⁽¹⁾	31.12.2013	31.12.2012 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
After charging:				
Depreciation of investment properties	23	N/A	46	N/A
Depreciation of property, plant and equipment	77	N/A	148	N/A
Directors' emoluments	277	N/A	553	N/A
Interest expenses	508	N/A	1,066	N/A
Listing expenses	360	N/A	620	N/A
Rental	21	N/A	53	N/A
Rental of equipment	3	N/A	6	N/A
Staff costs	1,444	N/A	2,766	N/A
After crediting:				
Bank interest income	(154)	N/A	(235)	N/A
Fixed deposit interest income	(26)	N/A	(52)	N/A
Other interest income	-	N/A	(49)	N/A
Rental income	(171)	N/A	(383)	N/A

Save as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

Notes:

N/A Not applicable.

(1) No comparative figures for the preceding year quarter and year to-date are available as these are the second interim financial statements on the consolidated results for the second quarter ended 31 December 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

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

B6. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To-Date	To-Date
	31.12.2013	31.12.2012 ⁽¹⁾	31.12.2013	31.12.2012 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Taxation - Current	5,858	N/A	12,728	N/A
Taxation - Prior Period	-	N/A	-	N/A
Deferred Taxation - Current	-	N/A	-	N/A
Deferred Taxation - Prior Period	-	N/A	-	N/A
	<u>5,858</u>	<u>N/A</u>	<u>12,728</u>	<u>N/A</u>

Notes:

N/A Not applicable.

(1) No comparative figures for the preceding year quarter and year to-date are available as these are the second interim financial statements on the consolidated results for the second quarter ended 31 December 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

The effective tax rate of 27.30% for the current period is higher than the statutory tax rate of 25% mainly due to certain expenses which are not deductible for tax reporting purposes.

B7. Status of Corporate Proposals

In conjunction with, and as integral part of the Company's listing on Main Market of Bursa Securities, the following listing scheme was undertaken by the Company:

(i) Acquisitions

(a) Acquisition of NPO Development Sdn. Bhd. ("NPO Development")

Acquisition by the Company of the entire issued and paid-up share capital in NPO Development comprising 2,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM48,414,866.50 satisfied by the issuance of 94,116,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 each and 2,713,733 new RCPS of RM0.50 each in the Company at an issue price of RM0.50 each. This acquisition was completed on 29 March 2013.

(b) Acquisition of Shah Alam City Centre Sdn. Bhd. ("SACC")

Acquisition by the Company of the entire issued and paid-up share capital in SACC comprising 2,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM46,754,031 satisfied by the issuance of 59,211,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 each and 34,297,062 new RCPS of RM0.50 each in the Company at an issue price of RM0.50 each. This acquisition was completed on 29 March 2013.

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

B7. Status of Corporate Proposals (Continued)

In conjunction with, and as integral part of the Company's listing on Main Market of Bursa Securities, the following listing scheme was undertaken by the Company (Continued):

(a) Acquisition of City Meridian Development Sdn. Bhd. ("City Meridian")

Acquisition by the Company of the entire issued and paid-up share capital in City Meridian comprising 250,000 ordinary shares of RM1.00 each for a total purchase consideration of RM233,000 satisfied by the issuance of 466,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 each. This acquisition was completed on 29 March 2013.

(b) Acquisition of Liberty Park Development Sdn. Bhd. ("Liberty Park")

Acquisition by the Company of the entire issued and paid-up share capital in Liberty Park comprising 250,000 ordinary shares of RM1.00 each for a total purchase consideration of RM243,000 satisfied by the issuance of 486,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 each. This acquisition was completed on 29 March 2013.

(c) Acquisition of Safetags Solution Sdn. Bhd. ("Safetags")

Acquisition by the Company of the entire issued and paid-up share capital in Safetags comprising 500,000 ordinary shares of RM1.00 each for a total purchase consideration of RM22,498 satisfied by the issuance of 44,996 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 each. This acquisition was completed on 29 March 2013.

