

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this Circular relating to the Proposed IASC (as defined herein) and Proposed Amendments (as defined herein) prior to the issuance of this Circular as they are exempt documents pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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**TIGER SYNERGY BERHAD**  
(Company No. 325631-V)  
(Incorporated in Malaysia under the Companies Act, 1965)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PART A**

**PROPOSED RATIFICATION OF BUSINESS DIVERSIFICATION OF TIGER SYNERGY BERHAD (“TIGER” OR “THE COMPANY”) AND ITS SUBSIDIARIES INTO PROPERTY DEVELOPMENT AND CONSTRUCTION ACTIVITIES**

**PART B**

- (I) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 424,710,000 NEW ORDINARY SHARES OF RM0.20 EACH IN TIGER (“RIGHTS SHARES”) ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARES OF RM0.20 EACH IN TIGER HELD, TOGETHER WITH UP TO 424,710,000 FREE DETACHABLE WARRANTS 2013/2018 (“WARRANTS 2013/2018”) ON THE BASIS OF ONE (1) WARRANT 2013/2018 FOR EVERY ONE (1) RIGHTS SHARE SUCCESSFULLY SUBSCRIBED AT AN ENTITLEMENT DATE TO BE DETERMINED LATER;**
- (II) PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF TIGER FROM RM100,000,000 COMPRISING 500,000,000 ORDINARY SHARES OF RM0.20 EACH IN TIGER (“SHARES”) TO RM500,000,000 COMPRISING 2,500,000,000 SHARES; AND**
- (III) PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF TIGER AS A CONSEQUENCE OF THE PROPOSED IASC (AS DEFINED HEREIN).**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser for Part A and (I) of Part B*



**TA SECURITIES HOLDINGS BERHAD (14948-M)**  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“EGM”) of Tiger together with the Proxy Form are enclosed in this Circular. Tiger’s EGM will be held as follows:

Venue of the EGM	:	Avillion Admiral Cove Batu 5 ½, Jalan Pantai, 71050 Si Rusa Port Dickson, Negeri Sembilan Darul Khusus, Malaysia.
Date and time of the EGM	:	Friday, 15 November 2013 at 11.00a.m.
Last date and time for lodging the Proxy Form	:	Wednesday, 13 November 2013 at 11.00a.m.

A Member entitled to attend and vote at the EGM may appoint another person as his/her proxy to attend and vote on his/her behalf. The completed Proxy Form should be lodged at the registered office of Tiger at No. 482, Ground Floor, Jalan Zamrud 6, Taman Ko-Op, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia not less than forty-eight (48) hours before the time set for holding the EGM. The Proxy Form once deposited will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

This Circular is dated 21 October 2013

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

“5D-VWAP”	:	5-day volume weighted average market price
“Act”	:	The Companies Act, 1965 as amended from time to time and any re-enactment thereof
“Additional Undertakings”	:	<p>The Undertaking Shareholders had on 21 August 2013 provided additional written unconditional and irrevocable undertakings to subscribe in full for any additional entitlement over and above their Undertaking pursuant to the Proposed Rights Issue of Shares with Warrants arising from any increase in the number of Shares held by the Undertaking Shareholders as at the Entitlement Date.</p> <p>As at the LPD, Dato’ TWL has increased his shareholding in Tiger by subscribing additional 250,000 Shares to meet the Minimum Subscription Level.</p>
“Adjustment Warrants”	:	<p>Up to 3,707,152 additional warrants to be issued in consequence of adjustment arising from the Proposed Rights Issue of Shares with Warrants during the exercise period as stipulated in the Existing Deed Poll.</p> <p>For the avoidance of doubt, the Adjustment Warrants to be issued shall be part of the series of the Warrants 2010/2015 constituted by the Existing Deed Poll and on such terms and conditions set out in the Existing Deed Poll.</p>
“Alam Impian Project”	:	<p>The intended developments pursuant to the following:</p> <ul style="list-style-type: none"><li>- On 9 January 2013, Tiger Synergy Development entered into a joint venture agreement with Pentas Irama for the propose undertaking of a residential and/or commercial project; and</li><li>- On 17 January 2013, Tiger Synergy Development entered into a joint venture agreement with Elitprop for the propose undertaking of a residential and/or commercial project.</li></ul>
“Board”	:	The Board of Directors of Tiger
“Bukit Serdang Project”	:	A residential project located at Serdang, Selangor Darul Ehsan
“Bukit Sri Putra Project”	:	A housing project comprising of 145 units of 3 storey linked house in Sungai Buloh, Selangor Darul Ehsan
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“Circular”	:	This circular to the shareholders of Tiger dated 8 October 2013
“CMSA”	:	Capital Markets and Services Act, 2007 as amended from time to time and any re-enactment thereof
“Code”	:	Malaysian Code on Take-Overs and Mergers, 2010 as amended from time to time and any re-enactment thereof
“Dato’ TWL”	:	Dato’ Tan Wei Lian, Managing Director and substantial shareholder of Tiger
“Deed Poll”	:	The document constituting the Warrants 2013/2018 to be executed by the Company
“EGM”	:	Extraordinary general meeting of the Company
“Elitprop”	:	Elitprop Sdn Bhd (668446-H)

