Tiger Synergy
BERHAD (325631-V)

ANNUAL REPORT 2018

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 form that holds together all kinds of relationship and guarantee peace in our communities.

TABLE OF **CONTENTS**

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 Director
Dato' Khoo Seng Hock

Dato' Lee Yuen Fong

Low Boon Chin

Non-Independent Non-Executive Director
Chua Eng Chin

SECRETARIES

Lim Seck Wah (F)
(MAICSA 0799845)

M Chandrasegaran A/L S.Murugasu
(MAICSA 0781031)

Wan Nor Safikah Binti Wan Hanpi (F)
(LS 0010175)
(Appointed on 11 December 2017)

AUDIT COMMITTEE

Low Boon Chin *(Chairman)*
(Independent Non-Executive Director)
(Appointed on 7 December 2017)

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

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

Chua Eng Chin
(Non-Independent Non-Executive Director)
(Redesignated on 7 December 2017)

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)

NOMINATION COMMITTEE

Low Boon Chin *(Chairman)*
(Independent Non-Executive Director)

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

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

Dato' Lee Yuen Fong
(Independent Non-Executive Director

REMUNERATION COMMITTEE

Dato' Lee Yuen Fong *(Chairman)*
(Independent Non-Executive Director)
(Appointed on 9 October 2018)

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

Chua Eng Chin
(Non-Independent Non-Executive Director)
(Redesignated on 9 October 2018

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

AUDITORS

Messrs. UHY (AF1411)
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel No : 03-2279 3088
Fax No : 03-2279 3099

INVESTOR RELATION

Person to Contact: Serene Chong
Telephone : 06-767 9353 / 767 9418
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 : 06-767 9418
Fax : 06-765 1339

COMPLETED **PROJECT**

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.

BUKIT SRI PUTRA

ON GOING **PROJECT**

Telaris Alam Impian is the Group's flagship development project, sited on 13,586 acres of a freehold land. It consists of a mixed-residential development with medium range condominium and 3-storey semi-detached houses.

It is situated approximately 42 kilometres due south west of Kuala Lumpur 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.

ON GOING PROJECT
(continued)

This 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 including schools, banks, medical centre, shopping centre, office, marketing and other public facilities.

The unique creation of the Telaris Alam Impian has been honoured as the Winner at the Asia Pacific Property Award (APPA) in the Residential Development category in 2017 and 2018. The APPA is supported by a range of professional bodies worldwide and independently judged by a panel of over 70 experts.

AFFORDABLE HOUSING **PROJECT**

In collaboration with the government's initiative to provide more affordable housing, the Group embarked a joint-development affordable housing project in Shah Alam and Sungai Buloh.

The Shah Alam affordable housing project is the development of 640 units of affordable housing units on freehold lands with a total area of 9.0 acres. It 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.

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.

FUTURE **PROJECT**

TELARIS - GOMBAK

Telaris Gombak, a first offering of exclusive 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 apartments comprising of 251 units of service apartments attached with 15 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 amenities.

FUTURE PROJECT
(continued)

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 120 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 include primary and secondary schools, marketing, banking, shopping centres such as Giant, Tesco and Econsave.

THE ASTER RESIDENCE CHERAS

FUTURE PROJECT
(continued)

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.

FUTURE PROJECT
(continued)

BUKIT SERDANG PROJECT

The Bukit Serdang project conveys an under-stated 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 boast 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.

Our concrete - mixed products are widely used in small or medium - scale building construction, road and bridge construction.

The plant is able to produce 10,000 meter cube a month and is making good progress in terms of production and sales.






CORPORATE STRUCTURE

Tiger Synergy BERHAD

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

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)
Myharmony Developement Sdn. Bhd. (921361-M)
Tiger Synergy Land Sdn. Bhd. (895473-M)
Teladan Bina Sdn. Bhd. (1093988-W)

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

TRADING DIVISION
Ace Décor Sdn. Bhd. (719710-W)

PLANTATION AND TIMBER DIVISION
Tiger Synergy Plantation Sdn. Bhd. (488746-U)

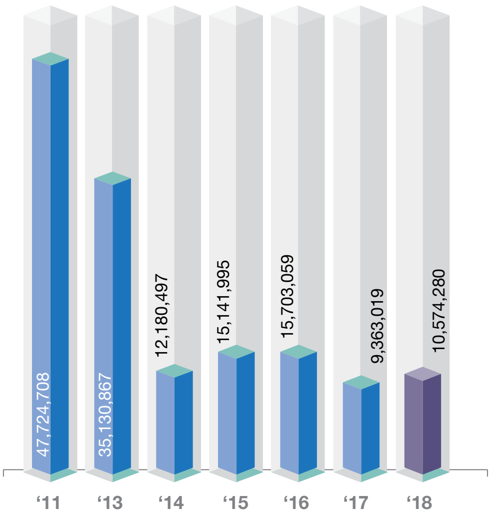
MANUFACTURING DIVISION
Tiger Synergy Industries (M) Sdn. Bhd. (245200-V)
Allfit Furniture Industries Sdn. Bhd. (172453-X)

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

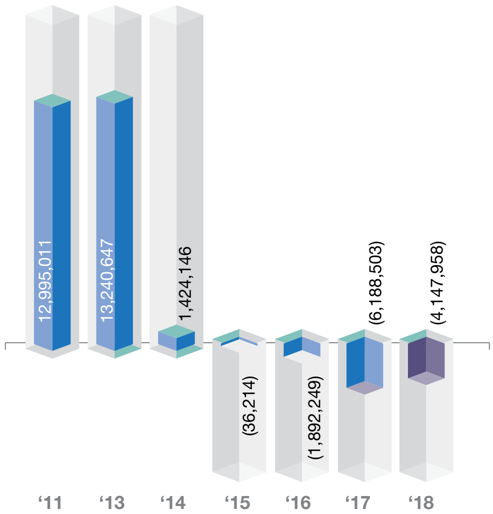
FINANCIAL **HIGHLIGHTS**

RM/Year	2018	2017	2016	2015	2014	2013	2011
Turnover	10,574,280	9,363,019	15,703,059	15,141,995	12,180,497	35,130,867	47,724,708
(Loss) / Profit before taxation	(4,147,958)	(6,188,503)	(1,892,249)	(36,214)	1,424,146	13,240,647	12,995,011
(Loss) / Profit After taxation	(3,726,623)	(6,100,528)	(2,016,333)	(2,051,331)	129,212	2,046,787	1,531,764
Net Assets	228,454,440	213,546,416	212,004,764	175,291,103	170,242,434	92,189,202	69,585,945

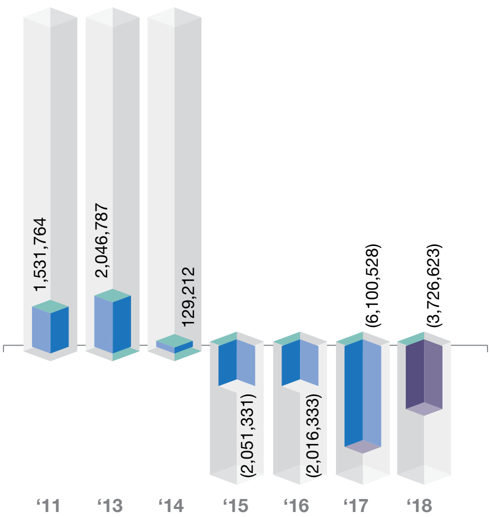
(RM)
TURNOVER



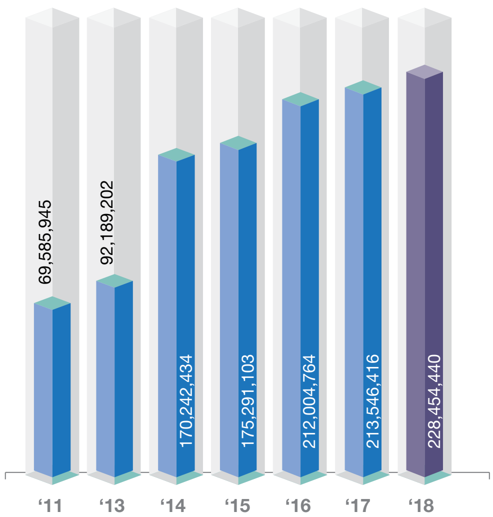
(RM)
(LOSS) / PROFIT BEFORE TAXATION



(RM)
(LOSS) / PROFIT AFTER TAXATION



(RM)
NET ASSETS



EXECUTIVE CHAIRMAN'S **STATEMENT**

Dato' Tan Wei Lian
Executive Chairman

It is my pleasure to present the Annual Report of the Company and its subsidiaries (the "Group") for the financial year ended ("FYE") 30th June 2018.

EXECUTIVE CHAIRMAN'S STATEMENT (continued)

OVERVIEW

Dear Shareholders,

Malaysia's ruling coalition had been in power for 61 years until the May 9 electoral win by the opposition alliance Pakatan Harapan. The resounding success of Pakatan Harapan helped smooth the path for a peaceful transition of power. This historic win by the opposition alliance has sent Malaysia's market on a wait-and-see stance awaiting more clarity over government policies, however analysts said long-term prospects appeared encouraging.

Sustainability

The Group is optimistic about the change of party control to the country's economic outlook as the election outcome raises the possibility that Malaysia could finally start to tackle some of the institutional problems that are holding back the country's long-run prospects. The new government, having promised a slew of economic and financial reforms, is determined to canceling or delaying some mega projects, abolishing Goods and Services Tax (GST), reprioritising its expenditure, as well as practising a cautious and prudent financial management, will certainly have some positive impact on the economy and property market in the mid-term. Tiger Group having its land banks located mostly in Klang Valley and with its "Zero" borrowings policy, will apparently benefit under the new measures.

Direction in Property Market

The fundamentals driving the property market's growth in recent years have not changed in Malaysia where the younger population is still leading to new household formation. With the Government's vigorous initiatives in helping the Malaysian in the low and medium income groups to own a house, affordable segment is expected to remain driving force in the property market in the near to medium term. This phenomenon will substantially increase the demand of affordable houses in the market. In line with the aforesaid Government policy, Tiger is embarking on a turnaround business strategy focusing on delivering high quality affordable homes. We have turned some of our high-end housing projects into a larger numbers of mid-range affordable houses with quick turnover. These projects are soon to be launched in the market and will be the main revenue contributors to the Group in the next few years. We believe that we are heading towards the right direction with good prospects and earnings visibility as there is a huge demand for affordable houses.

Business Diversification

In 2017, riding on the strong will of sustainability, the Group has moved into three new business segments, namely logging, plantation and building materials which have the great potential to contribute encouraging returns to the Group. The building material segment has been kicked start and has begun to record increasing sales. For the logging and plantation segments, the Group is formulating a series of strategies for the operation, this include to appoint individuals who have the experience and expertise in these sectors to spearhead the businesses with the aim of attaining the necessary profitability and minimising the impact of the activities to the ecology and environment. Few agricultural lands and logging areas have been identified and explored for development and activities shall be established in the next financial year. We are confident that these three segments will grow the company into stronger entities to generate sustainable returns for all shareholders.

Outlook

Moving forward, we will continue to exercise strict discipline in the capital management, remaining highly selective and value oriented. We believe that the overall property market will improve in the next financial year, especially in the affordable and mid-range priced segment. We remain cautious over the future economic landscape and we are well-prepared to take advantage of the new opportunities and address the new challenges. We are also working on a growing pipeline of development opportunities in Malaysia, will continue to address and identify opportunities from the big drivers of change in our market sectors, adapting our portfolio as appropriate.

I am proud to announce that the upcoming Alam Kemuning township project which is the catalyst for growth in Alam Impian, Selangor is on its way to be launched by Tiger. The Gross Development Value for phase 1 of this iconic project is estimated at **RM1 billion** and is expected to contribute strongly to the Group's earnings over the next five years.

Appreciation

I would like to record my appreciation to my fellow Directors for their invaluable advice and guidance, and the Management and staff for their dedication and commitment in the past year.

On behalf of the Board, I would also like to express my heartfelt appreciation to our stakeholders, including our shareholders, customers and business partners for their continued support to the Group.

DATO' TAN WEI LIAN

Executive Chairman

BOARD OF

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

DIRECTORS

PROFILE OF **DIRECTORS**

DATO' TAN WEI LIAN ('DTWL')
Executive Chairman

Malaysian, aged 50, male, he began his colorful livelihood as a property developer at the age of 21. He has gained over 29 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 as the Executive Chairman of the Group on 26th November 2014. 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, the Executive Director of the Company. He has direct shareholding of 56,500,000 ordinary shares and indirect shareholding of 1,507,475 ordinary shares as at 5th October 2018.

PROFILE OF DIRECTORS
(continued)

TAN LEE CHIN (‘TLC’)
Managing Director

Malaysian, aged 49, female, was appointed to the Board as an Executive Director of Tiger in February 2008 and she is the member of Employee Share Option Scheme (“ESOS”) Committee of Tiger. 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 has been re-designated as Managing Director on 26th November 2014. 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 646,975 ordinary shares and indirect shareholding of 57,360,500 ordinary shares as at 5th October 2018.

PROFILE OF DIRECTORS
(continued)

DATIN SEK CHIAN NEE ("DSCN")
Executive Director

Malaysian, aged 51, female, was appointed as the 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 is the spouse of Dato' Tan Wei Lian, the Executive Chairman of Tiger. She has no conflict of interest with the Company and has not been convicted of any offence in the last five years. Further, she holds a direct shareholding of 860,500 ordinary shares and indirect shareholding of 57,146,975 ordinary shares as at 5th October 2018.

PROFILE OF DIRECTORS
(continued)

DATO' KHOO SENG HOCK
Independent Non-Executive Director

Malaysian, aged 70, male, was appointed to the Board of Tiger on 7th October 2010 as an Independent Non-Executive Director. 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.

Dato' Khoo does not hold directorship in other public companies. He also 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 DIRECTORS
(continued)

CHUA ENG CHIN
Non-Independent
Non-Executive Director

Malaysian, aged 59, male, was appointed as the Independent Non-Executive Director of Tiger on 15th December 2006. However, on 7th December 2017, he has been re-designated as the Non-Independent Non-Executive Director. Currently, Mr. Chua is the member of the Remuneration Committee. Audit Committee as well as Nomination Committee of Tiger group.

Mr. Chua is a qualified Chartered Accountant since 1984. He is a registered Fellow Member of the Association of Chartered Accountants (United Kingdom) and Malaysian Institute of Accountants (MIA). He has extensive experience in auditing and consultancy. He held various key positions with some established companies, i.e. as an internal auditor of Lion Group and Berjaya Group. He also has 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.

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

LOW BOON CHIN
Independent Non-Executive Director

Malaysian, aged 70, male, was appointed on 12th September 2014 as the Independent Non-Executive Director at Tiger. He is the Chairman of Nomination Committee and Audit Committee as well as the member of ESOS Committee of Tiger group.

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 number of Associations and societies in Malaysia including that of Honorary Secretary in the Negeri Sembilan Chinese Chamber of Commerce & Industry.

Mr. Low sits on Boards of several other private companies in Malaysia where he holds executive function positions but he 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 DIRECTORS (continued)

DATO' LEE YUEN FONG
Independent Non-Executive Director

Malaysian, aged 68, male, was appointed to the Board of the Company on 30th July 2014 as the Independent Non- Executive Director of Tiger. He is the Chairman of the ESOS Committee and the member of Audit Committee and Nomination Committee of Tiger Group. Recently, he has been appointed as the Chairman of Remuneration Committee on 9th October 2018.

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 also 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**

LEA FEE CHIN

Ms. Lea, Malaysian, aged 44, female, has been with Tiger Group since 19th October 2015 and currently in the position of Group's Finance Manager. She graduated with a Bachelor Degree in Business Administration (Honours) from the University of Rockhampton, United States in 2008.

She involved in preparation of group financial statement and review of financial performance of the Company.

Further, she also involves in tax planning and support on business operation matters to the Group.

Ms Lea does not hold any directorship in any public companies.

She also does not have any family relationship with any Director and/or is not a 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 never been convicted to any offences within the past five (5) years.

CHAN YIN NIE

Ms. Chan, Malaysian, aged 28, female, was appointed as the Group's Legal Manager on 2nd October 2017. She graduated with a Degree of Bachelor of Law (Honours) from the University of Liverpool , United Kingdom in 2012. She was called to Honourable Society of Middle Temple, in 2013 after she has completed her Bar Professional Training Course at Cardiff University, United Kingdom. She was admitted to the High Court of Malaya as an Advocate and Solicitor in 2015.

Prior to joining Tiger Group, she practiced in Messrs. Shook Lin & Bok, Malaysia, where she has extensive experience in General Litigation, Competition Law and Corporate Law. During her tenure with Shook Lin & Bok, she also provided legal advice to statutory bodies on matters relating to their statutory functions and daily administration.

