Tiger Synergy
BERHAD

2017
ANNUAL REPORT

YOUR AFFORDABLE FUTURE LIVING

VISION

Deliver high quality residential and commercial projects that correlate with global developers.

Commitment towards quality, integrity and value creation for all customers.

Our shareholders are assured of maximum returns on their investments.

MISSION

To create value and make a difference to our products towards total customer satisfaction.

To become the most respected and highly diversified group fully committed to continuous enhancement of our core business.

To build a strong trusted brand.

CORE VALUES

TRUST

To build trust amongst staff within our organization as well as dealing with customers in pursuit to be a trusted name.

INTEGRITY

To uphold the highest level of integrity in all our dealings amongst staff and customers alike.

GRATITUDE

To be grateful and appreciate each other and do good to one another.

EXCELLENCE

The will to win, the desire to succeed & the urge to reach our potential will unlock the door to personal excellence.

RESPECT

To foster mutual respect and courteous amongst each other in sincere from that holds together all kinds of relationship and guarantee peace in our communities.

YOUR AFFORDABLE
FUTURE LIVING

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
Dato' Tan Wei Lian

Managing Director
Tan Lee Chin (F)

Executive Director
Datin Sek Chian Nee (F)

Independent Non-Executive Directors
Dato' Khoo Seng Hock
Chua Eng Chin
Dato' Lee Yuen Fong
Low Boon Chin

SECRETARIES

Lim Seck Wah (F)
(MAICSA 0799845)
(Appointed on 2 October 2017)

M Chandrasegaran A/L Murugasu
(MAICSA 0781031)
(Appointed on 2 October 2017)

Chua Siew Chuan (F)
(MAICSA 0777689)
(Resigned on 2 October 2017)

Cheng Chia Ping
(MAICSA 1032514)
(Resigned on 2 October 2017)

AUDIT COMMITTEE

Chua Eng Chin *(Chairman)*
(Independent Non-Executive Director)

Dato' Khoo Seng Hock
(Independent Non-Executive Director)

Dato' Lee Yuen Fong
(Independent Non-Executive Director)

Low Boon Chin
(Independent Non-Executive Director)
(Appointed on 26 August 2015)

EMPLOYEE SHARE OPTION SCHEME ("ESOS") COMMITTEE

Dato' Lee Yuen Fong *(Chairman)*
(Independent Non-Executive Director)

Low Boon Chin
(Independent Non-Executive Director)

Tan Lee Chin
(Managing Director)
(Appointed on 29 February 2016)

NOMINATION COMMITTEE

Low Boon Chin *(Chairman)*
(Independent Non-Executive Director)
(Appointed on 24 May 2016)

Chua Eng Chin
(Independent Non-Executive Director)
(Re-designated on 24 May 2016)

Dato' Khoo Seng Hock
(Independent Non-Executive Director)

Dato' Lee Yuen Fong
(Independent Non-Executive Director)

REGISTRAR

Bina Management (M) Sdn Bhd
(Company No. 50164-V)
Lot 10, The Highway Centre,
Jalan 51/205,
46050 Petaling Jaya, Selangor.
Tel No : 03 7784 3922
Fax No : 03 7784 1988

REMUNERATION COMMITTEE

Chua Eng Chin *(Chairman)*
(Independent Non-Executive Director)

Dato' Khoo Seng Hock
(Independent Non-Executive Director)

Tan Lee Chin (F)
(Managing Director)

AUDITORS

Messrs. UHY (AF1411)
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel No : 03-22793088
Fax No : 03-22793099

INVESTOR RELATION

Person to Contact: Serene Chong
Telephone : 06-7679353 / 7679418
Email : tsb@tigersynergy.my

WEBSITE

www.tigersynergy.my

PRINCIPAL BANKERS

Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad
Main Market Stock Code : 7079
Stock Name : TIGER

REGISTERED OFFICE

Wisma Hwa Lian
No. 482, Ground Floor,
Jalan Zamrud 6,
Taman Ko-Op,
70200 Seremban,
Negeri Sembilan Darul Khusus.
Tel : 06-7679353
Fax : 06-7637202

COMPLETED PROJECT

BUKIT SRI PUTRA

The Bukit Sri Putra is the development project on a piece of land located within a locality known as Sungai Buloh comprising of 170 units of 3 storey linked house.

It is a prime location in the affluent Sungai Buloh. Built for comfort and luxurious living, these 3 storey linked homes are carefully created to offer unrivalled spaciousness and delightful features to inspire and complement only the finest living. This project is completed with certificate of completion and compliance issued.

ON GOING PROJECT

TELARIS
ALAM IMPIAN

NATURE'S TREASURE

NESTLED IN NATURE

Surrounded in lush fields dotted with trees with pockets of foliage embellishing the streets and walkways, Telaris is an enclave nestled in nature with a lavish lustre. Modern homes with flat roofs neatly line the streets, every unit intricately designed to meld luxury, comfort, space, and warmth into a lifestyle residence. This is a paradise in nature, this is Telaris, this is home.

The unique creation of the Telaris Alam Impian has been honored as the "Winner" at the Asia Pacific Property Awards (APPA) in the Residential Development category. The APPA is supported by a range of professional bodies worldwide and independently judged by a panel of over 70 experts.

Artist's impression only

ON GREENER PASTURES

Telaris Alam Impian Project is the Group's latest flagship development, sited on 13.586 acres which is expected to be launched in 2018 that consists of a mixed development with meduim range condominium and 3 storey semi-detached bungalows.

It is situated approximately 42 kilometres due south west of Kuala Lumpr City Centre and is about 8 kilometres due south east of Klang Town Centre that enjoys excellent road connectivity via the Federal Highway, Kemuning-Shah Alam Highway, Kuala Lumpur – Shah Alam Expressway (KESAS) Sprint, LDP and Penchala Link Highways. Furthermore, it will also benefit from the completion of an upcoming MRT station located near to the project.

This flagship Project is surrounded with established neighborhoods such as TTDI Alam Impian, Desa Latania, Taman Klang Indah and Taman Mewah Jaya. Besides that, it is in close proximity to the notable industrial schemes include the AMJ Industrial Park, Bukit Kemuning Light Industrial Park, Alpine Industrial Park and KJ Techno Industrial Park. The amenities available within the vicinity are included schools, banks, medical centre, shopping centre, office, marketing and other public facilities.

Due to the affordability of the products to be launched, Tiger Synergy Berhad (Tiger) strongly believe that a segment of prospective buyers is now ready for medium range products which will continue to contribute favorable results to the Group for the next three years.

Artist's impression only

FUTURE PROJECT

TELARIS GOMBAK

Telaris Gombak, a first offering of executive service apartments targeted at young families and professionals aspiring to a home to longing for a modern residential which able to put your mind at peace. It is strategically positioned on a 1.169 acres freehold land with one (1) block of service apartment comprising of 180 units of service apartments attached with 8 units of commercial units surrounded by well established neighborhoods.

This project is located on the western flank of Lebuhraya Duta-Ulu Klang that located about 15 kilometres north of Kuala Lumpur City Centre. In addition, it is surrounded by established residential and commercial projects. This comprehensive development is bounded by a long list of exciting amenities and conveniences including public amenties.

Artist's impression only

FUTURE PROJECT

THE ASTER RESIDENCE CHERAS

Artist's impression only

The Aster Residence-Cheras, sited on approximately 0.8094 hectare freehold land in Cheras, Selangor. It is a new masterpiece that epitomize city living on a grand scale. This apartment development consists of one (1) tower of 160 units that offering exciting and multiplicity of facilities such as swimming pool, children playground, multipurpose conventional hall, gymnasium and others.

Geographically, it is located about 20 kilometres to the south-east of Kuala Lumpur City Centre and about 10 kilometres to south east of Kajang town Centre with excellent road connectivity via Cheras- Kajang Highway and North South Highway.

The surrounded amenities that are available within this project are includes primary and secondary schools, marketing, banking, shopping centres such as Giant, Tesco and Econsave.

FUTURE PROJECT

SERI KEMBANGAN PROJECT

The Seri Kembangan Project is an architectural marvel, sited on approximately 1.875 acres of prime freehold land in Seri Kembangan, Selangor. This residential project target to construct of three (3) towers consisting of 600 units of stylish modern concept of condominium.

It is located approximately 15 kilometres from the south- east of the Kuala Lumpur City Centre via North-South Highway and Bukit Jalil Highway. One of the notable landmarks situated within close proximity to the subject property is Technology Park Malaysia. The immediate surrounded amenities are included two to four storey shops / offices, shopping centres, primary and secondary schools and other public amenities.

The Seri Kembangan Project is currently under the planning stage and the Group is in the midst of preparing for submission of the planning approvals to the relevant authorities.

Artist's impression only

FUTURE PROJECT

BUKIT SERDANG PROJECT

Artist's impression only

The Bukit Serdang project conveys an understated stylish simplicity residential concepts that removed from the clamor of the city yet within easy reach of the Kuala Lumpur business centre and its main attractions. It is sited on 2.97 acres of freehold prime real estate, construction of two (2) towers consisting of 300 units of condominium. This comprehensive developments boasts a long list of facilities for the enjoyment of all residents with the combination of swimming pool, playground, gymnasium, jogging trail and reflexology path combined with a full range of security.

It is located approximately 20 kilometres by road from Petaling Jaya town with convenient accessibility road via Federal Highway, North South Highway and Sungai Besi Highway. The landmarks in the larger neighborhoods surrounded to this project include Technology Park Malaysia, Bukit Jalil Stadium, Bukit Jalil Golf and Country Club, The Mines Resort and University of Putra Malaysia.

The Bukit Serdang Project is still under planning stage and the Group is in the midst of preparing for submission of the planning approvals to the relevant authorities.

BATCHING PLANT

The Group has setup its own concrete-mixed batching plant located at Alam Impian, Shah Alam. This batching plant has been designed to produce and supply innovative, highly technical and customize concrete mix and other concrete related products to internal and external parties. It has excellent environmental protection, dust collection system and anti noise design. The plant is mobile in nature and can be dismantled and relocated to another location.

The opening of this plant marks a new chapter in Tiger's growth in the concrete business segments through many projects in the Klang Valley region.

CORPORATE STRUCTURE

PROPERTY, DEVELOPMENT & CONSTRUCTION DIVISION

Property Management Division
Goldenier Property Management Sdn. Bhd. (718591-K)
MHB Property Management Sdn. Bhd. (716419-K)

Construction Division
Pembinaan Terasia Sdn. Bhd. (895278-H)

Property Development Division
Promosi Juara Sdn. Bhd. (1099188-X)
Tiger Synergy Timber Sdn. Bhd. (183466-T)
Tiger Synergy Housing Development Sdn. Bhd. (718935-D)
Tiger Synergy Development Sdn. Bhd. (717993-V)
MHB Property Development Sdn. Bhd. (766881-X)
Myharmony Developement Sdn. Bhd. (921361-M)
Tiger Synergy Land Sdn. Bhd. (895473-M)
Teladan Bina Sdn. Bhd. (1093988-W)

TRADING DIVISION

Ace Decor Sdn. Bhd. (719710-W)

MANUFACTURING DIVISION

Tiger Synergy Industries (M) Sdn. Bhd. (245200-V)
Allfit Furniture Industries Sdn. Bhd. (172453-X)

PLANTATION AND TIMBER DIVISION

Tiger Synergy Plantation Sdn. Bhd. (488746-U)

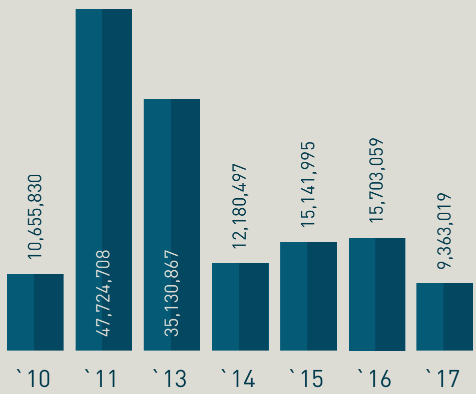
BATCHING PLANT

Tiger Synergy Mix Sdn. Bhd. (757150-K)

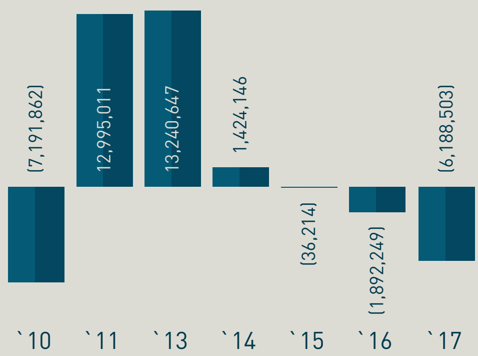
FINANCIAL HIGHLIGHTS

RM/Year	2017	2016	2015	2014	2013	2011	2010
Turnover	9,363,019	15,703,059	15,141,995	12,180,497	35,130,867	47,724,708	10,655,830
(Loss) / Profit before taxation	(6,188,503)	(1,892,249)	(36,214)	1,424,146	13,240,647	12,995,011	(7,191,862)
(Loss) / Profit After taxation	(6,100,528)	(2,016,333)	(2,051,331)	129,212	2,046,787	1,531,764	(7,560,347)
Net Assets	213,546,416	212,004,764	175,291,103	170,242,434	92,189,202	69,585,945	42,035,182

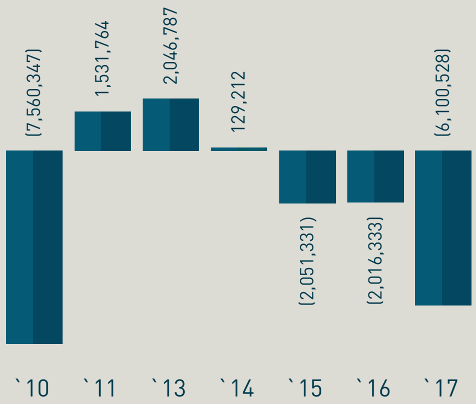
(RM)
TURNOVER



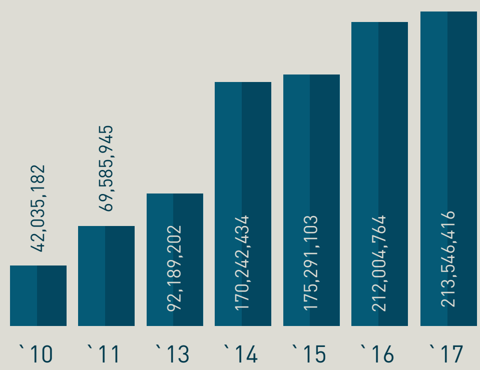
(RM)
(LOSS) / PROFIT BEFORE TAXATION



(RM)
(LOSS) / PROFIT AFTER TAXATION



(RM)
NET ASSETS



Dato’ Tan Wei Lian
Executive Chairman

EXECUTIVE CHAIRMAN’S STATEMENT

It is my pleasure to present the Annual Report and Audited Financial Statement of the Company and its subsidiaries (the “Group”) for the financial year ended (”FYE”) 30th June 2017

SUSTAINABILITY OF BUSINESS DEVELOPMENT

Moving into Year 2017, Tiger Synergy Berhad (Tiger) remained its focus on executing the ongoing projects as well as securing for new projects to capitalize on the sustained healthy construction and property demand in Malaysia.

Tiger has been holding back the launches of its typically high-end projects for the past two years due to the soft property market. However the Group now expects there to be a turnaround in the market sentiment. Property segment will continue to be the main earnings contributor to the group, while construction segment will go toward supporting its development.

SOCIAL RESPONSIBILITY

According to Bank Negara Malaysia's 2016 annual report, the increase in house prices in Malaysia that began since 2012 has outstripped wage growth and the provision of affordable housing has become a major policy concern of the Government of Malaysia. It is high time for private developers like us to consider our role to contribute in the provision of the affordable housing to assist the government in providing residences to Malaysian. We believe we can, and must do more to ensure that the correct policies are in place to offer truly affordable housing to more people and we are proud to be involved in such initiatives.

AWARD RECOGNITION

2017 is a prominent year for Tiger as Tiger has won an award in the Asia Pacific Property Awards (APPA) in the Residential Development category for Alam Impian – Telaris project. APPA is the acclaimed industry award throughout the Asia Pacific region, supported by a range of professional bodies worldwide and independently judged by a panel of over 70 experts. This achievement is a mark of excellence for Tiger for its expertise and professionalism in Residential Development which is globally recognized in property industries.

FUTURE PROSPECT AND PLANS

In terms of future growth, Tiger is committed in embarking on a turnaround plan with its contingency business strategic focusing on delivering high quality affordable homes. The Company's overall development ratios for affordable and high-end housing projects will be 60 and 40 percent respectively.

PERFORMANCE OVERVIEW

We believe that Tiger is heading towards the right direction with good prospects and earnings visibility as there is a huge demand for residences in this kind. This is due to the soft sentiments in the luxury residential property segment and stringent mortgage application conditions, has left median house prices beyond the reach of most Malaysians. The increasing cost of living and uncertainties have also contributed to a softer sentiment within the property industry. The gross mismatch between housing supply and demand amid diverging expectations between households and developers has caused the affordable homes are always in high demand. One way to address this situation is to increase the supply of affordable homes in this country.

Tiger has property projects that are worth **RM2 billion** in Gross Development Value to be launched within the next five years.

APPRECIATION

On behalf of the Board of Directors of Tiger, I would like to express my sincere thanks and gratitude to all who have given their tremendous efforts and unwavering support from the beginning until now. The Group is always portray the long-term planning for property development projects that fit into our objectives and visions. We look forward to a better performance in 2018.

DATO' TAN WEI LIAN
Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

On behalf of the Board of Directors Tiger Synergy Berhad ("Tiger" or "the Group") and the management team, it is my pleasure to present to you an overview of the Group's financial performance and business activities for the financial year ended 30 June 2017 ("FY2017").

PERFORMANCE REVIEW

The FY2017 under review is challenging as the Property market was soften in light of the macroeconomic factors, introduction by the government of policies aimed at stabilizing the property sector and the loan rejection rates remain high adversely affecting the property market. The implementation of the Goods and Services Tax was expected to give rise to inflationary pressure on domestic goods and services which in turn could have effects on the increase of building materials and rising building costs. Other economic factor such as the weakening of Ringgit against other foreign currencies is also affected the economy.

Mindful of the headwinds that surround the local property market scene, the Group exercised greater prudence in its products planning and project launches to ensure market relevance and strong take ups.

Revenue

For the FY2017, the Group recorded a decrease of RM6.34 million in revenue of RM9.36 million as compared to RM15.70 million for FY2016.The Group recorded a loss before taxation for the twelve (12) months period of RM6.188 million as compared to a loss before taxation of RM1.892 million for previous year to-date due to lower revenue and profit margin from the subcontract works pending launching of the major new housing projects and the loss was also attributed mainly due to the recognition of share based payment of RM4.306million from the Employees' Share Option Scheme (ESOS).

Total Assets

Total assets increased by RM0.974 million to RM230.38 million from RM229.40 million in the last financial year. The increase was mainly attributable to the Group's land and property development cost incurred for the project development activities.

Share Capital

In accordance with the transitional provision of the Companies Act, 2016, the amount standing to the credit of the Company's share premium account becomes part of the Company's share capital. The share capital increased to RM124.52 million as compared to RM111.25 million for the FY2016. The increase was mainly attributable to the transfer of RM7.82 million from share premium and the exercise of the share option under ESOS of RM5.45 million.

Total Liabilities

The Group's bank borrowings increased by RM3.50 million to RM11.98 million from RM8.48 million in the last financial year. The increase in bank borrowings was mainly due to an additional term loan of RM4 million secured from the financial institution to fund capital expenditure for land and property development activities.

The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. Despite the increase in bank borrowings, the Group's gearing ratio set at 0.04times.

DEVELOPMENT PROJECTS

Telaris Alam Impian

This is a joint-development project to be undertaken by the Group. Approvals for the development of 132 units of 3-storey semi-detached houses on freehold lands with a total area of approximately 13.586 acres in Shah Alam, Selangor Darul Ehsan has been obtained.

However, Malaysian property market remained challenging, attributed to the slowing economy, ringgit's weak performance, high loan rejection rates and the soft consumer sentiment resulting from global economic and political uncertainties.

In response to the dampened demand, the Group is re-calibrating the planning to align with the market interest and demand by re-planning of Telaris Alam Impian Project into a mixed-residential development which could generate higher Gross Development Value ("GDV") and profits to the Group. The proposed mixed-residential development consists of 945 units medium range condominium, 12 units 3-storey semi-detached houses. The estimated GDV for the proposed mixed-residential development is approximately RM460 million.

Telaris Alam Impian is nestled in the locale of Alam Impian, a mature township complete with amenities to sustain the daily need of its population. Five educational institutes cover the age range from children to adults, one of them being a prestigious international school. Hypermarkets and shopping centres sprout in close proximity. Professional healthcare is also around the corner at the various medical centres. Telaris Alam Impian has everything covered.

Telaris Alam Impian is strategically located nearby the growth areas of Shah Alam with easy access to Kuala Lumpur City Centre and the rest of the Klang Valley. It is accessible via the Federal Highway, Kuala Lumpur-Shah Alam Expressway, KESAS, Sprint, LDP and Penchala Link Highways.

It was an honour that Telaris Alam Impian won a prestigious **Asia Pacific Property Award 2017**. This is an achievement that is recognised as a mark of excellence and has emerged triumphant for its residential development.

Affordable Housing Project

The government has acknowledged the high house prices and initiated proactive efforts such as the Rumah Selangorku, PR1MA, First House Financing Scheme and Rent-to-Own schemes to provide more affordable housing to ease the current shortage of such housing. Banks have also introduced a more flexible financing solutions for affordable housing.

In collaboration with the government's initiative to provide more affordable housing, the Group embarked a joint-development affordable housing project for the development of 640 units of affordable housing units on freehold lands with a total area of 9.0 acres in Shah Alam, Selangor with a GDV of approximately RM180 million.

The Shah Alam affordable housing project is strategically located nearby the growth areas of Shah Alam with easy access to Kuala Lumpur City Centre and the rest of the Klang Valley. It is accessible via the Federal Highway, Kuala Lumpur-Shah Alam Expressway, KESAS, Sprint, LDP and Penchala Link Highways.