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**DEFINITIONS (cont'd)**

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“Entitled Shareholder(s)”	:	The shareholders of Tiger whose names appear in the Company’s Record of Depositors on the Entitlement Date
“Entitlement Date”	:	The date and time (to be determined by the Board and announced later by the Company) on which the Company’s Record of Depositors with Bursa Depository will be closed to determine the entitlement of the shareholders to the Proposed Rights Issue of Shares with Warrants
“EPS”	:	Earnings per share
“Existing Deed Poll”	:	The deed poll dated 9 July 2010 constituting the Warrants 2010/2015
“Existing Warrants”	:	An aggregate of 37,639,900 existing Warrants 2010/2015 issued but remain unexercised as at the LPD.
“FPE”	:	Financial period ended
“FYE”	:	Financial year ended/ ending, as the case may be
“GDC”	:	Gross development cost
“GDV”	:	Gross development value
“Janavista”	:	Janavista Sdn Bhd (369412-H) was a wholly-owned subsidiary of Tiger and has ceased to be a subsidiary of Tiger as announced on 4 June 2013.
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities
“LPD”	:	2 October 2013, being the latest practicable date prior to the printing of this Circular
“Lukut Land”	:	124 pieces of vacant freehold lands totalling approximately 332,615 square feet all held under PT 140 to PT 243 and PT 245 to PT 264 in Town of Lukut, District of Port Dickson, State of Negeri Sembilan Darul Khusus, Malaysia
“M&A”	:	Memorandum and Articles of Association
“Manufacturing”	:	The manufacturing of furniture parts, furniture accessories and wood based products
“Maximum Scenario”	:	The maximum number of 424,710,000 Rights Shares and 424,710,000 Warrants 2013/2018 which were arrived at after taking into account the existing issued and paid-up share capital of the Company as at the LPD and assuming all of the Existing Warrants are exercised prior to the Entitlement Date and all Entitled Shareholders fully subscribe for their entitlements of their Rights Shares with Warrants 2013/2018
“Minimum Scenario”	:	Assuming none of the Existing Warrants is exercised prior to the Entitlement Date and the Proposed Rights Issue of Shares with Warrants is completed based on the Minimum Subscription Level
“Minimum Subscription Level”	:	A minimum subscription level of 47,602,900 Rights Shares together with 47,602,900 Warrants 2013/2018 pursuant to the Undertakings and Additional Undertakings
“Minply C&E”	:	Minply Construction & Engineering Sdn Bhd (759898-K) was a wholly-owned subsidiary of Tiger and has ceased to be a subsidiary of Tiger on 1 April 2012
“MPDSB”	:	MHB Property Development Sdn Bhd (766881-X), a wholly-owned subsidiary of Tiger
“MRT”	:	Mass rapid transit