Currently, she provides legal advice, preparing and reviewing corporate related agreements and documents for the Tiger Group. Further, she also handles all conveyancing matters and disputes for the Group.
She also monitors the corporate exercise undertaken by the Group.

Ms. Chan does not hold any directorship in any public companies.

She also does not have any family relationship with any Director and/or is not a 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 never been convicted to any offences within the past five (5) years.

MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Shareholders,

This Management's Discussion and Analysis elaborates on the financial and operational performance of Tiger Synergy Berhad and its Group ("Tiger Group") over the 12-month period ended June 2018 ("FY2018"). It also provides guidance on upcoming launches and Management's expectations of the Group's prospects in the current financial year. We remain steadfast in pursuing our long-term vision to deliver value to its shareholders and stakeholders, to strengthen the balance sheet and conducting successful activities to further enhance its value.

The property sector remained soft and challenging throughout the financial year under review. There was an evident overhang of property particularly reflected in the huge number of unsold units in the high-end property market segment and an issue of oversupply especially within the domestic property market.

The rising bank interest rates, stringent bank lending policies, rising cost of living and the uncertainties brought on by trade tensions between the United Stated and China and 14th General Election remain the key challenges in the property market as consumers and investors remain cautious given the weak sentiments.

During the financial under review, the Group is mindful of the headwinds that surround the local property market scene. The Group exercised greater prudence in its products planning and continuously monitored and strategized its project launches and project planning to achieve the best match of its products to meet customer's needs and affordability levels in various locations whilst balancing profit and prudence to create higher value to its stakeholders.

PERFORMANCE REVIEW

Revenue

For the FY2018, the Group recorded an increase of RM1.21 million in revenue of RM10.57 million as compared to RM9.36 million for FY2017.The Group recorded a loss before taxation for the twelve (12) months period of RM3.72 million as compared to a loss before taxation of RM6.10 million for previous year to-date mainly attributed by lower recognition of share based payment of RM1.92 million as compared to RM4.31million for FY 2017 from the Employees' Share Option Scheme (ESOS). Revenue in the current year was increased due to higher contributions from the sales of concrete mix and higher contract works awarded.

Total Assets

Total assets increased by RM19.86 million to RM250.24 million from RM230.38 million in the last financial year. The increase was mainly attributable to the increase of trade receivable and land held for property development.

Share Capital

Share capital increased from RM124.52 million in FY2017 to RM140.34 million in FY 2018, largely due to the issuance of new shares from the private placement of RM7.52 million and the exercise of the share option under ESOS of RM9.36 million during the year.

Total Liabilities

The Group's bank borrowings decreased from RM11.98 million to RM11.06 million during the financial year.

The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. On a net basis, the Group's gearing ratio set at 0.04 times.

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 honoured 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

Given the challenging marketplace, we focused our development strategy on the affordable products for our property development division. We continuously innovated on layout and design to achieve competitive pricing and products. We also foresee the implementation of new policies by the new government to boost the 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, SungaiBuloh 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 RM150 million, is the first commercial development of the Group, comprising of 250 units of affordable serviced apartment and 15 commercial lots on a freehold land with area of 1.169 acres in Gombak, Kuala Lumpur.

MANAGEMENT DISCUSSION & ANALYSIS (continued)

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 Koperasi in Cheras, Kuala Lumpur. 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 120 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 MahkotaCheras, 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 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.

CONSTRUCTION

The Construction division was still remains the key contributor to the Group's revenue for the FY2018 pending launching of the major new development projects. The division registered a higher revenue of RM9.16 million and gross profit of RM2.63 million compared to a revenue of RM6.92 million in FY2017.

The increase of revenue in FY2018 was mainly attributable to the contract works secured for timber logging.

The Construction division also manage and execute the construction activities of the Group development projects to ensure our ability to deliver and produce quality products with optimal cost efficiency. The Construction division keeps track of new developments in the construction industry whilst complying with regulatory requirements for an effective quality and costs saving system.

MANUFACTURING AND TRADING

The Group has set-up its own batching plant to produce and supply ready mixed concrete 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 ready mixed concrete and other concrete related products from external suppliers and to ensure timely delivery of the ready mixed concrete 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.

MANAGEMENT DISCUSSION & ANALYSIS (continued)

In the current financial year, the production and sales of ready mixed concrete recorded a 680% increase in revenue to RM1.13 million from RM0.145 million in FY2017.

Malaysia's economic outlook is expected to remain strong despite the post-14th general election environment given its resilient and robust financial system. With higher oil prices and a stronger ringgit, the Group believes the new Government will continue the pump priming activities especially in the construction sector to keep the economy going. This will sustain demand for the ready mixed concrete and other concrete related products.

In addition, the Group will be more vigorous in carrying out its cost down initiatives to reduce costs further and continued its expansion programme in order to boost higher revenue and profits.

STRATEGIC AND DIVERSIFICATION

Taking cognisance of the challenging economic environment and pending launching of the major new development project, the Group has taken all steps and measures to reduce or eliminate specific administration costs and capital expenditure. The Group is cautious in its spending and always practise cost savings strategy to improve profitability and cash flow.

During the financial year, the Group continues to identify suitable land bank for future developments via a joint-venture. Focus was on land bank in good locations within Klang Valley, which are suitable for transit-oriented developments.

Moving forward, the Group intends to diversify to other business activities such as timber logging and plantation. This proposed diversification will provide for greater business expansion and sound financial growth for the Group as the additional revenue and income streams will enhance the profitability and prospects of the Group.

CUSTOMER SERVICE STRATEGIES

The group recognized the importance of integrating sustainability and shared value creation into our business strategies and objectives for sustainable business growth, sustainable communities and enhanced brand value. We are committed to this endeavor with the establishment of a dedicated sustainability team to manage the risks and opportunities with our businesses and sustainability.

We have continuously urged and initiatives for improvement in achieving cost savings, reducing risk and adding value to our products by mainstreaming sustainability development.

We recognized that innovating our businesses in today's digital age will give us a competitive edge, as well as enhance collaboration and communication internally and externally. As such, the Group is identifying opportunities in the digital space and collaborate with start-up companies to provide smart home solutions to house buyers.

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

RISK MANAGEMENT

Risk Management forms an important part of the integral process in achieving the Group's business objectives. The Group continuously reviews the risk management framework and policies to ensure consistency and relevance with the businesses and market environments.

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.

MANAGEMENT DISCUSSION & ANALYSIS (continued)

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.

FUND RAISING CORPORATE EXERCISE

On 10 January 2018, the group had announced to undertake the following :-

- Proposed consolidation of every 4 existing ordinary shares in TSB ("TSB Shares" or "Shares") into 1 new TSB Share ("Consolidated Share")("Proposed Share Consolidation").
- Proposed issuance of redeemable convertible notes ("Notes") with an aggregate amount of up to RM75.0million ("Proposed Notes Issue")

The proposal has been submitted to Bursa Malaysia Securities Berhad on 23 January 2018 and revised application on 04 April 2018. Bursa Malaysia Securities Berhad had vide its letter dated 23 April 2018 had approved the application.

On 6 June 2018, the Share Consolidation has been completed following the listing of and quotation for the 431,419,536 Consolidated Shares, 115,249,165 Consolidated Warrants 2013/2018 and 48,412,493 Consolidated Warrants 2016/2021 on the Main Market of Bursa Malaysia Securities Berhad.

On 28 June 2018, the Notes Issue has been implemented following the fulfillment of all conditions precedent of the Subscription Agreement. Pursuant thereto, TSB had issued 8 equal sub-tranches of Tranche 1 Notes amounting to RM4.0 million.

PROSPECTS

The outlook of the local property market is anticipated to be on the recovery as the new Government is set to address some of the issues that are negatively impacting the market with the key focus on affordable housing. It is anticipated that the local property landscape will start picking up pace, driven by sentiments of renewed confidence post-election and peaking interest among buyers who have been holding back on their investment.

In line with the government initiatives for the affordable housing, 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. We will continue to be vigilant to the changes in buyers' needs and versatile in its strategies to launch products that match the market's demand and redirect its resources to improve operational efficiency.

Moving forward, the Group endeavours to practice good governance and operational excellence to ensure sustainability in the economic, environment and social aspects. We will continue to strive for success, ensuring that our core value of "Trust, Integrity, Gratitude, Excellence and Respect" remain distinctly visible.

TAN LEE CHIN

Managing Director

AWARDS & **ACCOLADES**

LE FONTI AWARD 2018

Le Fonti Awards are held each year in multiple locations recognizing industry leaders in banking, business, economics, finance, sustainability, law, healthcare, insurance and e-commerce. The winners were selected after being carefully evaluated by Le Fonti's editorial staff of over 120 journalists from around the world. On March 23rd 2018, Tiger Synergy Berhad has won the Excellence of the Year for Innovation & Leadership Real Estate, Malaysia.

ASIA PACIFIC PROPERTY AWARD 2017

Tiger Synergy has won 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 bu a panel of over 70 experts.

SUSTAINABILITY **STATEMENT**

SUSTAINABILITY MANAGEMENT

Throughout the year, we've worked hard to conducting our business in a socially responsible and sustainable manner. Our focus on sustainability ensures we continue finding efficiencies and achieve positive impact across the business, environment and society. The Group is steadfast in adopting and implementing sustainable policies, strategies and practices in its day-to-day business operations and corporate activities.

Sustainability Governance

The Board of Directors undertakes an oversight role over the Group's sustainability efforts. The Board is responsible for overseeing key decisions related to sustainability matters of the Group and monitoring our performance against set targets to help advance our sustainability agenda.

We uphold the belief that commitment to high standards of corporate governance is essential in ensuring the sustainability of the Company, as well as to safeguard shareholders' interests and deliver long-term value. Aligning with the perspective of our stakeholders, the Group, within the scope of corporate operations, identified that the Corporate Governance and Transparency, Risk and Opportunity Management, Stakeholders Relations, Environment, Human Capital constitute key sustainability aspects material to our business.

CORPORATE GOVERNANCE AND TRANSPARENCY

Setting the right standards on governance protects the business and strengthen stakeholders' confidence whereas transparency in disclosure ensures that all stakeholders, be they investors, employees, customers or suppliers of the Company can have confidence in the decision-making and management processes of the Company. We believe that making good governance practices as an ingrained corporate culture would ease the Management's effort in achieving the financial goals of the Company. Having good governance would therefore reduce the risk of the Company and minimize the chance of a failure. Together with transparency, it could also enhance the image and standing of the Company in the eyes of the suppliers, customers and business partners. Consequently, with better performance, the value of the Company will increase and with more potential investors. The Board and Senior Management of Tiger 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. 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.

RISK AND OPPORTUNITY MANAGEMENT

Tiger has embedded proactive and structured risk and opportunity management at all levels of the organization. The breadth of the Group's Project Development and Construction operations provide increased resilience to risks and greater ability to capture opportunities. The Group has established a network across the business and in conjunction with ongoing discussions with management, external agencies and stakeholders, to identify the risks facing by our business. The Board recognises the importance of identifying and actively monitoring the strategic, reputational, financial and operational risks, and other longer-term threats, trends and challenges facing the 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 stakeholders groups as follows:

Investor Relations

Building stakeholders' confidence through timely and accurate disclosure and regular communication is the key focus of Tiger's Investor Relations function. We are committed to maintaining an open dialogue with shareholders and the Board recognises the importance of that relationship in the governance process. The Board has overall responsibility for ensuring that we listen to and effectively communicate with our shareholders. We communicate on significant corporate news through website, press conferences & interviews by engaging mainstream media and web-based platforms. Information is also communicated to shareholders on a timely basis through regular announcements including its business activities and financial performance. Communication is also made through annual reports that are issued to all shareholders within the mandatory period. Annual general meetings and extraordinary general meetings of the Company represent the principal forum for dialogue and interaction with all shareholders, and for the Company to solicit and understand the views and inputs of the shareholders.

Customers

Tiger seeks to deliver sustainable solutions and exceptional service levels to delight our customers. Understanding and meeting customers' needs is at the heart of everything we do. We anticipate people's evolving expectations and requirements and consider future market scenarios carefully. Our promise is to create inspiring spaces and deliver quality homes in line with the rising expectations and lifestyles aspirations of homebuyers to deliver quality products.

Government

Legal compliance and ethical practices are the core foundation of our business. The Group maintains close working relationships with business associates and regulators to keep abreast of changes in the regulatory framework and business environment. In doing so, regular formal and informal communications are undertaken with regulators, and also through industry associations. The Board is responsible for reviewing findings of internal investigations into suspected fraud, irregularity or infringement of any relevant laws, rules and regulations within the organisation that is likely to have a material impact on the Group's results.

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.

SUSTAINABILITY STATEMENT
(continued)

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 goal is to establish work ethics among our employees, which are in line with our core values and code of conduct. They are the foundation upon which we build all our business initiatives and conduct our day-to-day activities.

Community

Our primary vehicle for engaging with our communities is through charitable organisations that help those in need throughout our communities. Within a broad range of our community engagements, we focus on the education of today's youth and providing financial and practical support to targeted local and communities, through donation, sponsorship, and voluntary activities.

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, the Group has contributed and donated to the following charitable organisations, association and schools:-

a) PIBG Sekolah RJK (C) Chun Yin;
b) Pertubuhan Kaum Hokkien Seremban;
c) Negeri Sembilan Chinese Chamber of Commerce and Industry;
d) Sin Chew Media Corporation Berhad

ENVIRONMENT

At Tiger, we view our role as a developer of living spaces, lives, and communities. We are committed to protecting and conserving the environment that our business operates in. Initiatives have been taken to develop buildings which comply with the guidelines set by the local building authorities. We adopt strategies that are socially responsible by incorporating more greenery, landscaping, better facilities and innovative house design into our projects to improve the quality of the environment.

We endeavor to create an inclusive built-environment that serves the need of all age groups and people with different abilities, allowing for independent and equitable access and use. We are guided by our philosophy to care for and contribute to the economic, environmental, and social development of the communities. In conceptualising our developments, we create value by balancing economic objectives with the needs for environmental sustainability, and universal design considerations

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 has 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.

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

It is at the core of our value system to ensure the well-being of our team. Held together with a corporate and united vision, the Tiger team evidently strives together to ensure growth and development of the company, and each other.

Tiger's talented and varied people are our strongest resource. Through our Core Values, there has been a focus on providing a healthy and supportive working environment for all of our employees. We believe that an ethical and professional working environment is crucial in cultivating a corporate culture which motivates and empowers our employees to meet their full potential both professionally and personally.

We advocate lifelong learning and seek to develop our employees' capabilities to their potential so that they can grow together with the Company. Employees have been encouraged to sign up for relevant training courses to hone and sharpen their skills, knowledge and competencies.

Remuneration

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, memorandum 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.

Safety and Health ("SH")

Safety and health are fundamental in sustaining our human capital. Workplace safety is paramount to our employees, particularly in the construction sites. We are committed to Workplace Safety and Health (WSH) and take every precaution to prevent occupational injuries among employees. We believe that optimum work conditions not only make our employees safer, but also boost morale. We have worked extremely hard to ensure that all our contractors, suppliers and partners share our commitment to promoting safe and healthy work practices.

SUSTAINABILITY STATEMENT
(continued)

SUSTAINABLE FUTURE

The Group recognises the importance of business sustainability and will continue to reassessing its current operations and reviewing its performance in another essential perspective. We continue to refine our management approach to adapt to the changing business and sustainability landscape. As the Group commits itself in balancing good Economic performance with responsible Environmental and Social considerations, the Group will ensure that the notion of sustainability be embedded within our organisation as an important corporate culture. We will be looking forward to further seeking enhancement opportunities and mitigate foreseeable risks in delivering true and sustainable value for our stakeholders. This will be our long term commitment in recognising the need of a sustainable future.

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 2018, 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**

The Board of Directors ("Board") of Tiger Synergy Berhad ("Tiger" or "the Company") recognises the importance of corporate governance towards promoting business prosperity and corporate accountability to protect and enhance shareholders' value as well as the interest of the Company.

The Board 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 new Malaysian Code on Corporate Governance 2017 ("MCCG 2017") 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 2018 ("FYE 2018").

The Board is pleased to provide an overview of the corporate governance ("CG") practices, which made reference to the three key CG principles as set out in the MCCG throughout the FYE 2018 unless otherwise stated, as follows:-

(a) Principle A : Board Leadership and Effectiveness;
(b) Principle B : Effective Audit and Risk Management; and
(c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG overview statement, approved by the Board, shall be read together with the CG Report 2018 ("CG Report") of the Company which is available on the website of Bursa Malaysia Securities Berhad ("Bursa Securities") at www.bursamalaysia.com.

The said CG Report will provide the details on how the Company has applied each Practice, any departures thereof and the alternative measures being in place within the Company during the FYE 2018. The Board is satisfied that the Company has substantially complied with the MCCG throughout the FYE 2018 save for the exceptions which are fully described in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(i) BOARD 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 implementations of appropriate systems to manage these risks.