Another affordable housing project to be undertaken by the Group is the development of 571 units affordable housing units on freehold lands with the total area of 5.5 acres in Sungai Buloh with a GDV of approximately RM160 million.

The Sungai Buloh affordable housing project is strategically located nearby the growth areas of Sungai Buloh. Developments within the immediate vicinity comprise residential, commercial and industrial premises. Notable landmarks in the vicinity include Kuang Railway Station, The Store Supermarket, Sungai Buloh Hospital. Facilities available within the vicinity include banking, medical centres, shopping, offices, marketing and other public amenities.

The Sungai Buloh affordable housing project is easily accessible from Kuala Lumpur City Centre via Jalan Kuching, Jalan Kepong, Jalan Sungai Buloh and major Highways.

Telaris Gombak

Telaris Gombak, with a GDV of approximately RM95 million, is the first commercial development of the Group, comprising of 180 units of serviced apartment and 8 commercial lots on a freehold land with area of 1.169 acres in Gombak, Kuala Lumpur.

Telaris Gombak is strategically located in the midst of many other residential areas, surrounded by many amenities and has a direct access to major townships in Klang Valley area. The project is easily accessible via DUKE Highway, MRR2 and Jalan Gombak.

The Aster Residence-Cheras

The Aster Residence is a contemporary condominium development located in Taman Cuepacs in Cheras, Selangor. The development is spread across 0.8094hectare of freehold land.

With a gross development value of estimated RM96 million, Aster Residence offers discerning buyers and home owners the opportunity to live in a mature and established township supported by a wide variety of amenities and conveniences. The gated and guarded development has 24-hour security surveillance.

The condominium comprises a total of 160 residential units. The development offers a full range of facilities that include a swimming pool, a multipurpose hall, a cafe, a mini-market, a launderette and a children's playground.

The Aster Residence is a beautiful and picturesque abode with elegant landscaping and gardens that lend the development a peaceful and serene ambience. The development is targeted at first time home buyers, young families, couples and professionals.

Home to many conveniences, The Aster Residence is at the epicenter of robust development in the vicinity of Cheras surrounded by booming commercial and residential hubs. Hotspots in the area include AEON Cheras Selatan Shopping Centre, EconsaveBalakong and Tesco Kajang.

The neighbouring townships of Bandar Sungai Long, Taman Segar Perdana, Taman Cheras Jaya and Bandar Mahkota Cheras, which are all located within a 10-minute drive from the condominium, also have a wide variety of offerings that include banks, supermarkets, restaurants, food courts, schools and other retail outlets.

The Aster Residence-Cheras cont'd

The Aster Residence is within a 25-minute drive to Kuala Lumpur city centre and is well-connected via the Cheras-Kajang Highway, the SILK Highway, the Kajang-Semenyih Bypass and the Sungai Besi Highway. The condominium is a mere 600m away from an upcoming MRT station, which will make commuting within the Klang Valley convenient.

PROPERTY DEVELOPMENT

The Property Development division was the key contributor to the Group's revenue for the FY2017 pending launching of the major new development projects. The division registered a lower revenue of RM8.77 million compared to a revenue of RM15.39 million in FY2016.

The financial year 2017 is challenging as the property market was soften due to the introduction by the government of policies aimed at stabilizing the property sector and the loan rejection rates remain high adversely affecting the property market.

Due the above factors, the Group is taking a greater precautionary measures to on hold the launch of the development projects. The Group also exercised greater prudence in its products planning to ensure good demand and to mitigate the risk.

MANUFACTURING, TRADING & BATCHING PLANT

The Group has set-up its own batching plant to produce and supply concrete mix and other concrete related products located near to our Alam Impian projects for our internal supply and sale to external parties.

The setting-up of the batching plant is expected to ease the Group's concern over the supply of concrete mix and other concrete related products from external suppliers and to ensure timely delivery of the concrete mix to our development projects. This is also expected to contribute to a savings and lower the construction cost which could enhance the profitability to the Group.

In FY2017, the Manufacturing and Trading division realised a lower revenue of RM0.145 million. The lower performance was due to lower sales volume from external parties and internal supply due to the softening of the construction and property market.

CUSTOMER SERVICE STRATEGIES

Tiger takes its mission of providing unmatched product in a new and unique concepts as well as providing good service quality to its customers to ensure that customers get good products and returns from their investments.

As part of the leadership team, we have continuous urge and initiatives for improvement in achieving cost savings, reducing risk and adding value to our products by mainstreaming sustainability development.

In line with the Group's commitment to continually take its product and service quality to the next level, we will work seamlessly together with trusted contractors, suppliers, consultants, advisors and adopt best practices to consistently deliver products and services that delight the customer.

We will also be taking bold steps in enhancing our corporate branding and positioning, ensuring that our core values of Respectful, Committed and Progressive remain distinctly visible and relevant in everything that we do.

RISK MANAGEMENT

The management regularly evaluates financial and operational risks for the Group and sets in place measures to avoid or mitigate such risks. In the context of the property market slowdown, we strive to identify and keep pace with changing market trends, regulatory and other stakeholder requirements.

The property market is cyclical in nature and is somewhat correlated to the general economic conditions of Malaysia. Adverse developments in political, regulatory and economic conditions in Malaysia could materially affect the property industry in Malaysia. In mitigating such risk, the Group reviews its business development strategies in response to the changes in political, regulatory and economic conditions.

RISK MANAGEMENT cont'd

In order to mitigate the risks inherent to the very competitive property market, such as changes in property prices, delays in completion, and under-performance of sub-contractors combined by fluctuating material costs, the Group closely monitors the progression of construction projects, applies a tight cost control throughout the life cycle of projects, and favours fixed price contracts.

Our project portfolio focuses on developments in urban areas close to transportation network connections and with easy access to conveniences and amenities in order to meet the current market demand. In other projects, the new landed properties combined with vast outdoor and green spaces will cater for families, who are looking for safe and pleasant environment. We integrate many innovative features into the layout and the facilities, thus enhancing and adding value to our products and marking out our differentiations from our competitors.

FUND RAISING CORPORATE EXERCISE

(a) Proposed ICPS Rights Issue with Warrants

On 1 June 2016, the Company announced to undertake the following corporate proposals:-

(i) Proposed renounceable rights issue of up to 6,135,710,304 new irredeemable convertible of preference share(s) of RM0.01 each in Tiger ("Rights ICPS") on the basis of three Rights ICPS for every one existing ordinary share of RM0.08 each in Tiger ("Tiger Shares"), together with up to 58,435,336 free detachable new warrants to be issued ("Rights Warrants") on the basis of one Rights Warrant for every hundred and five Rights ICPS subscribed on the entitlement date ("Proposed ICPS Rights Issue with Warrants"); and

(ii) Proposed share buy-back of its ordinary shares of RM0.08 each by Tiger of up to ten per centum of its issued and paid-up share capital pursuant to Section 67A of the Companies Act, 1965 ("Proposed Shares Buy-Back"); and

(iii) Proposed increase in the authorised share capital of Tiger from RM500,000,000 comprising 6,250,000,000 Tiger Shares to RM1,000,000,000 comprising 11,725,000,000 Tiger Shares and 6,200,000,000 Rights ICPS ("Proposed Increase in Authorised Share Capital"); and

(iv) Proposed amendments to the memorandum and articles of association ("M&A") of the Company to facilitate the Proposed ICPS Rights Issue with Warrants and the Proposed Increase in Authorised Share Capital ("Proposed M&A Amendment").

However, The Company has decided to abort the Proposed ICPS Rights Issue with Warrants as the Company is currently exploring the feasibility of other fund-raising proposals arising from the implementation of the Companies Act, 2016. Following the abortion of the Proposed ICPS Rights Issue with Warrants, the Proposed Increase in Authorised Share Capital and Proposed M&A Amendment shall be consequently aborted. The Proposed Shares Buy-Back which was to be implemented concurrently with the Proposed ICPS Rights Issue with Warrants shall also be aborted.

(b) Proposed Private Placement

On 19 April 2017, Tiger announced to undertake a private placement of up to 10% of the total number of issued shares of Tiger based on the mandate procured from the shareholders of Tiger pursuant to Sections 75 and 76 of the Companies Act, 2016 (previously Section 132D of the Companies Act, 1965) ("Proposed Private Placement").

The Proposed Private Placement will strengthen the capital position of Tiger and provide Tiger with the necessary funds for working capital for the business operations of the Group. The Board is of the view that the Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement will enable the Group to raise the requisite funds without incurring additional interest expenses, thereby minimizing any potential cash outflow in respect of interest savings. Aside to that, it is an expeditious way of raising funds from the capital market as compared to other forms of fund raising.

Tiger had issued a total of 139,059,011 Placement Shares via the Proposed Private Placement exercise.

PROSPECTS

The global economy in FY 2018 is expected to remain sluggish as there is no sign of a let-up on stiff loan requirements while the economy remains soft. Consumers are expected to adopt a wait-and-see attitude with regard to big-ticket purchases including properties.

Notwithstanding the present uncertainties in the property market, the Group will channel efforts into capitalizing on the opportunities that may arise. The Group will focus on expanding its land bank and joint-venture development, targeting mainly land in the Klang-Valley region that enjoy great demand, connectivity and accessibility, and which allows for more immediate launch and development.

Although demand for property overall will be dampened, there will be certain bright spots especially in mid-market and affordable home segments as first-time buyers continue to fulfil their dreams of becoming proud homeowners.

In line with the government initiatives for the affordable homes, our main focus stays on with an emphasis on properties priced at an affordable range with the middle income group being our main target market.

Moving forward, the Board believes that the Group is well-geared to overcome the continues challenges ahead, leveraging on our track record and expertise, and we remain positive on its prospects for its next financial year...**creating greater stakeholder value as we could.**

TAN LEE CHIN
Managing Director

1. DATO' TAN WEI LIAN
2. DATIN SEK CHIAN NEE
3. DATO' LEE YUEN FONG
4. LOW BOON CHIN
5. DATO' KHOO SENG HOCK
6. TAN LEE CHIN
7. CHUA ENG CHIN

BOARD OF DIRECTORS

PROFILE OF BOARD OF DIRECTORS

Malaysian, aged 49, male, he began his colorful livelihood as a property developer at the age of 21. He has gained over 28 years of experience in the property development and construction industry. Therefore, DTWL has played a major role in leading the Group to diversify its business into Property Development. He has strong communication skills, experience, and in-depth knowledge of the business environment. He is also the former President of the Negeri Sembilan Chinese Chamber of Commerce and Industry, former Vice President of The Associated Chinese Chambers of Commerce and Industry of Malaysia.

On 28th November 2006, he was appointed to the Board of Tiger Synergy Berhad (Tiger) as Managing Director in order to assist the company to diversify into property development. However, he has been re-designated to the Executive Chairman of the Group on 26th November 2014. He has attended four (4) Board of Directors' Meetings held during the financial year ended 30th June 2017. DTWL does not have any conflict of interest with the Company and has not been convicted of any offence over the past five years.

DTWL is the brother of Ms Tan Lee Chin, the Managing Director of Tiger as well as the spouse of Datin Sek Chian Nee. He has direct shareholding of 199,882,900 ordinary shares and indirect shareholding of 76,466,500 ordinary shares as at 23rd October 2017.

Malaysian, aged 48, female, was appointed to the Board as an Executive Director of Tiger in February 2008 and she is a member of Remuneration Committee and ESOS Committeeof TSB. She graduated with a LLB (Honours) from the University of Northumbria, United Kingdom. In 1993, she joined the property development and construction company. During her tenure in the said company, she has pioneered to develop the marketing, finance and administrative division of the company. Since then, she has gained substantial experience in the property development, financial, marketing, business management and corporate restructuring. In recognition of her outstanding entrepreneurial achievements, she has received an Outstanding Entrepreneur Award at the Golden Bull Award.

TLC was appointed to the Board as Executive Director of Tiger on 29th February 2008 and re-designated as Managing Director on 26th November 2014. She has attended four (4) Board of Directors' Meetings during the financial year ended 30th June 2017. She has no conflict of interest with the Company and has not been convicted of any offence in the last five years.

TLC is the sister of Dato' Tan Wei Lian, the Executive Chairman of Tiger. She holds a direct shareholding of 22,277,900 ordinary shares and indirect shareholding of 254,071,500 ordinary shares as at 23rd October 2017.

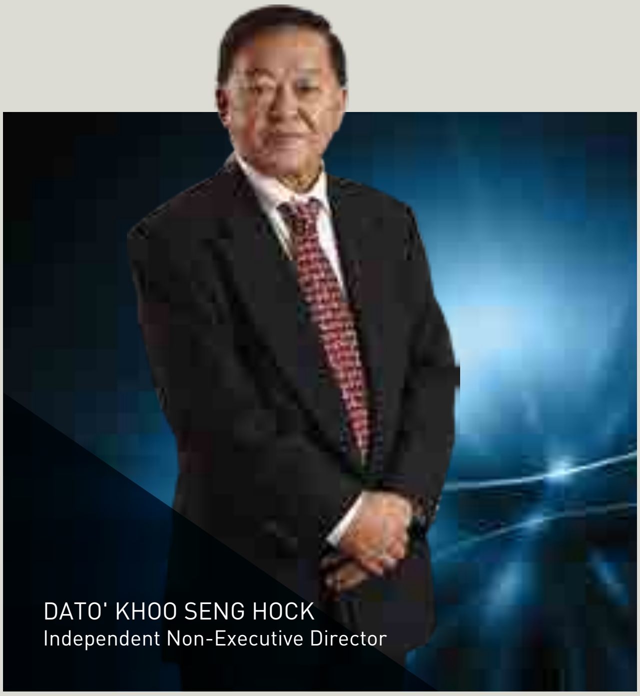
PROFILE OF BOARD OF DIRECTORS

Malaysian, aged 50, female, was appointed as an Executive Director of Tiger on 29th May 2015. She completed her Diploma in Perguruan Kementerian Pelajaran Malaysia in 1993. Upon graduation, she joined the education industry in Bahau, Negeri Sembilan Darul Khusus as a Teacher. She joined Tiger as the Group Human Resource and Admin General Manager since 2006. Currently, she oversees the entire organisation's human resources by planning, implementing, and evaluating employee relations and human resources policies, programmme, and practices.

DSCN has attended four (4) Board of Directors' Meetings during the financial year ended 30th June 2017. She has no conflict of interest with the Company and has not been convicted of any offence in the last five years.

DSCN is the spouse of Dato' Tan Wei Lian, the Executive Chairman of Tiger. She holds a direct shareholding of 54,188,600 ordinary shares and indirect shareholding of 222,160,800 ordinary shares as at 23rd October 2017.

DATIN SEK CHIAN NEE ("DSCN")
Executive Director



DATO' KHOO SENG HOCK
Independent Non-Executive Director

Malaysian, aged 69, male, was appointed to the Board of the Company on 7th October 2010 as an Independent and Non-Executive Director in Tiger. He is one of the member of Audit Committee, Nomination Committee and Remuneration Committee of Tiger group. From 1986 to 1995, he was elected and served as the State Assemblyman for Lobak Constituency, Negeri Sembilan after completed his upper secondary education from Chung Hwa High School, Seremban. Subsequently in 1987, he served as the Chief of Negeri Sembilan MCA Public Services and Complaints Bureau; and the Vice President of MCA Branch Taman Permata. During the financial year ended 30th June 2017, he has attended four(4) Board of Directors' Meetings.

Dato' Khoo does not hold directorship in other public companies.

He does not have any family relationship with any director and/or major shareholder, nor any conflict of interest with the Tiger Group. He has not been convicted of any offence over the past five years.

PROFILE OF BOARD OF DIRECTORS

Malaysian, aged 58, male, was appointed as an Independent Non-Executive Director of Tiger on 15th December 2006. Currently, Mr. Chua is the Chairman of the Audit Committee and Remuneration Committee of Tiger group. He is also a member of Nomination Committee. He attended four (4) Board of Directors' Meetings held during the financial year ended 30th June 2017.

Mr. Chua is a qualfied Chartered Accountant since 1984. He is a registered Fellow Member of the Association of Chartered Accountants (United Kingdom) and Malaysian Institute of Accountants. He has extensive experience in auditing and consultancy. He held various key positions with some established companies, i.e.as an internal auditor in Lion Group and Berjaya Group. He also served as Senior Accountant in Berjaya Textiles Berhad and Senior Manager in Malpac Holdings Berhad. Currently, he is a Commissioned Dealer Representative with PM Securities Sdn. Bhd. and hold directorship in Naim Indah Corporation Berhad which is a listed company in the Main Market of the Bursa Securities.

He does not have any family relationship with any director and/or major shareholder nor any conflict of interest with the Tiger Group. He has not been convicted of any offences over the past five years.

Malaysian, aged 69, male, was appointed to the Board of the Company on 12th September 2014 as an Independent Non-Executive Director at Tiger. He is the Chairman of Nomination Committee and a member of Audit Committee and Employee Share Option Scheme Committee of Tiger group. Furthermore, he attended four (4) Board of Directors' Meetings held during the financial year ended 30th June 2017.

Mr. Low graduated with a Degree in Business & Administration from National Chengchi University, Taiwan. He began his career in the direct sales industry and joined Win Win Sdn. Bhd., dealing in health food and pioneered the Direct Sales Division of the said company. Since then, he has gained about more than ten (10) years of experience in direct selling & emporium operations. In recognition of his outstanding entrepreneurial achievements and contributions to the society, he was awarded the Negeri Sembilan's ANS, PMC, PJK and the Pahang State's Setia Mahkota Pahang (SMP). Mr. Low was also bestowed with a National Honour of Ahli Mangku Negara (AMN) by His Majesty the Yang Dipertuan. In addition, Mr. Low is an active member and holds several prominent positions in a number of Associations and societies in Malaysia including that of Honorary Secretary in the Negeri Sembilan Chinese Chamber of Commerce & Industry. He also sits on Boards of several other private companies in Malaysia where he holds executive function positions.

Mr. Low does not hold directorship in other public companies. He does not have any family relationship with any director and/or major shareholder nor any conflict of interest with Tiger Group. He has not been convicted of any offences over the past five years.

PROFILE OF BOARD OF DIRECTORS

Malaysian, aged 67, male, was appointed to the Board of the Company on 30th July 2014 as an Independent Non-Executive Director of Tiger. He is a member of Audit Committee and Nomination Committee of Tiger group. In addition, he is the Chairman of the Employee Share Option Scheme Committee. He attended three (3) Board of Directors' Meetings held during the financial year ended 30th June 2017.

From 1986 to 2008, he was a devoted and active Member of the State Legislative Assembly of Negeri Sembilan Darul Khusus, where he has gained much recognition through his earnest participation, involvement and contribution. He was bestowed and conferred the Dato' Setia Negeri Sembilan (DSNS). Since 2008, Dato' Lee has steadfastly and ardently played a key role as the Executive Chairman of the Negeri Sembilan Basketball Association and is also a dedicated and an active Member of the Persatuan Pengusaha-Pengusaha Burung Walit Negeri Sembilan Darul Khusus wherein he sits as the Chairman through to the present date. Through his many years of participating and engaging in various executive functions, roles and positions in these Associations, Dato' Lee has gained immeasurable experience in the areas of management, promotion, sponsorship, marketing, operation, controlling and organizational development. Currently, he is the Secretary General of Persekutuan Persatuan Pedagang Sarang Burung Malaysia.

Dato' Lee does not hold directorship in other public companies. He does not have any family relationship with any director and/or major shareholder, nor any conflict of interest with the Tiger Group. He has not been convicted of any offences over the past five years.

KEY PERSONNEL MANAGEMENT TEAM

KELVIN CHIA CHIN LIANG
(GROUP ACCOUNTANT)
Male, Malaysian

Mr. Kelvin Chia, aged 44, obtained his Bachelor Degree in Accounting from Bolton University, United Kingdom. Prior joining to Tiger Group, he had worked at Ho Hup Construction Company Berhad, TSI Holdings Sdn Bhd, Talam Corporation Berhad, Oxford Fajar Sdn Bhd as company accountant. He had over 20 years of experience in finance and accountancy industries.

He has been with Tiger Group on 1 August 2007, starting off as a group accountant. Over the years, he has been involved in the preparation of group financial statements, review of financial performance, budgeting and project costing. Furthermore, he also liaises closely with group tax manager to resolve Tiger and its subsidiaries' tax matters. Recently, he headed to participate for Group's equity fund raising with amongst others.

Mr. Kelvin does not hold directorship in any public companies.

He has no family relationship with any Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a con flict of interest with the Company and has no conviction for offences, within the past five (5) years.

LEA FEE CHIN
(GROUP TAXATION MANAGER)
Female, Malaysian

Ms Lea, aged 43, was appointed as the Group's Taxation Manager on 19 October 2015. She graduated with a Bachelor of Business Administration degree from the University of Rockhampton, United States in 2008.

She is responsible for managing tax reporting and compliance within an organization, ensure tax returns are completed and accurate to minimise tax obligations. Furthermore, she also involves in tax planning in preparation for future filings by providing internal tax advisory and support on business operation matters to the Group.

Ms Lea does not hold directorship in any public companies.

She has no family relationship with any Director and/or major shareholder of the Company. She has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company and has no conviction for offences, within the past five (5) years.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which has been made in accordance with applicable financial reporting standards and applicable approved accounting standards in Malaysia. The Directors take responsibility in ensuring the financial statements to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flow of the Group and of the Company for the financial year then ended.

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

- Adopted the suitable and appropriate accounting policies and applied them consistently;
- Made judgments and estimates that the prudent and reasonable;
- Ensured strict adherence of all applicable accounting standards, subject to any material departures disclosed and explained in the financial statement.
- Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company to enable them to ensure that the financial statements comply with the Companies Act, 2016. The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

STATEMENT ON CORPORATE GOVERNANCE

Good corporate governance is essential to the success of Tiger Synergy Berhad ("Tiger" or "the Company"). The Board of Directors of Tiger is fully committed in upholding the principles of corporate governance which are practiced throughout the Group with the ultimate objective to protect and enhance shareholders' value, achieving financial sustainability and corporate accountability.