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**DEFINITIONS (cont'd)**

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“MyHarmony”	:	My Harmony Development Sdn Bhd (921361-M), a wholly-owned subsidiary of Tiger
“NA”	:	Net assets
Net Segment Assets	:	Segment assets less segment liabilities and before consolidation elimination
Net Segment Results	:	Segment results before consolidation elimination and after allocation of finance cost and taxation
“Pantai Avenue Project”	:	A project located at Bangsar South, Kuala Lumpur comprising of 25 units of three storey super link house and 12 units of semi-detached bungalows
“Pembinaan Terasia”	:	Pembinaan Terasia Sdn Bhd (895278-H), a wholly-owned subsidiary of Tiger
“Pentas Irama”	:	Pentas Irama Sdn Bhd (955778-D)
“PPE”	:	Property, plant and equipment
“Previous Listing Requirements”	:	Previous Main Market Listing Requirements of Bursa Securities (last updated May 2006)
“Price-Fixing Date”	:	Price fixing date to be determined by the Board
“Property Development”	:	Property development and construction activities
“Proposals”	:	Proposed Rights Issue of Shares with Warrants, Proposed IASC and Proposed Amendments, collectively
“Proposed Amendments”	:	Proposed amendments to the M&A of Tiger as a consequence of the Proposed IASC
“Proposed IASC”	:	Proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 500,000,000 Shares to RM500,000,000 comprising 2,500,000,000 Shares
“Proposed Ratification of Business Diversification”	:	Proposed ratification of business diversification of the Tiger Group into Property Development
“Proposed Rights Issue of Shares with Warrants”	:	Proposed renounceable rights issue of up to 424,710,000 new Shares on the basis of one (1) Rights Share for every one (1) existing Share held, together with Warrants 2013/2018 on the basis of one (1) Warrant 2013/2018 for every one (1) Rights Share successfully subscribed at the Entitlement Date
“Record of Depositors”	:	A record of depositors established by Bursa Depository under the rules of Bursa Depository, as amended from time to time
“Rights Share(s)”	:	Up to 424,710,000 new Shares to be issued pursuant to the Proposed Rights Issue of Shares with Warrants
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SCN”	:	Sek Chian Nee
“Seri Kembangan Project”	:	A residential buildings project located at Seri Kembangan, Selangor Darul Ehsan
“Shares”	:	Ordinary shares of RM0.20 each in Tiger
“SPA”	:	Sale and purchase agreement
“TA Capital”	:	TA Capital Sdn Bhd (220624-A)

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**DEFINITIONS (cont'd)**

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“TA Securities”	:	TA Securities Holdings Berhad (14948-M)
“TEAP”	:	Theoretical ex-all price
“Tekan Mewah”	:	Tekan Mewah Development Sdn Bhd (718935-D), a wholly-owned subsidiary of Tiger
“Tiger” or “Company”	:	Tiger Synergy Berhad (325631-V)
“Tiger Group” or “Group”	:	Tiger and its subsidiaries, collectively
“Tiger Synergy Development”	:	Tiger Synergy Development Sdn Bhd (717993-V), a wholly-owned subsidiary of Tiger
“Tiger Synergy Land”	:	Tiger Synergy Land Sdn Bhd (895473-M), a wholly-owned subsidiary of Tiger
“Timberion”	:	Timberion Sdn Bhd (716277-D), a wholly-owned subsidiary of Tiger
“TLC”	:	Tan Lee Chin, Executive Director and substantial shareholder of Tiger
“Trading”	:	The trading of plywood, furniture parts, furniture accessories, wood based panels and other related products
“Undertakings”	:	Written unconditional and irrevocable undertakings from the Undertaking Shareholders that they will not dispose any of their existing Shares following the announcement of the Proposed Rights Issue of Shares with Warrants on 13 June 2013 and up to the completion of the Proposed Rights Issue of Shares with Warrants and that they will subscribe in full for their entitlements of 47,352,900 Rights Shares with 47,352,900 Warrants 2013/2018
“Undertaking Shareholders”	:	Dato’ TWL and TLC, collectively
“Warrant(s) 2010/2015”	:	88,000,000 free detachable warrants issued pursuant to the Existing Deed Poll and any additional warrants to be issued in accordance with the provisions of the Existing Deed Poll. The Warrants 2010/2015 will be expiring on 8 August 2015.
“Warrant(s) 2013/2018”	:	Up to 424,710,000 free detachable warrants to be issued pursuant to the Proposed Rights Issue of Shares with Warrants

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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**PART A**