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. 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 identified risks.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(i) BOARD RESPONSIBILITIES (Cont'd)

(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.

The Board has formally adopted a 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 and the Code of Conduct are available at the Company's website at www.tigersynergy.my.

CHAIRMAN OF THE COMPANY

The Board is led by the Executive Chairman, Dato' Tan Wei Lian. The Chairman is responsible for providing leadership as well as to ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted as well as responsible to the following duties:-

(i) leading the Board in the oversight of the Management of the Company;
(ii) representing the Board to shareholders and chairing the general meeting of shareholders;
(iii) ensuring the integrity of the governance process and issues;
(iv) ensuring that all Directors are enabled and encouraged to participate in the activities of the Board;
(v) guiding and mediating Board actions with respect to organisational priorities and governance concerns; and
(vi) undertaking the primary responsibility for organising information necessary for the Board to deal with items on the agenda and for providing this information to Directors on a timely basis.

The Chairman leads the day-to-day affairs of the Group's business with the Managing Director ("MD"), Ms Tan Lee Chin. The MD holds the primary executive responsibility for the Group's business performance and to manage the Group in accordance with the strategies and policies approved by the Board. The MD will focus on the business and leads the Senior Management of the Company in making and implementing the day-to-day decisions on the business operations, managing resources and risks in pursuing the corporate objectives of the Group. The MD may delegate appropriate functions to any member of the Senior Management reporting to the MD. The MD and Management meet regularly to review and monitor the performance of the Group's operating divisions. The MD briefs the Board on the Group's business operations and Management's initiatives during the quarterly Board meetings.

THE POSITIONS OF CHAIRMAN AND CEO ARE HELD BY DIFFERENT INDIVIDUALS

The Board is aware that the roles of the Chairman and CEO of the Company are distinct and separate to stimulate accountability and facilitate clear division of responsibilities for ensuring there is a balance of power and authority in the Company. The segregation of roles also will facilitates a healthy and open exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Group.

The Company has a Chairman, Dato' Tan Wei Lian and a Managing Director, Ms Tan Lee Chin who has taken the role at the same par of a CEO position. The position of the MD in essence is to ensure the effective implementation of the Group's business plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operation.

In the Company, the distinct and separate roles of the Chairman and MD with clear division of responsibilities have ensured the balance of the power and authority and that no one has unfettered control of the Board. The roles and responsibilities of the Chairman and MD have been formalised in the Board Charter of the Company.

STATEMENT ON CORPORATE GOVERNANCE (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

QUALIFIED AND COMPETENT COMPANY SECRETARIES

The Board is supported by the Company Secretaries, who are members of the professional body namely, The Malaysian Institute of Chartered Secretaries and Administrators and they are also qualified under the Companies Act 2016 who can provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices. The Board has unlimited access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Company Secretaries play an important role in facilitating the overall compliance with the Companies Act 2016, Main Market Listing Requirements of Bursa Securities and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively.

In order to advice and guide the Board, the Company Secretaries have also been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the current regulatory changes in laws and regulatory requirements that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

ACCESS TO INFORMATION AND ADVICE

The Directors have full and unrestricted access to all information pertaining to the Company's business and affairs and to the Senior Management and Company Secretary so as to enable them to discharge their responsibilities. The Board recognizes that the decision making process largely dependent on the quality of information furnished to them.

Prior to the Board meetings, the Directors are provided with the agenda together with the Board papers on issues to be discussed. A record of the Board's deliberation of issues discussed and conclusion reached are recorded in the minutes of the meeting by the company secretary. After the meeting, the minutes are circulated to the Board and Board Committee members in a timely manner. The Board, whether as a full Board or in their individual capacity, has the right to engage independent professional advice, if necessary, at the Group's expense, in furtherance to their duties. In addition, all Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board meeting procedures and applicable rules and regulations are adhered to.

BOARD CHARTER AND THE CODE OF CONDUCT AND ETHICS FOR DIRECTOR

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the roles and responsibilities of the Board. The Board Charter is subject to review by the Board periodically to ensure that it remains consistent with the Board's roles and responsibilities as well as the prevailing legislation and practices.

The Board has also adopted a Code of Conduct and Ethics for Directors ("the Code") which is incorporated in the Board Charter. The Code was formulated to enhance the standard of corporate governance and to promote ethical conduct of the Directors.

The Boards continue to observe 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.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

SUSTAINABILITY OF BUSINESS

The Company views the commitment to promote sustainability strategies and its increasing relevance to the Group's Businesses.

The Company is steadfast to carry out business operations in a manner that will create minimum impacts on the environment and the community while creating value for the stakeholders via our Corporate Responsibility in its business, which are set out in the Sustainability Statement at page 34 to 38 of this Annual Report.

Further to that, in the view of recent amendments to the BMLR 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.

(ii) BOARD COMPOSITION

The Board composition of the Company represents a mix of knowledge, skills, and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The current Board recently comprises seven (7) Directors, out of which, one (1) Executive Chairman, one (1) Managing Director, one (1) Executive Director, one (1) Non-Independent Non-Executive Director and three (3) 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 profile of Directors is set out on pages 20 to 26 of this Annual Report.

The Board is of the view that the significant composition of Independent Non-Executive Directors, 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 regarded current Board composition to be effective in decision making at Board level where deliberation is still being upheld with the presence of the 3 Independent Non-Executive Directors. The view and deliberations of these Independent Directors usually aligned to safeguard public interest and to bring independence and objectivity to the Board's deliberations.

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 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 Nomination Committee 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, as of financial year 30th June 2018, none of the Independent Directors of Tiger exceed the tenure of 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.

STATEMENT ON CORPORATE GOVERNANCE (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(ii) BOARD COMPOSITION (Cont'd)

Other than that, 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.

Executive Chairman	Group Managing Director
• Responsible for managing the effective conduct of the Board and Board functions. • Responsible for the leadership of the Board and ensure its effectiveness as well as Board Governance. • 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. • To promote a culture of openness and debate facilitating the effective contribution of Non-Executive and Independent Directors. • Ensure that the Directors receive accurate, timely and clear information. • Take a leading role in the relationship with all external agencies in promoting the Group.	• Ensure that strategies, policies and matters approved by the Board are effectively implemented. • Manage the day-to-day business operations of the Group. • Ensure that the appropriate standards of corporate governance permeate through the organization. • Recommend key strategies and implement such strategies agreed by the Board. • Act as the official spoke person of the Group.

The Board in carrying out its stewardship responsibility, has delegated certain responsibilities by forming other committees namely Audit Committee, Nomination Committee, Remuneration Committee and Employee Share Options Scheme ("ESOS") Committee. The Chairman of the various committees will report to the Board on the outcomes of the Committee meetings. The Management especially the department heads are accountable to the Board and to fulfill their responsibilities through the provision of reports, briefings and presentations on a regular basis throughout the year and attending the quarterly Board of Directors' Meeting by invitation.

Audit Committee

The Audit Committee ("AC") comprises all of the Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director. 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 54 to 55 of this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination Committee

The Nomination Committee ("NC") comprises of all Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director. The members of the NC are as follows:-

Chairman	:	**Low Boon Chin** *(Independent Non-Executive Director)*
Members	:	**Dato' Khoo Seng Hock** *(Independent Non-Executive Director)* **Dato' Lee Yuen Fong** *(Independent Non-Executive Director)* **Chua Eng Chin** *(Non-Independent Non-Executive Director)*

As per Practice 4.7 of the MCCG 2017, the NC is chaired by an Independent 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 2018, the main activities carried by the NC include 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.

Remuneration Committee

The Remuneration Committee ("RC") comprises of three (3) Directors as follows:-

Chairman	:	**Dato' Lee Yuen Fong** *(Independent Non-Executive Director)*
Members	:	**Dato' Khoo Seng Hock** *(Independent Non-Executive Director)* **Chua Eng Chin** *(Non-Independent Non-Executive Director)*

The Board believes that RC will 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.

STATEMENT ON CORPORATE GOVERNANCE
(continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

BOARD DIVERSITY

The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and recognises the benefits of this diversity. The Board also recognises that having a range of different skills, backgrounds, experience and diversity is essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance.

The Board is of the view that whilst promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. Thus, the Company does not set any specific target for boardroom diversity but will actively take the necessary measures towards promoting a corporate culture that embraces gender diversity in the Boardroom.

Furthermore, the Company takes diversity not only in the Boardroom but also in the workplace as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Company.

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.

The Board currently has two (2) female directors which constitute almost one third (1/3) of the Board and is in line with Practice 4.5 of the MCCG 2017 in relation to gender diversity. The Board values the contribution that women can bring to the Board and the Group and will strive to maintain the female composition of the Board.

BOARD EVALUATION

The NC met twice during the financial year ended 30th June 2018 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 criterion 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.

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 FYE 2018, four (4) meetings were held and the attendances of the Directors at Board Meetings are as follows:

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

FOSTER COMMITMENT (CONT'D)

Board Meetings (Cont'd)

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.

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 BMLR. 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/Briefing/Workshop attended
Dato' Tan Wei Lian	1) Overview of Directors' Duties
Datin Sek Chian Nee	1) Overview of Directors' Duties
Tan Lee Chin	1) Green Financing : Funding Green Projects Through the Islamic Capital Market
Dato' Khoo Seng Hock	1) Overview of Directors' Duties
Chua Eng Chin	1) Identifying Growth Companies 2) Anti Money Laundering & Anti-Terrorism Financing - A relationship & Client Based Approach
Dato' Lee Yuen Fong	1) Overview of Directors' Duties
Low Boon Chin	1) Focus Group Discussion to Review Order of the minimum wage 2) Enterpreneurs' Action Committee meeting for Negeri Sembilan 3) 2018 ACCCIM Brainstorming Workshop

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.

STATEMENT ON CORPORATE GOVERNANCE (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

(iii) REMUNERATION

Details of Directors' remuneration paid or payable to all Directors of the Company and the Group and categorised into appropriate components for FYE 2018 are as follows:-

DIRECTORS' REMUNERATIONS

Company	Fees RM	Salary & Other Emoluments RM	Bonus RM	Share-based payment RM	Benefit in kind RM	Total RM
Executive Directors						
Dato' Tan Wei Lian	–	–	–	752,165	–	–
Datin Sek Chian Nee	–	–	–	28,620	–	–
Tan Lee Chin	–	–	–	–	–	–
Independent Directors						
Dato' Khoo Seng Hock	4,000	–	–	–	–	4,000
Dato' Lee Yuen Fong	4,000	–	–	–	–	4,000
Low Boon Chin	4,000	–	–	–	–	4,000
Chua Eng Chin	4,000	–	–	–	–	4,000
Group						
Executive Directors						
Dato' Tan Wei Lian	–	120,000	–	752,165	–	872,165
Datin Sek Chian Nee	–	336,829	–	28,620	–	365,449
Tan Lee Chin	–	405,600	–	–	–	405,600
Independent Directors						
Dato' Khoo Seng Hock	4,000	–	–	–	–	4,000
Dato' Lee Yuen Fong	4,000	–	–	–	–	4,000
Low Boon Chin	4,000	–	–	–	–	4,000
Chua Eng Chin	4,000	–	–	–	–	4,000

Other key management Personnel	
Salaries, wages and others	321,119
Defined contribution plan	27,407
Share-based payments	–
Other benefits	2,853
	351,379

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The Audit Committee ("AC") of the Company comprises four (4) members, all of whom are Non-Executive Directors. The members are as follows:-

(i)	Low Boon 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)	4 of 4 Meetings
(iv)	Chua Eng Chin (Non-Independent Non-Executive Director)	3 of 4 Meetings

The Chairman of the AC is appointed by the Board and is not the Chairman of the Board. The members of the AC possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities.

In addition, the AC members are literate in financials and are able to understand, analyse and challenge matters under purview of the AC including the financial reporting process. The Board is assisted by the AC to oversee the Group's and Company's financial reporting process and the quality of financial reporting and ensuring that the financial statements comply with the provisions of the Companies Act 2016 and the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia.

In presenting the annual audited financial statements to the shareholders, the Board takes responsibility to present a balanced and meaningful assessment of the Group's financial performance and prospects and ensure that the financial statements reviewed and recommended by the AC for Board's approval are prepared in accordance with the provisions of the Companies Act 2016, the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to present a true and fair view of the financial position, financial performance and cash flows of the Group and Company.

Furthermore, the AC reviews the annual financial statements and quarterly financial results before they are submitted to the Board for approval.

Besides overseeing the Group's accounting and financial reporting process, AC is also responsible to assist the Board to review the nature, scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors, to oversee and monitor the Group internal audit functions, reviews any related party transactions, oversees recurrent related party transactions, risk management activities and other activities such as governance matters. A full AC Report detailing its composition and a summary of activities during the financial year is set out in pages 59 to 62 of this Annual Report.

The performance of the AC is reviewed annually by the NC. The evaluation covered aspects such as the members' financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of the AC meetings.

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 2018, 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.

STATEMENT ON CORPORATE GOVERNANCE
(continued)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

UPHOLD INTEGRITY IN FINANCIAL REPORTING (Cont'd)

(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 2018, 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.

RECOGNISE AND MANAGE RISKS

In line with the Main LR and the MCCG 2017, 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.

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 Technology 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 B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement for inclusion in the financial year ended 30 June 2018 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.

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.

(ii) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board of Directors of Tiger Synergy Berhad 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 2018.

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board and Senior Management recognize their 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.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

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 is 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;and
- Quarterly performance reports that provide the Board and the Management with comprehensive information on financial and key business indicators.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

The Company strives to maintain an open and transparent channel of communication with its shareholders, institutional investors, analysts and the public at large with the objective of providing as clear and complete picture of the Group's performance and financial position as possible. The provision of timely information is important to the shareholders and investors for informed decision making. However, whilst the Company endeavors to provide as much information as possible to its shareholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

Currently, the Company's various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, general meetings of shareholders and through the Company's website at www.tigersynergy.com where shareholders can have easy access to the Company's corporate information such as the Board Charter, Code of Ethics and Conduct, press releases, financial information, Company announcements and others. The above channels of communication will help to enhance stakeholders' understanding of the business and operations of the Group and to make informed investment decisions.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

CONDUCT OF GENERAL MEETINGS

The Company's AGM remains the principal forum for dialogue with private and institutional shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the shareholders. At each AGM, the Board presents the progress and performance of the Company's businesses and shareholders are encouraged to participate in the proceedings and question and answer session and thereafter to vote on all resolutions. The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders in connection with the Audited Financial Statements.

The Chairman as well as the Executive Directors will respond to shareholders' questions at the AGM. The Executive Directors and other Directors present will also respond when required. The Notice and agenda of AGM together with Form of Proxy are given to shareholders at least twenty-eight (28) days before the AGM, which gives sufficient time to prepare themselves to attend the AGM personally or to appoint a proxy to attend and vote on their behalf. Each item of the special business included in the Notice of AGM is accompanied by an explanatory statement on the proposed resolution to facilitate the full understanding and evaluation of issues involved.

E-POLL VOTING

All the resolutions passed by the shareholders at the previous AGM held on 8 December 2017 were voted by way of a electronic polling (e-polling) in accordance with the Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities. The shareholders were briefed on the e-polling voting procedures by the appointed Poll Administrator, VotesApp Sdn Bhd (VotesApp) to conduct the e-polling process and All-In Worldwide Sdn Bhd as Scrutineers to verify the poll results.

The Poll Administrator, VotesApp will announce the poll results of the AGM with details on the number of votes cast for and against for each resolution and the respective percentage on the same day to Bursa Securities. The minutes of the AGM will also made available on the Company's website after it has been confirmed and signed by the Chairman of the AGM.

The Company has adopted the electronic voting to facilitate more efficient voting process and to ensure that the voting results are transparent and accurate. The Company has explored the use of technology to facilitate the voting in absentia and/or remote shareholders' participation at general meetings, taking into consideration the number of shareholders, the accuracy and stability of such technologies, applicable laws and regulations and the cost and resources required vis-à-vis the benefits.

This CG Statement was approved by the Board of Directors of the Company on 10 October 2018.

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 2018.

MEMBERS AND MEETINGS

The Audit Committee comprises four (4) members, majority of whom are Independent Non-Executive Directors. The Audit Committee is chaired by Mr. Low Boon Chin, the Independent Non-Executive Director of the Company.

The Audit Committee held 4 meetings during the financial year ended 30th June 2018. The members of the Audit Committee and their attendance are as follows:

(i)	Low Boon 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)	4 of 4 Meetings
(iv)	Chua Eng Chin (Non-Independent Non-Executive Director)	3 of 4 Meetings

SUMMARY OF WORK DURING THE FINANCIAL YEAR

For the financial year ended 30th June 2018, 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 2018; and significant issues and concerns arising from the audit.