In its application of pertinent governance practices, the Board has taken into consideration the enumerations of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") wherever applicable in the best interest of the shareholders of the Group for the financial year ended 30th June 2017

PRINCIPLE 1: ESTABLISHE CLEAR ROLES AND RESPONSIBILITIES

The Board has overall responsibility for the proper conduct of the Group's business. This includes the setting of goals and strategic directions, establishing goals for management and monitoring the achievement of these goals, overseeing the process of evaluating the adequacy and effectiveness of internal controls, identifying principles risks and ensuring the implementation of appropriate systems to manage these risks.

Establish clear functions reserve for the Board and those delegated to Management

The Board plays a key and active role in the formulation and development of the Company and the Group's policies and strategies and is responsible for oversight and overall management of the Company and the Group, whilst the Management is responsible for the day-to-day operations of the business and effective implementation of Board decisions.

The Board, in carrying out its stewardship responsibility has delegated certain responsibilities to the Audit Committee, Nomination Committee and Remuneration Committee. All committees have clearly defined terms of reference. The Chairman of the various committees will report to the Board the outcomes of the committee meetings. The management especially the departmental heads are accountable to the Board and to fulfill their responsibility through the provision of reports, briefings and presentations on a regular basis throughout the year and attending the quarterly Board of Director Meeting by invitation.

Establish clear roles and responsibilities

The Board assumes the following principal roles and responsibilities in discharging its fiduciary and leadership functions:

(a) Reviewing and adopting the strategic plans for the Group. The Board deliberates all materials relating to the strategic plan with management. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

(b) Reviewing the Group's financial performance and position on a quarterly basis.

(c) Identifying principal risks and ensuring the implementation of appropriate internal control systems to manage the identi ed risks.

(d) Reviewing succession planning including appointments, determination of compensation levels and replacement of senior management staff.

(e) Reviewing other significant matters that may have a material impact on the Group.

(f) Reviewing the adequacy and integrity of management information and internal control system of the Group. The Board of Directors has also established various Board Committees to assist and complement the Board in the execution of its responsibilities. Each Board Committee operates within its terms of reference, which clearly define its functions and authority, and the Board receives reports of their proceedings and deliberations with their recommendations. The ultimate responsibility for decision making lies with the Board.

Board Charter and Code of Ethics and Conduct

The Board has established the Board Charter to ensure that all the Board members are aware of their responsibilities as Board members, the various legislation and regulations including the Code of Conduct & Ethics for Company's Directors issued by Companies Commission of Malaysia ("CCM") and that the practices of good Corporate Governance are applied in all dealings by Board members individually and/or on behalf of the Group.

The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

The Boards continue to observe the Code of Conduct & Ethics ("the Code") for Company Directors issued by CCM. The Code sets out the standard of conduct and ethical behavior for the Board, based on the principles of sincerity, integrity, responsibility and corporate social responsibility. To inculcate good ethical conduct, the Group is drafting a code of conduct for employees, which will be encapsulated in the Group's Human Resources Policies which has been communicated to all levels of employees in the Groups.

The Board Charter and the Code of Conduct are available at the Company's website at www.tigersynergy.my.

Sustainability of Business

The Company recognizes the importance of sustainability and its increasing relevance to the Group's businesses.

The Company is committed to carry out business operations in a manner that will create minimum impacts on the environment and the community while creating value for the stakeholder via our Corporate Social Responsibility activities with details of which are provided at the pages 38 to 42 of this annual report.

Furthermore, in the view of recent amendments to the Main LR of Bursa Securities in regards to the Sustainability Statement, Tiger has started to consider various approaches in order to enhance the incorporation of sustainability in its business, which includes seeking for external consultants to provide the relevant training sessions for the Board and Management.

Access to information and advice

The Board recognizes that the decision making process largely dependent on the quality of information furnished. All Directors on the Board and committees of the Board have full and unrestricted access to senior management and the Company Secretary on all matters requiring information for deliberation. Information provided to the Board is compiled into reports via the Board Papers which are circulated to Directors in a timely manner to enable them to discharge their duties and responsibilities effectively.

All Directors have the consent of the Board, whether via the Board or in his or her individual capacity to take independent professional advice at the Company's expenses when necessary, in the furtherance of their duties. The Directors may seek advice from the management on issues under consideration. The Directors may also interact with the Chairman and the management to request further clarification for the information on the Group's operations and business concerns.

Qualified and Competent Company Secretaries

The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on new statutory and regulatory requirements, and the resultant implications to the Company and Directors in relation to their duties and responsibilities. The Current Group's Company Secretaries are Associate and Fellow members of the Malaysian Institute of Chartered Secretaries and Administrators and are qualified to act as Company Secretaries pursuant to Section 139A of the Companies Act, 1965. The Company Secretaries play a supporting role to the Board to ensure adherence to the Board policies and procedure and compliances with the Bursa Securities Main LR and other compliance regulations. The Directors have ready and unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively.

PRINCIPLE 2: STRENGTHEN THE BOARD'S COMPOSITION

The current Board recently comprises seven (7) Directors, out of which, one (1) Executive Chairman, one (1) Managing Director, one (1) Executive Director and four (4) Independent Non-Executive Directors. The Company has complied with the requirements of at least one third (1/3) of its members are independent as stated in Paragraph 15.02(1) of Main LR of Bursa Securities. There is no individual Director or group of Directors who dominates the Board's decision making.

The wide mix of different skill sets and professional diversity of the members provides an atmosphere where deliberations draw a wide range of viewpoints which are at times challenged before a decision is arrived at. The Board acknowledges that a well balanced board will benefit the organization in promptly appraising matters and to competently arrive at decisions which will enhance the performance of the Group.

The profile of Directors is set out on pages 22 to 27 of this Annual Report.

To assist the Board in carrying out its duties and responsibilities, the Board has established the following Committees of the Board, each with clearly defined Term of Reference in order to enhance corporate efficiency and effectiveness:-

Audit Committee

The Audit Committee ("AC") comprises entirely of Independent Non-Executive Directors. The role of AC, summary of work of AC and the number of meetings held during the financial year as well as the attendance record of each member are presented on the Audit Committee Report on pages 43 to 44 of this Annual Report.

Nomination Committee

The Nomination Committee ("NC") comprises four (4) Directors, all of whom are Independent Non-Executive Directors. The members of the NC are as follows:-

- Low Boon Chin, Chairman of Committee and Independent Non-Executive Director;
- Chua Eng Chin, Independent Non-Executive Director;
- Dato' Khoo Seng Hock, Independent Non- Executive Director; and
- Dato' Lee Yuen Fong, Independent Non- Executive Director.

The Board has stipulated specific terms of reference for the NC, which covers, inter-alia, the salient function as below:-

- To consider and recommend to the Board candidate for directorship and Board Committee Membership.
- To facilitate an annual assessment of the required mix of skill and experience of the Board, Board Committees and individuals Directors; and
- To recommend the appropriate Board Balance and its size that including non-executive participation.
- To review the term of office and performance of the AC and its members.

During the financial year ended 30th June 2017, the main activities carried by the NC includes the following:-

(1) Assessed the performance of the Board, Board Committees and individual Director; and
(2) Reviewed the independence of Independent Non-Executive Director in relation to the 9-years tenure limit and reported the outcome to the Board for decision.
(3) Reviewed the re-election of Directors at the Annual General Meeting.

Gender, Ethnicity and Age Diversity Policy

The Board currently has two (2) female directors which constitute almost one third (1/3) of the Board and is in line with Recommendation 2.2 of the MCCG 2012 in relation to gender diversity.

The Board acknowledges the importance of the Board diversity, including gender, ethnicity, background and age, and strives for an effective and balanced Board. Furthermore, the Board also recognizes the contribution that women can bring to the Board and the Group and will strive to maintain the female composition of the Board.

PRINCIPLE 2: STRENGTHEN THE BOARD'S COMPOSITION cont'd

Recently, the Board does not have a specific policy on Boardroom ethnicity and age diversity. However, the Company strongly believes and maintains its stand that any new appointment to the Board shall always be based on merits, capability, experience, skill-sets and integrity regardless of age and ethnicity in order to attain the Company's strategic objectives and goals.

Board Evaluation

The NC met twice during the financial year ended 30th June 2017 to review the effectiveness of the Board, its Committees and the contribution of each individual Director, including the required mix of skills and core competencies necessary for the Board to discharge its duties effectively.

The criteria for Director's evaluation covers areas such as contributions to interaction, roles and responsibilities and quality of input to enhance the Board's effectiveness. For Board and Board Committee assessment, the criteria include board structure and operations, their roles and responsibilities, succession planning and board governance.

Remuneration Committee

The Remuneration Committee ("RC") comprises three (3) Directors, majority of whom are Independent Non-executive Directors. The members of RC are as follows:-

- Chua Eng Chin, Chairman of Committee and Independent Non-Executive Director;
- Dato' Khoo Seng Hock, Independent Non- Executive Director; and
- Tan Lee Chin, Managing Director.

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering and growing the Group to achieve its long term goals and to enhance its shareholder value.

The RC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices. The RC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Director and performance of the Group. Individual Directors do not participate in the decisions regarding his or her individual remuneration.

The RC met once during the financial year ended 30 June 2017 to review the remuneration of Directors and Senior Management of the Group to ensure that rewards commensurate with their experience and individual performance.

The details of aggregate remuneration of Directors of the Company and Group during the financial year ended 30 June 2017 are as follows:-

Received from Tiger

Remuneration	Executive Directors	Non-Executive Directors	Total
Salaries & other Emoluments	-	96,000	96,000
Fees	-	-	-
Bonus	-	-	-
Share-based payment	3,614,000	520,000	4,134,000

Received from Group

Remuneration	Executive Directors	Non-Executive Directors	Total
Salaries & other Emoluments	592,800	96,000	688,800
Fees	-	-	-
Bonus	-	-	-
Share-based payment	3,614,000	520,000	4,134,000

PRINCIPLE 2: STRENGTHEN THE BOARD'S COMPOSITION cont'd

The number of directors of the Company whose total remuneration during the year fall within the following bands areas follows:

Received from Tiger

Category	Executive Directors	Non-Executive Directors
Below RM50,000	-	2
RM 50,001 - 250,000	-	1
RM250,001 - 500,000	-	1
RM700,001 - 750,000	1	-
RM1,050,001 - 1,100,000	1	-
RM1,800,001 - 1,850,000	1	-

Received from Group

Category	Executive Directors	Non-Executive Directors
Below RM50,000	-	2
RM 50,001 - 250,000	-	1
RM250,001 - 500,000	-	1
RM700,001 - 750,000	1	-
RM1,300,001 - 1,350,000	1	-
RM2,150,001 - 2.200,000	1	-

PRINCIPLE 3: REINFORCE INDEPENDENCE

During the financial year ended 30th June 2017, the Board is of the view that the significant composition of Independent Non-Executive Directors, which comprises 57%, a majority of the current Board's size, coupled with the adoption of Board Charter, all provide for the relevant check and balance to ensure no one individual has unfettered powers in making Board's decision.

The Board is mindful of the recommendation of the Code limiting the tenure of Independent Directors to nine (9) years of service. However, the Board may, in appropriate cases and subject to the assessment of the NC on an annual basis, retain an Independent Director who has served a consecutive or cumulative term of nine (9) years to continue to serve as Independent Director subject to shareholder's approval. Based on the current composition of the Board, the tenure of each Independent Directors had not exceeded a cumulative term of nine (9) years. In addition, all of the Independent Non-Executive Directors are also independent from the substantial shareholders of the Group, not being substantial shareholders themselves nor directly associated with any substantial shareholder.

There is a clear separation of responsibilities and roles between the Chairman and the Group Managing Director, both functionally independent. No individual has powers that span the two roles and this ensure a balance of authority and power, hence greater capacity of the Board for independent decision-making.

PRINCIPLE 3: REINFORCE INDEPENDENCE cont'd

Board Chairman

Dato' Tan Wei Lian, the Chairman of the Board, is responsible for managing the effective conduct of the Board and Board functions, amongst others, as outlined below:

(i) Responsible for the leadership of the Board and ensure its effectiveness as well as Board Governance;
(ii) Responsible for the orderly conduct of meetings and ensure adequate time is available for discussion of all agenda items and facilitates matters between Board and its investors;
(iii) To promote a culture of openness and debate facilitating the effective contribution of Non-Executive and Independent Directors;
(iv) Ensure that the Directors receive accurate, timely and clear information; and.
(v) Take a leading role in the relationship with all external agencies in promoting the Group

Group Managing Director

Tan Lee Chin, the Group Managing Director, together with the management of the Company, ensures that strategies, policies and matters approved by the Board are effectively implemented, amongst others, as outlined below:-

(i) Manage the day-to-day business operations of the Group;
(ii) Ensure that the appropriate standards of corporate governance permeate through the organization;
(iii) Recommend key strategies and implement such strategies agreed by the Board; and
(iv) Act as the official spoke person of the Group;

PRINCIPLE 4: FOSTER COMMITMENT

Board Meetings

The Board meets at least once every financial quarter with urgent and important matters resolved by way of circular resolutions and convening of additional meetings as and when the need arises. All proceedings of the Board and Committee meetings are recorded and the minutes thereof signed by the Chairman of the respective meetings. During the financial year ended 30th June 2017, four (4) meetings were held and the attendance of the Directors at Board Meetings are as follows:

	No. of Meetings Attended
Dato' Tan Wei Lian	4/4 meetings
Tan Lee Chin	4/4 meetings
Datin Sek Chian Nee	4/4 meetings
Dato' Khoo Seng Hock	4/4 meetings
Chua Eng Chin	4/4 meetings
Dato' Lee Yuen Fong	3/4 meetings
Low Boon Chin	4/4 meetings

The next Board Meeting is scheduled ahead during the Board Meeting in order to enable the directors to plan and adjust their schedule to ensure good attendance and the expected degree of attention is given to the Board agenda. Members of the management team and external advisors are invited as and when required to attend the Board of Directors' and the Committees' Meetings to present and advise the members with information and clarification on certain items in the agenda to enable them to arrive at a consideration decision. All the Directors and principal officers of the Group are also notified on closed periods for dealings in securities of the Company based on targeted announcement dates of the quarterly financial results.

PRINCIPLE 4: FOSTER COMMITMENT cont'd

Directors' Training

Directors are encouraged to participate in seminars, conferences and relevant training programmes to keep them abreast with regulatory updates and developments in the business environment and financial sector in order to comply with Paragraph 15.08 of Main LR of Bursa Securities. All the Directors have successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities as at the end of the financial year.

During the financial year under review, the Directors attended the following training, briefing and workshop programmes:-

	Seminars/Brie ng/Workshop attended
Dato' Tan Wei Lian	Overview of Directors' Duties
Datin Sek Chian Nee	Overview of Directors' Duties
Tan Lee Chin	Overview of Directors' Duties
Dato' Khoo Seng Hock	Overview of Directors' Duties
Chua Eng Chin	Overview of Directors' Duties
Dato' Lee Yuen Fong	Overview of Directors' Duties
Low Boon Chin	Overview of Directors' Duties

The Directors will continue to attend relevant trainings and education programmes in order to keep themselves abreast of the latest development in the economy, industry and technology and discharge their duties and responsibilities more effectively.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

(a) Compliance with Applicable Financial Reporting Standards

The Board is responsible for ensuring that financial statements prepared for each financial year give a true and fair view of the Group's state of affairs. The Directors took due care and reasonable steps to ensure that requirements of accounting standards were fully met. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board of Directors prior to their release to Bursa Securities.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 30th June 2017, the Group has used appropriate accounting policies and applied them consistently. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements. The Responsibilities Statement by Directors pursuant to the Main LR is set out in this Annual Report.

(b) Assessment of Suitability and Independence of External Auditors.

The Board via the Audit Committee has always maintained a cordial and transparent relationship with its auditors in seeking their professional advice towards ensuring compliance with the relevant accounting standards. The Audit Committee will continue to review and monitor the suitability and independence of the External Auditors. The External Auditors had confirmed that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of the relevant professional and regulatory requirements.

Besides that, the external auditors are invited to attend Audit Committee meetings to discuss their audit plan, audit findings and the Company's financial statements. In addition, the external auditors are invited to attend the Company's Annual General Meeting and are available to respond to shareholders' queries.

During the financial year ended 30th June 2017, the Independent Directors held one (1) dialogue session with the external auditors without the presence of the Executive Directors and Management to discuss issues of concern to the external auditors.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

In line with the Main LR and the MCCG 2012, the Board has established an internal audit function, which reports directly to the Audit Committee on the adequacy and effectiveness of the system of internal controls from the perspective of governance, risk and controls.

The risk management and internal control system is regularly reviewed by management and relevant recommendations are made to the Audit Committee and Board for approval. The Company continues to maintain and review its internal control procedures to ensure that its assets and its shareholders' investments are protected. The Statement on Risk Management and Internal Control, which has been reviewed by the external auditors, provides an overview of the risk position and state of internal controls within the Group. Details of the Group's internal control system are set out in the Statement on Risks Management and Internal Control of this Annual Report.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

(a) Corporate Disclosure Policies and Procedures

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, the Board will consider developing pertinent corporate disclosure policies to enhance its existing information disclosure practices adopted from the Main LR.

(b) Leverage on Information echnology for Effective Dissemination of Information

The Company's corporate website at www.tigersynergy.my serves as a key communication channel for shareholders, investor, members of the public and other stakeholders to obtain up-to-date information on the Group's activities, financial results, major strategic developments and other matters affecting stakeholders' interest.

Furthermore, the Board reviews and approves all quarterly and other important announcements. The Company announces its quarterly and full year results within the mandatory period. The financial statements and, where necessary other materials presented at the Company's general meetings, including material and price sensitive information, are disseminated and publicly release via Bursa LINK on timely basis to ensure effective dissemination of information relating to the Group.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS.

General meetings are the key platform for the Board to meet the shareholders and for the Board to provide an overview of the Group's progress to-date and respond to questions from shareholders concerning the Group's business, operations and prospects. Every notice convening general meeting specifying the place, date and time of meeting is given to all members at least 14 days before meeting or at least 21 days before the meeting where any special resolution is to be proposed or where it is an AGM. Shareholders may also obtain the Group's latest announcements through its corporate website at www.tigersynergy.my or Bursa Securities' website at www.bursamalaysia.com.

The Company will continue to ensure the transparency and good corporate governance by promptly disseminating corporate information to the shareholders and investors via announcements to Bursa Securities and dialogue with analysts and media.

In line with Recommendation 8.2 of the MCCG 2012, the Chairman informs the shareholders of their rights to demand a poll vote at the commencement of general meetings.

Further to the recent changes to the Main LR issued by Bursa Securities on 25 March 2016 on the requirement for poll voting for any resolution set out in the notice of general meetings which will apply to general meetings held on or after 1 July 2016, the Company has explored into providing facilities for poll voting via electronic means to expedite verification and counting of votes.

SUSTAINABILITY STATEMENT

SUSTAINABILITY MANAGEMENT

As a corporate entity, we have a responsibility towards our customers, employees and society. Our Board is committed in ensuring that sustainability is embedded in Tiger's mission statement "To build a strong trusted brand". We continue to future-proof our business by integrating Environmental, Social and Governance principles into our strategy and harnessing our capital to create lasting value for our business, shareholders, stakeholders and the community at large.

Sustainability Governance

The Group recognises the importance of adhering to sound governance practices and processes to enhance shareholder value. Tiger conducts its business to the highest standards of openness, integrity and accountability at all times. The Group acts professionally, fairly and with integrity in all its business dealings and relationships, wherever it operates.

Corporate Values and Conduct of Business

The Board and Senior Management are committed to conducting business with integrity and consistent with high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Group has in place an internal code of business and ethical conduct crystallising the Company's business principles and practices with respect to matters which may have ethical implications. The code, which provides a communicable and understandable framework for staff to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with customers, suppliers and amongst employees.

Risk Management

We have put in place a robust risk management process to safeguard shareholders' interests. We have identified our operational, financial, compliance and information technology risks. These risks have been assessed, managed and evaluated across all business units to enable the Group to manage them in an integrated, systematic and consistent manner. The Group strives to continuously maintain its high standard of corporate governance by following established sound policies and risk management practices in all its strategic, operational and financial decision-making processes at all levels. Through good and transparent corporate governance, we are committed to safeguard shareholders' interest and the Group's assets, so as to drive long-term sustainable growth and value creation in our business.

Tiger's Stakeholders

We define our stakeholders as groups whom our business has a significant impact on, and those with a vested interest in our operations. By assessing the significance and impact of their interest on Tiger's business, we have identified seven key stakeholders groups.

Stakeholder Groups	Impact and Significance
Our Employees	Our employees are part of our human capital whose competencies and well-being are fundamental to Tiger's operational effectiveness. We aim to develop their potential to drive innovation and organisational excellence.
Our Customers	Our promise is to create inspiring spaces and deliver quality homes in line with the rising expectations and lifestyles aspirations of homebuyers. Tiger seeks to deliver sustainable solutions and exceptional service levels to delight our customers.
Our Business Partners	Tiger works closely with partners in our value chain to ensure that construction activities are carried out in line with best practices in Environment, Health & Safety standards and sustainable building methods.
Our Inventors	We strive to maximize shareholder returns, maintain good corporate governance, and improve levels of transparency through financial and sustainability reporting and timely communication.
The Government and Regulators	Beyond compliance, we regularly meet with regulators and local authorities to obtain approvals and permits. We also partner with key agencies in elevating industry standards so that be on par with latest regulations and requirements
Media	As news and information outlets are one of the primary sources of information for our stakeholders and members of the public, we communicate on significant corporate news through website, press conferences & interviews by engaging mainstream media and web-based platforms.
Our Community	Our developments shape public spaces and impact the interaction between people and their broader environment. Tiger seeks to create a sense of social responsibility that benefit diverse community groups and activities engagement with communities and assist those in need.