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED  
RATIFICATION OF BUSINESS DIVERSIFICATION**





**TIGER SYNERGY BERHAD**  
Company No. 325631-V)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**

No. 482, Ground Floor  
Jalan Zamrud 6, Taman Ko-Op  
70200 Seremban  
Negeri Sembilan Darul Khusus  
Malaysia

21 October 2013

**Board of Directors**

Dato' Tan Wei Lian (*Managing Director*)  
Tan Lee Chin (*Executive Director*)  
Chua Eng Chin (*Independent Non-Executive Director*)  
Dato' Khoo Seng Hock (*Independent Non-Executive Director*)  
Chew Chee Bor (*Independent Non-Executive Director*)

**To: The shareholders of Tiger**

Dear Sir/Madam,

**PROPOSED RATIFICATION OF BUSINESS DIVERSIFICATION**

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**1. INTRODUCTION**

On 16 July 2013, TA Securities had on behalf of the Board, announced that the Company proposes to undertake the Proposed Ratification of Business Diversification.

**THE PURPOSE OF THIS LETTER IS TO PROVIDE YOU WITH DETAILS ON THE PROPOSED RATIFICATION OF BUSINESS DIVERSIFICATION AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED RATIFICATION OF BUSINESS DIVERSIFICATION TO BE TABLED AT THE FORTHCOMING EGM TO BE CONVENED. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED HEREIN TOGETHER WITH THIS CIRCULAR.**

**SHAREHOLDERS OF TIGER ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART A OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RATIFICATION OF BUSINESS DIVERSIFICATION TO BE TABLED AT THE FORTHCOMING EGM.**

## 2. DETAILS OF THE PROPOSED RATIFICATION OF BUSINESS DIVERSIFICATION

Tiger (then known as Minply Holdings (M) Berhad) was listed on the Second Board of Bursa Securities and currently on the Main Board of Bursa Securities since 29 October 1999. Up to its FYE 31 December 2006, the Tiger Group's core business as set out in the segment reporting of the Company's audited financial statements was mainly in Manufacturing and Trading.

Based on Tiger's audited financial statements for the FYE 31 December 2006, approximately 46.91% (i.e., 30.04% + 16.87%) of Tiger's Net Segment Results and approximately 37.92% (i.e., 3.83% + 34.09%) of Tiger's Net Segment Assets were from the Manufacturing and Trading segments (collectively). The Property Development segment only accounted for approximately 0.67% of Tiger's Net Segment Results and approximately 0.70% of Tiger's Net Segment Assets.

The chronology of events resulting in the Group's diversification into Property Development is as follows:

### (i) Diversification in the FYE 31 December 2007

Based on Tiger's audited financial statements for the FYE 31 December 2007, approximately 34.68% of its Net Segment Results were from the Property Development segment, whilst approximately 10.37% of its Net Segment Assets was attributable to the Property Development segment. The Net Segment Results and Net Segment Assets for the said financial year were entirely attributable to the Pantai Avenue Project and Lukut Land.

- ***Pantai Avenue Project***

In January 2007, Tiger had via its then wholly-owned subsidiaries commenced its Property Development for the Pantai Avenue Project. The developer of the said project was Janavista while the construction activities were carried out by Minply C&E.

The GDV for the Pantai Avenue Project was approximately RM43.2 million and has yielded a cumulative profit of approximately RM3.2 million to the Group for the FYE 31 December 2007 to the eighteen (18)-months FPE 30 June 2013\* (unaudited) after taking into account the reversal of over recognition of profits in prior year. The Pantai Avenue Project was completed in March 2013.

*Note:*

\* On 30 November 2012, Tiger announced on Bursa Securities that its financial year-end will be changed to 30 June for the current financial period.

- ***Lukut Land***

In addition, another wholly-owned subsidiary of Tiger namely Tekan Mewah had on 22 June 2006 completed the acquisition of Lukut Land for a total cash consideration of RM8.0 million. This contributed to the Tiger Group's Property Development segment results and assets for the FYE 31 December 2006 to the FYE 31 December 2009.