(d) Acquisition of Aman Kemensah Sdn. Bhd. ("Aman Kemensah")

Acquisition by the Company of the entire issued and paid-up share capital in Aman Kemensah comprising 1,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM31,087,251 satisfied by the issuance of 31,468,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 each and 30,706,502 new RCPS of RM0.50 each in the Company at an issue price of RM0.50 each. This acquisition was completed on 29 March 2013.

(e) Acquisition of Terbit Kelana Development Sdn. Bhd. ("Terbit Kelana")

Acquisition by the Company of the entire issued and paid-up share capital in Terbit Kelana comprising 1,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM32,644,938 satisfied by the issuance of 53,884,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 each and 11,405,876 new RCPS of RM0.50 each in the Company at an issue price of RM0.50 each. This acquisition was completed on 29 March 2013.

(f) Acquisition of Pin Hwa Properties Sdn. Bhd. ("Pin Hwa")

Acquisition by the Company of the entire issued and paid-up share capital in Pin Hwa comprising 1,000,000 ordinary shares of RM1.00 each for a total purchase consideration of RM19,747,914 satisfied by the issuance of 18,619,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.50 each and 20,876,827 new RCPS of RM0.50 each in the Company at an issue price of RM0.50 each. This acquisition was completed on 29 March 2013.

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

B7. Status of Corporate Proposals (Continued)

(ii) Initial Public Offering

Public Issue

The Company had undertaken a public issue of 81,705,000 new ordinary shares of RM0.50 each, representing approximately 24.03% of the Company's enlarged issued and paid-up shares at an issue price of RM1.50 per share to be allocated in the following manner:

- (a) 17,000,000 new shares available for application by the public;
- (b) 6,000,000 new shares available for application by our eligible directors, employers and persons who have contributed to the success of the Group;
- (c) 34,000,000 new shares available for application by Bumiputera investors approved by the Ministry of International Trade and Industry;
- (d) 24,705,000 new shares by way of placement to selected investors;

and,

Offer for sale

Offer for Sale of up to 49,500,000 existing shares by Titijaya Group Sdn Bhd by way of placement to selected investors.

(iii) Listing on Bursa Securities

The Company's entire enlarged issued and paid-up share capital of RM170,000,000 comprising 340,000,000 ordinary shares of RM0.50 each was listed on the Main Market of Bursa Securities on 27 November 2013.

The gross proceeds from the public issue amounted to RM122.558 million. The status of the utilisation of the proceeds raised from the Public Issue as at 31 December 2013 is as follows:

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Balance RM'000	Time frame for Utilisation (from the listing date)
(i) Working capital	49,458	19,651	29,807	Within 12 months
(ii) Repayment of bank borrowings	15,000	13,320	1,680	Within 6 months
(iii) Repayment of advances from the previous shareholders of Epoch Property Sdn Bhd	24,300	24,300	-	Within 6 months
(iv) Purchase of land bank	30,000	-	30,000	Within 18 months
(v) Estimate listing expenses	3,800	3,485	315	Within 3 months
Total	122,558	60,756	61,802	

Note:

The utilisation of proceeds as disclosed in above should be read in conjunction with the Prospectus of the Company dated 11 November 2013.

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B7. Status of Corporate Proposals (Continued)

Listing on Bursa Securities (Continued)

Actual listing expenses incurred were less than the estimated listing expenses by RM0.315 million mainly due to lower than expected underwriting commission, placement fee and brokerage fee incurred in conjunction with the listing exercise. In accordance to the Prospectus dated 11 November 2013, the excess has been utilised for working capital purposes.

As at the date of this report, save as disclosed above, there are no other corporate proposals that are pending for completion.