CORPORATE SOCIAL RESPONSIBILITY

At Tiger Synergy Berhad ("Tiger"), we believe in creating a positive and enduring social impact through our Corporate Social Responsibility (CSR) initiatives that support our business, our people and the communities in which we operate. Through the years, these core commitments have been nurtured and extended to encompass the pillars of Workplace, Community, Environment and Marketplace, to ensure the continued wellbeing and sustainability of the community we serve.

Caring for Our Community

Through our philanthropic contributions, we continue to champion various efforts deserving support. This involved various organizations and charitable bodies that truly deserve it. We believe that in giving back is when we truly received. During the financial year under review, the Group has contributed and donated to the following charitable organisations, association and schools:-

(a) Lion Parkson Foundation;
(b) PertubuhanKaumHokkien Seremban;
(c) Negeri Sembilan Chinese Chamber of Commerce and Industry;
(d) PertubuhanKeturunanLiew and Zhang Negeri Sembilan;

THE MARKET PLACE

We conduct regular engagement with shareholders, institutional investors and the investing public via active and open channel of communication to convey the Group's performance and position. The Annual General Meeting and subsequent media press conference ensures that shareholders are provided with details of Tiger's financial performance and the latest corporate and property developments of the Group. This is substantiated with the release of quarterly financial announcements, corporate announcements, annual reports, circulars and press releases. With this, it enables our shareholders and investor communities make more informed investment decisions, thus sustaining and enhancing shareholders' value. In addition, Tiger will conscientiously build quality homes for all range of income levels of the community ranging from low-cost apartments to luxury condominium, affordable homes to semi-detached houses and high-end bungalows in our developments.

SUSTAINABILITY STATEMENT
CONT'D

THE ENVIRONMENT

As a developer with extensive operations, we exposed to Environment, Health and Safety (EHS) risks arising from its activities. To manage significant EHS risks, strategic and concerted efforts have been put in place to mitigate the impacts on the environment and on the health and safety of the Group's key stakeholders. The Group's EHS Policy sets the strategic direction for all departments, employees and stakeholders to ensure effective EHS management in its operations.

Water

The supply of water and its subsequent discharge into water systems are key to the environment that the Group has identified. To ensure reduction of the use of potable water in construction, the Group monitors water consumption closely with set targets in place. Water recycling have been set up onsite, and discharges into the water systems are closely monitored.

Energy

Our developments integrate energy-efficient designs such as natural ventilation induced to all spaces to encourage reduced air-con use for healthier life-style, large over-hang shading elements that allow diffused natural light to enter all spaces thus reducing reliance on artificial light and energy consumption.

Materials supply

The stability and the sustainability of the supply and material production of construction materials have a direct impact to the Group's core business operations. Within the EHS Management System, the Group has Green Procurement Policies and Guidelines that clearly state the requirement for the selection of products through sustainable sourcing.

Nature's Treasure

Green living and green building concepts are intrinsic to our designs and the Group endeavours to integrate nature in its development. Our flagship development project, the award-winning residential development Telaris located in Alam Impian, Malaysia is nestled within nature, surrounded by lush fields, trees and green gardens. Telaris embraces the environment through sustainable and green living initiatives, designed principally as a 'passive' house to save energy. The use of natural sunlight is harnessed throughout each home by increasing the exposure of each area to sunlight. Rain water is utilised through harvesting technology thus mitigating the demand of water for outdoor use.

Environmental Awareness Activities

The Group has always been mindful of the way of its operations and business activities impact the environment. As such, the Group is always open to new ideas, techniques and technologies that can help enhance its entire value chain from an eco-friendly perspective. Our employees also have an integral role to play in the Group's efforts to be 'green'. Apart from inculcating habits like re-cycling paper in the office or switching off lights and electrical equipment during lunch hour, employees at Tiger are also encouraged to share ideas and suggestions on ways to save energy and safeguard our environment. Furthermore, Tiger seeks to reduce the impact on the environment by monitoring and reducing carbon footprint, waste, emissions and environment risks.

HUMAN CAPITAL

The Group recognises that employees contribute to the Company's sustained growth, and believes in the importance of talent acquisition and retention. The company is committed to being an employer of choice through competitive remuneration, as well as by developing, engaging and caring for its people.

Remuneration

As an employer of choice, we place a strong emphasis on having a performance-based remuneration framework that is competitive and flexible to company, market and industry changes. Salary benchmarking with the market and within the industry is conducted regularly to ensure competitiveness of remuneration and benefits.

Harmony Work Place

The Group continuously reviews on the working environment, staff development, staff benefits and welfare. Monthly management meetings are held to discuss current affairs of the Group; management's decisions are then disseminated to staff via issuance of circulars, memoranda or other means to keep them well informed. Recruitment of staff workforce is made based on candidates' competency, knowledge, skills, experience and attitude. Tiger is committed to provide an environment where all staff, regardless of age, gender, ethnicity, race and religion has equal opportunity to work and grow together in a successful organisation.

Safety and Health ("SH")

Health and safety are fundamental in sustaining our human capital and the Group believes that all employees have the right to a safe and healthy working environment. The Group's effort in the occupational health and safety aspect has not gone unnoticed.

SUSTAINABLE DEVELOPMENT

Sustainability has become mainstream in both global political and business arenas. Tiger sustainability leadership has complemented our growth strategy over the past decade and continues to support our efforts to future-proof our business and conquer new frontiers for sustained growth.

While we strengthen out foothold in existing businesses which have shown great potential in generating strong income, we will also seek for new potential business opportunities to expand our portfolio. Under the uncertain global economic conditions, the group will remain selective and cautious when formulating its development strategies, and will strive for a balance between business diversification and risk mitigation in the FY 2017. We will emphasize on affordable segment, which is expected to remain driving force in the property market in the near to medium term supported by the country's young demographic and coupled with the government's vigorous initiatives in helping the Malaysian in the low and medium income groups.

AUDIT COMMITTEE REPORT

The Audit Committee with delegated oversight responsibilities assists the Board in ensuring that the paramount interest of the shareholders and other stakeholders of the Group are well protected. With this, the Board of Directors of Tiger Synergy Berhad ("Tiger") is pleased to present the report of the Audit Committee Report and its work for the financial year ended 30th June 2017.

MEMBERS AND MEETINGS

The Audit Committee comprises four (4) members, all of whom are Independent Non-Executive Directors. The Audit Committee Chairman - Mr. Chua Eng Chin is a member of the Malaysia Institutes of Accountants which is in compliance with the requirement of Paragraph 15.09(1)(c)(i) under the Main LR of Bursa Securities.

The Audit Committee held 4 meetings during the financial year ended 30th June 2017. The members of the Audit Committee and their attendance are as follows:

(i)	Chua Eng Chin (Chairman / Independent Non-Executive Director)	4 of 4 Meetings
(ii)	Dato' Khoo Seng Hock (Independent Non-Executive Director)	4 of 4 Meetings
(iii)	Dato' Lee Yuen Fong (Independent Non-Executive Director)	3 of 4 Meetings
(iv)	Low Boon Chin (Independent Non-Executive Director)	4 of 4 Meetings

SUMMARY OF WORK DURING THE FINANCIAL YEAR

For the financial year ended 30th June 2017, the Audit Committee members had worked closely with the external auditors, internal auditors and management to monitor, oversee, review and evaluate the effectiveness and adequacy of the Group's risk management and internal control, financial management and reporting.

The Committee had in the discharge of its duties, carried out the following:-

- Reviewed with the external auditors on the scope of work and audit plan of the Company and of the Group for the financial year ended 30th June 2017; and significant issues and concerns arising from the audit.

- Reviewed the annual report and audited financial statements for the financial year ended 30th June 2017 prior to tabling to the Board for approval.

- Reviewed the unaudited quarterly financial results of the Group prior to the Board of Directors' approval with particular focus on the compliance with accounting standards and regulatory requirements; and the Group's accounting policies and practices.

- Reviewed the Audit Planning Memorandum of the external auditors in respect of the audit for the financial statements of the Company and the Group for the financial year ended 30th June 2017.

- Held a private session with the external auditors without the presence of Executive Directors and Management.

- Reviewed with the internal auditors on significant issues and concerns arising from the audit; and assessing the internal auditor's findings and the management's responses thereto and thereafter, making the necessary recommendations to the Board of Directors.

- Evaluated the performance of the external auditors and made recommendation to the Board on their re-appointment and remuneration.

- Reviewed the Statement on Risk Management & Internal Control for inclusion in the Company's Annual Report.

- Reviewed the recurrent related party transactions or related party transactions of the Company and the Group.

INTERNAL AUDIT FUNCTION

The Group has recognised that an internal audit function is essential in ensuring the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The Company has established an internal audit function which is independent of the activities in audit. The Company ensures that its internal audit function reports directly to the Audit Committee.

The internal audit function is carried out by in- house internal audit department to assist the Board in the review and appraisal of the internal control system within the Group. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the undated risk profiles of the major business units of the Group. The follow-up work on previous internal audit findings would carry out by the internal audit function on the implementation of corrective actions by Management. The Audit Committee considers reports from the internal audit function and comments from Management before making recommendations to the Board to strengthen the internal control and governance systems.

During the financial year, various of internal audit reviews on the appropriateness of the instituted controls and evaluation of the acceptable levels of principal risk exposures were conducted in relation to the Group's operations and information systems as follows:-

- Reliability of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with policies, procedures, laws & regulations and contracts.

During the financial year, 4 reports were presented to the Audit Committee focusing on and others activities as below:

(i) Human Resource Department
- Review Recruitment process
- Update terms and conditions of employment

(ii) Purchasing Department
- Review procurement planning

At the conclusion of the various audits, weaknesses together with the recommended corrective actions were highlighted to the management. There were no material losses incurred during the current financial year as a result of the weaknesses in the internal control systems and management is proactive in strengthening the internal control environment. Follow-up audit reviews were conducted to ensure that corrective actions are being implemented accordingly. The Audit Committee then deliberates on the internal audit reports to ensure recommendations from the reports are duly acted by management.

The total cost incurred for the internal audit function of the Group in respect of the financial year ended 30th June 2017 amounted to RM72,000.00.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") :-

STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Proposed Private Placement

On 19 April 2017, Tiger Synergy Berhad ("Tiger") announced to undertake a private placement of up to 10% of the total number of issued shares of Tiger based on the mandate procured from the shareholders of Tiger pursuant to Sections 75 and 76 of the Companies Act, 2016 (previously Section 132D of the Companies Act, 1965) ("Proposed Private Placement").

The Proposed Private Placement will strengthen the capital position of Tiger and provide Tiger with the necessary funds for working capital for the business operations of the Group. The Board is of the view that the Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement will enable the Group to raise the requisite funds without incurring additional interest expenses, thereby minimizing any potential cash outflow in respect of interest savings. Aside to that, it is an expeditious way of raising funds from the capital market as compared to other forms of fund raising.

Tiger had issued a total of 139,059,011 Placement Shares via the Proposed Private Placement exercise.

Purpose	Amount raised from the Private Placement (RM)	Status of Utilisation	Amount Utilised (RM)	Amount Unutilised (RM)
General Working Capital	3,426,078	Pending	696,207	2,729,871
Repayment of bank borrowings	4,100,000	Pending	366,798	3,733,202
To defray the estimated expenses of the Proposed Private Placement	96,000	Pending	40,397	55,603
Total	**7,622,078**		**1,103,402**	**6,518,676**

OPTIONS OVER ORDINARY SHARES

Employees' Share Option Scheme ("ESOS")

At an Extraordinary General Meeting held on 29 May 2014, the Company's shareholders approved the established of an ESOS for eligible Directors and employees of the Group.

The ESOS is administered by the ESOS committee which is appointed by the Board of Directors, in accordance with the By-Laws of the ESOS. The ESOS shall be in force for a period of five (5) years commencing from 2 October 2014, unless extended further.

(a) The total number of options granted, and outstanding options under the ESOS as at 30 June 2017 are set out in the table below:-

Description	Number of Options as at 30 June 2017
	Total
(a) Granted during the financial year	165,600,000
(b) Exercised during the financial year	81,380,000
(c) Outstanding options exercisable during the financial year	84,220,000

Employees' Share Option Scheme ("ESOS") cont'd

(b) The total number of options granted to the Directors and Senior Management, and outstanding options under the ESOS as at 30 June 2017 are set out in the table below:-

Description	Number of Options as at 30 June 2017	
	Directors	Senior Management
(a) Granted during the financial year	159,000,000	6,600,000
(b) Exercised during the financial year	81,380,000	0
(c) Outstanding options exercisable during the financial year	77,620,000	6,600,000

(c) Percentage of options granted to Directors and Senior Management under the ESOS areas follows:-

	Since commencement up to 30 June 2017
(a) Aggregate maximum allocation applicable to directors and senior management	70%
(b) Actual percentage granted	69.8%

(d) The breakdown of the option granted and exercised by Non-Executive Directors under ESOS are as follows:-

Name of Director	Amount of Options granted as at 30 June 2017	Amount of Options granted as at 30 June 2016
Dato' Khoo Seng Hock	5,000,000	0
Mr. Chua Eng Chin	15,000,000	0
Total	**20,000,000**	**0**

AUDIT AND NON-AUDIT FEES

During the financial year ended 30 June 2017, the total audit and non-audit fees incurred for services rendered to the Company and the Group by the external auditors are as follows:-

	Group (RM)	The Company (RM)
Audit fees	RM154,100	RM63,000
Non-Audit fees	RM5,000	RM5,000
Total		

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed, there were no other material contracts entered into by the Company and/or its subsidiaries involving directors' and major shareholders' interests during the financial year ended 30 June 2017 :-

(a) Sale and Purchase Agreement dated 6 January 2017 entered between MHB Property Development SdnBhd, a wholly-owned subsidiary of Tiger and Dato' Tan Wei Lian for the disposal of two pieces of freehold vacant land held under ;-

(i) GeranMukim 4320, Lot 56100, Mukim Kuala Lumpur, Daerah Kuala Lumpur and;
(ii) GeranMukim 4322, Lot 56102, Mukim Kuala Lumpur, Daerah Kuala Lumpur

For a total consideration of Ringgit Malaysia Four Million Four Hundred Thousand (RM4,400,000.00) only.

(b) Sale and Purchase Agreement dated 2March 2017 entered between MHB Property Development SdnBhd, a wholly-owned subsidiary of Tiger and Spanfield Development SdnBhd("Spanfield") for the disposal of twenty-eight (28) pieces of freehold vacant land held under Mukim Ampang Tinggi, Daerah Kuala Pilah, Negeri Sembilan for a total consideration of Ringgit Malaysia Two Million (RM2,000,000.00) only.

One of the company directors of Spanfield– Mr. Tan Wei Keng ("TWK") has the following relationships with the following persons:-

Director	Relationships
Dato' Tan Wei Lian ("DTWL")	Brother of TWK
Datin Sek Chian Nee ("DSCN")	Sister-in-law of TWK

Accordingly, TWK is person connected to DTWL and DSCN. Thus, it is deemed interested in the Proposed Disposal of the lands.

The Proposed Disposal has been completed on 30 June 2017 following the fulfilment of the conditions and completion of the payment terms of the sales consideration.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of Tiger Synergy Berhad ("the Board") is responsible for the Group's system of risk management and internal controls and their effectiveness to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following statement which is pursuant to Para 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Statement on Risk Management and Internal Control: Guidelines for Directors' of Listed Issuers ("the Guidance"), which outlines the nature and scope of internal control of the Group for the financial year ended 30 June 2017.

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board and Senior Management recognisetheir responsibility for maintaining a sound system of internal controls and for reviewing its adequacy and integrity in order to safeguard shareholders' investments and the assets of the Group. Notwithstanding, due to the limitation that are inherent in any system of internal control, the group's internal control system is designed to manage rather than abolish the risk of failure to achieve Group's business objective. Therefore, the system can only able to provide reasonable but not absolute assurance against material misstatement or loss. The Board confirms that the system of internal control with the key elements highlighted below was in place during the financial year. The system is subject to regular reviews by the Board.

RISK MANAGEMENT FRAMEWORK

The Boards acknowledges its responsibility to maintain a sound system of risk management and internal controls by ensuring its adequacy and integrity through the process of constant review and monitoring in order to ensure achievement of the Group's business objectives and goals. The management meets periodically to review the risks faced by the Group and ensure that the existing mitigation action are adequate. Risks identified were prioritized in terms of likehood of occurrence and its impact on the achievement of the Group's business objectives.

THE INTERNAL AUDIT FUNCTION

The Group has established an in-house internal audit team at the corporate office which involved monitoring and evaluations on the monthly management accounts submitted by the subsidiary companies and report their findings to senior management on a quarterly basis. Quarterly internal audit have been carried out to monitor compliance with the Group's procedures and to review on the adequacy and effectiveness of the Group's system of internal control. Areas of improvement in internal controls have been identified and the implementation of action plans based on proposed recommendations have subsequently been initiated. The Group is ensuring that effective risk management framework allows the management strived to manage risk effectively within defined parameters and standards, and promotes profitability of Tiger Group's operation in order to protect its assets and enhance shareholders' value.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The summary of key elements of the Group's internal control system are included as below:-

- Reviewed the system of internal controls, risks management and key operating processes and recommending improvements to the existing system of controls;
- Identified opportunities to improve the operations of and processes within the Group.
- Internal control procedures are set out in a series of policies and procedures. These procedures are subject to regular reviews and improvements to reflect changing risks or to resolve operational deficiencies;
- Key function such as Business Development, Human Resources, Finance, Taxation, Treasury, Insurance, Secretarial and Legal Matters are centralised in head office;
- Ongoing training and educational programme for Directors and relevant employees in assessing the adequacy and integrity of the Group's risk and control process.
- Quarterly performance reports that provide the Board and the Management with comprehensive information on financial and key business indicators.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement for inclusion in the financial year ended 30 June 2017 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41, and 42, of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; nor is the statement factually inaccurate.

CONCLUSION

The Board has received assurance from the Executive Chairman, Managing Director and Executive Director that the Group's risk management and internal control system is operating adequately and effectively, in all material aspect, based on the risk management and internal control system of the Group.

The Board is of the view that risk management and internal control system in place for the year under review and up to the date of approval of this statement for inclusion in the annual report, is adequate and effective to safeguard shareholders' investment and the Group's asset. Notwithstanding this, reviews of all control procedures will be continuously improved and enhancement of the existing system of risk management and internal controls will be made, taking into consideration the changing business environment.

FINANCIAL STATEMENTS


Tiger Synergy
BERHAD

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

Principal Activity

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements.

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

Financial Results

	Group RM	Company RM
Net loss for the financial year attributable to owners of the Company	6,100,528	1,427,426

Reserves and Provisions

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

Dividend

There was no dividend proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

During the financial year, the Company issued 81,380,000 new ordinary shares for cash arising from the exercise of employees share option at an exercise price of RM0.041 per ordinary share.

There were no other changes in the issued share capital of the Company.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees Share Option Scheme ("ESOS").

At extraordinary general meeting held on 29 May 2014, the Company's shareholders approved the establishment of an ESOS of not more than 15% of the issued share capital of the Company at any point of time throughout the duration of the ESOS to eligible Directors and employees of the Group.

The salient features of the ESOS are, inter alia, as follows:

(i) Any employee or any Executive Director or any Non-Executive Director of the Group shall be eligible to participate in the ESOS if, as at the date of offer ("Offer Date"), the person:-

   (a) is a Malaysian citizen;

   (b) has attained the age of eighteen (18) years;

   (c) in the case of an employee or an Executive Director, is employed by and on the payroll of any company within the Group (save for companies which are dormant) and whose employment on a full-time basis with any company within the Group (save for companies which are dormant) has been confirmed in writing for a period of at least thirty-six (36) full months (or such shorter period as determined by the ESOS Committee at its discretion) of continuous service, or has been in employment of any company within the Group (save for companies which are dormant) on a full time basis for a period of at least thirty-six (36) full months (or such shorter period as determined by the ESOS Committee at its discretion) of continuous service where the employee is employed by any company within the Group (save for companies which are dormant) on a contract basis;

   (d) in the case of a Non-Executive Director, must be an existing non-executive director of the Company;

(ii) The total number of new shares to be allotted under the ESOS shall not exceed 15% of the issued share capital of the Company at any point of time during the duration of the ESOS.

(iii) The ESOS shall be in force for a period of 5 years from 2 October 2014 provided that before the final year of the ESOS, the board of directors may extend for up to another 5 years the duration of ESOS commencing from the expiration of the original 5 years. The duration of the ESOS shall not be more than 10 years from its effective date.

(iv) The price at which the grantee is entitled to subscribe for shares under the ESOS shall be the weighted average market price of the shares for the five (5) market days immediately preceding the Date of Offer, subject to a discount of not more than ten percent (10%) which the Company may at its discretion decide to give.

(v) The option granted to a grantee under the ESOS is exercisable only by that grantee, in the case where that grantee is an employee, during his employment with the Group and within the option period subject to the By-laws, and in the case where that grantee is an Executive Director or Non-Executive Director, during his service as a director with the Group or the Company (as the case may be) and within the option period subject to the By-laws.

The option offered to take up unissued ordinary shares and the exercise price are as follows:

Warrants 2013/2018

On 24 December 2013, the Warrants 2013/2018 were issued for free pursuant to the renounceable Rights Issue by the issuance of 387,070,100 new ordinary shares of RM0.20 each ("Rights Shares") on the basis of 1 Rights Share for each existing ordinary share of RM0.20 each in the Company, together with 387,070,100 free Detachable Warrants 2013/2018 on the basis of 1 Detachable Warrant 2013/2018 for every 1 Rights Share subscribed.

The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 23 December 2018. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 24 December 2013 to 23 December 2018, at an exercise price of RM0.20 per Warrant in accordance with the Deed Poll dated 18 November 2013.

On 12 February 2016, the exercise price of the Warrant was adjusted from RM0.20 to RM0.17 and 73,926,580 new Warrant 2013/2018 were issued pursuant to the renounceable rights issue of 484,124,930 new ordinary shares of RM0.08 each ("Rights Shares") on the basis of 2 Rights Shares for every 1 existing ordinary share held at an issue price of RM0.08 per Rights Share, together with 193,649,672 free detachable Warrants and an attached bonus issue of 96,824,986 new ordinary shares ("Bonus Shares") on the basis of 2 Warrants and 1 Bonus Share for every 5 Rights Shares subscribed for ("Rights Issue of Shares with Warrants and Bonus Shares").

Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes. 460,996,680 Warrants remained unexercised as at 30 June 2017.

Warrants 2016/2021

On 12 February 2016, the Company allotted and issued 193,649,972 new Warrants 2016/2021 pursuant to the renounceable rights issue of 484,124,930 new ordinary shares of RM0.08 each ("Rights Shares") on the basis of 2 Rights Shares for every 1 existing ordinary share held at an issue price of RM0.08 per Rights Share, together with 193,649,672 free detachable Warrants and an attached bonus issue of 96,824,986 new ordinary shares ("Bonus Shares") on the basis of 2 Warrants and 1 Bonus Share for every 5 Rights Shares subscribed for ("Rights Issue of Shares with Warrants and Bonus Shares").

The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 11 February 2021. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 12 February 2016 to 11 February 2021, at an exercise price of RM0.08 per Warrant in accordance with the Deed Poll dated 31 December 2015. Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes. As at the reporting date, 193,649,972 Warrants remained unexercised.

Directors

The Directors in office during the financial year until the date of this report are as follow:

Chua Eng Chin
Datin' Sek Chian Nee
Dato' Khoo Seng Hock
Dato' Lee Yuen Fong
Dato' Tan Wei Lian
Low Boon Chin
Tan Lee Chin

Directors' Interests

The interests and deemed interests in the share, options over shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				
	At 1.7.2016	Acquired	Conversion of warrants	Disposed	At 30.6.2017
Interests in the Company					
Direct interests					
Dato' Tan Wei Lian	311,517,400	23,608,000	53,580,000	(126,185,500)	262,519,900
Tan Lee Chin	35,907,900	1,300,000	-	(11,930,000)	25,277,900
Datin' Sek Chian Nee	48,248,600	-	27,800,000	(18,860,000)	57,188,600
Indirect interests					
Dato' Tan Wei Lian#	48,248,600	-	27,800,000	(18,860,000)	57,188,600
Datin' Sek Chian Nee#	311,517,400	23,608,000	53,580,000	(126,185,500)	262,519,900

	Number of options over ordinary shares			
	At 1.7.2016	Granted	Exercised	At 30.6.2017
Interests in the Company				
Direct interests				
Dato' Tan Wei Lian	-	69,500,000	(53,580,000)	15,920,000
Tan Lee Chin	-	41,700,000	-	41,700,000
Datin' Sek Chian Nee	-	27,800,000	(27,800,000)	-
Dato' Khoo Seng Hock	-	5,000,000	-	5,000,000
Chua Eng Chin	-	15,000,000	-	15,000,000
Indirect interests				
Dato' Tan Wei Lian#	-	27,800,000	(27,800,000)	-
Datin' Sek Chian Nee#	-	69,500,000	(53,580,000)	15,920,000

Directors' Interests (Cont'd)

Deemed interests by virtue of shares held by spouse pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of their interests in the shares of the Company, Dato' Tan Wei Lian, Tan Lee Chin and Datin' Sek Chian Nee are also deemed to have interests in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or 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 a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 31(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Group or 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, other than those arising from share options granted under ESOS and warrants.

Indemnity and Insurance Costs

There were no indemnity given to or insurance effected for the Directors or officers of the Company during the financial year.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

    (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves there were no bad debts to be written off and no allowance for doubtful debts was required; and

    (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

Other Statutory Information (Cont'd)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except as disclosed in the notes to the financial statements; and

(iii) 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 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.

Subsequent Event

Details of subsequent events are disclosed in Note 35 to the financial statements.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration are set out in Note 26 to the financial statements.

Auditors

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 4 October 2017.

DATO' TAN WEI LIAN	TAN LEE CHIN

SEREMBAN

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 67 to 136 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 38 to the financial statements on page 137 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 4 October 2017.

DATO' TAN WEI LIAN	TAN LEE CHIN

SEREMBAN

STATUTORY DECLARATION

Pursuant To Section 251(1) of the Companies Act 2016

I, DATO' TAN WEI LIAN, being the Director primarily responsible for the financial management of Tiger Synergy Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 67 to 137 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provision of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Seremban in the Negeri)
Sembilan on 4 October 2017)

DATO' TAN WEI LIAN

Before me,

No. W710
MOHAN A.S. MANIAM
COMMISSIONER FOR OATHS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of TIGER SYNERGY BERHAD., which comprise the statements of financial position as at 30 June 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 67 to 136.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Assessment of impairment of land held for property development Refer to Note 2(d) Significant Accounting Judgements, Estimates and Assumptions, Note 3(d) Significant Accounting Policies and Note 5(a) Land held for Property Development. The carrying amount of land held for property development as at 30 June 2017 is RM87 million, representing 38% of total assets of the Group. We focused on this area because of its significant amount in the consolidated financial statements and the assessment of its recoverable amount requires the application of significant judgements made by the Directors.	Our audit procedures included, among others: • obtained an understanding of the relevant internal controls over estimating the recoverable amount of land held for property development; • checked the key assumptions used by management by comparing them against business plans and market data; • Performed sensitivity analysis on key assumptions to evaluate impact on the impairment assessment; and • Assessed the adequacy and reasonableness of the disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 38 on page 86 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LAI WONG CHUNG
Approved Number: 3277/08/18 (J)
Chartered Accountant

KUALA LUMPUR

4 October 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Non-Current Assets					
Property, plant and equipment	4	7,181,463	7,924,993	124,224	143,484
Land held for property development	5(a)	86,991,401	60,088,619	-	-
Investment properties	6	-	-	-	-
Investments in subsidiary companies	7	-	-	10,074,535	6,736,719
Goodwill on consolidation	8	-	-	-	-
Other investment	9	1,559	-	1,559	-
Deferred tax assets	10	377,101	377,101	-	-
		94,551,524	68,390,713	10,200,318	6,880,203
Current Assets					
Property development costs	5(b)	119,590,876	144,355,276	-	-
Inventories	11	5,254	13,658	-	-
Trade receivables	12	3,291,719	6,010,231	-	-
Other receivables	13	3,321,241	439,261	15,324	81,000
Amount due from subsidiary companies	14	-	-	197,314,345	208,609,856
Amount due from customers on contracts	15	-	290,449	-	-
Fixed deposits with financial institutions	16	1,038,375	1,250,174	-	1,506
Cash and bank balances		4,179,658	8,654,439	4,445	56,197
Assets classified as held for sale	17	4,400,000	-	-	-
		135,827,123	161,013,488	197,334,114	208,748,559
Total Assets		230,378,647	229,404,201	207,534,432	215,628,762

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Equity					
Share capital	18	124,519,661	111,247,209	124,519,661	111,247,209
Reserves	19	89,026,755	100,757,555	74,736,418	81,794,116
Total Equity		213,546,416	212,004,764	199,256,079	193,041,325
Non-Current Liabilities					
Bank borrowings	20	8,185,097	5,142,422	-	-
Finance lease liabilities	21	1,355,126	1,520,650	-	-
Deferred tax liabilities	10	11,900	11,900	11,900	11,900
		9,552,123	6,674,972	11,900	11,900
Current Liabilities					
Trade payables	22	316,551	1,917,300	-	-
Other payables	23	1,470,591	2,433,403	229,242	431,604
Amount due to subsidiary companies	14	-	-	8,036,672	22,051,774
Amount due to customers on contracts	15	-	1,156,046	-	-
Tax payable		1,300,721	1,477,465	539	92,159
Bank borrowings	20	3,793,816	3,341,973	-	-
Finance lease liabilities	21	398,429	398,278	-	-
		7,280,108	10,724,465	8,266,453	22,575,537
Total Liabilities		16,832,231	17,399,437	8,278,353	22,587,437
Total Equity and Liabilities		230,378,647	229,404,201	207,534,432	215,628,762

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Revenue	24	9,363,019	15,703,059	-	-
Cost of sales		(4,791,738)	(10,165,064)	-	-
Gross profit		4,571,281	5,537,995	-	-
Other income		211,756	367,629	53	1,484,539
Administrative expenses		(10,104,533)	(7,372,496)	(1,519,099)	(1,817,757)
Finance costs	25	(867,007)	(425,377)	-	-
Loss before taxation	26	(6,188,503)	(1,892,249)	(1,519,046)	(333,218)
Taxation	27	87,975	(124,084)	91,620	(80,709)
Net loss for the financial year, representing total comprehensive loss for the financial year		(6,100,528)	(2,016,333)	(1,427,426)	(413,927)
Net loss for the financial year attributable to:					
Owners of the parent		(6,100,528)	(2,016,333)	(1,427,426)	(413,927)
Total comprehensive loss for the financial year attributable to:					
Owners of the parent		(6,100,528)	(2,016,333)	(1,427,426)	(413,927)
Loss per ordinay share (sen)					
- Basic	28	(0.44)	(0.14)		
- Diluted	28	(0.44)	(0.14)		

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

	Attributable to owners of the Company						
	Non-distributable					Distributable	
	Share Capital RM	**Share Premium RM**	**Warrant Reserve RM**	**Other Reserve RM**	**Employees Share Option Reserve RM**	**Retained Earnings RM**	**Total Equity RM**
Group							
At 1 July 2015	161,928,040	15,565,991	37,181,275	-	-	(39,384,203)	175,291,103
Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	-	(2,016,333)	(2,016,333)
Transactions with owners of the Company:							
Right issue with free warrants	38,729,994	-	20,053,970	-	-	(20,053,970)	38,729,994
Par value reduction	(97,156,824)	-	-	-	-	97,156,824	-
Expiry of warrants	-	2,344,966	(2,344,966)	-	-	-	-
Bonus issue	7,745,999	(7,745,999)	-	-	-	-	-
Total transactions with owners of the Company							
- as previously stated	(50,680,831)	(5,401,033)	17,709,004	-	-	77,102,854	38,729,994
- Prior year adjustments (Note 36)	-	(2,344,966)	(14,244,471)	(5,809,499)		22,398,936	-
- as restated	(50,680,831)	(7,745,999)	3,464,533	(5,809,499)	-	99,501,790	38,729,994
At 30 June 2016	111,247,209	7,819,992	40,645,808	(5,809,499)	-	58,101,254	212,004,764

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

CONT'D

	Attributable to owners of the Company						
	Non-distributable					Distributable	
	Share Capital RM	Share Premium RM	Warrant Reserve RM	Other Reserve RM	Employees Share Option Reserve RM	Retained Earnings RM	Total Equity RM
Group							
At 1 July 2016 (as previously stated)	111,247,209	10,164,958	54,890,279	-	-	35,702,318	212,004,764
Prior year adjustments (Note 36)	-	(2,344,966)	(14,244,471)	(5,809,499)	-	22,398,936	-
At 1 July 2016 (as restated)	111,247,209	7,819,992	40,645,808	(5,809,499)	-	58,101,254	212,004,764
Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	-	(6,100,528)	(6,100,528)
Transactions with owners of the Company:							
Share options exercise	5,452,460	-	-	-	(2,115,880)	-	3,336,580
Share-based payments	-	-	-	-	4,305,600	-	4,305,600
Total transactions with owners of the Company	5,452,460	-	-	-	2,189,720	-	7,642,180
Transfer in accordance with Section 618(2) of the Companies Act 2016	7,819,992	(7,819,992)	-	-	-	-	-
At 30 June 2017	124,519,661	-	40,645,808	(5,809,499)	2,189,720	52,000,726	213,546,416

	Non-distributable					Distributable	
	Share Capital RM	Share Premium RM	Warrant Reserve RM	Other Reserve RM	Employees Share Option Reserve RM	Retained Earnings RM	Total Equity RM
Company							
At 1 July 2015	161,928,040	15,565,991	37,181,275	-	-	(59,950,048)	154,725,258
Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	-	(413,927)	(413,927)
Transactions with owners of the Company:							
Right issue with free warrants	38,729,994	-	20,053,970	-	-	(20,053,970)	38,729,994
Par value reduction	(97,156,824)	-	-	-	-	97,156,824	-
Expiry of warrants	-	2,344,966	(2,344,966)	-	-	-	-
Bonus issue	7,745,999	(7,745,999)	-	-	-	-	-
Total transactions with owners of the Company							
- as previously stated	(50,680,831)	(5,401,033)	17,709,004	-	-	77,102,854	38,729,994
- Prior year adjustments (Note 36)	-	(2,344,966)	(14,244,471)	(5,809,499)	-	22,398,936	-
- as restated	(50,680,831)	(7,745,999)	3,464,533	(5,809,499)	-	99,501,790	38,729,994
At 30 June 2016	111,247,209	7,819,992	40,645,808	(5,809,499)	-	39,137,815	193,041,325

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

CONT'D

	Non-distributable					Distributable	
	Share Capital RM	Share Premium RM	Warrant Reserve RM	Other Reserve RM	Employees Share Option Reserve RM	Retained Earnings RM	Total Equity RM
Company							
At 1 July 2016 (as previously stated)	111,247,209	10,164,958	54,890,279	-	-	16,738,879	193,041,325
Prior year adjustments (Note 36)	-	(2,344,966)	(14,244,471)	(5,809,499)	-	22,398,936	-
At 1 July 2016 (as restated)	111,247,209	7,819,992	40,645,808	(5,809,499)	-	39,137,815	193,041,325
Net loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	-	(1,427,426)	(1,427,426)
Transactions with owners of the Company:							
Share options exercise	5,452,460	-	-	-	(2,115,880)	-	3,336,580
Share-based payments	-	-	-	-	4,305,600	-	4,305,600
Total transactions with owners of the Company	5,452,460	-	-	-	2,189,720	-	7,642,180
Transfer in accordance with Section 618(2) of the Companies Act 2016	7,819,992	(7,819,992)	-	-	-	-	-
At 30 June 2017	124,519,661	-	40,645,808	(5,809,499)	2,189,720	37,710,389	199,256,079

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cash Flows From Operating Activities					
Loss before taxation		(6,188,503)	(1,892,249)	(1,519,046)	(333,218)
Adjustments for:					
Depreciation of property, plant and equipment		1,119,986	965,088	19,260	19,243
Gain on disposal of property, plant and equipment		(130,000)	-	-	-
Impairment of land held for property development		967,965	-	-	-
Interest expenses		862,783	411,747	-	-
Interest income		(66,526)	(172,259)	-	(104,539)
Bad debts written off		38,336	-	-	-
Property, plant and equipment written off		-	2,343	-	-
Reversal of impairment losses on investment in subsidiary companies		-	-	(3,337,816)	-
Share-based payments		4,305,600	-	4,305,600	-
Waiver of amounts due to other payables		(10,685)	-	-	-
Operating profit / (loss) before working capital changes		898,956	(685,330)	(532,002)	(418,514)
Changes in working capital:					
Property development costs		(821,004)	(12,500,943)	-	-
Inventories		8,404	(13,658)	-	-
Receivables		(1,067,402)	(1,498,902)	65,676	(31,557)
Payables		(2,552,875)	3,216,833	(202,362)	316,800
Subsidiary companies		-	-	(2,719,591)	(42,386,466)
		(4,432,877)	(10,796,670)	(2,856,277)	(42,101,223)
Cash used in operations		(3,533,921)	(11,482,000)	(3,388,279)	(42,519,737)

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Cash Flows From Operating Activities (Cont'd)					
Cash used in operations (Cont'd)		(3,533,921)	(11,482,000)	(3,388,279)	(42,519,737)
Interest received		66,526	172,259	-	104,539
Interest paid		(862,783)	(411,747)	-	-
Tax paid		(88,769)	(254,290)	-	-
		(885,026)	(493,778)	-	104,539
Net cash used in operating activities		(4,418,947)	(11,975,778)	(3,388,279)	(42,415,198)
Cash Flows From Investing Activities					
Purchases of property, plant and equipment	4(b)	(40,456)	(2,268,917)	-	(1,029)
Purchase of other investment		(1,559)	-	(1,559)	-
Increase in land held for property development		(6,685,343)	(31,022,153)	-	-
Proceeds from disposal of property, plant and equipment		130,000	-	-	-
Net cash used in investing activities		(6,597,358)	(33,291,070)	(1,559)	(1,029)
Cash Flows From Financing Activities					
Drawdown of term loans		4,000,000	6,100,000	-	-
Proceeds from right issue of shares		-	38,729,994	-	38,729,994
Repayment of finance lease liabilities		(501,373)	(309,291)	-	-
Repayment of term loans		(484,469)	(132,182)	-	-
Proceeds from exercises of ESOS		3,336,580	-	3,336,580	-
Net cash from financing activities		6,350,738	44,388,521	3,336,580	38,729,994

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

CONT'D

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Net decrease in cash and cash equivalents		(4,665,567)	(878,327)	(53,258)	(3,686,233)
Cash and cash equivalents at the beginning of the financial year		7,388,036	8,266,363	57,703	3,743,936
Cash and cash equivalents at the end of the financial year		2,722,469	7,388,036	4,445	57,703
Cash and cash equivalents at the end of the financial year comprise:					
Fixed deposits with financial institutions		1,038,375	1,250,174	-	1,506
Cash and bank balances		4,179,658	8,654,439	4,445	56,197
Bank overdraft		(2,495,564)	(2,516,577)	-	-
		2,722,469	7,388,036	4,445	57,703

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

1. **Corporate Information**

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Ground Floor, No. 482, Wisma Hwa Lian, Jalan Zamrud 6, Taman Ko-op, 70200 Seremban, Negeri Sembilan Darul Khusus.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. **Basis of Preparation**

(a) **Statement of compliance**

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

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following FRS and amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements

Annual Improvements to FRSs 2012–2014 Cycle

2. **Basis of Preparation (Cont'd)**

(a) **Statement of compliance (Cont'd)**

Adoption of new and amended standards (Cont'd)

Adoption of above FRS and amendments to FRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new FRSs, IC Interpretation and amendments to FRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
Amendments to FRS 107	Disclosure Initiative	1 January 2017
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to FRS Standards 2014 – 2016 Cycle:		
• Amendments to FRS 12	Disclosure of Interest in Other Entities	1 January 2017
• Amendments to FRS 1	First Time Adoption Of Financial Reporting Standards	1 January 2018
• Amendments to FRS 128	Investments in Associates and Joint Ventures	1 January 2018
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 140	Transfers of Investment Property	1 January 2018
Amendments to FRS 4	Applying FRS 9 *Financial Instruments* with FRS 4 *Insurance Contracts*	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

2. **Basis of Preparation (Cont'd)**

(a) **Statement of compliance (Cont'd)**

Standards issued but not yet effective (Cont'd)

The Group plans to apply the abovementioned FRS and amendments to FRSs:

- from the annual period beginning on 1 July 2017 for those amendments to FRSs that are effective for annual periods beginning on or after 1 January 2017

The initial application of these amendments to FRSs is not expected to have any material financial impact to the financial statements of the Group for the current period and prior period.

The Group falls within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for the Construction of Real Estate*. Therefore, the Group is currently exempted from adopting the Malaysian Financial Reporting Standards ("MFRS") and is referred to as a "Transitioning Entity". The Group as a Transitioning Entity will apply the MFRS Framework for the period beginning on 1 July 2018. In relation to this, the FRS which is effective for annual period beginning on or after 1 January 2018 will not be applicable to the Group.

The Group is in the process of assessing the impact on the financial statements arising from the transition from FRSs to MFRSs.

(b) **Basis of measurement**

The financial statements have been prepared on the historical cost basis other than as disclosed in the Note 3 to the financial statements.

(c) **Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM, unless otherwise stated.

(d) **Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. **Basis of Preparation (Cont'd)**

(d) **Significant accounting judgements, estimates and assumptions (Cont'd)**

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Useful lives of plant and equipment

The Group regularly reviews the estimated useful lives of plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of plant and equipment would increase the recorded depreciation and decrease the value of plant and equipment. The carrying amount at the reporting date for plant and equipment is disclosed in Note 4 to the financial statements.

Impairment of land held for property development

The Group assesses whether there is any indication that land held for property development is impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, and other available information. Changes to any of these assumptions would affect the amount of impairment.

The carrying amount of land held for property development at the reporting date is disclosed in Note 5(a) to the financial statements.

Impairment of investments in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 7.

2. **Basis of Preparation (Cont'd)**

(d) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Impairment of trade receivables

The Group assesses at end of each reporting period whether there is any objective evidence that a trade receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the reporting date for trade receivables are disclosed in Notes 12.

Employees share option

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 29 to the financial statements.

Income taxes

Judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/ or deferred tax provisions in the period in which such determination is made. As at 30 June 2017, the Group has tax payable of RM1,300,721 (2016: RM1,477,465).

3. **Significant Accounting Policies**

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of FRS 139 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(j)(i) to the financial statements on impairment of non-financial assets.

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(j)(i) to the financial statements on impairment of non-financial assets.

3. **Significant Accounting Policies (Cont'd)**

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j)(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of proprty, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of property, plant and equipment is based on the quoted market prices for similar items.

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

3. **Significant Accounting Policies (Cont'd)**

(b) Property, plant and equipment (Cont'd)

(iii) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful lives. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	2%
Electrical installation	10%
Furniture, fittings and equipment	10%
Motor vehicles	20%
Plant and machinery	10%
Renovations	10%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(c) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement

As lessee

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3. **Significant Accounting Policies (Cont'd)**

(c) Leases (Cont'd)

As lessee (Cont'd)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statements of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(d) Land held for property development

Land held for property development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(e) 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 that can be allocated on a reasonable basis to such activities.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

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

3. **Significant Accounting Policies (Cont'd)**

(f) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold building	2%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(j)(i) to the financial statements on impairment of non-financial assets.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(g) Financial assets

Financial assets are recognised on 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.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(g) Financial assets (Cont'd)

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition into the following categories:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

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

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

3. **Significant Accounting Policies (Cont'd)**

(g) Financial assets (Cont'd)

Regular way purchase or sale of financial assets

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

A regular way purchase or sale of financial assets is recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

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

(h) Inventories

Inventories are calculated at the lower of cost and net realisable value. The cost of inventories is measured based on first-in, first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

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

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. **Significant Accounting Policies (Cont'd)**

(j) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from customers on contracts, deferred tax assets and assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

3. **Significant Accounting Policies (Cont'd)**

(j) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss and investments in subsidiary companies are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

<u>Financial assets carried at amortised cost</u>

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable 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 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 defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

3. **Significant Accounting Policies (Cont'd)**

(j) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

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

<u>Available-for-sale financial assets</u>

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. A significant or prolonged decline in the fair value of investments in equity instruments below its cost is also an objective evidence of impairment.