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As disclosed in Tiger's information circular dated 15 September 2006, Tekan Mewah had proposed to develop Lukut Land into a mixed development comprising shop units, a shopping complex, petrol kiosk and recreation square. However, the intended development did not take place as based on an internal evaluation undertaken by Tiger, the findings recorded poor demand and low level of expected profits. Thus, Tiger had on 17 October 2011 and 14 February 2012 as announced on Bursa Securities, proceeded to dispose-off the land parcels held under Lukut Land. The disposals were completed on 20 July 2012 and 29 May 2013 and the cumulative gains amounted to approximately RM2.3 million.

In view of the above, the contributions to the Tiger Group's Property Development segment for the FYE 31 December 2008 to FYE 31 December 2009 were mainly attributable to the Pantai Avenue Project and Lukut Land. Thus, the diversification of the Tiger Group's core business into Property Development took place in the FYE 31 December 2007.

**(ii) Continue expansion in Property Development**

In April 2011, Tiger had via its other wholly-owned subsidiaries commenced its Property Development for the Bukit Sri Putra Project. The developer of the said project was Timberion while the construction activities were carried out by Pembinaan Terasia.

The GDV for the Bukit Sri Putra Project is estimated to be RM90.0 million and the GDC is estimated to be RM74.0 million. Thus, the development is expected to provide an estimated profit of RM16.0 million. As at 30 June 2013, the development is approximately 75% completed and has yielded a cumulative profit of approximately RM11.0 million to the Group for the FYE 31 December 2010 to the eighteen (18)-months FPE 30 June 2013 (unaudited).

The Property Development activities which contributed to the Tiger Group's Property Development segment results and segment assets for the FYE 31 December 2007 and to the eighteen (18)-months FPE 30 June 2013 (unaudited) are summarised as follows:

Subsidiary	Property Development	Summary of contributions to the segment results and segment assets
(i) Tekan Mewah	Segment results:	<p>For the FYE 31 December 2007 to FYE 31 December 2010, the losses comprised only administration expenses such as professional fees (audit and tax), directors fees, staff cost and depreciation of PPE. These expenses were mainly incurred in relation to Lukut Land which was held for development purposes.</p> <p>For the FYE 31 December 2011, the profits were mainly attributable to a waiver of debt owing to, by a subsidiary within the Group.</p> <p>The land parcels held as part of Lukut Land were subsequently disposed during the eighteen (18)-months FPE 30 June 2013 (unaudited) as announced on Bursa Securities on 17 October 2011 and 14 February 2012. The disposals of all the land parcels held under Lukut Land were completed on 20 July 2012 and 29 May 2013.</p> <p>For the eighteen (18)-months FPE 30 June 2013 (unaudited), the losses comprised mainly administration expenses such as professional fees (audit and tax), depreciation of PPE and waiver of debts due from a subsidiary.</p>

<b>Subsidiary</b>	<b>Property Development</b>	<b>Summary of contributions to the segment results and segment assets</b>
	Segment assets:	<p>As at 31 December 2007 and up to 31 December 2011, this comprised of Lukut Land which was held for development purposes and PPE.</p> <p>As at 30 June 2013 (unaudited), this comprised mainly PPE and an amount due from subsidiaries within the Group</p>
(ii) Janavista <sup>(a)</sup>	Segment results:	<p>For the FYE 31 December 2007 to FYE 31 December 2008 and FYE 31 December 2010 to FYE 31 December 2011, the profits comprised mainly revenue from the sale of development properties in relation to the Pantai Avenue Project after deducting development cost and operating expenses.</p> <p>For the FYE 31 December 2009, the losses were mainly due to higher development cost compared to revenue from the sale of development properties in relation to the Pantai Avenue Project.</p>
	Segment assets:	<p>As at 31 December 2007 and up to 31 December 2011, this comprised of land and development costs in relation to the Pantai Avenue Project and accrued billings.</p>
(iii) MPDSB <sup>(b)</sup>	Segment results:	<p>For the FYE 31 December 2010, the profits comprised fixed deposit income received (from the proceeds from a right issue of shares with warrants completed by Tiger in the said financial year) and after deducting administration expenses such as professional fees for audit and tax.</p> <p>For the FYE 31 December 2011, the profits were mainly gain arising from a waiver of debt owing to, by a subsidiary within the Group.</p> <p>For the eighteen (18)-months FPE 30 June 2013 (unaudited), the losses mainly due to administration expenses such as professional fees for audit and tax.</p>
	Segment assets:	<p>As at 31 December 2010 and up to 30 June 2013 (unaudited), this comprised of land held for property development, PPE and fixed deposits.</p> <p>As at 30 June 2013 (unaudited), this included an amount due from subsidiaries within the Group.</p>