- Reviewed the annual report and audited financial statements for the financial year ended 30th June 2018 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 2018.

- 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.

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

- Update on staffs' information.

(ii) Purchasing Department

- Review replacement for Purchasing Staff.

(iii) General

- Standard filing procedures.
- Material procurement planning for development.
- Update on Company's website.

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 2018 amounted to RM36,000.

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. The proceeds raised from the Proposed Private Placement were utilized for general working capital, repayment of bank borrowings and the expenses of the Proposed Private Placement.

Proposed Consolidation and Proposed Issuance of Redeemable Convertible Notes

On 10 January 2018, the group had announced to undertake the following:-

1. Proposed consolidation of every 4 existing ordinary shares in TSB ("TSB Shares" or "Shares") into 1 new TSB Share ("Consolidated Share")("Proposed Share Consolidation").

2. Proposed issuance of redeemable convertible notes ("Notes") with an aggregate amount of up to RM75.0million ("Proposed Notes Issue")

The proposals have been submitted to Bursa Malaysia Securities Berhad on 23 January 2018 and revised application on 04 April 2018. Bursa Malaysia Securities Berhad had vide its letter dated 23 April 2018 had approved the application.

On 6 June 2018, the Share Consolidation has been completed following the listing of and quotation for the 431,419,536 Consolidated Shares, 115,249,165 Consolidated Warrants 2013/2018 and 48,412,493 Consolidated Warrants 2016/2021 on the Main Market of Bursa Malaysia Securities Berhad.

During the financial year ended 30 June 2018, the Notes Issue has been implemented following the fulfillment of all conditions precedent of the Subscription Agreement. Pursuant thereto, TSB had issued 8 equal sub-tranches of Tranche 1 Notes amounting to RM4.0 million.

The proceeds raised from the proposals were utilized for working capital and the expenses in relation to the proposals.

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 2018 are set out in the table below:-

Description		Number of Options as at 30 June 2018 Total
(a)	Granted during the financial year	92,129,000
(b)	Exercised during the financial year	156,349,000
(c)	Outstanding options exercisable during the financial year after share consolidation	5,000,000

(b) The total number of options granted to the Directors and Senior Management, and outstanding options under the ESOS as at 30 June 2018 are set out in the table below:-

Description		Number of Options as at 30 June 2018	
		Directors	Senior Management
(a)	Granted during the financial year	34,829,000	0
(b)	Exercised during the financial year	92,449,000	6,600,000
(c)	Outstanding options exercisable during the financial year after share consolidation	5,000,000	0

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

		Since commencement up to 30 June 2018
(a)	Aggregate maximum allocation applicable to directors and senior management	70%
(b)	Actual percentage granted	68.06%

ADDITIONAL COMPLIANCE INFORMATION (continued)

OPTIONS OVER ORDINARY SHARES (Cont'd)

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

(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 2018
Dato' Khoo Seng Hock	5,000,000	0
Mr. Chua Eng Chin	15,000,000	0
Total	**20,000,000**	

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	RM140,540	RM66,000
Non-Audit fees	RM5,000	RM5,000

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

During the FYE 30th June 2018, there is no material contracts entered into by the Company and/or its subsidiaries involving directors and major shareholders.

FINANCIAL **STATEMENTS**

DIRECTORS' REPORT

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 2018.

Principal Activity

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in Note 6 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)/profit for the financial year attributable to owners of the Company	(3,726,623)	8,499,140

Reserves and Provisions

All material transfers to or from reserves and 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:

(a) 139,059,011 new ordinary shares at a weighted average price of RM0.05 per ordinary share for a total cash consideration of RM7,622,079 for working capital purpose;

(b) 156,349,019 new ordinary shares of RM0.041 each at RM6,410,312 from the exercise of employees share options;

(c) RM4,000,000 Redeemable Convertible Notes ("RCN") for working capital purposes.

On 6 June 2018, the Company completed its share consolidation exercise by consolidating every four ordinary shares in the Company into one new TSB Share ("Consolidated Share"). Subsequently to the date, 431,419,536 Consolidated Shares, 115,249,165 Consolidated Warrants 2013/2018 and 48,412,493 Consolidated Warrants 2016/2021 were issued.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares 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 on 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 services as a Director with the Group or the Company (as the case may be) and within the option period subject to By-laws.

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

		Number of ordinary shares				
Date of Offer	**Exercise Price**	**At 1.7.2017**	**Granted**	**Exercise**	**Effect of Share Consolidation^**	**At 30.06.18**
15.03.2017	0.041	84,220,000	–	(64,220,000)	(15,000,000)	5,000,000
02.11.2017	0.041	–	25,229,000	(25,229,000)	–	–
20.12.2017	0.041	–	53,000,000	(53,000,000)	–	–
09.02.2018	0.041	–	6,900,000	(6,900,000)	–	–
22.05.2018	0.041	–	7,000,000	(7,000,000)	–	–
		84,220,000	92,129,000	(156,349,000)	(15,000,000)	5,000,000

^ Effect of share consolidation exercise on 6 June 2018. Please refer details of ESOS in Note 29 to the financial statements.

The exercise price of ESOS becomes RM0.164 after share consolidation.

Details of options granted to Directors are disclosed in the section of the Directors' Interests.

DIRECTORS' REPORT
(continued)

Warrants

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. 115,249,165 Warrants remained unexercised as at 30 June 2018.

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. 48,412,493 Warrants remained unexercised as at 30 June 2018.

As at 30 June 2018, the unexercised warrants of the Company are as follows:

Warrants	**Date issued**	**Exercise Price**		**Number of Warrants over ordinary shares**	**Warrants Expiry Date**
		Before Consolidation	After Consolidation		
2013/2018	24 December 2013	RM0.20	RM0.80	96,767,520	23 December 2018
2013/2018	12 February 2016	RM0.17	RM0.68	18,481,645	23 December 2018
2016/2021	12 February 2016	RM0.08	RM0.32	48,412,493	11 February 2021

1% Redeemable Convertible Notes ("RCN")

The terms of the conversion of the RCN are disclosed in Note 17 to the financial statements.

As at 30 June 2018, the RCN in issue is RM4,000,000 in Principal.

Directors

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

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

The Director who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Devagi A/P Thangarasu

* Directors of the Company and its subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares and Debentures

The interests and deemed interests in the shares, 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 1.7.2017	**Acquired**	**Disposed**	**Effect of Share Consolidation^**	**At 30.6.2018**
Interests in the Company					
Direct interests					
Dato' Tan Wei Lian	262,519,900	17,266,000	(79,468,747)	(196,889,925)	3,427,228
Datin' Sek Chian Nee	57,188,600	1,027,000	(14,089,650)	(42,891,450)	1,234,500
Tan Lee Chin	25,277,900	15,177,500	(20,850,000)	(18,958,425)	646,975
Indirect interests					
Dato' Tan Wei Lian#	82,466,500	16,204,500	(34,939,650)	(61,849,875)	1,881,475
Datin' Sek Chian Nee#	287,797,800	32,443,500	(100,318,747)	(215,848,350)	4,074,203
Tan Lee Chin#	319,708,500	18,293,000	(93,558,397)	(239,781,375)	4,661,728

DIRECTORS' REPORT
(continued)

Directors' Interests in Shares and Debentures (Cont'd)

	Number of options over ordinary shares				
	At 1.7.2017	Granted	Exercised	Effect of Share Consolidation^	At 30.6.2018
Interests in the Company					
Direct interests					
Dato' Tan Wei Lian	15,920,000	32,129,000	(48,049,000)	–	–
Tan Lee Chin^	41,700,000	–	(10,425,000)	(31,275,000)	–
Datin' Sek Chian Nee	–	2,700,000	(2,700,000)	–	–
Dato' Khoo Seng Hock^	5,000,000	–	–	(3,750,000)	1,250,000
Chua Eng Chin^	15,000,000	–	–	(11,250,000)	3,750,000
Indirect interests					
Dato' Tan Wei Lian#	41,700,000	2,700,000	(13,125,000)	(31,275,000)	–
Datin' Sek Chian Nee#	57,620,000	32,129,000	(58,474,000)	(31,275,000)	–
Tan Lee Chin#	15,920,000	34,829,000	(50,749,000)	–	–

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

^ Effect of share consolidation on 6 June 2018. Please refer details on Note 16.3 to the financial statements.

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 Employees Share Option Scheme.

Indemnity and Insurance Costs

There were no indemnity given to or insurance effected for the Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016.

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 have been written down to an amount which the current assets might be expected so to realise.

(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 of the Group and of the Company which would render any amount stated in the financial statements 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 and of the Company which has arisen since the end of the financial year which secures the liabilities 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 as and 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.

DIRECTORS' REPORT
(continued)

Significant and Subsequent Events

Details of significant and subsequent events are disclosed in Note 36 and Note 37 to the financial statements.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 6 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

....	....
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 71 to 140 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 2018 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors
dated

....	....
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 71 to 140 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 Kuala Lumpur)
in the Federal Territory on)

....
DATO' TAN WEI LIAN

Before me,

....
COMMISSIONER FOR OATHS

INDEPENDENT **AUDITORS' REPORT**

to the Members of Tiger Synergy Berhad (Company No. : 325631-V)

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 2018 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 71 to 140.

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 2018, 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**
<u>Assessment of impairment of land held for property development</u> Refer to Note 2(c) Significant Accounting Judgements, Estimates and Assumptions, Note 3 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 2018 is RM104 million, representing 42% 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.

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

INDEPENDENT AUDITORS' REPORT
(continued)

- 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.

- 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 6 to the financial statements.

Other Matters

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

UHY
Firm Number: AF 1411
Chartered Accountants

TIO SHIN YOUNG
Approved Number: 03355/02/2020 J
Chartered Accountant

KUALA LUMPUR

STATEMENT OF **FINANCIAL POSITION**

for the Year Ended 30 June 2018

		Group		Company	
		2018	**2017**	**2018**	**2017**
	Note	**RM**	**RM**	**RM**	**RM**
Non-Current Assets					
Property, plant and equipment	4	5,540,362	7,181,463	125,213	124,224
Land held for property development	5(a)	104,357,303	86,991,401	–	–
Investments in subsidiary companies	6	–	–	12,013,779	10,074,535
Goodwill on consolidation	7	–	–	–	–
Other investment	8	1,613	1,559	1,613	1,559
Deferred tax assets	9	377,101	377,101	–	–
		110,276,379	94,551,524	12,140,605	10,200,318
Current Assets					
Property development costs	5(b)	119,590,876	119,590,876	–	–
Inventories	10	507,416	5,254	–	–
Trade receivables	11	10,375,672	3,291,719	–	–
Other receivables	12	5,788,267	3,321,241	87,950	15,324
Amount due from subsidiary companies	13	–	–	216,779,533	197,314,345
Fixed deposits with financial institutions	14	911,553	1,038,375	–	–
Cash and bank balances		2,789,677	4,179,658	2,239,399	4,445
Assets classified as held for sale	15	–	4,400,000	–	–
		139,963,461	135,827,123	219,106,882	197,334,114
Total Assets		250,239,840	230,378,647	231,247,487	207,534,432

STATEMENT OF FINANCIAL POSITION
(continued)

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Equity					
Share capital	16	140,342,663	124,519,661	140,342,663	124,519,661
Redeemable convertible notes	17	3,839,185	–	3,839,185	–
Reserves	18	84,272,592	89,026,755	82,208,018	74,736,418
Total Equity		228,454,440	213,546,416	226,389,866	199,256,079
Non-Current Liabilities					
Bank borrowings	19	7,816,284	8,185,097	–	–
Finance lease liabilities	20	1,410,111	1,355,126	–	–
Deferred tax liabilities	9	50,495	11,900	50,495	11,900
Redeemable convertible notes	17	77,640	–	77,640	–
		9,354,530	9,552,123	128,135	11,900
Current Liabilities					
Trade payables	21	4,888,104	316,551	–	–
Other payables	22	2,379,852	1,470,591	395,759	229,242
Amount due to subsidiary companies	13	–	–	3,654,725	8,036,672
Amount due to Directors	23	957,901	–	679,002	–
Tax payable		543,007	1,300,721	–	539
Bank borrowings	19	3,247,473	3,793,816	–	–
Finance lease liabilities	20	414,533	398,429	–	–
		12,430,870	7,280,108	4,729,486	8,266,453
Total Liabilities		21,785,400	16,832,231	4,857,621	8,278,353
Total Equity and Liabilities		250,239,840	230,378,647	231,247,487	207,534,432

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Year Ended 30 June 2018

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Revenue	24	10,574,280	9,363,019	–	–
Cost of sales		(7,809,555)	(4,791,738)	–	–
Gross profit		2,764,725	4,571,281	–	–
Other income		1,659,065	211,756	9,777,428	53
Administrative expenses		(7,614,313)	(10,104,533)	(1,697,843)	(1,519,099)
Finance costs	25	(957,435)	(867,007)	–	–
(Loss)/Profit before taxation	26	(4,147,958)	(6,188,503)	8,079,585	(1,519,046)
Taxation	27	421,335	87,975	419,555	91,620
Net (loss)/profit for the financial year, representing total comprehensive (loss)/income for the financial year		(3,726,623)	(6,100,528)	8,499,140	(1,427,426)
Net (loss)/profit for the financial year, attributable to:					
Owners of the parent		(3,726,623)	(6,100,528)	8,499,140	(1,427,426)
Total comprehensive (loss)/income for the financial year attributable to:					
Owners of the parent		(3,726,623)	(6,100,528)	8,499,140	(1,427,426)
Loss per ordinay share (sen)					
- Basic	28	(0.24)	(0.44)		
- Diluted	28	(0.24)	(0.44)		

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

STATEMENT OF **CHANGES IN EQUITY**

for the Year Ended 30 June 2018

	Attributable to owners of the Company						
	Non-distributable					Distributable	
	Share Capital RM	Redeemable Convertible Notes ("RCN") RM	Warrant Reserve RM	Employees Share Option Reserve RM	Other Reserve RM	Retained Earnings RM	Total Equity RM
Group							
At 1 July 2017	124,519,661	–	40,645,808	2,189,720	(5,809,499)	52,000,726	213,546,416
Net loss for the financial year, representing total comprehensive loss for the financial year	–	–	–	–	–	(3,726,623)	(3,726,623)
Transactions with owners of the Company:							
Issuance of ordinary shares	7,622,079	–	–	–	–	–	7,622,079
Share options exercise	9,361,317	–	–	(2,951,005)	–	–	6,410,312
Issuance of RCN	–	3,839,185	–	–	–	–	3,839,185
Share issurance expenses							
- Issuance of ordinary shares	(96,109)	–	–	–	–	–	(96,109)
- Issuance of RCN	(1,064,285)	–	–	–	–	–	(1,064,285)
Share-based payments	–	–	–	1,923,465	–	–	1,923,465
Total transactions with owners of the Company	15,823,002	3,839,185	–	(1,027,540)	–	–	18,634,647
At 30 June 2018	140,342,663	3,839,185	40,645,808	1,162,180	(5,809,499)	48,274,103	228,454,440

STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to owners of the Company						
	Non-distributable					Distributable	
	Share Capital RM	Share Premium RM	Warrant Reserve RM	Employees Share Option Reserve RM	Other Reserve RM	Retained Earnings RM	Total Equity RM
Group							
At 1 July 2016	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	2,189,720	(5,809,499)	52,000,726	213,546,416

STATEMENT OF CHANGES IN EQUITY (continued)

	Non-distributable					Distributable	
	Share Capital RM	Redeemable Convertible Notes RM	Warrant Reserve RM	Employees Share Option Reserve RM	Other Reserve RM	Retained Earnings RM	Total Equity RM
Company							
At 1 July 2017	124,519,661	–	40,645,808	2,189,720	(5,809,499)	37,710,389	199,256,079
Net profit for the financial year, representing total comprehensive profit for the financial year	–	–	–	–	–	8,499,140	8,499,140
Transactions with owners of the Company:							
Issuance of ordinary shares	7,622,079	–	–	–	–	–	7,622,079
Issuance for RCN	–	3,839,185	–	–	–	–	3,839,185
Share options expenses	9,361,317	–	–	(2,951,005)	–	–	6,410,312
Share issuance expenses							
- issuance of ordinary shares	(96,109)	–	–	–	–	–	(96,109)
- issuance for RCN	(1,064,285)	–	–	–	–	–	(1,064,285)
Share-based payments	–	–	–	1,923,465	–	–	1,923,465
Total transactions with owners of the Company	15,823,002	3,839,185	–	(1,027,540)	–	–	18,634,647
At 30 June 2018	140,342,663	3,839,185	40,645,808	1,162,180	(5,809,499)	46,209,529	226,389,866

STATEMENT OF CHANGES IN EQUITY (continued)