B8. Group Borrowings

The Group borrowings as at 31 December 2013 were as follows:

	As at 31.12.2013 RM'000	As at 30.06.2013 RM'000
Curent - Secured		
Hire purchase payables	189	158
Bank overdrafts	-	14,389
Term loans	19,327	14,950
	<u>19,516</u>	<u>29,497</u>
Non current - Secured		
Hire purchase payables	368	313
Term loans	108,583	42,242
Bridging loan	-	1,673
	<u>108,951</u>	<u>44,228</u>
Total borrowings	<u>128,467</u>	<u>73,725</u>

The above borrowings are denominated in Ringgit Malaysia.

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

B9. Material Litigation

(a) XL Wood Floors Sdn Bhd (“Plaintiff”) vs Sendi Bangga Development Sdn. Bhd. (“1st Defendant”), Goh Day Ren (“2nd Defendant”) and Syarikat Pembinaan TPSB Sdn. Bhd. (“3rd Defendant”)

On 22 August 2013, Sendi Bangga received from the Plaintiff’s solicitor a writ of summons and Statement of Claim (“**Claim**”) both dated 16 August 2013. The Plaintiff is appointed as Nominated Sub-Contractor for the supply, delivery and installation of white oak solid timber strips flooring for a proposed development on Lot 20926 HS(D) 48924 PT 11921 Daerah Petaling, Mukim Damansara, Selangor Darul Ehsan (“**Subang Parkhomes Project**”). The 2nd Defendant is the architect for the said Subang Parkhomes Project and the 3rd Defendant is the Main Contractor for the said Subang Parkhomes Project.

The Plaintiff’s Claim is for *inter alia*, a breach of collateral contract by the 1st Defendant, negligence on the part of the 2nd Defendant and failure to exercise all due professional skill and care in the performance of his duty as an architect, and breach of Main Contract by the 3rd Defendant.

The Plaintiff alleged that it has suffered loss and damage and thereby claims against the 1st, 2nd and 3rd Defendants, jointly and severally.

The 1st Defendant had filed the First Defendant’s Defence and a striking out application on the part of the 1st Defendant (“**Striking Out Application**”) on 19 September 2013.

The Striking Out Application was heard on 30 October 2013 and was dismissed with costs in the cause on the basis that the Plaintiff’s case is not a plain and obvious case to be struck out summarily. The matter is to proceed to full trial and is fixed for case management on 2 December 2013 for the Plaintiff and Defendants to update the court amongst others, on issues to be tried, bundles of documents and number of witnesses. The trial fixed from 8 January 2014 to 10 January 2014 proceeded with the examining of the Plaintiff’s witnesses. The Defendants’ witnesses will be examined only at the continued trial fixed on 12 February 2014, 2 April 2014 and 3 April 2014. The 1st Defendant’s solicitors informed that the 1st Defendant will only know on 2 April 2014 whether its witness will be examined on 3 April 2014.

According to the legal opinion by Messrs Gan Partnership, the solicitors on record representing Sendi Bangga, the chances of the 1st Defendant defending the Plaintiff’s case is fair. Nevertheless, the maximum liability to the 1st Defendant in the event the 1st Defendant fails to defend its claim is the sum of RM1,823,415.74 together with interest at the rate of 5% per annum or such other rate allowed by the Court calculated from 22 July 2013 to the date of payment, should it be the case that the Plaintiff is able to prove for works done.

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(Incorporated In Malaysia)**B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES****B9. Material Litigation (Continued)****(a) Ng Poh Kwang Chartered Architect (“Plaintiff”) vs NPO Land Sdn. Bhd. (“Defendant”)**

On 15 June 2010, NPO Development received from the Plaintiff’s solicitor a writ of summons dated 2 June 2010 and Statement of Claim dated 17 May 2010 in respect of an alleged outstanding architectural fees which are due and owing by NPO Development amounting to RM2,980,574.99 in respect of certain proposed projects.

NPO Development has filed the Statement of Defence dated 21 July 2010 to dispute the amount of fees claimed by the Plaintiff contending that the sum claimed is not in accordance with the agreed fees and the work done is not up to the stage indicated in the respective bills. On 23 August 2010, NPO Development’s solicitor has informed that the Plaintiff made an application to amend the name of the Defendant from NPO Development to NPO Land. The court has granted the permission for the Plaintiff and the Defendant to amend the Statement of Claim and Statement of Defence on 23 September 2010 and 29 November 2011 respectively.

