

Date : 6 December 2017

Lya Rahman  
The General Manager  
Minority Shareholder Watchdog Group  
Tingkat 11, Bangunan KWSP  
No.3, Changkat Raja Chulan  
50200 Kuala Lumpur.

Dear Sir,

Re : **22<sup>nd</sup> Annual General Meeting (“AGM”) of Tiger Synergy Berhad (“Tiger” or “the Company”) to be held on 8 December 2017**

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We refer to the above and to your letter dated 5<sup>th</sup> December 2017.

We append below the answers and reply to all the issues raised :-

**Strategic and Financial Matters**

1. Following the Company's reply to our question on Seri Kembangan and Bukit Serdang projects in 2016, we noted on pages 8 and 9 of the Annual Report that the Group has yet to submit the planning approvals to the relevant authorities.
  - (i) What was the reason for the delay? Have all the technical issues been resolved?
  - (ii) When will the said submissions be made?

**Answer :**

***The planning of the Seri Kembangan and Bukit Serdang projects is still under the Group's review in the context of the property market slowdown. The Group always evaluate and set a safe measure in the project planning to ensure a good take-up rates and profitability of the Projects.***

2. In relation to the Group's four (4) Development Projects, i.e. Telaris Alam Impian, Affordable Housing Project, Telaris Gombak and The Aster Residence-Cheras which were stated on pages 17 to 19 of the Annual Report;
  - (i) Could the Board provide the status of the respective projects in terms of new launches and targeted completion dates?
  - (ii) What are the take-up rates and the total unbilled sales to-date for Telaris Alam Impin project?

**Answer :**

**(a) Telaris Alam Impian - In view of the softening property market and the dampened demand, the Group is re-calibrating the planning to align with the market interest and demand. The Group is re-planning the Telaris Alam Impian project into mixed-residential development consists of medium-range condominium and 3 storey semi-detached houses which could generate higher GDV and profits. As at to-date, there is no take-up rates and unbilled sales for Telaris Alam Impian as the project has yet to be launched.**

**(b) Affordable Housing Project – The Group has received the Letter of Intent from for the purchase of 640 units from PR1MA together with all the necessary amenities, utilities, facilities and infrastructures situated on 9.03 acres of freehold land sited on Lot 1866 & 1867, Mukim Klang, Daerah Klang, Selangor. The targeted completion date shall be 3 years from the Building Plan Approval.**

**(c) Telaris Gombak – is still under planning stage approval.**

**(d) The Aster Residence Cheras - The Group is in the process to apply for the increase of density which could generate higher revenue and profits. The Aster Residence project shall be launched upon the Building Pan approval is obtained and the loan financing is more lenient.**

3. Given the company's poor performance for the FYE2017, could the Board explain what was the rationale for purchasing additional motor vehicles amounting to RM376,456?

**Answer :**

**The group had disposed motor vehicles for RM390,000 under Note 4 on page 102 of the Annual Report in exchange for the purchased of new motor vehicles for RM376,456 in order to minimize the cost of maintenance and up-keeping.**

4. What was the nature of the bad debts written off amounting to RM38,336 for the FYE2017 and the recoverability?

**Answer :**

**The bad debts is a non- trade nature and not recoverable.**

5. Under Note 17 on page 113 of the Annual Report, we noted that the group is disposing certain land held for property development for a cash consideration of RM4.4million.

- (i) Could the Board provide details ie location and net book value of the said land(s) held for disposal?
- (ii) Was there a revaluation carried out and what is the market value of the said land(s)?
- (iii) What is the rationale for disposing the said land(s)?

**Answer :**

- (i) **The land(s) is located at Lorong Pantai Prima, Kuala Lumpur with a net book value of RM3.795million.**

(ii) *There was a revaluation carried out with a market value of RM4.4 million and forced sale value of RM3.09 million.*

(iii) *The rationale for the disposal is to realize gain via sale of land(s) and to raise funds as working capital for Tiger group.*

6. On page 126 of the Annual Report, we noted the huge segment loss for operating segment under Others. The loss for Others segment increased from RM0.35million in FYE2016 to RM1.14 million in FYE2017. What was the reason for the increase in loss for FYE2017?

**Answer:**

*The reason for the increase in loss for FYE2017 was mainly due to the recognition of share-based payments of RM4.305 million from ESOS and the reversal of diminution of value in investment of RM3.338 million.*

7. As disclosed in the Analysis of Shareholders as at 23 October 2017 on page 140 of the Annual Report, could the Board explain why Huam Hong Ping who is holding 7.24% shareholding in the Company was not stated under the substantial shareholders list?

**Answer :**

*The Management has overlooked it due to the rushing for the release and dispatch of the Annual Report.*

**Corporate Governance Matters**

1. As stated on page 34 of the Annual Report, the tenure of each Independent Director had not exceeded a cumulative term of nine (9) years. However, we noted on page 26 of the Annual Report that Mr Chua Eng Chin, the Independent Non-Executive Director of the Company was appointed to the Board on 15 December 2006 whereby he has served on the Board for cumulative term of 10 years and 11 months. Please explain?

**Answer**

*Mr. Chua Eng Chin has been re-designated as the Non-Independent Non-Executive Director*

2. MSWG does not encourage the practice of giving ESOS to non-executive directors especially independent non-executive directors as they are there to monitor the ESOS allocation to the employees and the executive directors. They also play an important Governance role in the Company. Thus, their fees should commensurate with their roles and responsibilities as well as size and risk of the operation of the company.

We noted that Dato' Lee Yuen Fong and Mr Low Boon Chin are independent non-executive directors of the company. Could the board clarify on the rationale of the proposal?

**Answer**

**The ESOS is allocated to the eligible Non-Executive Directors as their services and contributions are valued by the Company. This initiative will help to achieve the objectives;**

- (i) To recognize their contributions relating to their oversight responsibilities as independent members of the Board and Board Committees which are considered vital to the governance of the Tiger Group; and**
  - (ii) To provide an opportunity for the eligible Non-Executive Directors to participate in the Company's future growth.**
3. Chapter 9, Paragraph 9.21(2) of the Main Market Listing Requirements requires companies to publish the summary of key matters discussed at the AGMs onto the companies website. However, we noted that the Company did not publish the summary of the key matters discussed at its AGM held in 2016. Please explain.

**Answer**

**The summary of the key matters discussed at its AGM held in 2016 was not published onto the Company's website due to the change of the Company Secretary. The Company shall publish the summary of the key matters discussed at its forthcoming AGM in due course.**

Thank-you

Yours faithfully,  
For **Tiger Synergy Berhad**



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Shirley Tan Lee Chin  
The Managing Director