If an available-for-sale financial asset is impaired, the amount of impairment loss is recognised in profit or loss and is measured as 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. When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified 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 of equity instrument, 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.

(k) Share capital

(i) Classification

Ordinary shares are classified as equity. Other shares, if any, are classified as equity and/or liability according to the contractual substance of the particular instrument.

(ii) Share issue costs

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

3. **Significant Accounting Policies (Cont'd)**

(k) Share capital (Cont'd)

(iii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(l) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

Financial liabilities are recognised on 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.

The Group and the Company classify their financial liabilities at initial recognition into the financial liabilities measured at amortised cost.

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

Financial liabilities are classified as current liabilities unless the Group or the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, 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 recognised less cumulative amortisation.

3. **Significant Accounting Policies (Cont'd)**

(l) Financial liabilities (Cont'd)

Derecognition

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

(m) Offsetting of financial instruments

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

(n) Provisions

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

Provisions are reviewed at each end of the reporting period 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 risks 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.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(o) Revenue recognition

(i) Property development

Revenue from property development activities is recognised based on the stage of completion measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

3. **Significant Accounting Policies (Cont'd)**

(o) Revenue recognition(Cont'd)

(i) Property development (Cont'd)

Where the financial outcome of a property 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 the development units sold are recognised as an expense in the period in which they are incurred.

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

(ii) Services

Revenue from services rendered is recognised in the profit or loss when services are performed.

(iii) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(o) Revenue recognition (Cont'd)

(iv) Sales of goods

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances and trade discounts. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(v) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(vi) Management fee

Management fee is recognised on accrual basis when services are rendered.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3. **Significant Accounting Policies (Cont'd)**

(q) Income tax

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. 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 and medical leave are recognised when the absences occur.

3. **Significant Accounting Policies (Cont'd)**

(r) Employee benefits (Cont'd)

(i) Short term employee benefits (Cont'd)

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of employee share options is measured using a trinomial option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

3. **Significant Accounting Policies (Cont'd)**

(s) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding, adjusted to assume full conversion of all dilutive potential ordinary shares, which consists of share options granted to employee and warrants.

(t) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Contingent assets

Where it is not possible that there is an inflow of economic benefits, or the account cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as contingent asset, unless the probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

(u) Operating segments

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. Operating segment results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(v) Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

3. **Significant Accounting Policies (Cont'd)**

(v) Non-current assets held for sale (Cont'd)

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associates ceases once classified as held for sale.

(w) Construction work in progress

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work in progress is presented as amount due from customers on contracts in the statements of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount due to customers on contracts in the statement of financial position.

(x) Fair value measurement

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.

3. **Significant Accounting Policies (Cont'd)**

(x) Fair value measurement (Cont'd)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. **Property, Plant and Equipment**

Group	Freehold land RM	Buildings RM	Electrical installation RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machinery RM	Renovations RM	Total RM
Cost								
At 1 July 2016	84,251	916,220	-	185,911	2,836,910	6,791,900	32,263	10,847,455
Additions	-	-	-	-	376,456	-	-	376,456
Disposals	-	-	-	-	(390,000)	-	-	(390,000)
At 30 June 2017	84,251	916,220	-	185,911	2,823,366	6,791,900	32,263	10,833,911
Accumulated depreciation								
At 1 July 2016	-	57,708	-	38,993	1,425,780	1,382,053	17,928	2,922,462
Charge for the financial year	-	11,265	-	17,715	475,090	612,690	3,226	1,119,986
Disposals	-	-	-	-	(390,000)	-	-	(390,000)
At 30 June 2017	-	68,973	-	56,708	1,510,870	1,994,743	21,154	3,652,448
Carrying amount								
At 30 June 2017	84,251	847,247	-	129,203	1,312,496	4,797,157	11,109	7,181,463

4. **Property, Plant and Equipment (Cont'd)**

Group	Freehold land RM	Buildings RM	Electrical installation RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machinery RM	Renovations RM	Total RM
Cost								
At 1 July 2015	84,251	1,292,933	9,670	208,580	2,326,022	4,226,900	57,075	8,205,431
Additions	-	-	-	1,029	510,888	2,565,000	-	3,076,917
Written off	-	-	(9,670)	(23,698)	-	-	(23,494)	(56,862)
Reclassificaation from investment properties (Note 6)	-	301,967	-	-	-	-	-	301,967
Reversal	-	(678,680)	-	-	-	-	(1,318)	(679,998)
At 30 June 2016	84,251	916,220	-	185,911	2,836,910	6,791,900	32,263	10,847,455
Accumulated depreciation								
At 1 July 2015	-	17,423	8,052	42,154	960,408	918,913	35,923	1,982,873
Charge for the financial year	-	11,265	724	19,619	465,372	463,140	4,968	965,088
Written off	-	-	(8,776)	(22,780)	-	-	(22,963)	(54,519)
Reclassificaation from investment properties (Note 6)	-	29,020	-	-	-	-	-	29,020
At 30 June 2016	-	57,708	-	38,993	1,425,780	1,382,053	17,928	2,922,462
Carrying amount								
At 30 June 2016	84,251	858,512	-	146,918	1,411,130	5,409,847	14,335	7,924,993

4. **Property, Plant and Equipment (Cont'd)**

Company	Furniture, fittings and equipment RM	Renovations RM	Total RM
2017			
Cost			
At 1 July 2016/30 June 2017	160,341	32,263	192,604
Accumulated depreciation			
At 1 July 2016	31,769	17,351	49,120
Charge for the financial year	16,034	3,226	19,260
At 30 June 2017	47,803	20,577	68,380
Carrying amount			
At 30 June 2017	112,538	11,686	124,224
2016			
Cost			
At 1 July 2015	159,312	32,263	191,575
Additions	1,029	-	1,029
At 30 June 2016	160,341	32,263	192,604
Accumulated depreciation			
At 1 July 2015	15,753	14,124	29,877
Charge for the financial year	16,016	3,227	19,243
At 30 June 2016	31,769	17,351	49,120
Carrying amount			
At 30 June 2016	128,572	14,912	143,484

(a) Assets held under finance leases

The carrying amount of property, plant and equipment of the Group held under finance leases are as follows:

	Group 2017 RM	Group 2016 RM
Motor vehicles	1,312,496	1,411,130
Plant and machinery	268,920	298,800
	1,581,416	1,709,930

4. **Property, Plant and Equipment (Cont'd)**

(b) The aggregate additional cost for the property, plant and equipment of the Group during the financial year acquired under finance lease arrangement and cash payment are as follows:

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Aggregate costs	376,456	3,076,917	-	1,029
Less: Finance leases	(336,000)	(808,000)	-	-
Cash payments	40,456	2,268,917	-	1,029

(c) Included in the property, plant and equipment of the Group are motor vehicle held in trust by a third party with carrying amount of RM581,861 (2016:RM824,827).

5. **Land Held for Property Development and Property Development Costs**

(a) Land held for property development

		Group	
		2017	2016
	Note	RM	RM
Cost			
Freehold land			
At 1 July		30,015,393	18,350,579
Additions		30,856	11,664,814
Transfer from property development costs	5(b)	28,729,354	-
Transfer to property development costs	5(b)	(768,374)	-
Disposal of land		(1,401,040)	-
At 30 June		56,606,189	30,015,393
Development costs			
At 1 July		30,073,226	10,720,485
Additions		6,654,487	19,357,339
Transfer to property development costs	5(b)	(848,882)	-
Disposal of land		(125,654)	(4,598)
At 30 June		35,753,177	30,073,226
Less: Accumulated impairmennt losses			
At 1 July		-	-
Impairment loss for the financial year		(967,965)	-
At 30 June		(967,965)	-
		34,785,212	30,073,226
		91,391,401	60,088,619
Transfer to assets classified as held for sale	17	(4,400,000)	-
Carrying amount at 30 June		86,991,401	60,088,619

5. **Land Held for Property Development and Property Development Costs (Cont'd)**

(a) Land held for property development (Cont'd)

Land held for property development of the Group with carrying amount of RM34,033,790 (2016: RM26,863,390) is pledged as security for bank borrowings as disclosed in Note 20 to the financial statements.

Land held for property development of the Group with carrying amount of Nil (2016: RM7,129,181) is pledged as security for credit facilities granted to a third party.

During the financial year, the impairment review has led to the recognition of impairment losses amounting to RM967,965 (2016: Nil) due to decline in recoverable amount as a result of changes in budget of certain projects. The impairment losses were recognised in administrative expenses in the statements of profit or loss and other comprehensive income.

(b) Property development costs

		Group	
		2017	**2016**
	Note	**RM**	**RM**
Cost			
Freehold land			
At 1 July		28,727,954	28,706,050
Additions		1,400	21,904
Transfer from land held for property development	5(a)	768,374	-
Transfer to land held for property development	5(a)	(28,729,354)	-
At 30 June		768,374	28,727,954
Development costs			
At 1 July		115,627,322	103,148,283
Additions		2,346,298	12,479,039
Transfer from land held for property development	5(a)	848,882	-
At 30 June		118,822,502	115,627,322
Property development costs at 30 June		119,590,876	144,355,276

6. Investment Properties

	Group	
	2017	**2016**
	RM	**RM**
Freehold building		
Cost		
At 1 July	-	301,967
Transfer to property, plant and equipment (Note 4)	-	(301,967)
At 30 June	-	-
Accumulated depreciation		
At 1 July	-	29,020
Transfer to property, plant and equipment (Note 4)	-	(29,020)
At 30 June	-	-
Carrying amount		
At 30 June	-	-

7. Investments in Subsidiary Companies

	Company	
	2017	**2016**
	RM	**RM**
Unquoted shares, at cost	20,543,829	20,543,829
Less: Accumulated impairment loss		
At 1 July	13,807,110	13,807,110
Reversal during the financial year	(3,337,816)	-
At 30 June	10,469,294	13,807,110
	10,074,535	6,736,719

During the financial year, a reversal of impairment loss amounting to RM3,337,816 was made on certain subsidiary companies as a result of recoverable amount of the investment exceeding the carrying amount. The recoverable amount of RM3,722,732 was determined based on value in use calculation. Pre-tax discount rate used is 6.1%.

The reversal of impairment loss of was recognised in administrative expenses in the statements of profit or loss and other comprehensive income.

7. **Investment in Subsidiary Companies (Cont'd)**

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest 2017 %	2016 %	Principal activities
Held by the Company:				
Tiger Synergy Timber Sdn.Bhd.	Malaysia	100	100	Property development, construction and project consultancy
Tiger Synergy Industries (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing furniture parts and accessories and wood-based products
Allfit Furniture Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing, trading of wood based products, property development, construction and project consultancy.
Tiger Synergy Plantation	Malaysia	100	100	Trading in plywood, building materials and its related services and investment holding.
Goldenier Property Management Sdn. Bhd.*	Malaysia	100	100	Property investment, Investing holding, property development and construction
Ace Decor Sdn. Bhd.*	Malaysia	100	100	Building materials and general trading
MHB Property Management Sdn. Bhd.*	Malaysia	100	100	Investment holding and property investment
Tiger Synergy Development Sdn. Bhd.*	Malaysia	100	100	Property development

7. **Investment in Subsidiary Companies (Cont'd)**

Name of company	**Country of incorporation**	**Effective interest 2017 %**	**2016 %**	**Principal activities**
Tiger Synergy Mix Sdn. Bhd.*	Malaysia	100	100	Timber concession and batching plant
Pembinaan Terasia Sdn. Bhd.*	Malaysia	100	100	Property development and construction
Tiger Synergy Housing Development Sdn. Bhd.*	Malaysia	100	100	Property development and construction
MHB Property Development Sdn. Bhd.*	Malaysia	100	100	Property development
Myharmony Development Sdn. Bhd.	Malaysia	100	100	Investing holding, property developer and construction
Teladan Bina Sdn. Bhd.	Malaysia	100	100	Property development
Promosi Juara Sdn. Bhd	Malaysia	100	100	Property development
Held through Tiger Synergy Industries Sdn. Bhd				
Tiger Synergy Land Sdn. Bhd.	Malaysia	100	100	Property development and construction

* Subsidiary companies not audited by UHY.

8. **Goodwill on Consolidation**

	Group 2017 RM	**2016 RM**
Cost		
At 1 July/30 June	2,498	2,498
Accumulated impairment		
At 1 July/30 June	2,498	2,498
Carrying amount		
At 30 June	-	-

9. Other Investment

	2017		2016	
	Carrying amount RM	Market value of investment RM	Carrying amount RM	Market value of investment RM
Group and Company				
Available for sale				
- Unit trust fund	1,559	1,559	-	-

10. Deferred Tax Assets/(Liabilities)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At 1 July	365,201	364,820	(11,900)	(12,281)
Recognised in profit or loss	-	381	-	-
At 30 June	365,201	365,201	(11,900)	(11,900)

Presented after appropriate offsetting as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Deferred tax assets	377,101	377,101	-	-
Deferred tax liabilities	(11,900)	(11,900)	(11,900)	(11,900)
	365,201	365,201	(11,900)	(11,900)

The components of deferred tax assets and liabilities of the Group and of the Company are as follows:

Deferred tax assets **Group**	Accelerated capital allowances RM	Unutilised tax losses and capital allowances RM	Total RM
At 1 July 2015	377,101	260,887	637,988
Recognised in profit or loss	-	180,868	180,868
At 30 June 2016	377,101	441,755	818,856
Recognised in profit or loss	-	56,706	56,706
At 30 June 2017	377,101	498,461	875,562

10. Deferred Tax Assets/(Liabilities) (Cont'd)

The components of deferred tax assets and liabilities of the Group and of the Company are as follows (Cont'd):

Deferred tax liabilities	**Accelerated capital allowances RM**	**Total RM**
Group		
At 1 July 2015	(273,168)	(273,168)
Recognised in profit or loss	(180,487)	(180,487)
At 30 June 2016	(453,655)	(453,655)
Recognised in profit or loss	(56,706)	(56,706)
At 30 June 2017	(510,361)	(510,361)
Company		
At 1 July 2015	(12,281)	(12,281)
Recognised in profit or loss	381	381
At 30 June 2016	(11,900)	(11,900)
Recognised in profit or loss	-	-
At 30 June 2017	(11,900)	(11,900)

The deferred tax assets have not been recognised in respect of the following items:

	Group		**Company**	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Unutilised tax losses	6,458,210	6,471,561	839,810	461,548
Unabsorbed capital allowances	3,206,290	2,615,600	-	-
	9,664,500	9,087,161	839,810	461,548

11. Inventories

	Group	
	2017 RM	**2016 RM**
Raw materials	5,254	13,658

12. **Trade Receivables**

The Group's normal credit terms range from 30 to 180 days (2016: 30 to 90 days). Other credit terms are assessed and approved on a case to case basis.

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

	Group	
	2017	2016
	RM	RM
Neither past due nor impaired	1,464,085	4,589,098
Past due not impaired:		
Less than 30 days	655,820	-
31 to 60 days	-	-
More than 60 days	1,171,814	1,421,133
	1,827,634	1,421,133
	3,291,719	6,010,231

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

13. **Other Receivables**

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Other receivables	27,136	85,711	324	-
Deposits	3,034,340	32,340	15,000	12,000
Prepayments	259,765	321,210	-	69,000
	3,321,241	439,261	15,324	81,000

Included in the deposits of the Group is a deposit paid by a subsidiary company to a third party amounting to RM3,000,000 upon execution of a memorandum of understanding for the purpose of undertaking a residential and/or commercial development project.

14. **Amount Due from/(to) Subsidiary Companies**

These amounts are unsecured, non-interest bearing advances and are repayable upon demand.

15. Amount Due from/(to) Customers on Contracts

	Group 2017 RM	Group 2016 RM
Contract costs incurred to date	-	42,223,396
Attributable profits	-	16,405,787
	-	58,629,183
Less: Progress billings	-	(59,494,780)
	-	(865,597)
Represented by:		
Amount due from customers on contracts	-	290,449
Amount due to customers on contracts	-	(1,156,046)
	-	(865,597)

16. Fixed Deposits with Financial Institutions

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Fixed deposits with financial institutions maturity:				
- Less than 3 months	1,038,375	1,248,668	-	-
- More than 3 months	-	1,506	-	1,506
	1,038,375	1,250,174	-	1,506

The interest rate of fixed deposits with financial institutions of the Group at 2.95% (2016: 3.00% to 3.35%) per annum and the maturity of the deposits is 30 days (2016: 30 to 365 days).

17. Assets Classified As Held for Sale

	Group 2017 RM	Group 2016 RM
Land held for property development		
At 1 July	-	-
Transfer from land held for property development (Note 5)	4,400,000	-
At 30 June	4,400,000	-

In January 2017, the Group entered into conditional sale and purchase agreements with a Director for the disposal of certain land held for property development for a total cash consideration of RM4,400,000. The transactions are expected to be completed during the financial year ending 30 June 2018.

18. Share Capital

	Group and Company			
	Number of Shares		Amount	
	2017 Units	2016 Units	2017 RM	2016 RM
Authorised				
Ordinary share of RM0.08 each	*	2,500,000,000	*	200,000,000
Issued and fully paid				
Ordinary shares with no par value (2016: par value of RM0.08 each)				
At 1 July	1,390,590,116	809,640,200	111,247,209	161,928,040
Par value reduction	-	-	-	(97,156,824)
Right issues	-	484,124,930	-	38,729,994
Bonus issue	-	96,824,986	-	7,745,999
Exercise of share options	81,380,000	-	5,452,460	-
Transfer from share premium in accordance with Section 618(2) of the Companies Act 2016 (Note 18.1)	-	-	7,819,992	-
At 30 June	1,471,970,116	1,390,590,116	124,519,661	111,247,209
			Note 18.2	

* The new Companies Act 2016, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meeting of the Company.

Note 18.1

In accordance with Section 618 of Companies Act 2016 any amount standing to the credit of the share premium account has become part of the Company's share capital. The Company has 24 months upon the commencement of Companies Act 2016 on 31 January 2017 to utilise the credit.

Note 18.2

Included in the share capital is share premium amounting to RM7,819,992 that is available to be utilised in accordance with Section 618(3) of Companies Act 2016 on or before 30 January 2019 (24 months from commencement of Section 74).

19. **Reserves**

	Note	Group 2017 RM	Group 2016 RM Restated	Company 2017 RM	Company 2016 RM Restated
Non-distributable					
Share premium	(a)	-	7,819,992	-	7,819,992
Warrant reserve	(b)	40,645,808	40,645,808	40,645,808	40,645,808
Other reserve	(c)	(5,809,499)	(5,809,499)	(5,809,499)	(5,809,499)
Employees share option reserve	(d)	2,189,720	-	2,189,720	-
Distributable					
Retained earnings		52,000,726	58,101,254	37,710,389	39,137,815
		89,026,755	100,757,555	74,736,418	81,794,116

(a) **Share premium**

	Group and Company 2017 RM	Group and Company 2016 RM Restated
At 1 July	7,819,992	15,565,991
Bonus shares	-	(7,745,999)
Transfer to share capital in accordance with Section 618(2) of the Companies Act 2016	(7,819,992)	-
At 30 June	-	7,819,992

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of shares. As disclosed in Note 18, share premium has become part of the Company's share capital.

(b) **Warrant reserve**

	Group and Company 2017 RM	Group and Company 2016 RM Restated
At 1 July	40,645,808	37,181,275
Issuance of warrants	-	5,809,499
Expiry of warrants	-	(2,344,966)
At 30 June	40,645,808	40,645,808

19. **Reserves (Cont'd)**

(b) **Warrant reserve (Cont'd)**

The warrants reserve arose from the proceeds from issuance of warrants. Warrants reserve is transferred to share premium upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry date of the warrants period will be transferred to retained earnings.

Warrants 2013/2018

On 24 December 2013, the Warrants 2013/2018 were issued for free pursuant to the renounceable Rights Issue by the issuance of 387,070,100 new ordinary shares of RM0.20 each ("Rights Shares") on the basis of 1 Rights Share for each existing ordinary share of RM0.20 each in the Company, together with 387,070,100 free Detachable Warrants 2013/2018 on the basis of 1 Detachable Warrant 2013/2018 for every 1 Rights Share subscribed.

The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 23 December 2018. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 24 December 2013 to 23 December 2018, at an exercise price of RM0.20 per Warrant in accordance with the Deed Poll dated 18 November 2013.

On 12 February 2016, the exercise price of the Warrant was adjusted from RM0.20 to RM0.17 and 73,926,580 new Warrant 2013/2018 were issued pursuant to the renounceable rights issue of 484,124,930 new ordinary shares of RM0.08 each ("Rights Shares") on the basis of 2 Rights Shares for every 1 existing ordinary share held at an issue price of RM0.08 per Rights Share, together with 193,649,672 free detachable Warrants and an attached bonus issue of 96,824,986 new ordinary shares ("Bonus Shares") on the basis of 2 Warrants and 1 Bonus Share for every 5 Rights Shares subscribed for ("Rights Issue of Shares with Warrants and Bonus Shares").

Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes. As at 30 June 2017, 460,996,680 (2016: 460,996,680) warrants remained unexercised.

Warrants 2016/2021

On 12 February 2016, the Company allotted and issued 193,649,972 new Warrants 2016/2021 pursuant to the renounceable rights issue of 484,124,930 new ordinary shares of RM0.08 each ("Rights Shares") on the basis of 2 Rights Shares for every 1 existing ordinary share held at an issue price of RM0.08 per Rights Share, together with 193,649,672 free detachable Warrants and an attached bonus issue of 96,824,986 new ordinary shares ("Bonus Shares") on the basis of 2 Warrants and 1 Bonus Share for every 5 Rights Shares subscribed for ("Rights Issue of Shares with Warrants and Bonus Shares").