<b>Subsidiary</b>	<b>Property Development</b>	<b>Summary of contributions to the segment results and segment assets</b>
(iv) Pembinaan Terasia <sup>(c)</sup>	<p>Segment results:</p> <p>Segment assets:</p>	<p>For the FYE 31 December 2010 to the eighteen (18)-months FPE 30 June 2013 (unaudited), this comprised mainly construction revenue received in relation to the Bukit Sri Putra Project after deducting construction cost and operating expenses.</p> <p>As at 31 December 2010 and up to 30 June 2013 (unaudited), this comprised amount due from subsidiaries and holding company, PPE and amount due from customer for contract work in respect of the Bukit Sri Putra Project.</p>
(v) Timberion <sup>(d)</sup>	<p>Segment results:</p> <p>Segment assets:</p>	<p>For the FYE 31 December 2010 to the Eighteen (18)-months FPE 30 June 2013 (unaudited), this comprised mainly revenue from the sale of development properties in relation to the Bukit Sri Putra Project after deducting development cost and operating expenses.</p> <p>For the eighteen (18)-months FPE 30 June 2013, the lower profits were mainly due to the lower profit margin as the Bukit Sri Putra Project was approaching the completion stage.</p> <p>As at 31 December 2010 and up to 30 June 2013 (unaudited), this comprised of land held for property development, namely the Bukit Sri Putra Project, accrued billings, trade debtors and</p> <p>As at 30 June 2013 (unaudited), this included an amount due from subsidiaries within the Group.</p>
(vi) Minply C&E <sup>(e)</sup>	<p>Segment results:</p> <p>Segment assets:</p>	<p>For the FYE 31 December 2007 and FYE 31 December 2009, this comprised mainly construction income received in relation to the Pantai Avenue Project after deducting construction cost and operating expenses.</p> <p>For the FYE 31 December 2008, FYE 31 December 2010 to FYE 31 December 2011, the losses mainly due to escalating construction costs and increased administrative expenses for the financial years under review.</p> <p>As at 31 December 2007 and up to 31 December 2011, this comprised amount due from subsidiaries and holding company, PPE and amount due from customer for contract work in respect of the Pantai Avenue Project.</p>

<b>Subsidiary</b>	<b>Property Development</b>	<b>Summary of contributions to the segment results and segment assets</b>
(vii) MyHarmony <sup>(f)</sup>	Segment results:	For the eighteen (18)-months FPE 30 June 2013 (unaudited), this comprised only administration expenses such as professional expenses (e.g. audit and tax fees) in relation to the land held for development for the Bukit Serdang Project. Please refer to <b>Section 2.3(i), Part A</b> of this Circular for further details.
	Segment assets:	As at 30 June 2013 (unaudited), this comprised of the land held for development for the Bukit Serdang Project and amount due from subsidiaries within the Group.
(viii) Tiger Synergy Land <sup>(g)</sup>	Segment results:	For the eighteen (18)-months FPE 30 June 2013 (unaudited), this comprised mainly fixed deposit income and after deducting operating expenses such as administration expenses (e.g. audit and tax fees) in relation to the land held for development for the Seri Kembangan Project. Please refer to <b>Section 2.3(iii), Part A</b> of this Circular for further details.
	Segment assets:	As at 30 June 2013 (unaudited), this comprised and the land held for development for the Seri Kembangan Project and an amount due from subsidiaries within the Group.
(ix) Tiger Synergy Development <sup>(h)</sup>	Segment results:	For the eighteen (18)-months FPE 30 June 2013 (unaudited), this comprised only operating expenses such as depreciation and administration expenses (e.g. audit and tax fees) in relation to the land held for development for the Alam Impian Project. Please refer to <b>Section 2.3(ii), Part A</b> of this Circular for further details.
	Segment assets:	As at 30 June 2013 (unaudited), this comprised of the land held for development for the Alam Impian Project and amount due from subsidiaries within the Group.