	Non-distributable					Distributable	
	Share Capital RM	Share Premium RM	Warrant Reserve RM	Employees Share Option Reserve RM	Other Reserve RM	Retained Earnings RM	Total Equity RM
Company							
At 1 July 2016	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	2,189,720	(5,809,499)	37,710,389	199,256,079

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

STATEMENT OF **CASH FLOWS**

for the Year Ended 30 June 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash Flows From Operating Activities					
(Loss)/Profit before taxation		(4,147,958)	(6,188,503)	8,079,585	(1,519,046)
Adjustments for:					
Depreciation of property, plant and equipment		1,183,223	1,119,986	19,779	19,260
Gain on disposal of property, plant and equipment		(72,480)	(130,000)	–	–
(Gain)/Loss on disposal of a subsidiary company		(794,987)	–	249,500	–
Impairment of land held for property development		–	967,965	–	–
Interest expenses		957,435	867,007	–	–
Interest income		(34,010)	(66,526)	(15)	–
Bad debts written off		–	38,336	–	–
Reversal of impairment losses on investment in subsidiary companies		–	–	(17,944)	(3,337,816)
Share-based payments		1,923,465	4,305,600	752,165	4,305,600
Waiver of amount due to other payables		–	(10,685)	–	–
Waiver of amount due to a subsidiary company		–	–	(8,227,413)	–
Operating (loss)/profit before working capital changes		(985,312)	898,956	855,657	(532,002)
Changes in working capital:					
Property development costs		–	(821,004)	–	–
Inventories		(64,939)	8,404	–	–
Receivables		(9,550,979)	(1,067,402)	(72,626)	65,676
Payables		5,569,552	(2,552,875)	166,517	(202,362)
		(4,046,366)	(4,432,877)	93,891	(136,686)
Cash (used in)/from operations		(5,031,678)	(3,533,921)	949,548	(3,388,279)
Interest received		34,010	66,526	15	–
Interest paid		(957,435)	(867,007)	–	–
Tax refund		369,868	–	419,016	–
Tax paid		–	(88,769)	–	–
		(553,557)	(889,250)	419,031	–
Net cash (used in)/from operating activities		(5,585,235)	(4,423,171)	1,368,579	(3,388,279)

STATEMENT OF CASH FLOWS
(continued)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash Flows From Investing Activities					
Purchases of property, plant and equipment	4(b)	(205,018)	(40,456)	(20,768)	–
Purchase of other investment		(54)	(1,559)	(54)	(1,559)
Additional investment in a subsidiary company		–	–	(1,000,000)	–
Proceeds from disposal of investment in a subsidiary company		–	–	500	–
Increase in land held for property development and property development cost		(12,965,902)	(6,685,343)	–	–
Net cash inflow on disposal of a subsidiary company		2	–	–	–
Advances to subsidiary companies		–	–	(15,619,722)	(2,719,591)
Proceeds from disposal of property, plant and equipment		777,153	130,000	–	–
Net cash used in investing activities		(12,393,819)	(6,597,358)	(16,640,044)	(2,721,150)
Cash Flows From Financing Activities					
Drawdown of term loans		–	4,000,000	–	–
Proceeds from issue of share capital		7,622,079	–	7,622,079	–
Repayment of finance lease liabilities		(407,911)	(501,373)	–	–
Repayment of term loans		(938,525)	(484,469)	–	–
Proceeds from exercises of ESOS		6,410,312	3,336,580	6,410,312	3,336,580
Proceeds from RCN	17	4,000,000	–	4,000,000	–
Share issuance expenses					
– Issuance of ordinary shares		(96,109)	–	(96,109)	–
– Issuance of RCN		(1,108,865)	–	(1,108,865)	–
Advances from Directors		957,901	–	679,002	–
Net cash from financing activities		16,438,882	6,350,738	17,506,419	3,336,580

STATEMENT OF CASH FLOWS
(continued)

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Net (decrease)/increase in cash and cash equivalents		(1,540,172)	(4,665,567)	2,234,954	(2,772,849)
Cash and cash equivalents at the beginning 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		1,182,297	2,722,469	2,239,399	(2,715,146)
Cash and cash equivalents at the end of the financial year comprise:					
Fixed deposits with financial institutions	14	911,553	1,038,375	–	–
Cash and bank balances		2,789,677	4,179,658	2,239,399	4,445
Bank overdraft	19	(2,518,933)	(2,495,564)	–	–
		1,182,297	2,722,469	2,239,399	4,445

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

NOTES TO THE **FINANCIAL STATEMENTS**

30 JUNE 2018

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 6. 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.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

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:

Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to FRSs 2014 – 2016 Cycle	Amendments to FRS 12 *Disclosure of Interests in Other Entities*

The adoption of the Amendments to FRS 107 has required additional disclosure of changes in liabilities arising from financing activities in Note 32. Other than that, the adoption of above amendments to FRSs did not have any significant impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

2. Basis of Preparation

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new FRSs, IC Interpretations 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
FRS 9	*Financial Instruments* (IFRS 9 as issued by IASB in July 2014)	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 4	Applying FRS 9 *Financial Instruments* with FRS 4 *Insurance Contracts*	1 January 2018*
Amendments to FRS 140	Transfers of Investment Property	1 January 2018
Annual Improvements to FRSs 2014 - 2016 Cycle:		
• 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
IC Interpretation FRS 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

* *Entities that meet the specific criteria in FRS 4, paragraph 20B, may choose to defer the application of FRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The Group's and the Company's financial statements for annual period beginning on 1 January 2018 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB. As a result, the Group and Company will not be adopting the above FRSs, Interpretations and amendments.

2. Basis of Preparation

(a) Statement of compliance (Cont'd)

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective for annual period beginning on or after 1 January 2018

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate,* including its parent, significant investor and venturer (hereinafter called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 30 June 2019. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group and the Company consider that they are achieving their scheduled milestone and expect to be in the position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2019.

Certain subsidiary companies and associate companies of the Group which do not fall within the scope of Transition Entities have adopted the MFRS Framework. Accordingly, reconciliations have been performed for the different financial reporting frameworks. However, the difference did not have significant impact to these financial statements.

The Directors expect the adoption of MFRS Framework will have no material impacts on the financial statements of the Group and the Company except as mentioned below:

<u>MFRS 9 *Financial Instruments* (effective for annual period beginning on or after 1 January 2018)</u>

In November 2014, MASB issued the final version of MFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces MFRS 139 *Financial Instruments: Recognition and Measurement* and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required.

During 2017, the Group has performed an impact assessment of all three aspects of MFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2019 when the Group will adopt MFRS 9.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

2. Basis of Preparation

(a) Statement of compliance (Cont'd)

MFRS 9 *Financial Instruments* (effective for annual period beginning on or after 1 January 2018) (Cont'd)

Based on the analysis of the Group's and the Company's financial assets and financial liabilities as at 30 June 2018 on the basis of facts and circumstances that exist at that date, the Directors of the Group's and the Company's have assessed the impact of MFRS 9 to the Group's and the Company's financial statements as follows:

(i) Classification and measurement

The Group and the Company do not expect a significant impact on its statements of financial position or equity on applying the classification and measurement requirements of MFRS 9.

Loans and receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interests. The Group and the Company analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

(ii) Impairment

The Group and the Company will apply the simplified approach and record lifetime expected losses on all trade and other receivables. The Group has determined that there will be no significant impact on the Group's and the Company's financial statements.

The Group and the Company are currently finalising the quantitative effects of applying the standard on the financial statements of the Group and the Company.

MFRS 15 *Revenue from Contracts with Customers* (effective for annual period beginning on or after 1 January 2018)

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with the core principle by applying the following steps:

(1) Identify the contracts with a customer;
(2) Identify the performance obligation in the contract;
(3) Determine the transaction price;
(4) Allocate the transaction price to the performance obligations in the contract;
(5) Recognise revenue when the entity satisfies a performance obligation.

The Group and the Company intend to adopt the standard using modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2018 and that comparatives will not be restated.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective for annual period beginning on or after 1 January 2018 (Cont'd)

The Directors expect the adoption of MFRS Framework will have no material impacts on the financial statements of the Group and the Company except as mentioned below: (Cont'd)

<u>MFRS 15 *Revenue from Contracts with Customers* (effective for annual period beginning on or after 1 January 2018)</u> (Cont'd)

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and the Company in 2018 when the Company adopts MFRS 15.

<u>MFRS 16 *Leases* (effective for annual period beginning on or after 1 January 2019)</u>

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of the MFRS 16 to published standard on the financial statements of the Group and the Company are currently being assessed by management.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Basis of Preparation (Cont'd)

(c) 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.

Judgements

The following are the judgements made by the management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

<u>Classification between Property, Plant and Equipment and inventories</u>

The Group has developed certain criteria based on FRS 16 *Property, Plant and Equipment* in making judgement whether a property quality as a property, plant and equipment.

The Group has decided not to treat these properties as property, plant and equipment as it is not the Group's intention to hold these properties for own use but rather for sale. Accordingly, these properties are classified as inventories.

The carrying amounts of these inventories as at reporting date are RM437,222 (2017: nil).

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

<u>Useful lives of property, plant and equipment</u>

The Group regularly reviews the estimated useful lives of property, 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 property, plant and equipment would increase the recorded depreciation and decrease the value of plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 4.

<u>Impairment of land held for property development</u>

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).

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

<u>Impairment of investments in subsidiary companies</u>

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 6.

<u>Employees share option</u>

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.

<u>Income taxes</u>

Judgement 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 2018, the Group has tax payable of RM543,007 (2017: RM1,300,721).

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(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.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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 in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's 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.

If the initial accounting for a business combination is incomplete by the end to the reporting period in which the combinations occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

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 instrument 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(l)(i) to the financial statements on impairment of non-financial assets.

(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.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(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(l)(i) to the financial statements on impairment of non-financial assets.

(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(l)(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.

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(l)(i).

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.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

3. Significant Accounting Policies (Cont'd)

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

(i) Recognition and measurement (Cont'd)

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.

(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 under construction are not depreciated until the assets are ready for its intended use.

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

Buildings	2%
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.

<u>As lessee</u>

(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.

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

(c) Leases (Cont'd)

<u>As lessee</u> (Cont'd)

(i) Finance lease (Cont'd)

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.

(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 consists 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. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i).

Land held for property development is reclassified as current asset when the development activities have been commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

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 all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on 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 as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant Accounting Policies (Cont'd)

(e) Property development costs (Cont'd)

Property development costs not recognised as an expense are recognised as an asset, which measured at the lower of cost and net realisable value.

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

(f) 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.

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)

(f) 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: (Cont'd)

(ii) Available-for-sale financial assets (Cont'd)

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

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in profit or loss.

(g) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant Accounting Policies (Cont'd)

(h) 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.

(i) 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.

The cost of completed properties includes cost of land and related development costs.

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.

(j) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion method is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable recoverable and contract costs are recognised as expenses in the period in which they are incurred.

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probably that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the reporting period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as amounts due to contract customers.

(k) 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)**

(l) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant Accounting Policies (Cont'd)

(l) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group 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.

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.

Available-for-sale financial assets

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.

3. Significant Accounting Policies (Cont'd)

(m) Share capital

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. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(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 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

3. Significant Accounting Policies (Cont'd)

(o) Revenue recognition (Cont'd)

(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.

(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 taxes

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) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

(i) where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables are recognised inclusive of GST.

The net amount of GST being the difference between output and input of GST, payable to or receivables from the authority at the reporting date, is included in other payables or other receivables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant Accounting Policies (Cont'd)

(s) 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.

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

<u>Equity-settled Share-based Payment Transaction</u>

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

3. Significant Accounting Policies (Cont'd)

(t) 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.

(u) 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.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(w) 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.

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.

3. Significant Accounting Policies (Cont'd)

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

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.

(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.

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.

3. Significant Accounting Policies (Cont'd)

(y) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the FRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint operation.

(z) Compound financial instruments

Compound financial instruments issued by the Company comprise Redeemable Convertible Notes ("RCN") that can be converted to share capital at the option of the holder.

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component. Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

4. **Property, Plant and Equipment**

Group	Note	Freehold land RM	Buildings RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machinery RM	Renovations RM	Total RM
Cost								
At 1 July 2017		84,251	916,220	185,911	2,823,366	6,791,900	32,263	10,833,911
Additions		–	–	–	503,250	160,000	20,768	684,018
Disposals		–	(261,280)	–	(90,718)	(600,000)	–	(951,998)
Transfer to inventories	10	(84,251)	(352,972)	–	–	–	–	(437,223)
At 30 June 2018		–	301,968	185,911	3,235,898	6,351,900	53,031	10,128,708
Accumulated depreciation								
At 1 July 2017		–	68,973	56,708	1,510,870	1,994,743	21,154	3,652,448
Charge for the financial year		–	10,687	17,324	560,200	590,690	4,322	1,183,223
Disposals		–	(33,966)	–	(45,359)	(168,000)	–	(247,325)
At 30 June 2018		–	45,694	74,032	2,025,711	2,417,433	25,476	4,588,346
Carrying amount								
At 30 June 2018		–	256,274	111,879	1,210,187	3,934,467	27,555	5,540,362

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

Group	Freehold land RM	Buildings 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
Disposal	–	–	–	(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

NOTES TO THE FINANCIAL STATEMENTS
(continued)

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

Company	**Furniture, fittings and equipment RM**	**Renovations RM**	**Total RM**
2018			
Cost			
At 1 July 2017	160,341	32,263	192,604
Additions	–	20,768	20,768
At 30 June 2018	160,341	53,031	213,372
Accumulated depreciation			
At 1 July 2017	47,803	20,577	68,380
Charge for the financial year	16,034	3,745	19,779
At 30 June 2018	63,837	24,322	88,159
Carrying amount			
At 30 June 2018	96,504	28,709	125,213
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

(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 2018 RM	**2017 RM**
Motor vehicles	1,203,436	1,312,496
Plant and machinery	1,928,084	268,920
	3,131,520	1,581,416

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	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Aggregate costs	684,018	376,456	20,768	–
Less: Finance leases arrangement	(479,000)	(336,000)	–	–
Cash payments	205,018	40,456	20,768	–

(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 RM212,483 (2017:RM581,861).

(d) During the financial year, the Group decided not to treat these properties as property, plant and equipment as it is not the Group's intention to hold these properties for own use but rather for sale. Accordingly, the properties of RM437,222 were transferred to inventories.

5. Land Held for Property Development and Property Development Costs

(a) Land held for property development

		Group	
	Note	**2018 RM**	**2017 RM**
Cost			
Freehold land			
At 1 July		54,406,189	30,015,393
Transfer from/(to) assets classified as held for sale	15	2,200,000	(2,200,000)
Additions		9,751	30,856
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		56,615,940	54,406,189
Development costs			
At 1 July		33,553,177	30,073,226
Transfer from/(to) assets classified as held for sale	15	2,200,000	(2,200,000)
Additions		12,956,151	6,654,487
Transfer to property development costs	5(b)	–	(848,882)
Disposal of land		–	(125,654)
At 30 June		48,709,328	33,553,177
Total land held for property development		105,325,268	87,959,366
Less: Accumulated impairment losses			
At 1 July		(967,965)	–
Impairment loss for the financial year		–	(967,965)
At 30 June		(967,965)	(967,965)
Carrying amount at 30 June		104,357,303	86,991,401

NOTES TO THE FINANCIAL STATEMENTS
(continued)

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

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

(i) Land held for property development of the Group with carrying amount of RM34,070,970 (2017: RM34,033,790) is pledged as security for bank borrowings as disclosed in Note 19 to the financial statements.

(ii) In the previous financial year, the impairment review has led to the recognition of impairment losses amounting to RM967,965 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	
	Note	2018 RM	2017 RM
Cost			
Freehold land			
At 1 July		768,374	28,727,954
Additions		–	1,400
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	768,374
Development costs			
At 1 July		118,822,502	115,627,322
Additions		–	2,346,298
Transfer from land held for property development	5(a)	–	848,882
At 30 June		118,822,502	118,822,502
Total property development costs		119,590,876	119,590,876

Included in the property development costs incurred during the financial year are the following:

	Group	
	2018 RM	2017 RM
Joint venture development costs	11,000,000	8,000,000

6. Investments in Subsidiary Companies

	Company 2018 RM	Company 2017 RM
Unquoted shares, at cost	22,465,129	20,543,829
Less: Accumulated impairment loss		
At 1 July	10,469,294	13,807,110
Reversal during the financial year	(17,944)	(3,337,816)
At 30 June	10,451,350	10,469,294
	12,013,779	10,074,535

Included in the cost of investment in subsidiary companies during the financial year is a change of RM1,171,300 (2017: nil) representing the recognition of equity - settled share - based payments for share options granted to / forfeited from subsidiary companies' employees to acquire ordinary shares of the Company.