19. **Reserves (Cont'd)**

(b) **Warrant reserve (Cont'd)**

Warrants 2016/2021 (Cont'd)

The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 11 February 2021. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 12 February 2016 to 11 February 2021, at an exercise price of RM0.08 per Warrant in accordance with the Deed Poll dated 31 December 2015. Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes. As at 30 June 2017, 193,649,972 (2016: Nil) warrants remained unexercised.

(c) **Other reserve**

This represent proceeds of shares allocated to warrant reserve (refer to Note 19(b)).

(d) **Employees share option reserve**

The employees share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the employees share option reserve is transferred to share premium. When the share options expire, the amount from the employees share option reserve is transferred to retained earnings. Share option is disclosed in Note 29 to the financial statements.

20. **Bank Borrowings**

	Group	
	2017	**2016**
	RM	**RM**
Secured		
Current		
Bank overdraft	2,495,564	2,516,577
Term loans	1,298,252	825,396
	3,793,816	3,341,973
Non-current		
Term loans	8,185,097	5,142,422
	11,978,913	8,484,395

The term loans and overdraft of the Group are secured by the following:

(i) legal charge over land held for property development of certain subsidiary companies as disclosed in Note 5 to the financial statements;

(ii) jointly and severally guaranteed by certain Directors of the Company; and

(iii) corporate guarantee by the Company.

20. Bank Borrowings (Cont'd)

The interest rates of the Group for the above facilities as at reporting date are as follows:

	Group	
	2017	2016
	%	%
Bank overdraft	8.35	8.35
Term loans	6.10 to 8.35	7.85 to 8.35

21. Finance Lease Liabilities

	Group	
	2017	2016
	RM	RM
Minimum lease payments		
Within one year	478,836	486,808
Between one and five years	1,296,850	866,723
After five years	289,601	912,823
	2,065,287	2,266,354
Less: Future finance charges	(311,732)	(347,426)
Present value of minimum lease payments	1,753,555	1,918,928
Present value of finance lease payables		
Within one year	398,429	398,278
Between one and five years	1,097,163	759,964
After five years	257,963	760,686
	1,753,555	1,918,928
Analysed as:		
Repayable within twelve months	398,429	398,278
Repayable after twelve months	1,355,126	1,520,650
	1,753,555	1,918,928

Obligations under finance leases

These obligations are secured by a charge over the leased assets, as disclosed in Note 4(a) to the financial statements. The interest rate for the leases is ranging from 2.40% to 4.00% (2016: 2.38% to 3.50%) per annum.

22. Trade Payables

The normal trade credit terms granted to the Group is 60 to 180 days (2016: 7 to 120 days). Other credit terms are assessed and approved on a case to case basis.

23. Other Payables

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
Other payables	612,119	1,635,322	125,234	332,596
Accruals	432,876	616,081	104,008	99,008
Deposit received	425,596	182,000	-	-
	1,470,591	2,433,403	229,242	431,604

24. Revenue

	Group	
	2017	2016
	RM	RM
Sales of goods	151,095	-
Property development	-	2,452,678
Construction contracts	865,597	-
Subcontract workers	5,796,327	13,250,381
Sales of land	2,100,000	-
Consultancy fees	450,000	-
	9,363,019	15,703,059

25. Finance Costs

	Group	
	2017	2016
	RM	RM
Interest expenses on:		
Bank charges	1,341	13,617
Bank overdraft	216,427	195,346
Finance lease liabilities	108,966	69,589
Late payment interest	2,883	13
Term loans	537,390	146,812
	867,007	425,377

26. Loss Before Taxation

Loss before taxation is determined after charging/(crediting):

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Auditors' remuneration				
- Statutory audit:				
- current year	159,100	161,000	63,000	60,000
- over provision in prior years	(5,000)	(1,040)	-	-
- Non-audit services:				
- current year	5,000	5,000	5,000	5,000
Bad debts written off	38,336	-	-	-
Depreciation of property, plant and equipment	1,119,986	965,088	19,260	19,243
Impairment of land held for property development	967,965	-	-	-
Rental of office	201,000	54,000	-	-
Rental of premises	1,000	144,000	147,000	144,000
Property, plant and equipment written off	-	2,343	-	-
Interest income	(66,526)	(172,259)	-	(104,539)
Gain on disposal of property, plant and equipment	(130,000)	-	-	-
Waiver of amounts due to other payables	(10,685)	-	-	-
Reversal of impairment losses on investment in subsidiary companies	-	-	(3,337,816)	-

27. **Taxation**

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Current income tax				
Current year tax provision	1,780	92,659	-	92,159
(Over)/Under provision in prior years	(89,755)	31,806	(91,620)	(11,069)
	(87,975)	124,465	(91,620)	81,090
Deferred taxation				
Relating to origination and reversal of temporary differences	-	(381)	-	(381)
	-	(381)	-	(381)
	(87,975)	124,084	(91,620)	80,709

Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expense applicable to loss 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 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Loss before taxation	(6,188,503)	(1,892,249)	(1,519,046)	(333,218)
At Malaysian statutory tax rate of 24% (2016: 24%)	(1,485,241)	(454,140)	(364,571)	(79,970)
Income not subject to tax	(109,039)	(42,942)	(801,076)	(19,600)
Expenses not deductible for tax purposes	1,457,499	497,261	1,074,864	291,620
Utilisation of deferred tax assets previously not recognised	(127,791)	(100,272)	-	(100,272)
Deferred tax assets not recognised	266,352	192,371	90,783	-
(Over)/Under provision of taxation in prior years	(89,755)	31,806	(91,620)	(11,069)
	(87,975)	124,084	(91,620)	80,709

28. Loss per Ordinary Share

(a) Basic loss per ordinary share

The basic loss per ordinary share is calculated by dividing the Group's loss attributable to owners of the Company of RM6,100,528 (2016: RM2,016,333) by the weighted average number of ordinary shares outstanding during the financial year of 1,399,658,609 (2016: 1,390,590,116).

(b) Diluted loss per ordinary share

The diluted loss per ordinary share is the same as basic loss per ordinary share as the potential ordinary shares are anti-dilutive.

Except as disclosed in Note 35 to the financial statements, there have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

29. Employees Share Option Scheme ("ESOS")

On 15 March 2017, the Group granted share options to eligible directors and employees of the Group to purchase shares in the Company under the Employees Share Option Scheme approved by the shareholders of the Company on 29 May 2014.

The terms and conditions related to the grant of the share option programme are as follows: all options are to be settled by physical delivery of shares:

Grant date	Number of option	Vesting condition	Contractual life of option
15 March 2017	165,600,000	NA	2.5 years

Movement in the number of share options and the exercise price are as follows:

	Number of option	
	2017 Units	2016 Units
At 1 July	-	-
Granted during the financial year	165,600,000	-
Exercised during the financial year	(81,380,000)	-
At 30 June	84,220,000	-
Exercise price (RM)	0.041	-
Options exercisable at 30 June	84,220,000	-

During the financial year, 81,380,000 shares options were exercised. The weighted average share price at the date of exercise for the financial year was RM0.075 (2016: Nil).

29. Employees Share Option Scheme ("ESOS) (Cont'd)

The fair value of share options granted to eligible employees and Directors, was determined using Trinomial option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at the grant date and the input assumed by the Company in arising the fair value are as follows:

	Group and Company	
	2017	**2016**
Fair value at grant date (RM)	0.02	-
Share price	0.045	-
Exercise price	0.041	-
Expected volatility (%)	90.83	-
Expected life (years)	2.5	-
Risk-free interest rate (%)	3.69	-
Expected dividend yield (%)	Nil	-

30. Staff Costs (including key management personnel)

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Salaries, wages and others	2,297,681	3,170,976	96,000	96,000
Defined contribution plans	139,355	170,379	-	-
Share-based payments	4,305,600	-	4,305,600	-
Other benefits	15,453	22,158	-	-
	6,758,089	3,363,513	4,401,600	96,000

31. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and senior management personnel of the Group.

31. **Related Party Disclosures (Cont'd)**

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in Notes 14 and 17 to the financial statements, the significant related party transactions of the Company are as follows:

	Company	
	2017	**2016**
	RM	**RM**
Transaction with a subsidiary company		
- Management fee income	-	1,380,000

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management personnel are as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Executive Directors				
Other emolumnets	592,800	1,248,000	-	-
Share-based payments	3,614,000	-	3,614,000	-
	4,206,800	1,248,000	3,614,000	-
Non-Executive Directors				
Other emolumnets	96,000	96,000	96,000	96,000
Share-based payments	520,000	-	520,000	-
	616,000	96,000	616,000	96,000

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Other key management Personnel				
Salaries, wages and others	145,532	145,179	-	-
Defined contribution plans	17,425	17,415	-	-
Share-based payments	171,600	-	171,600	-
	334,557	162,594	171,600	-

32. **Operating Segments**

The Group has three reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the chief operating decision maker reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(a) Property development - Development of residential and commercial properties.

(b) Manufacturing - Manufacturing of furniture parts, accessories and wood-based products.

(c) Trading - Trading of plywood, building materials and general trading.

(d) Batching plant – Production and sale of concrete mix and other concrete related products

(e) Others – property investment, investment holding and batching plant.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal management reports that are reviewed by the chief operating decision maker.

Geographical segments

The Group operates solely in Malaysia. Accordingly, the information by geographical segments of the Group's operation is not presented.

Information about major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		**Segment**
	2017	**2016**	
	RM	**RM**	
Customer A	5,796,327	8,159,077	Property development
Customer B	-	5,091,304	Property development
Customer C	2,100,000	-	Property development

32. **Operating Segments (Cont'd)**

	Manufacturing RM	Trading RM	Property development RM	Batching plant RM	Others RM	Elimination RM	Note	Consolidated RM
2017								
Revenue								
Sales	-	-	8,767,108	145,911	450,000	-		9,363,019
Less: Inter-segment sales	550,000	-	250,000	-	-	(800,000)	A	-
Total revenue	550,000	-	9,017,108	145,911	450,000	(800,000)		9,363,019
Financial results								
Segment results	511,801	(16,017)	(719,320)	(690,120)	(1,136,550)	(3,337,816)	A	(5,388,022)
Interest income								66,526
Finance costs								(867,007)
Loss before taxation								(6,188,503)
Taxation								87,975
Net loss for the financial year								(6,100,528)
Segment assets	1,427,075	923,005	228,306,563	4,827,756	209,733,658	(214,839,410)	A	230,378,647
Segment liabilities	1,287,166	254,015	211,655,143	6,170,793	17,686,296	(220,221,182)	A	16,832,231
Other information								
Capital expenditure on property, plant and equipment	-	-	376,456	-	-	-		376,456
Depreciation of property, plant and equipment	-	-	498,251	590,690	31,045	-		1,119,986
Impairment of land held for property development	-	-	(967,965)	-	-	-		(967,965)

32. **Operating Segments (Cont'd)**

	Manufacturing RM	Trading RM	Property development RM	Batching plant RM	Others RM	Elimination RM	Note	Consolidated RM
2016								
Revenue								
Sales	-	-	15,393,955	309,104	-	-		15,703,059
Less: Inter-segment sales	-	-	1,040,000	114,958	-	(1,154,958)	A	-
Total revenue	-	-	16,433,955	424,062	-	(1,154,958)		15,703,059
Financial results								
Segment results	(48,601)	(20,522)	(460,956)	(760,391)	(348,661)			(1,639,131)
Interest income								172,259
Finance costs								(425,377)
Loss before taxation								(1,892,249)
Taxation								(124,084)
Net loss for the financial year								(2,016,333)
Other information								
Segment assets	890,128	933,997	241,453,234	5,465,149	217,473,899	(236,812,206)	A	229,404,201
Segment liabilities	1,264,950	237,285	223,301,924	6,103,285	32,023,787	(245,531,794)	A	17,399,437
Capital expenditure on property, plant and equipment	-	-	510,888	2,565,000	1,029	-		3,076,917
Depreciation of property, plant and equipment	-	-	554,100	379,815	31,173	-		965,088

Note A: Inter-segment revenues and transactions are eliminated on consolidation.

33. **Financial Instruments**

(a) Classification of financial instruments

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:

	Loans and receivables RM	Available-for-sale RM	Financial liabilities measured at amortised cost RM	Total RM
Group				
2017				
Financial Assets				
Trade receivables	3,291,719	-	-	3,291,719
Other receivables	3,061,476	-	-	3,061,476
Other investment	-	1,559	-	1,559
Fixed deposits with financial instituitions	1,038,375	-	-	1,038,375
Cash and bank balances	4,179,658	-	-	4,179,658
	11,571,228	1,559	-	11,572,787
Financial Liabilities				
Trade payables	-	-	316,551	316,551
Other payables	-	-	1,470,591	1,470,591
Finance lease liabilities	-	-	1,753,555	1,753,555
Bank borrowings	-	-	11,978,913	11,978,913
	-	-	15,519,610	15,519,610
2016				
Financial Assets				
Trade receivables	6,010,231	-	-	6,010,231
Other receivables	118,051	-	-	118,051
Fixed deposits with financial instituitions	1,250,174	-	-	1,250,174
Cash and bank balances	8,654,439	-	-	8,654,439
	16,032,895	-	-	16,032,895
Financial Liabilities				
Trade payables	-	-	1,917,300	1,917,300
Other payables	-	-	2,433,403	2,433,403
Finance lease liabilities	-	-	1,918,928	1,918,928
Bank borrowings	-	-	8,484,395	8,484,395
	-	-	14,754,026	14,754,026

33. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

	Loans and receivables RM	Available-for-sale RM	Financial liabilities measured at amortised cost RM	Total RM
Company				
2017				
Financial Assets				
Other receivables	15,324	-	-	15,324
Amount due from subsidiary companies	197,314,345		-	197,314,345
Other investment	-	1,559	-	1,559
Cash and bank balances	4,445	-	-	4,445
	197,334,114	1,559	-	197,335,673
Financial Liabilities				
Other payables	-	-	229,242	229,242
Amount due to subsidiary companies	-	-	8,036,672	8,036,672
	-	-	8,265,914	8,265,914
2016				
Financial Assets				
Other receivables	12,000	-	-	12,000
Amount due from subsidiary companies	208,609,856		-	208,609,856
Fixed deposits with financial instituitions	1,506	-	-	1,506
Cash and bank balances	56,197	-	-	56,197
	208,679,559	-	-	208,679,559
Financial Liabilities				
Other payables	-	-	431,604	431,604
Amount due to subsidiary companies	-	-	22,051,774	22,051,774
	-	-	22,483,378	22,483,378

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity and interest rate risks. The Group operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

33. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, fixed deposits with financial institutions and cash at banks. The Company's exposure to credit risk arises principally from advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies. The Company's maximum exposure in this respect is RM6,525,606 (2016: RM2,863,559), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

As at the end of the financial year, the Group has significant concentration of credit risk in the form of outstanding balance owing by 1 (2016: 2) customer represents 86% (2016: 99%) of the total trade receivables.

33. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises principally from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risks are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	**1 - 5 years RM**	**After 5 years RM**	**Contractual cash flows RM**	**Carrying amount RM**
Group					
2017					
Trade payables	316,551	-	-	316,551	316,551
Other payables	1,470,591	-	-	1,470,591	1,470,591
Finance lease liabilities	478,836	1,296,850	289,601	2,065,287	1,753,555
Bank borrowings	4,024,484	3,249,108	7,059,203	14,332,795	11,978,913
	6,290,462	4,545,958	7,348,804	18,185,224	15,519,610
2016					
Trade payables	1,917,300	-	-	1,917,300	1,917,300
Other payables	2,433,403	-	-	2,433,403	2,433,403
Finance lease liabilities	486,808	866,723	912,823	2,266,354	1,918,928
Bank borrowings	3,341,973	2,734,584	6,363,960	12,440,517	8,484,395
	8,179,484	3,601,307	7,276,783	19,057,574	14,754,026

33. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	Contractual cash flows RM	Carrying amount RM
Company			
2017			
Other payables	229,242	229,242	229,242
Amount owing to subsidiary companies	8,036,672	8,036,672	8,036,672
Fianncial guarantee*	6,525,606	6,525,606	-
	8,265,914	8,265,914	8,265,914
2016			
Other payables	431,604	431,604	431,604
Amount owing to subsidiary companies	22,051,774	22,051,774	22,051,774
Fianncial guarantee*	2,863,559	2,863,559	-
	22,483,378	22,483,378	22,483,378

* Being corporate guarantee granted for banking facilities of certain subsidiary companies which will only be encashed in the event of default by these companies.

(iii) Interest rate risk

The Group's fixed rate deposits placed with financial institutions and borrowings are exposed to a risk of change in their fair value due to changes in market interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in market interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

33. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Interest rate risk (Cont'd)

The interest rate profile of the Group's interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2017 RM	2016 RM
Group		
Fixed rate instruments		
Financial Asset		
Fixed deposits with financial institutions	1,038,375	1,250,174
Financial Liability		
Finance lease liabilities	1,753,555	1,918,928
Floating rate instruments		
Financial Liabilities		
Bank overdraft	2,495,564	2,516,577
Term loans	9,483,349	5,967,818
	11,978,913	8,484,395
Company		
Fixed rate instrument		
Financial Asset		
Fixed deposits with financial institutions	-	1,506

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in market interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 0.5% (2016: 1.0%) interest rate at the end of the reporting period would have increased / (decreased) the Group's loss before taxation by RM59,895 (2016: RM84,844), arising mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis assumes that all other variables remain constant.

33. **Financial Instruments (Cont'd)**

(c) Fair value of financial instruments

The carrying amount of receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and/or insignificant impact of discounting.

The table below analyses financial instruments carried at fair value together with their fair values and carrying amounts shown in the statements of financial position.

	Level 2 RM	Carrying amount RM
Group		
2017		
Financial asset		
Other investment	1,559	1,559

34. **Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group	
	2017 RM	**2016 RM**
Finance lease liabilities	1,753,555	1,918,928
Bank overdraft	2,495,564	2,516,577
Term loans	9,483,349	5,967,818
Less: Fixed deposit with financial institutions	(1,038,375)	(1,250,174)
Less: Cash and bank balances	(4,179,658)	(8,654,439)
Net debt	8,514,435	498,710
Total equity	213,546,416	212,004,764
Gearing ratio	0.040	0.002

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

35. **Subsequent Event**

On 23 December 2016, the shareholders of the Company approved to undertake a Private Placement of up to 139,059,011 new ordinary shares in the Company, representing up to 10% of the total number of issued shares of the Company ("Private Placement").

(i) On 12 September 2017, the Company completed the first tranche of the Private Placement comprising 24,000,000 Placement Shares at RM0.0508 per Placement Share.

(ii) On 18 September 2017, the Company completed the second tranche of the Private Placement comprising 35,000,000 Placement Shares at RM0.0539 per Placement Share.

(iii) On 27 September 2017, the Company completed the third tranche comprising 26,000,000 Placement Shares at RM0.0572 per Placement Share.

The total proceeds raised from the Private Placement was to fund the Group's borrowing commitment and general working capital requirements.

The Private Placement has not been completed as at the date of this report.

36. **Prior Year Adjustments**

(a) In the previous financial year, warrant reserve of the Group and of the Company amounting to RM2,344,966 was wrongly transferred to share premium when exercise period of warrant 2010/2015 lapsed. The financial statements for prior year have therefore been retrospectively restated.

(b) The financial statements for prior year have been retrospectively restated to adjust for the overstatement of warrant reserve of the Group and of the Company arising from inaccurate measurement of fair value of warrant issued amounting to RM14,244,471.

(c) In the previous financial year, warrant reserve of the Group and of the Company amounting to RM5,809,499 arising from Right Issus of Shares with Warrants 2016/2021 and Bonus Shares was wrongly presented in retained earnings. The financial statements for prior year have therefore been retrospectively restated.

36. **Prior Year Adjustments (Cont'd)**

As a result of the above, certain comparative amounts have been adjusted and disclosed below:

	As previously stated RM	Prior year adjustments RM	As restated RM
Group			
As at 30 June 2016			
Statements of changes in equity			
Share premium	10,164,958	(2,344,966)	7,819,992
Warrants reserve	54,890,279	(14,244,471)	40,645,808
Other reserve	-	(5,809,499)	(5,809,499)
Retained earnings	35,702,318	22,398,936	58,101,254
For the financial year ended 30 June 2016			
Statements of changes in equity			
Total transactions with owners of the Company			
Share premium	(5,401,033)	(2,344,966)	(7,745,999)
Warrants reserve	17,709,004	(14,244,471)	3,464,533
Other reserve	-	(5,809,499)	(5,809,499)
Retained earnings	77,102,854	22,398,936	99,501,790
Company			
As at 30 June 2016			
Statements of changes in equity			
Share premium	10,164,958	(2,344,966)	7,819,992
Warrants reserve	54,890,279	(14,244,471)	40,645,808
Other reserve	-	(5,809,499)	(5,809,499)
Retained earnings	16,738,879	22,398,936	39,137,815
For the financial year ended 30 June 2016			
Statements of changes in equity			
Total transaction with owners of the Company			
Share premium	(5,401,033)	(2,344,966)	(7,745,999)
Warrants reserve	17,709,004	(14,244,471)	3,464,533
Other reserve	-	(5,809,499)	(5,809,499)
Retained earnings	77,102,854	22,398,936	99,501,790

These prior year adjustments do not affect the financial statements as at 1 July 2015 and profit or loss.

37. **Date of Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 4 October 2017.