The matter was fixed for mediation on 17 July 2012 and the Plaintiff was directed to forward all the relevant documents to substantiate the Plaintiff’s claim against the Defendant. The mediation before the High Court Judge which was fixed on 6 November 2012 had failed and the parties were directed to proceed with case management scheduled on 28 November 2012. On the said date, the matter was fixed for full trial on 18 March 2013 and 19 March 2013. Subsequently on 10 January 2013, the High Court had struck out the Plaintiff’s claim with no liberty to file afresh together with costs of RM5,000.00 paid by the Plaintiff to the Defendant. The Plaintiff may proceed to continue the matter by arbitration. but as at the date of this announcement, no formal notice has been received by NPO Land in relation to the commencement of arbitration proceeding. The solicitor for the Plaintiff had written four (4) separate letters to the Lembaga Akitek Malaysia (“LAM”) on 18 February 2014 with a copy to the Defendant for four projects requesting the LAM to proceed with the appointment of an Arbitrator to arbitrate on the Plaintiff’s claims. Copies of the letters have been forwarded to the Defendant’s solicitors for their perusal and advice.

B10. Dividend

No dividend was declared or recommended for payment by the Company during the quarter under review.

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

B11. Earnings per Share

(a) Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2013 RM'000	Preceding Year Quarter 31.12.2012 ⁽¹⁾ RM'000	Current Year To-Date 31.12.2013 RM'000	Preceding Year To-Date 31.12.2012 ⁽¹⁾ RM'000
Profit attributable to equity holders of the Company (RM'000)	15,602	N/A	32,818	N/A
Weighted average number of ordinary shares ('000) *	291,155	N/A	274,725	N/A
Basic Earnings per share (sen)	5.36	N/A	11.95	N/A

Notes:

N/A Not applicable.

* Based on the issued share capital after the completion of the Acquisitions (as detailed in Note B7 (i)) and after the Public Issue (as detailed in Note B7 (ii)).

(1) No comparative figures for the preceding year quarter and year to-date are available as these are the second interim financial statements on the consolidated results for the second quarter ended 31 December 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

(b) Diluted Earnings Per Share

The diluted earnings per share for the current quarter and financial year-to-date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2013 RM'000	Preceding Year Quarter 31.12.2012 ⁽¹⁾ RM'000	Current Year To-Date 31.12.2013 RM'000	Preceding Year To-Date 31.12.2012 ⁽¹⁾ RM'000
Profit attributable to equity holders of the Company (RM'000)	15,602	N/A	32,818	N/A
Weighted average number of ordinary shares ('000) *	324,488	N/A	308,058	N/A
Diluted Earnings per share (sen)	4.81	N/A	10.65	N/A

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

B11. Earnings per Share (Continued)

Notes:

N/A Not applicable.

* Based on the weighted average number of ordinary shares in issue (as detailed in Note B7 (ii)) and assume the full conversion of 100,000,000 RCPS on the basis of one (1) new Share for every three (3) RCPS held.

(1) No comparative figures for the preceding year quarter and year to-date are available as these are the second interim financial statements on the consolidated results for the second quarter ended 31 December 2013 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Securities.

B12. Realised and Unrealised Profits or Losses Disclosure

The breakdown of retained profits of the Group as at the end of the current quarter and previous financial year, into realised and unrealised profits⁽⁺⁾, is as follows:-

	As at 31 Dec 2013	As at 30 Jun 2013
	RM'000	RM'000
Total retained earnings of the Group		
(a) Realised	133,840	101,022
(a) Unrealised	5,991	5,991
Total retained earnings	<u>139,831</u>	<u>107,013</u>

Note:

(+) Prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses as issued by MASB at the directive of Bursa Securities.