During the current financial year, a reversal of impairment loss amounting to RM17,944 was made on certain subsidiary companies as a result of the investment exceeding the carrying amount. The recoverable amount of the investment exceeding the carrying amount. The recoverable amount of RM3,733,643 was determined based on value in use calculation. Pre-tax discount rate used is 7.9%

The reversal of impairment loss of RM17,944 (2017: RM3,337,816) was recognised in administrative expenses in the statements of profit or loss and other comprehensive income.

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest 2018 %	Effective interest 2017 %	Principal activities
Held by the Company:				
Tiger Synergy Timber Sdn. Bhd. ("TST")	Malaysia	100	100	Property development, construction and project consultancy.
Tiger Synergy Industries (M) Sdn. Bhd. ("TSI")	Malaysia	100	100	Manufacturing furniture parts and accessories and wood-based products.
Allfit Furniture Industries Sdn. Bhd. ("AFI")	Malaysia	100	100	Manufacturing, trading of wood based products, property development, construction and project consultancy.
Tiger Synergy Plantation Sdn. Bhd. ("TSP")	Malaysia	100	100	Trading in plywood, building materials and its related services and investment holding.
Goldenier Property Management Sdn. Bhd.* ("GPM")	Malaysia	100	100	Property investment, Investing holding, property development and construction.
Ace Decor Sdn. Bhd.* ("AD")	Malaysia	100	100	Building materials and general trading.
MHB Property Management Sdn. Bhd.* ("MHBPM")	Malaysia	100	100	Investment holding and property investment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Country of incorporation	Effective interest 2018 %	Effective interest 2017 %	Principal activities
Tiger Synergy Development Sdn. Bhd.* ("TSD")	Malaysia	100	100	Property development.
Tiger Synergy Mix Sdn. Bhd.* ("TSM")	Malaysia	100	100	Timber concession and batching plant.
Pembinaan Terasia Sdn. Bhd.* ("PTSB")	Malaysia	100	100	Property development and construction.
Tiger Synergy Housing Development Sdn. Bhd.* ("TSHD") (Note a)	Malaysia	100	100	Property development and construction.
MHB Property Development Sdn. Bhd.* ("MHBPD") (Note b)	Malaysia	–	100	Property development.
Myharmony Development Sdn. Bhd. ("MHD")	Malaysia	100	100	Investing holding, property developer and construction.
Teladan Bina Sdn. Bhd. ("TBSB")	Malaysia	100	100	Property development.
Promosi Juara Sdn. Bhd. ("PJSB")	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.

(a) Acquisition of subsidiary company

On 21 August 2017, the Company subscribed 1,000,000 new ordinary shares in TSHD for a total cash consideration of RM1,000,000. The effective equity interest remained unchanged.

(b) Disposal of a subsidiary company

During the financial year, the Company had disposed 250,000 ordinary shares, representing 100% equity interest in MHB Property Development Sdn. Bhd. ("MHBPD") for a cash consideration of RM500, resulting in a loss on disposal of RM249,500 at Company level. The subsidiary company was previously reported as part of the investment property segment.

6. Investments in Subsidiary Companies (Cont'd)

(b) Disposal of a subsidiary company (Cont'd)

The effect of the disposal of MHB Property Development Sdn. Bhd. on the financial position of the Group as at the date of disposal was as follows:

	2018 RM
Assets and Liabilities	
Cash and bank balances	498
Trade and other payables	(88,738)
Tax payable	(706,247)
Total net liabilities	(794,487)
Less: Proceeds from disposal	(500)
Gain on disposal	(794,987)
Proceeds from disposal	500
less: cash and bank balances disposed	(498)
Net cash inflows from disposal	2

There was no disposal in the previous financial year.

7. Goodwill on Consolidation

	Group 2018 RM	Group 2017 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	–	–

8. Other Investment

	2018		2017	
	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	1,613	1,613	1,559	1,559

NOTES TO THE FINANCIAL STATEMENTS
(continued)

9. Deferred Tax Assets/(Liabilities)

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
At 1 July/ 30 June	377,101	377,101	–	–

Deferred tax liabilities

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
At July	(11,900)	(11,900)	(11,900)	(11,900)
Upon Issuance of redeemable convertible notes (“RCN”) (Note 17) (vi)	(38,595)	–	(38,595)	–
At 30 June	(50,495)	(11,900)	(50,495)	(11,900)

Presented after appropriate offsetting as follows:

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Deferred tax assets	377,101	377,101	–	–
Deferred tax liabilities	(50,495)	(11,900)	(50,495)	(11,900)
	326,606	365,201	(50,495)	(11,900)

The movements and components of deferred tax assets and liabilities of the Group and of the Company prior to offsetting are as follows:

Deferred tax assets

Group	Decelerated capital allowances RM	Unutilised tax losses and capital allowances RM	Total RM
At 1 July 2016	377,101	441,755	818,856
Recognised in profit or loss	–	56,706	56,706
At 30 June 2017/30 June 2018	377,101	498,461	875,562

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

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

Deferred tax liabilities

	Redeemable Convertible Notes RM	Accelerated capital allowances RM	Total RM
Group			
At 1 July 2016	–	(453,655)	(453,655)
Recognised in profit or loss	–	(56,706)	(56,706)
At 30 June 2017/ 30 June 2018	–	(510,361)	(510,361)
Upon issuance of RCN	(38,595)	–	(38,595)
At 30 June 2018	(38,595)	(510,361)	(548,956)
Company			
At 1 July 2016 / At 30 June 2017	–	(11,900)	(11,900)
Upon issuance of RCN	(38,595)	–	(38,595)
At 30 June 2018	(38,595)	(11,900)	(50,495)

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Unutilised tax losses	8,030,799	6,857,958	2,511,145	1,820,653
Unabsorbed capital allowances	6,546,315	5,142,227	–	–
	14,577,114	12,000,185	2,511,145	1,820,653

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

10. Inventories

	Group	
	2018 RM	2017 RM
Raw materials	38,867	5,254
Properties held for sale:		
-Transfer from property, plant and equipment (Note 4)	437,223	–
-Additional cost incurred	31,326	–
	507,416	5,254

NOTES TO THE FINANCIAL STATEMENTS
(continued)

11. Trade Receivables

The Group's normal credit terms range from 30 to 180 days (2017: 30 to 180 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	
	2018 RM	2017 RM
Neither past due nor impaired	7,298,745	1,464,085
Past due not impaired:		
Less than 30 days	895,271	655,820
31 to 60 days	111,571	–
More than 60 days	2,070,085	1,171,814
	3,076,927	1,827,634
	10,375,672	3,291,719

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

12. Other Receivables

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Other receivables	2,677,417	27,136	–	324
Deposits	3,110,850	3,034,340	87,950	15,000
Prepayments	–	259,765	–	–
	5,788,267	3,321,241	87,950	15,324

Included in the other receivables of the Group is contractors amounting to RM2,434,743 (2017: nil) which is advance to the contractors for undertaking a residential and/or commercial development project.

Included in the deposits of the Group is a deposit paid by a subsidiary company to a third party amounting to RM3,000,000 (2017: RM3,000,000) upon execution of a memorandum of understanding for the purpose of undertaking a residential and/or commercial development project.

13. Amount Due from/(to) Subsidiary Companies

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

14. Fixed Deposits with Financial Institutions

	Group		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Fixed deposits with financial institutions maturity:				
- Less than 3 months	911,553	1,038,375	–	–

The interest rate of fixed deposits with financial institutions of the Group at 2.95% to 3.20% (2017: 2.95%) per annum and the maturity of the deposits is 30 days (2017: 30 days).

15. Assets Classified As Held for Sale

	Group	
	2018 RM	**2017 RM**
Land held for property development		
Freehold land		
At 1 July	2,200,000	–
Transfer (to)/from land held for property development (Note 5)	(2,200,000)	2,200,000
At 30 June	–	2,200,000
Development costs		
At 1 July	2,200,000	–
Transfer (to)/from land held for property development (Note 5)	(2,200,000)	2,200,000
At 30 June	–	2,200,000
Total assets classified as held for sale	–	4,400,000

In the previous financial year, the Group entered into conditional sale and purchase agreements with a subsidiary company for the disposal of certain land held for property development for a total cash consideration of RM4,400,000.

During the financial year, the deal was called off and the assets were re-transferred to the land held for property development.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

16. Share Capital

	Group and Company			
	Number of Shares		Amount	
	2018 Units	2017 Units	2018 RM	2017 RM
Issued and fully paid:				
Ordinary shares with no par value				
At 1 July	1,471,970,116	1,390,590,116	124,519,661	111,247,209
Private placement	139,059,011	–	7,622,079	–
Share issuance expenses				
- Issuance of ordinary share	–	–	(96,109)	–
- Issuance of RCN	–	–	(1,064,285)	–
Exercise of share options	156,349,019	81,380,000	9,361,317	5,452,460
Transfer from share premium in accordance with Section 618(2) of the Companies Act 2016 (Note 16.1)	–	–	–	7,819,992
	1,767,378,146	1,471,970,116	140,342,663	124,519,661
Share consolidation (Note 16.3)	(1,325,533,609)	–	–	–
At 30 June	441,844,537	1,471,970,116	140,342,663	124,519,661
				Note 16.2

* 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.

During the financial year, the Company issued:

(a) 139,059,011 new ordinary shares at a weighted average exercise price of RM0.05 per ordinary shares for a total consideration of RM7,622,079.

(b) 156,349,019 new ordinary shares at RM0.041 each from a total consideration of RM6,410,312 from the exercise of employees' share options.

(c) RM4,000,000 Redeemable Convertible Notes ("RCN") for working capital purposes.

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 16.1

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 16.2

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).

Note 16.3

During the financial year, the Company has undertaken a share consolidation exercise by consolidating every 4 existing ordinary shares of the Company into 1 new share ("Consolidated Share"). The exercise was completed on 6 June 2018.

17. Redeemable Convertible Notes ("RCN")

On 18 May 2018, the shareholders of the Company at the Extraordinary General Meeting approved the issuance of RCN with an aggregate principal amount of up to RM75million under a Redeemable Convertible Notes ("RCN") programme convertible into a maximum of 750,000,000 new TSB ordinary shares of minimum conversion price at RM0.10 each in the Company. The RCN which are not redeemed or purchased, converted or cancelled by the Company, subject to there being no Event of Default, at 100% of their principle amount on the date falling 60 months from the Closing Date ("Maturity Date").

The salient features of the RCN are as follows:

(i) The RCN bear interest from the respective dates on which they are issued and registered at the rate of 1.0% per annum, payable semi-annually in arrears on 30 June and 31 December in each year with the last semi-annual payment of interest being made on the Maturity Date;

(ii) The price at which each Conversion Share shall be issued upon conversion of the Notes be:

- In respect of Tranche 1 Notes, 80% of the average closing price per share on any three (3) consecutive business days as selected by the Noteholder(s) during the forty-five (45) business days immediately preceding the relevant conversion date on which shares were traded on the Main Market of Bursa Securities;

- In respect of Tranche 2 Notes, 80% of the average closing price per share on any three (3) consecutive business days as selected by the Noteholder(s) during the forty-five (45) business days immediately preceding the relevant conversion date on which shares were traded on the Main Market of Bursa Securities;

- In respect of Tranche 3 Notes, 80% of the average closing price per share on any three (3) consecutive business days as selected by the Noteholder(s) during the forty-five (45) business days immediately preceding the relevant conversion date on which shares were traded on the Main Market of Bursa Securities.

  Provided always that the Conversion Price for each Share shall not less than the Minimum Conversion Price.

(iii) The RCN are convertible at the option of the RCN holders into ordinary shares of the Company, subject to the terms of the Redemption Option at any time after the issue date of the Notes and up to the day falling seven (7) days prior to the Maturity Date;

(iv) If the conversion price is less than or equal to 65% of the average of the daily traded volume weighted average price per new share for the forty-five (45) market days prior to the relevant closing date in respect of each first sub-tranche of the respective tranches of the Notes ("Conversion Downside Price"), the Company may redeem the Notes presented for conversion in cash at an amount calculated in accordance with the fixed formula; and

(v) Any RCN not converted at maturity date may be redeemed by the Company at 100% of their principal amount.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

17. Redeemable Convertible Notes ("RCN") (Cont'd)

The salient features of the RCN are as follows: (Cont'd)

(vi) The liability component and equity component of the RCN are allocated at initial recognition as follows:

	The Group/The Company	
	2018 RM	2017 RM
At 1 July	–	–
Issue during the financial year		
- liability component	77,640	–
At 30 June	77,640	–
Proceeds from issue of redeemable convertible notes	4,000,000	–
Share issuance expenses – equity component	(1,064,285)	–
Net proceeds	2,935,715	–
Equity component, net of deferred tax	(3,839,185)	–
Deferred tax liabilities (Note 9)	(38,595)	–
	(3,877,780)	–
Liability component of RCN at initial recognition	122,220	–
Share issuance expenses – liability component	(44,580)	–
	77,640	–

18. Reserves

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Non-distributable					
Warrant reserve	(a)	40,645,808	40,645,808	40,645,808	40,645,808
Other reserve	(b)	(5,809,499)	(5,809,499)	(5,809,499)	(5,809,499)
Employees share option reserve	(c)	1,162,180	2,189,720	1,162,180	2,189,720
Distributable					
Retained earnings		48,274,103	52,000,726	46,209,529	37,710,389
		84,272,592	89,026,755	82,208,018	74,736,418

18. Reserves (Cont'd)

(a) Warrant reserve

	Group and Company	
	2018	2017
	RM	RM
At 1 July/30 June	40,645,808	40,645,808

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 2018, 115,249,165* (2017: 460,996,680) warrants remained unexercised.

* Following the share consolidation exercise completed on 6 June 2018, 460,996,680 warrants have been consolidation into 115,249,165 consolidated warrants 2013/2018 and 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").

NOTES TO THE FINANCIAL STATEMENTS
(continued)

18. Reserves (Cont'd)

(a) 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 2018, 48,412,493* (2017: 193,649,972) warrants remained unexercised.

* Following the share consolidation exercise completed on 6 June 2018, 193,649,972 warrants have been consolidated into 48,412,493 consolidated warrants 2016/2021 and remained unexercised.

(b) Other reserve

This represent proceeds of shares allocated to warrant reserve (refer to Note 18(b)).

(c) 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.

19. Bank Borrowings

	Group	
	2018 RM	**2017 RM**
Secured		
Current		
Bank overdraft	2,518,933	2,495,564
Term loans	728,540	1,298,252
	3,247,473	3,793,816
Non-current		
Term loans	7,816,284	8,185,097
	11,063,757	11,978,913

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;
(ii) jointly and severally guaranteed by certain Directors of the Company; and
(iii) corporate guarantee by the Company.

19. Bank Borrowings (Cont'd)

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

	Group	
	2018	2017
	%	%
Bank overdraft	8.35	8.35
Term loans	6.10 to 8.35	6.10 to 8.35

Maturity of bank borrowings is as follows:

	Group	
	2018	2017
	RM	RM
Within 1 year	3,247,473	3,793,816
Later than 1 year and not later than 5 years	5,447,768	5,447,864
Later than 5 years	2,368,516	2,737,233
	11,063,757	11,978,913

20. Finance Lease Liabilities

	Group	
	2018	2017
	RM	RM
Minimum lease payments		
Within one year	498,206	478,836
Between one and five years	1,380,730	1,296,850
After five years	258,960	289,601
	2,137,896	2,065,287
Less: Future finance charges	(313,252)	(311,732)
Present value of minimum lease payments	1,824,644	1,753,555
Present value of finance lease liabilities		
Within one year	414,533	398,429
Between one and five years	1,070,539	1,097,163
After five years	339,572	257,963
	1,824,644	1,753,555
Analysed as:		
Repayable within twelve months	414,533	398,429
Repayable after twelve months	1,410,111	1,355,126
	1,824,644	1,753,555

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Finance Lease Liabilities (Cont'd)

Obligations under finance leases

These obligations are secured by a charge over the leased assets, as disclosed in Note 4(a). The interest rate for the finance leases is ranging from 2.37% to 4.00% (2017: 2.40% to 4.00%) per annum.

21. Trade Payables

The normal trade credit terms granted to the Group is 60 to 180 days (2017: 60 to 180 days). Other credit terms are assessed and approved on a case to case basis.