38. **Supplementary information on the disclosure of realised and unrealised profits or losses**

The following analysis of realised and unrealised retained earnings/(accumulated losses) of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
		Restated		**Restated**
Total retained earnings				
- Realised	51,635,525	57,736,053	37,722,289	39,149,715
- Unrealised	365,201	365,201	(11,900)	(11,900)
	52,000,726	58,101,254	37,710,389	39,137,815

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

LIST OF PROPERTIES OF THE GROUP

Location	Description of Property	Tenure	Approxima Age of Building	Land/build Up Are (Sq ft)	Net Book Value (RM)	Date of Acqusition ("A")/ Revaluation ("R")
Subang Impian Apartment Seksyen U5, Shah Alam Fasa 1, Unit No A504, Unit D202,Unit D111	5 Storey medium cost walk up apartment	N/A	10 years	2,545 (834-877 per apartment)	232,539	9 March 2007 (R)
Deskudai Apartment Mukim Pulai, Johor Bahru, Johor	5 Storey medium cost walk up apartment	N/A	6 years	2,550 (850 per apartment)	261,160	14 November 2011 (A)
Geran 179321 (Lot6247), Pekan Rasah Jaya, Seremban, Negeri Sembilan	Freehold Land & Semi Completed Building	N/A	7 years	443 sq/m	437,222	22 October 2010 (A)
Geran 179321 (Lot6247), Geran 179339 (Lot6265), Geran 179340 (Lot6266), Geran 179341 (Lot6267), Geran 179343 (Lot6269), Geran 178821 (Lot6271), Pekan Rasah Jaya, Seremban, Negeri Sembilan	Vacant Development Land	Freehold	N/A	1146sq/m	3,932,142	22 October 2010 (A)
Geran Mukim 4321, Lot 56101, Mukim Kuala Lumpur	Vacant Development Land	Freehold	N/A	491 sq/m	1,600,000	17 October 2011 (A)
Lot 2136 GM 645 & Lot 2135 GM 439 Mukim Petaling, Daerah Petaling, Selangor	Vacant Development Land	Freehold	N/A	2.97 acres	8,692,889	31 January 2011 (A)
PT 1336-PT 1362, Pekan Kuang, Mukim Rawang, Selangor	Vacant Development Land	Freehold	N/A	5.5 acres	28,729,354	17 April 2015 (A)
GM 267 Lot 562, Mukim Petaling, Daerah Petaling, Selangor	Vacant Development Land	Freehold	N/A	1.875 acres	7,137,424	22 March 2011 (A)
Geran 62028 (Lot62810), Geran 62032 (Lot62811), Geran 62036 (Lot62812), Geran 62041 (Lot62813), Geran 62044 (Lot62814), Geran 62050 (Lot62815), Geran 62053 (Lot62816), Geran 62055 (Lot62817), Geran 62057 (Lot62818), Mukim Batu, Kuala Lumpur	Vacant Development Land	Freehold	N/A	1.169 acres	17,628,257	13 April 2015 (A)
Lot 738 GM 549, Geran Mukim Cheras Batu 2 1/2, Jalan Cheras, Kuala Lumpur	Vacant Development Land	Freehold	N/A	0.8094 hectare	18,203,477	06 April 2016 (A)

ANALYSIS OF SHAREHOLDINGS
AS AT 23 OCTOBER 2017

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders Malaysian	No. of Holders Foreign	No. of Shares Malaysian	No. of Shares Foreign	% Malaysian	% Foreign
Less Than 100	15	0	593	0	0.00	0.00
100 – 1,000	511	4	424,148	800	0.03	0.00
1,001 - 10,000	1,277	12	7,904,340	87,080	0.49	0.01
10,001 – 100,000	3,162	34	159,347,454	1,541,700	9.79	0.09
100,001 and below 5%	1,912	28	1,318,437,812	21,374,800	81.04	1.31
5% and above	1	0	117,830,400	0	7.24	0.00
Total	**6,878**	**78**	**1,603,944,747**	**23,004,380**	**98.59**	**1.41**

DIRECTORS' SHAREHOLDINGS

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Name of Directors	Nationality/ Incorporated in	Shareholdings Direct	%	Shareholdings Indirect	%
Chua Eng Chin	Malaysian	-	-	-	-
Dato' Khoo Seng Hock	Malaysian	-	-	-	-
Dato' Lee Yuen Fong	Malaysian	-	-	-	-
Low Boon Chin	Malaysian	-	-	-	-
Tan Lee Chin	Malaysian	22,277,900	1.37	254,071,500	15.61
Dato' Tan Wei Lian	Malaysian	199,882,900	12.29	76,466,500	4.70
Datin Sek Chian Nee	Malaysian	54,188,600	3.33	222,160,800	13.65
Total Shareholdings		**276,349,400**	**16.99**	**552,698,800**	**33.96**

ANALYSIS OF SHAREHOLDINGS
AS AT 23 OCTOBER 2017
CONT'D

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

Name of Shareholders	Nationality/ Incorporated in	Shareholdings Direct	%	Shareholdings Indirect	%
Dato' Tan Wei Lian	Malaysian	199,882,900	12.29	76,466,500	4.70
Tan Lee Chin	Malaysian	22,277,900	1.37	254,071,500	15.61
Datin Sek Chian Nee	Malaysian	54,188,600	3.33	222,160,800	13.65

LIST OF TOP 30 SHAREHOLDERS

No.	Name	Shareholdings	%
1.	HUAM HONG PING	117,830,400	7.24
2.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT-AMBANK (M) BERHAD FOR TAN WEI LIAN (SMART)	69,834,800	4.29
3.	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN WEI LIAN (SJ10)	48,080,000	2.96
4.	YAYASAN KELANTAN DARULNAIM	42,061,900	2.59
5.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN WEI LIAN	29,963,100	1.84
6.	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEK CHIAN NEE (SJ10)	27,800,000	1.71
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG KOW EE @ ONG CHIOW CHUEN	24,583,000	1.51
8.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN WEI LIAN	21,065,000	1.29
9.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR CHONG LEE FONG (MQ0269)	17,400,000	1.07
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN WEI LIAN	15,920,000	0.98
11.	HII HIENG HUI	15,000,000	0.92
12.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LEE CHIN (6000041)	14,466,900	0.89
13.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEK CHIAN NEE (8078434)	14,152,000	0.87
14.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEK CHIAN NEE	12,736,600	0.78

LIST OF TOP 30 SHAREHOLDERS cont'd

No.	Name	Shareholdings	%
15.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN WEI LIAN	11,700,000	0.72
16.	TOK SOON HING	11,145,000	0.69
17.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW CHOON HOE (033)	10,000,000	0.61
18.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD DOM BIN AHMAD	7,752,000	0.48
19.	LEE CHAY CHYE	7,300,000	0.45
20.	MD NOR BIN MANSOR	6,944,500	0.43
21.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR NG WAI YUAN (MY0867)	6,500,000	0.40
22.	OOI WOOI PHEOW	6,481,800	0.40
23.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD YONG LOY HUAT	6,400,000	0.39
24.	NGOO AH CHOO @ NGOO KAY CHOO	6,350,000	0.39
25.	HR LAND SDN BHD	6,337,000	0.39
26.	WONG CHING KOK	6,000,000	0.37
27.	KHOR WEI SEAN	5,302,000	0.33
28.	LAU BAN CHUANG	5,250,000	0.32
29.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LEE CHIN (027)	5,081,000	0.31
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH CHAI TONG	5,000,000	0.31
		584,437,000	35.92

ANALYSIS OF WARRANT HOLDINGS
AS AT 23 OCTOBER 2017

ANALYSIS BY SIZE OF WARRANTHOLDINGS B AS PER THE RECORD OF DEPOSITORS

Size of Warrant B Holdings	No. of Warrant B Holders		Warrantholdings		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less Than 100	399	8	23,682	394	0.01	0.00
100 – 1,000	50	1	18,540	714	0.00	0.00
1,001 - 10,000	306	4	1,566,411	21,519	0.34	0.00
10,001 – 100,000	951	8	40,248,804	339,671	8.73	0.07
100,001 and below 5%	696	8	414,469,645	4,307,300	89.91	0.93
5% and above	0	0	0	0	0.00	0.00
Total	**2,402**	**29**	**456,327,082**	**4,669,598**	**98.99**	**1.01**

ANALYSIS BY SIZE OF WARRANTHOLDINGS B AS PER THE RECORD OF DEPOSITORS

Size of Warrant B Holdings	No. of Warrant B Holders			Warrantholdings			%		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
	Bumi	Non-Bumi		Bumi	Non-Bumi		Bumi	Non-Bumi	
Individuals	316	1,449	16	47,128,303	306,216,879	2,228,913	10.22	66.42	0.48
Body Corporate									
Banks/Finance COs	2	0	0	75,546	0	0	0.02	0.00	0.00
Inv. Trust/Found/Charities	0	0	0	0	0	0	0.00	0.00	0.00
Industrial & Commercial COs	3	6	0	2,408,430	896,597	0	0.52	0.19	0.00
Government Agencies	0	0	0	0	0	0	0.00	0.00	0.00
Nominees	328	248	13	52,705,259	46,896,068	2,440,685	11.43	10.17	0.53
Others	0	0	0	0	0	0	0.00	0.00	0.00
Total	**649**	**1,753**	**29**	**102,317,538**	**354,009,544**	**4,669,598**	**22.19**	**76.79**	**1.01**

LIST OF TOP 30 WARRANTHOLDINGS B

No.	Name	Warrantholdings	%
1.	TAN CHIN SEOH	12,250,026	2.66
2.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE CHEE MING	10,610,286	2.30
3.	TAN TIAM YEE	10,313,000	2.24
4.	TAN YIH - JIA	9,000,000	1.95
5.	LEE CHAI HONG	8,000,000	1.74
6.	LOW LOONG KUAN	7,503,258	1.63
7.	YAN HOCK CHUAN	7,375,345	1.60
8.	NGUI NYUK KYOON	7,307,024	1.59
9.	LOW LOONG KUAN	7,145,960	1.55
10.	YAP CHIN HOONG	6,500,000	1.41
11.	LEONG IMM LAN	6,080,090	1.32
12.	SAM FONG @ CHAN SAM FONG	6,025,200	1.31
13.	ABD HAZIS BIN OMAR	5,000,000	1.08
14.	FONG SOOI CHOON	5,000,000	1.08
15.	MASYUN BIN ABD HADI	5,000,000	1.08
16.	SAM FONG @ CHAN SAM FONG	5,000,000	1.08
17.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM TIONG HOOI (E-SJA)	4,281,145	0.93
18.	HII HIENG HUI	4,000,000	0.87
19.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE CHAI HONG (E-TCS/TCT)	4,000,000	0.87
20.	TEOH TOH ENG	3,786,490	0.82
21.	CHIN AH SOON	3,690,636	0.80
22.	PHUA SIM TEAN	3,572,980	0.78
23.	MAGESWARY A/P SUPARMANIAM	3,548,341	0.77
24.	LEE LAI MING	3,406,241	0.74
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHUA KENG LIANG	3,165,800	0.69
26.	KENANGA NOMINEES (TEMPATAN) SDN BHD NISAR AHMAD BIN MOHD YUSOF (EM1-CN)	3,000,000	0.65
27.	LEE CHEE KEONG	2,800,053	0.61
28.	KENANGA NOMINEES (TEMPATAN) SDN BHD BONG MAU MOI	2,800,000	0.61
29.	LEE CHEE BENG	2,532,647	0.55
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA PENG BOON @ CHOY AH MUN	2,501,086	0.54
		165,195,608	35.83

ANALYSIS OF WARRANT HOLDINGS
AS AT 23 OCTOBER 2017
CONT'D

ANALYSIS BY SIZE OF WARRANTHOLDINGS C AS PER THE RECORD OF DEPOSITORS

Size of Warrant C Holdings	No. of Warrant C Holders		Warrantholdings		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less Than 100	18	0	988	0	0.00	0.00
100 – 1,000	34	1	23,460	960	0.01	0.00
1,001 - 10,000	218	2	1,264,860	5,600	0.65	0.00
10,001 – 100,000	670	11	30,321,384	573,200	15.66	0.30
100,001 and below 5%	288	7	115,557,020	4,577,000	59.67	2.36
5% and above	1	1	13,936,500	27,389,000	7.20	14.14
Total	**1,229**	**22**	**161,104,212**	**32,545,760**	**83.19**	**16.81**

ANALYSIS BY SIZE OF WARRANTHOLDINGS C AS PER THE RECORD OF DEPOSITORS

Size of Warrant C Holdings	No. of Warrant C Holders			Warrantholdings			%		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
	Bumi	Non-Bumi		Bumi	Non-Bumi		Bumi	Non-Bumi	
Individuals	69	786	16	6,062,456	101,496,436	31,600,000	3.13	52.41	16.32
Body Corporate									
Banks/Finance COs	1	1	0	240,000	60	0	0.12	0.00	0.00
Inv. Trust/Found/Charities	0	0	0	0	0	0	0.00	0.00	0.00
Industrial & Commercial COs	0	7	0	0	552,800	0	0.00	0.29	0.00
Government Agencies	0	0	0	0	0	0	0.00	0.00	0.00
Nominees	198	167	6	37,099,580	15,652,880	945,760	19.16	8.08	0.49
Others	0	0	0	0	0	0	0.00	0.00	0.00
Total	**268**	**961**	**22**	**43,402,036**	**117,702,176**	**32,545,760**	**22.41**	**60.78**	**16.81**

LIST OF TOP 30 WARRANTHOLDINGS C

No.	Name	Warrantholdings	%
1.	LUM YIN MUI	27,389,000	14.14
2.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	13,936,500	7.20
3.	PAK LIEW MEI	6,037,000	3.12
4.	U YONG DOONG @ U SUNG KWI	4,102,800	2.12
5.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD YONG LOY HUAT	3,300,000	1.70
6.	CHIN AH SOON	2,789,700	1.44
7.	KAN CHOON KIAT	2,500,000	1.29
8.	KENANGA NOMINEES (TEMPATAN) SDN BHD BONG MAU MOI	2,000,000	1.03
9.	LEE CHAY CHYE	2,000,000	1.03
10.	TAN BOOK SOON	2,000,000	1.03
11.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD DOM BIN AHMAD	1,824,000	0.94
12.	CHUA SOAH SEN	1,820,900	0.94
13.	CHAN CHIN NUNG	1,600,000	0.83
14.	OOI LENG HWA	1,600,000	0.83
15.	TOK SOON HING	1,500,000	0.77
16.	YEOH SENG AIK	1,500,000	0.77
17.	LIU, CHING-AN	1,397,000	0.72
18.	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHALID BIN MAZLAN	1,250,000	0.65
19.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW MOI FAH (CCTS)	1,200,000	0.62
20.	LEONG IMM LAN	1,110,000	0.57
21.	PAK CHEOW KOON JASON	1,100,000	0.57
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG ENG TIONG	1,083,200	0.56
23.	CHENG SHYUE SHENG	1,000,000	0.52
24.	KARIM HUSIN ONGGO	1,000,000	0.52
25.	TAN HUI KOON	1,000,000	0.52
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHING KEAN LAM	947,400	0.49
27	CHAN CHIN NUNG	925,000	0.48
28.	YEOH POOI HOON	891,760	0.46
29.	NGOO AH CHOO @ NGOO KAY CHOO	814,000	0.42
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHIN CHUAN	800,200	0.41
		90,418,460	46.69

NOTICE OF ANNUAL GENERAL MEETING

TIGER SYNERGY BERHAD
(Company No. 325631-V)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of the Company will be held at Royal Sungei Ujong Club, 2A, Jalan Dato' Kelana Maamor, 70700 Seremban, Negeri Sembilan Darul Khusus on Friday, 8 December 2017 at 11:00 a.m. for the following purposes:-

---

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2017 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To approve the payment of Directors' Meeting Allowance of up to RM100,000 for the period from January 2017 until the next AGM to be held in year 2018 and be payable after the meeting in arrears. **(Resolution 1)**

3. To re-elect the following Directors retiring pursuant to Article 71 of the Company's Articles of Association:-
   (a) Dato' Khoo Seng Hock; and **(Resolution 2)**
   (b) Dato' Lee Yuen Fong. **(Resolution 3)**

4. To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration. **(Resolution 4)**

As Special Business

To consider and, if thought fit, to pass the following Ordinary Resolution with or without modifications:-

5. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** **(Resolution 5)**

   "**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to the Act, to issue and allot shares in the capital of the Company at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

   AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

6. **PROPOSED GRANTING OF OPTIONS TO THE DIRECTORS OF TIGER SYNERGY BERHAD ("TSB")**

THAT the Board be and is hereby authorised at any time and from time to time to offer and to grant the following persons, being the directors of the Company, options to subscribe for new TSB Shares under the Proposed ESOS subject always to the following provisions:

Directors	Designation	
1. Dato' Lee Yuen Fong	Independent Non-Executive Director	**(Resolution 6)**
2. Low Boon Chin	Independent Non-Executive Director	**(Resolution 7)**

(i) He/she must not participate in the deliberation or discussion of his own allocation of new TSB Shares and the allocations of the persons connected to him/her to be issued under the Proposed ESOS;

(ii) Not more than ten percent (10%) of the TSB Shares available under the Proposed ESOS shall be allocated to any director or employee, who either singly or collectively through persons connected with such director or employee, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company; and

also subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the Bylaws of the Proposed ESOS and any prevailing guidelines issued by Bursa Securities, the Main Market Listing Requirements of Bursa Securities or any other relevant authorities as amended from time to time.

7. To transact any other ordinary business for which due notice shall have been given.

On Behalf of the Board

Lim Seck Wah (MAICSA No. 0799845)
M. Chandrasegaran A/L S. Murugasu (MAICSA No. 0781031)
Company Secretaries

Negeri Sembilan Darul Khusus
31 October 2017

Explanatory Notes to Special Business

1. Item 1 of the Agenda

   The Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Authority to issue shares pursuant to the Companies Act 2016

   The proposed adoption of Ordinary Resolution 5 is for the purpose of seeking a renewal for the general mandate to empower the Directors of the Company pursuant to the Companies Act 2016, from the date of the above Meeting, to issue and allot ordinary shares of not more than ten per centum (10%) from the unissued share capital of the Company for such purposes as the Directors of the Company consider would be in the interest of the Company. This authority will, unless revoked or varied at a General Meeting, expire at the conclusion of the next Annual General Meeting of the Company.

   The Company had been granted a general mandate by its shareholders at the Twenty-First Annual General Meeting of the Company held on 23 December 2016 (hereinafter referred to as the "Previous Mandate").

   Pursuant to the Previous Mandate, the Company has undertaken several private placement exercises where the Company had placed out a total of 139,059,011 new ordinary shares, which raised a total proceed of RM7,622,078.

   The details of the utilization of proceeds from the abovementioned corporate exercise are as follows:-

	Proposed Utilisation	Amount utilised RM	Amount unutilised as at 31 October 2017 RM
General working capital	3,426,078	696,207	2,729,871
Repayment of bank borrowings	4,100,000	366,798	3,733,202
To defray the estimated expenses of the Proposed Private Placement	96,000	40,397	55,603
Total	7,622,078	1,103,402	6,518,676

   This authority will provide flexibility and enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

NOTICE OF ANNUAL GENERAL MEETING
CONT'D

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 4 December 2017 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

2. A member entitled to attend and vote at this Meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.

3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. If a corporation is a member of the Company, it may vote by any person authorised by resolution of its directors or other governing body to act as its representative at any meeting in accordance with Article 67 of the Company's Articles of Association.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised, and shall be deposited at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution.

8. All resolution are to be voted by way of poll pursuant to Bursa Malaysia Securities Berhad's Listing Requirement.

Tiger Synergy BERHAD (Co. 329631-V)
(a member company of Bursa Malaysia Securities Berhad)

No. of Shares Held	CDS Account No

FORM OF PROXY

*I/We ____
(Full Name In Capital Letters)

NRIC No./Company No. ____

of ____
(Full Address)

being a *Member/Member(s) of TIGER SYNERGY BERHAD, hereby appoint ____

______________________________ NRIC No. ______________________________
(Full Name In Capital Letters)

of ____
(Full Address)

or failing *him/her, ______________________________ NRIC No. ______________________________
(Full Name In Capital Letters)

of ____
(Full Address)

or failing *him/her, the *CHAIRMAN OF THE MEETING, as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held at Royal Sungei Ujong Club, 2A, Jalan Dato' Kelana Maamor, 70700 Seremban, Negeri Sembilan Darul Khusus on Friday, 8 December 2017 at 11:00 a.m. and at any adjournment thereof.

The proportion of *my/our holdings to be represented by *my/our proxy(ies) are as follows:-

First Proxy	%
Second	%
	100%

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

No.	Resolution	For	Against
1.	To approve the payment of Directors' Meeting Allowance of up to RM100,000 for the period from January 2017 until the next AGM to be held in year 2018 and be payable after the meeting in arrears. **(Resolution 1)**		
2.	To re-elect Dato' Khoo Seng Hock retiring pursuant to Article 71 of the Company's Articles of Association. **(Resolution 2)**		
3.	To re-elect Dato' Lee Yuen Fong retiring pursuant to Article 71 of the Company's Articles of Association. **(Resolution 3)**		
4.	To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration. **(Resolution 4)**		
5.	Authority to issue shares pursuant to the Companies Act 2016. **(Resolution 5)**		
6.	Proposed Granting of Options to Dato' Lee Yuen Fong. **(Resolution 6)**		
7.	Proposed Granting of Options to Low Boon Chin. **(Resolution 7)**		

* Strike out whichever not applicable.

Signed this __________ day of ____________2017

____
Signature of Member/Common Seal of Shareholder

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 4 December 2017 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.*

2. *A member entitled to attend and vote at this Meeting is entitled to appoint any person as his proxy to attend, speak and vote instead of him. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.*

3. *Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

6. *If a corporation is a member of the Company, it may vote by any person authorised by resolution of its directors or other governing body to act as its representative at any meeting in accordance with Article 67 of the Company's Articles of Association.*

7 *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised, and shall be deposited at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution.*

8.. *All resolution are to be voted by way of poll pursuant to Bursa Malaysia Securities Berhad's Listing Requirement.*

Fold This Flap For Sealing

Then Fold Here

AFFIX
STAMP

TIGER SYNERGY BERHAD **(325631-V)**
Wisma Hwa Lian, No.482, Ground Floor,
Jalan Zamrud 6, Taman Ko-op, 70200 Seremban,
Negeri Sembilan Darul Khusus, Malaysia.
Tel: +606 7679 353 Fax: +606 7637 202

1st Fold Here

www.tigersynergy.my

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