22. Other Payables

	Group		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Other payables	1,348,673	612,119	290,319	125,234
Accruals	1,031,179	432,876	105,440	104,008
	2,379,852	1,470,591	395,759	229,242

23. Amount Due to Directors

The amount due to Directors are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

24. Revenue

	Group	
	2018 RM	**2017 RM**
Sales of goods	1,134,565	151,095
Construction contracts	283,019	865,597
Subcontract workers	9,156,696	5,796,327
Sales of land	–	2,100,000
Consultancy fees	–	450,000
	10,574,280	9,363,019

25. Finance Costs

	Group 2018 RM	Group 2017 RM
Interest expenses on:		
Bank charges	2,109	1,341
Bank overdraft	216,368	216,427
Finance lease liabilities	78,561	108,966
Late payment interest	792	2,883
Term loans	659,605	537,390
	957,435	867,007

26. (Loss)/Profit Before Taxation

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

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Auditors' remuneration				
- Statutory audit:				
- current year	149,500	159,100	66,000	63,000
- over provision in prior years	(8,960)	(5,000)	–	–
- Non-audit services:				
- current year	–	5,000	–	5,000
Bad debts written off	–	38,336	–	–
Depreciation of property, plant and equipment	1,183,223	1,119,986	19,779	19,260
Impairment of land held for property development	–	967,965	–	–
(Gain)/Loss on disposal of a subsidiary company	(794,987)	–	249,500	–
Rental of office	196,200	201,000	142,200	147,000
Rental of premises	–	1,000	–	–
Interest income	(34,010)	(66,526)	(15)	–
Gain on disposal of property, plant and equipment	(72,480)	(130,000)	–	–
Waiver of amounts due to other payables	–	(10,685)	–	–
Reversal of impairment losses on investment in subsidiary companies	–	–	(17,944)	(3,337,816)
Management fees	–	–	(1,550,000)	–
Waiver of amount due to a subsidiary company	–	–	(8,227,413)	–

NOTES TO THE FINANCIAL STATEMENTS
(continued)

27. Taxation

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Current income tax				
Current year tax provision	–	1,780	–	–
Overprovision in prior years	(421,335)	(89,755)	(419,555)	(91,620)
	(421,335)	(87,975)	(419,555)	(91,620)

Malaysian income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
(Loss)/Profit before taxation	(4,147,958)	(6,188,503)	8,079,585	(1,519,046)
At Malaysian statutory tax rate of 24% (2017: 24%)	(995,510)	(1,485,241)	1,939,100	(364,571)
Income not subject to tax	(189,622)	(109,039)	(2,377,933)	(801,076)
Expenses not deductible for tax purposes	566,669	1,457,499	273,115	1,074,864
Utilisation of previously unrecognised deferred tax assets	–	(127,791)	–	–
Deferred tax assets not recognised	618,463	266,352	165,718	90,783
Over provision of taxation in prior years	(421,335)	(89,755)	(419,555)	(91,620)
	(421,335)	(87,975)	(419,555)	(91,620)

As at 30 June 2018, the Group and the Company have the following unutilised tax losses and unabsorbed capital allowances respectively to carry forward to offset against future taxable profit. The said amounts are subject to approval by the tax authorities.

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Unutilised tax losses	10,107,719	8,934,878	2,511,145	1,820,653
Unabsorbed capital allowances	6,546,315	5,142,227	–	–
	16,654,034	14,077,105	2,511,145	1,820,653

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 RM3,726,623 (2017: RM6,100,528) by the weighted average number of ordinary shares outstanding during the financial year of 1,546,542,685 (2017: 1,399,658,609).

(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 37 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
2 November 2017	25,229,000	NA	2 years
20 December 2017	53,000,000	NA	1.9 years
9 February 2018	6,900,000	NA	1.7 years
22 May 2018	7,000,000	NA	1.4 years

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

	Number of option 2018 Units	2017 Units
At 1 July	84,220,000	165,600,000
Granted during the financial year	92,129,000	(81,380,000)
	176,349,000	84,220,000
Exercised during the financial year	(156,349,000)	–
	20,000,000	84,220,000
Effect of share consolidation	(15,000,000)	–
At 30 June	5,000,000	84,220,000
Exercise price (RM)	0.164	0.041
Options exercisable at 30 June	5,000,000	84,220,000

NOTES TO THE FINANCIAL STATEMENTS
(continued)

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

During the financial year, 156,349,000 shares options were exercised. The weighted average share price at the date of exercise for the financial year was RM0.05 to RM0.10 (2017: RM0.075).

Following the share consolidation on 6 June 2018, every four share options in the Company have been consolidated into one new share options ("Consolidated ESOS") with a new exercise price of RM0.164 each.

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	
	2018	**2017**
Fair value at grant date (RM)	0.05	0.02
Share price	0.041 - 0.164	0.045
Exercise price	0.05 - 0.10	0.041
Expected volatility (%)	172.05	90.83
Expected life (years)	2.5	2.5
Risk-free interest rate (%)	4.2	3.69
Expected dividend yield (%)	nil	nil

30. Staff Costs (including key management personnel)

	Group		**Company**	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Salaries, wages and others	1,897,570	2,297,681	16,000	96,000
Defined contribution plan	95,792	139,355	–	–
Share-based payments	1,923,465	4,305,600	752,165	4,305,600
Other benefits	22,718	15,453	–	–
	3,939,545	6,758,089	768,165	4,401,600

NOTES TO THE FINANCIAL STATEMENTS
(continued)

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.

(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 13 and 23, the significant related party transactions of the Company are as follows:

	Company	
	2018 RM	**2017 RM**
Transaction with a subsidiary company		
- Management fee income	1,550,000	–

(c) Compensation of key management personnel

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

	Group		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Executive Directors				
Salaries and other emoluments	825,600	592,800	–	–
Defined contribution plan	36,000	–	–	–
Share-based payments	780,785	3,614,000	780,785	3,614,000
Other benefits	829	–	–	–
	1,643,214	4,206,800	780,785	3,614,000
Non-Executive Directors				
Other emolumnets	16,000	96,000	16,000	96,000
Share-based payments	–	520,000	–	520,000
	16,000	616,000	16,000	616,000

NOTES TO THE FINANCIAL STATEMENTS
(continued)

31. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel (Cont'd)

Remuneration of Directors and other members of key management personnel are as follows: (Cont'd)

	Group		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Other key management Personnel				
Salaries, wages and others	321,119	145,532	–	–
Defined contribution plan	27,407	17,425	–	–
Share-based payments	–	171,600	–	171,600
Other benefits	2,853	–	–	–
	351,379	334,557	–	171,600

32. Reconciliation of Liabilities Arising from Financing Activities

	At 1 July 2017 RM	**Financing cash flow RM**	**New finance lease Note 4 (b) RM**	**At 30 June 2018 RM**
Group				
Term loans (Note 19)	9,483,349	(938,525)	–	8,544,824
Finance lease liabilities (Note 20)	1,753,555	(407,911)	479,000	1,824,644
	11,236,904	(1,346,436)	479,000	10,369,468
Company				
Amount due to subsidiary companies	8,036,672	(4,381,947)	–	3,654,725
Amount due from subsidiary companies	(197,314,345)	(19,465,188)	–	(216,779,533)
	(189,277,673)	(23,847,135)	–	(213,124,808)

33. 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
	2018	**2017**	
	RM	**RM**	
Customer A	9,156,696	5,796,327	Property development
Customer B	-	2,100,000	Property development

NOTES TO THE FINANCIAL STATEMENTS (continued)

33. Operating Segments (Cont'd)

	Manufacturing RM	Trading RM	Property development RM	Batching plant RM	Others RM	Elimination RM	Note	Consolidated RM
2018								
Revenue								
Sales	–	–	9,439,715	1,134,565	–	–		10,574,280
Less: Inter-segment sales	–	–	–	–	–	–	A	–
Total revenue	–	–	9,439,715	1,134,565	–	–		10,574,280
Financial results								
Segment results	22,959	11,607	(9,766,761)	(1,077,290)	7,729,709	(144,757)	A	(3,224,533)
Interest income								34,010
Finance costs								(957,435)
Loss before taxation								(4,147,958)
Taxation								421,335
Net loss for the financial year								(3,726,623)
Segment assets	2,474,537	906,192	237,241,824	4,631,347	237,046,996	(232,061,056)	A	250,239,840
Segment liabilities	2,311,669	225,712	222,469,080	7,058,353	11,146,094	(221,425,508)	A	21,785,400
Other information								
Capital expenditure on property, plant and equipment	–	–	503,250	160,000	20,768	–		684,018
Depreciation of property, plant and equipment	–	–	561,360	590,690	31,173	–		1,183,223

33. 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

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

NOTES TO THE FINANCIAL STATEMENTS
(continued)

34. 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				
2018				
Financial Assets				
Trade receivables	10,375,672	–	–	10,375,672
Other receivables	5,788,267	–	–	5,788,267
Other investment	–	1,613	–	1,613
Fixed deposits with financial instituitions	911,553	–	–	911,553
Cash and bank balances	2,789,677	–	–	2,789,677
	19,865,169	1,613	–	19,866,782
Financial Liabilities				
Trade payables	–	–	4,888,104	4,888,104
Other payables	–	–	2,379,852	2,379,852
Finance lease liabilities	–	–	1,824,644	1,824,644
Bank borrowings	–	–	11,063,757	11,063,757
Redeemable convertible notes	–	–	77,640	77,640
	–	–	20,233,997	20,233,997
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

34. 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				
2018				
Financial Assets				
Other receivables	87,950	–	–	87,950
Amount due from subsidiary companies	216,779,533		–	216,779,533
Other investment	–	1,613	–	1,613
Cash and bank balances	2,239,399	–	–	2,239,399
	219,106,882	1,613	–	219,108,495
Financial Liabilities				
Other payables	–	–	395,759	395,759
Amount due to subsidiary companies	–	–	3,654,725	3,654,725
Redeemable convertible notes	–	–	77,640	77,640
	–	–	4,128,124	4,128,124
2017				
Financial Assets				
Other receivables	15,324	–	–	15,324
Amount due from subsidiary companies	197,314,345	–	–	197,314,345
Fixed deposits with financial instituitions	–	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

NOTES TO THE FINANCIAL STATEMENTS
(continued)

34. Financial Instruments (Cont'd)

(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.

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 RM8,633,874 (2017: RM6,525,606), 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 (2017: 1) customer represents 94% (2017: 86%) of the total trade receivables.

(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.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

34. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

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					
2018					
Trade payables	4,888,104	–	–	4,888,104	4,888,104
Other payables	2,379,852	–	–	2,379,852	2,379,852
Finance lease liabilities	498,206	1,380,730	258,960	2,137,896	1,824,644
Bank borrowings	3,892,050	5,132,876	2,923,148	11,948,074	11,063,757
Redeemable convertible notes	77,640	–	–	77,640	77,640
	11,735,852	6,513,606	3,182,108	21,431,566	20,233,997
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

	On demand or within 1 year RM	Contractual cash flow RM	Carrying amount RM
Company			
2018			
Other payables	395,759	395,759	395,759
Amount owing to subsidiary companies	3,654,725	3,654,725	3,654,725
Financial guarantee*	8,633,874	8,633,874	–
Redeemable convertible notes	77,640	77,640	77,640
	12,761,998	12,761,998	4,128,124
2017			
Other payables	229,242	229,242	229,242
Amount owing to subsidiary companies	8,036,672	8,036,672	8,036,672
Financial guarantee*	6,525,606	6,525,606	–
	14,791,520	14,791,520	8,265,914

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

34. Financial Instruments (Cont'd)

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

(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.

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:

	2018 RM	2017 RM
Group		
Fixed rate instruments		
Financial Asset		
Fixed deposits with financial institutions	911,553	1,038,375
Financial Liability		
Redeemable convertible notes	77,640	–
Finance lease liabilities	1,824,644	1,753,555
	1,902,284	1,753,555
Floating rate instruments		
Financial Liabilities		
Bank overdraft	2,518,933	2,495,564
Term loans	8,544,824	9,483,349
	11,063,757	11,978,913

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.

34. Financial Instruments (Cont'd)

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

(iii) Interest rate risk (Cont'd)

Cash flow sensitivity analysis for floating rate instruments

A change in 0.5% (2017: 0.5%) interest rate at the end of the reporting period would have increased / (decreased) the Group's loss before taxation by RM55,319 (2017: RM59,895), arising mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis assumes that all other variables remain constant.

(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 and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Level 1 RM	Level 2 RM	Carrying amount RM
Group			
2018			
Financial asset			
Other investment	1,613	–	1,613
Financial liability			
Finance lease liabilities	–	1,488,679	1,410,111
2017			
Financial asset			
Other investment	1,559	–	1,559
Financial liability			
Finance lease liabilities	–	1,476,201	1,355,126

(i) Policy on transfer between levels

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

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

34. Financial Instruments (Cont'd)

(c) Fair value of financial instruments (Cont'd)

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

35. 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	
	2018 RM	**2017 RM**
Redeemable convertible notes	77,640	–
Finance lease liabilities	1,824,644	1,753,555
Bank overdraft	2,518,933	2,495,564
Term loans	8,544,824	9,483,349
Less: Fixed deposit with financial institutions	(911,553)	(1,038,375)
Less: Cash and bank balances	(2,789,677)	(4,179,658)
Net debt	9,264,811	8,514,435
Total equity	228,454,440	213,546,416
Gearing ratio	0.041	0.040

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

36. Significant Events

During the financial year, the following significant events took place for the Company and its subsidiary companies:

Raising Capital

(a) Private Placement

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").

(1) 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.

(2) 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.

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

(4) On 10 October 2017, the Company completed the fourth tranche comprising 54,059,011 Placement Shares at RM0.05607 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 been completed as at 10 October 2017.

(b) Share Consolidation

On 18 May 2018, the shareholders of the Company approved to undertake a Share Consolidation of every four existing ordinary shares in the Company into one new consolidated share ("Consolidated Share") ("Share Consolidation").

On 6 June 2018, the Company completed its share consolidation exercise. As a result of this exercise:

(1) 1,725,678,146 ordinary shares have been consolidated into 431,419,536 Consolidated Shares;

(2) 460,996,680 Warrants 2013/2018 have been consolidated into 115,249,165 Consolidated Warrants 2013/2018;

(3) 193,649,972 Warrants 2016/2021 have been consolidated into 48,412,493 Consolidated Warrants 2016/2021;

(4) 20,000,000 ESOS have been consolidated into 5,000,000 Consolidated ESOS.

(c) Redeemable Convertible Notes ("RCN")

On 18 May 2018, the shareholders of the Company approved to undertake an issuance of redeemable convertible notes with an aggregate principal amount of up to RM75 million ("RCN exercise")

On 28 June 2018, a RM4,000,000 of RCN have been issued and subsequently converted into 40,000,000 ordinary shares on 11 July 2018, 31 July 2018 and 7 August 2018 respectively.

(d) Employees Share Options Scheme ("ESOS")

During the financial year, several ESOS were offered and granted by the Company to its employees. Please refer to Note 29 for details.

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. Significant Events (Cont'd)

Development of Property Development Activities

(a) Joint Venture By PTSB With Credence Property Management Sdn. Bhd.

PTSB had on 30th June 2017 entered into a Joint Venture Agreement ("JVA") with Credence Property Management Sdn. Bhd. ("CPMSB") for the purpose of undertaking a residential and/or commercial development project ("the Project") in respect of the development of all that freehold land held under GM 5486 Lot No. 1866 Tempat Sungei Kandis in the Mukim of Klang, State of Selangor ("the Development Land") strictly on the basis that CPMSB shall contribute the Development Land and PTSB shall contribute and bear the entire cost and expense of developing the Development Land in accordance with the relevant approvals and the layout and building plans and applying and obtaining the relevant approvals and licences from the Relevant Authorities in connection with the Project.

Salient terms of Joint Venture Agreement

(1) Upon execution of the JVA, PTSB shall pay directly to CPMSB a sum of RM5,000,000 being the consideration sum for entering into this JVA ("the Consideration Sum") pursuant to and subject to the terms and conditions as are herein contained in consideration of which PTSB shall be given the exclusive right to develop and to carry out construction on the Development Land in relation to the Project subject to the terms and conditions of this JVA but otherwise in any manner as PTSB shall deem fit.

(2) Upon commencement of the construction and sale of the residential and/or commercial unit(s) in the Project, CPMSB shall be entitled to receive from PTSB a total number of Individual Properties and/or Unit(s), allocated to and vested in CPMSB by PTSB, constructed and completed on the Development Land under the Project, with the total value equivalent to thirty per cent (30%) ("the Proportion Ratio") of the Gross Development Value (GDV) of the Project at the minimum GDV of Ringgit Malaysia Eighty Million (RM80,000,000.00) or at the market value, whichever is higher ("Entitlement").

(3) Manner of Allocation of Entitlement:

(i) The Entitlement shall be allocated and/or effected by PTSB to CPMSB at the Proportion Ratio on such constructed and completed Unit(s) / Individual Properties as and when completed under the Project;

(ii) Subject to CPMSB's acceptance in writing at its sole and absolute discretion, PTSB may offer to settle such part or portion of the Entitlement due to CPMSB in cash equivalent of such part or portion of Entitlement due to CPMSB;

(iii) PTSB may effect the Redemption Payment for and on behalf of CPMSB and PTSB shall be entitled to deduct the Entitlement due to CPMSB to a value equivalent to the Redemption Payment made by PTSB for an on behalf of CPMSB.

37. Subsequent Events

Redeemable Convertible Notes ("RCN")

Subsequent to year end, a RM8,500,000 of RCN were raised and subsequently converted into ordinary shares of 85,000,000 million respectively on 15 August 2018, 21 August 2018, 28 August 2018, 14 September 2018 and 28 September 2018.

38. 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 10 October 2018.

LIST OF PROPERTIES **OF THE GROUP**

Location	Description of Property	Tenure	Approximate Age of Building	Land/Build Up (Sq ft)	Net Book Value (RM)	Date of Acquisition ("A") / revaluation ("R")
Deskudai Apartment Mukim Pulai, Johor Bahru, Johor	5 Storey medium cost walk up apartment	N/A	6 years	2,550 (850 per apartment)	255,121	14 November 2011 (A)
Geran 179321 (Lot 6247) 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 179344 (Lot 6270), Geran 179339 (Lot 6265), Geran 179340 (Lot 6266), Geran 179341 (Lot 6267), Geran 179343 (Lot 6269), Geran 178821 (Lot 6271) Pekan Rasah Jaya, Seremban, Negeri Sembilan	Vacant Development Land	Freehold	N/A	1134 sq/m	3,605,657,45	22 October 2017 (A)
Geran 4320 Lot 56100, Geran 4321 Lot 56101, Geran 4322 Lot 56102 Mukim Kuala Lumpur	Vacant Development Land	Freehold	N/A	1469 sq/m	5,322,025	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	8,694,394	31 January 2011 (A)
PT 1336-PT 1362, Pekan Kuang, Mukim Rawang, Selangor	Vacant Development Land	Freehold	N/A	5.5 acres	28,739,105	17 April 2015 (A)
GM 267 Lot 562 Mukim Petaling, Daerah Petaling, Selangor	Vacant Development Land	Freehold	N/A	1.875 acres	7,137,662	22 March 2011 (A)
Geran 62028 (Lot 62810) Geran 62032 (Lot 62811) Geran 62036 (Lot 62812) Geran 62041 (Lot 62813) Geran 62044 (Lot 62814) Geran 62050 (Lot 62815) Geran 62053 (Lot 62816) Geran 62055 (Lot 62817) Geran 62057 (Lot 62818) Mukim Batu, Kuala Lumpur	Vacant Development Land	Freehold	N/A	1.169 acres	17,639,057	13 April 2015 (A)
Lot 738 GM 549, Geran Mukim Cheras Batu 2 ½, Jalan Cheras, Kuala Lumpur	Vacant Development Land	Freehold	N/A	0.8094 hectare	18,238,914	6 April 2016 (A)

SHAREHOLDINGS **ANALYSIS**

by size of Shareholdings as at 5th October 2018

Issued Share Capital	566,844,536 Ordinary Shares
Class of shares	Ordinary shares
Voting Rights	One vote per ordinary share

DISTRIBUTIONS OF SHAREHOLDINGS

	No. of Holders		No. of Shares		%	
Size of shareholdings	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**
Less Than 100	224	6	9,000	204	0.00	0.00
100-1,000	895	3	408,747	1,600	0.07	0.00
1,001 - 10,000	2,132	25	10,216,713	102,170	1.80	0.02
10,001 - 100,000	2,885	28	102,833,913	943,675	18.14	0.17
100,001 - < 5% issued shares	694	16	364,269,239	16,359,275	64.26	2.89
5% and above of issued shares	2	0	71,700,000	0	12.65	0.00
	6,832	78	549,437,612	17,406,924	96.93	3.07

SUBSTANTIAL SHAREHOLDERS

Name of shareholders	Nationality/ Incorporated in	Direct Interest	%	Indirect Interest	%
Dato' Tan Wei Lian	Malaysian	56,500,000	9.967%	1,507,475	0.266%
Michelle Looi Poh Gaik	Malaysian	35,300,000	6.227%	-	-
Datik Sek Chian Nee	Malaysian	860,500	0.152%	57,146,975	10.082%
Tan Lee Chin	Malaysian	646,975	0.114%	57,360,500	10.119%

DIRECTORS' SHAREHOLDINGS

Name of shareholders	Nationality/ Incorporated in	Direct Interest	%	Indirect Interest	%
Dato' Tan Wei Lian	Malaysian	56,500,000	9.967%	1,507,475	0.266%
Datik Sek Chian Nee	Malaysian	860,500	0.152%	57,146,975	10.082%
Tan Lee Chin	Malaysian	646,975	0.114%	57,360,500	10.119%

SHAREHOLDINGS ANALYSIS (continued)

LIST OF TOP 30 LARGEST SHAREHOLDERS

No.	Shareholders	Shareholdings	%
1.	SJ SEC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TAN WEI LIAN (SMT)	38,000,000	6.70
2.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MICHELLE LOOI POH GAIK (002)	33,700,000	5.95
3.	HUAM HONG PING	27,498,000	4.85
4.	SIM CHENG CHENG	21,640,000	3.82
5.	YAYASAN KELANTAN DARULNAIM	21,631,350	3.82
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TAN WEI LIAN	18,500,000	3.26
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WONG KOK FAI (002)	11,300,000	1.99
8.	KENANGA NOMINEES (ASING) SDN BHD - ADVANCE CAPITAL PARTNERS ASSET MANAGEMENT PRIVATE LIMITED FOR ADVANCE CREDIT FUND GOLDEN FUND SP	10,000,000	1.76
9.	LEE JONG WENG	5,788,750	1.02
10.	CIMSEC NOMINEES (TEMPATAN) SDN BHD - CIMB BANK FOR CHONG LEE FONG (MQ0269)	4,350,000	0.77
11.	HII HIENG HUI	4,250,000	0.75
12.	NG WAI YUAN	4,000,000	0.71
13.	WONG KOK FAI	3,500,000	0.62
14.	TOK SOON HING	3,136,250	0.55
15.	ACME SKY SDN. BHD.	3,000,000	0.53
16.	CHONG CHOY FOONG	3,000,000	0.53
17.	JASMINE LIM LI CHEN @ LIM LAI CHENG	2,990,000	0.53
18.	TA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LEE CHEE MING	2,600,000	0.46
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD - BONG MAU MOI	2,503,350	0.44
20.	ASKAPARY A/P T.RAJARATNAM	2,500,000	0.44
21.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHIA YOON LING (002)	2,400,000	0.42
22.	WONG LAN KIN	2,400,000	0.42
23.	LIEW SWEE MEE	2,350,000	0.41
24.	TING TIEW HING	2,289,500	0.40
25.	YEO SOCK LAN	2,250,000	0.40
26.	LAU BAN CHUANG	2,174,175	0.38
27.	TEO CHEE SIONG	2,150,000	0.38
28.	NGOO AH CHOO @ NGOO KAY CHOO	2,030,000	0.36
29.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR SU SUIT CHAI (E-PKG)	2,000,000	0.35
30.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MOHD DOM BIN AHMAD	1,938,000	0.34
	TOTAL	**245,869,375**	**43.38**

ANALYSIS OF **WARRANT HOLDINGS**

as at 5th October 2018

ANALYSIS BY SIZE OF WARRANTHOLDINGS 2013/2018 ("WARRANT B") AS AT 5TH OCTOBER 2018 AS PER THE RECORDS OF DEPOSITORS

No. Warrants in Issue	115,249,165
Exercise Price of Warrants	RM0.68
Expiry Date of Warrants	23.12.2018
No. of Warrant Holders	2,525

	No. of Warrant B Holders		Warrantholdings		%	
Size of Warrant B Holdings	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**
Less Than 100	529	11	10,494	146	0.01	0.00
100-1,000	151	2	73,321	475	0.06	0.00
1,001 - 10,000	746	8	3,439,035	26,402	2.98	0.02
10,001 - 100,000	870	7	30,613,257	381,035	26.56	0.33
100,001 - < 5% issued shares	197	3	66,016,974	902,226	57.28	0.78
5% and above of issued shares	1	0	13,785,800	0	11.96	0.00
	2,494	31	113,938,881	1,310,284	98.86	1.14

	No. of Warrant B Holders			Warrantholdings			%		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
Size of Warrant B Holdings	**Bumi**	**Non-Bumi**		**Bumi**	**Non-Bumi**		**umi**	**Non-Bumi**	
Individuals	372	1,506	18	13,333,497	75,546,290	734,647	11.57	65.55	0.64
Body Corporate									
-Banks/Finance COs	2	0	0	18,886	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	437,807	99,197	0	0.38	0.09	0.00
Government Agencies	0	0	0	0	0	0	0.00	0.00	0.00
Nominees	360	245	13	17,815,509	6,687,695	575,637	15.46	5.80	0.50
Others	0	0	0	0	0	0	0.00	0.00	0.00
Total	737	1,757	31	31,605,699	82,333,182	1,310,284	27.42	71.44	1.14

ANALYSIS OF WARRANT HOLDINGS
(continued)

LIST OF TOP 30 WARRANTHOLDINGS B

No.	Warrant Holders	Warrant holdings	%
1.	HO LEE FUNG	13,785,800	11.96
2.	LEONG IMM LAN	4,520,022	3.92
3.	TAN TIAM YEE	3,000,000	2.60
4.	ONG KHEAM CHYE	2,427,300	2.11
5.	KENANGA NOMINEES (TEMPATAN) SDN BHD - BENEFICIARY : BONG MAU MOI	1,887,500	1.64
6.	CIMSEC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR YAN HOCK CHUAN (EMPIRE GALLERY-CL)	1,843,836	1.60
7.	NGUI NYUK KYOON	1,826,756	1.59
8.	LIEW SHUI HONG	1,500,000	1.30
9.	MASYUN BIN ABD HADI	1,250,000	1.08
10.	SAM FONG @ CHAN SAM FONG	1,250,000	1.08
11.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LIM TIONG HOOI (E-SJA)	1,070,286	0.93
12.	MAGESWARY A/P SUPARMANIAM	1,012,085	0.88
13.	LOW LOONG KUAN	1,000,014	0.87
14.	HII HIENG HUI	1,000,000	0.87
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - SYED ANIZAN BIN TUAN AHMAD	900,000	0.78
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - CHUA KENG LIANG	791,450	0.69
17.	SAM FONG @ CHAN SAM FONG	757,675	0.66
18.	KENANGA NOMINEES (TEMPATAN) SDN BHD - NISAR AHMAD BIN MOHD YUSOF (EM1-CN)	750,000	0.65
19.	LEE CHEE KEONG	700,013	0.61
20.	LEE CHEE BENG	633,161	0.55
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHUA PENG BOON @ CHOY AH MUN	625,271	0.54
22.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHEH KAH MUN	625,000	0.54
23.	PUBLIC NOMINEES (TEMPATAN)) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TOH DEE KONG (E-JCL)	595,496	0.52
24.	LOW LOONG KUAN	594,390	0.52
25.	CHENG KEAT FAH	586,275	0.51
26.	KONG AH THEN	579,448	0.50
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - KONG AH THEN	538,924	0.47
28.	LOUIS LING CHOK HUNG	500,125	0.43
29.	CIMSEC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TAN SIEW LEE (MUAR-CL)	500,000	0.43
30.	LEE KEE MING	500,000	0.43
	TOTAL	**47,550,827**	**26.29**

ANALYSIS OF **WARRANT HOLDINGS**

as at 5th October 2018

ANALYSIS BY SIZE OF WARRANTHOLDINGS 2016/2021 ("WARRANT C") AS AT 5TH OCTOBER 2018 AS PER THE RECORDS OF DEPOSITORS

No. Warrants in Issue	48,412,493
Exercise Price of Warrants	0.3200
Expiry Date of Warrants	11 Feb 2021
No. of Warrant Holders	1,172

	No. of Warrant C Holders		Warrantholdings		%	
Size of Warrant C Holdings	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**	**Malaysian**	**Foreign**
Less Than 100	29	0	962	0	0.00	0.00
100-1,000	114	3	60,335	1,640	0.12	0.00
1,001 - 10,000	510	6	2,746,250	42,500	5.67	0.09
10,001 - 100,000	437	7	15,815,261	300,800	32.67	0.62
100,001 - < 5% issued shares	62	1	18,112,745	200,000	37.41	0.41
5% and above of issued shares	3	0	11,132,000	0	22.99	0.00
	1,155	17	47,867,553	544,940	98.87	1.13

	No. of Warrant C Holders			Warrantholdings			%		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
Size of Warrant C Holdings	**Bumi**	**Non-Bumi**		**Bumi**	**Non-Bumi**		**umi**	**Non-Bumi**	
Individuals	66	741	12	1,241,314	26,687,274	428,500	2.56	55.12	0.89
Body Corporate									
-Banks/Finance COs	1	0	0	60,000	0	0	0.00	0.00	0.00
-Inv. Trust/Found/Charities	0	0	0	0	0	0	0	0	0
-Industrial & Commercial Cos	0	6	0	0	118,200	0	0.00	0.24	0.00
Government Agencies	0	0	0	0	0	0	0.00	0.00	0.00
Nominees	185	156	5	12,804,270	6,956,495	116,440	26.45	14.37	0.27
Others	0	0	0	0	0	0	0.00	0.00	0.00
Total	252	903	17	14,105,584	33,761,969	544,940	29.14	69.74	1.13

ANALYSIS OF WARRANT HOLDINGS (continued)

ANALYSIS BY SIZE OF WARRANTHOLDINGS 2016/2021 ("WARRANT C") AS AT 5TH OCTOBER 2018 AS PER THE RECORDS OF DEPOSITORS

No.	Warrant Holders	Warrant holdings	%
1.	KENANGA NOMINEES (TEMPATAN) SDN BHD - BONG MAU MOI	5,120,275	10.58
2.	TA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LEE CHEE MING	3,169,100	6.55
3.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	2,842,625	5.87
4.	LEE AI LIN	1,207,100	2.49
5.	U YONG DOONG @ U SUNG KWI	1,025,700	2.12
6.	YAP CHEE KUAN	865,450	1.79
7.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - YONG LOY HUAT	825,000	1.70
8.	NGOO AH CHOO @ NGOO KAY CHOO	720,950	1.49
9.	CHENG SHYUE SHENG	625,000	1.29
10.	KAN CHOON KIAT	625,000	1.29
11.	CHIN AH SOON	500,000	1.03
12.	LEE CHAY CHYE	500,000	1.03
13.	TAN BOOK SOON	500,000	1.03
14.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MOHD DOM BIN AHMAD	456,000	0.94
15.	CHUA SOAH SEN	455,225	0.94
16.	CHONG KIAN PIN	425,000	0.88
17.	OOI LENG HWA	400,000	0.83
18.	LIM GEYOK CHU	395,000	0.82
19.	TOK SOON HING	375,000	0.77
20.	KOH CHEE LEONG	362,625	0.75
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - TAN PEIK LING	352,500	0.73
22.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR ONG SAU PIN (E-TMR)	350,000	0.72
23.	SIOW FEI FOONG	335,275	0.69
24.	CHONG POH SENG	300,000	0.62
25.	HLIB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LIEW MOI FAH (CCTS)	300,000	0.62
26.	BRENDAN FRANCIS LIM JERN ZHEN	274,900	0.57
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR ANG ENG TIONG	270,800	0.56
28.	TAN HUI KOON	250,000	0.52
29.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR YAP CHIH WEE (E-JAH)	240,000	0.50
30.	YEOH POOI HOON	222,940	0.46
	TOTAL	**24,291,465**	**50.18**

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of the Company will be held at Klana Resort Seremban, Jalan Penghulu Cantik, Taman Tasik Seremban, 70100 Seremban, Negeri Sembilan Darul Khusus on Wednesday, 26 December 2018 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 2018 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 2018 until the next AGM to be held in year 2019 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) Datin Sek Chian Nee; and **(Resolution 2)**
   (b) Low Boon Chin. **(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 Resolutions 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. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board

LIM SECK WAH (MAICSA 0799845)
M. CHANDRASEGARAN A/L S. MURUGASU (MAICSA 0781031)
WAN NOR SAFIKAH WAN HANPI (LS 0010175)

Company Secretaries

Negeri Sembilan Darul Khusus
31 October 2018

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-Second Annual General Meeting of the Company held on 8 December 2017 (hereinafter referred to as the “Previous Mandate”).

   The proposed resolution, if passed, 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
(continued)

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 20th December 2018 ("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.*

FORMOF PROXY

No. of Shares Held	CDS Account No.

*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-Third 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 cast. 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 2018 until the next AGM to be held in year 2019 and be payable after the meeting in arrears. **(Resolution 1)**		
2	To re-elect Datin Sek Chian Nee who is retiring pursuant to Article 71 of the Company's Articles of Association. **(Resolution 2)**		
3	To re-elect Mr Low Boon Chin who is 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)**		

* Strike out whichever not applicable.

Signed this .... day of ....

....
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 20th December 2018 ("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 or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid. 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.

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TIGER SYNERGY BERHAD (325631-V)
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