*Notes:*

- (a) *There were no Property Development segment results and segment assets reflected in Janavista for the eighteen (18)-months FPE 30 June 2013 (unaudited).*
- (b) *There were no Property Development segment results and segment assets reflected in MPDSB for the FYE 31 December 2007 to FYE 31 December 2009.*
- (c) *There were no Property Development segment results and segment assets reflected in Pembinaan Terasia for the FYE 31 December 2007 to FYE 31 December 2009.*
- (d) *There were no Property Development segment results and segment assets reflected in Timberion for the FYE 31 December 2007 to FYE 31 December 2009.*
- (e) *There were no Property Development segment results and segment assets reflected in Minply C&E for the eighteen (18)-months FPE 30 June 2013 (unaudited).*
- (f) *There were no Property Development segment results and segment assets reflected in MyHarmony for the FYE 31 December 2007 to FYE 31 December 2011.*

- (g) *There were no Property Development segment results and segment assets reflected in Tiger Synergy Land for the FYE 31 December 2007 to FYE 31 December 2011.*
- (h) *There were no Property Development segment results and segment assets reflected in Tiger Synergy Development for the FYE 31 December 2007 to FYE 31 December 2011.*

Thus, from the FYE 31 December 2008 and up to the eighteen (18)-months FPE 30 June 2013 (unaudited), based on Tiger's disclosure of segment results and segment assets, Tiger's profits and assets were mainly attributable to Property Development.

Premised on the above, the Board expects this trend to continue in the future.

Please refer to **Appendix I** of this Circular for details on the segment reporting (i.e., external revenue, segment results and segment assets disclosures) of the Tiger Group for the FYE 31 December 2006 to the eighteen (18)-months FPE 30 June 2013 (unaudited).

In the eighteen (18)-months FPE 30 June 2013, Tiger also announced on Bursa Securities the following:

- On 9 January 2013, Tiger announced that Tiger Synergy Development had on 9 January 2013 entered into a joint venture agreement with Pentas Irama for the purpose of undertaking a residential and/or commercial project in respect of the development land strictly on the basis that Pentas Irama shall contribute all that freehold land held under GM1388, Lot No. 1887 in the Mukim of Klang, State of Selangor Darul Ehsan and Tiger Synergy Development 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.
- On 17 January 2013, Tiger announced that Tiger Synergy Development had on 17 January 2013 entered into a joint venture agreement with Elitprop for the purpose of undertaking a residential and/or commercial project in respect of the development land strictly on the basis that Elitprop shall contribute all that freehold land held under GM231, Lot No. 1889 in the Mukim of Klang, State of Selangor Darul Ehsan and Tiger Synergy Development 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.

## **2.1 Clarification by Tiger on the Group's diversification into Property Development**

Tiger wishes to clarify that at the time of the Group's initial venture into Property Development in the FYE 31 December 2007, the Group's Manufacturing and Trading segments were experiencing losses. Thus, in order to address the losses of the Group, the Group initiated temporary measures which included a commercially driven decision to venture into Property Development. Although this resulted in a diversification of business in the FYE 31 December 2007 (pursuant to the then Paragraph 10.12(1) of the Previous Listing Requirements) the Board was uncertain then that Property Development would be the Group's long term core business.

Pursuant to the then Paragraph 10.12(1) of the Previous Listing Requirements which states, among others, "*A listed issuer must obtain its shareholder approval in general meeting for any transaction or business arrangement which might reasonably be expected to result in either-*

- (a) *the diversification of 25% or more of the net assets of the listed issuer to an operation which differs widely from those operations previously carried on by the listed issuer, or*
- (b) *the contribution from such an operation of 25% or more of the net profits of the listed issuer.*

*In assessing the extent of diversification or the amount of contribution to the net profits, consideration should be taken of any associated transactions or loans effected or intended and of contingent liabilities or commitments."*



For the FYE 31 December 2007, approximately 34.68% of its Net Segment Results were from the Property Development segment, whilst approximately 10.37% of its Net Segment Assets was attributable to the Property Development segment. Thus, the diversification of business into Property Development was pursuant to the then Paragraph 10.12(1)(a) of the Previous Listing Requirements. Please refer to **Appendix I** of this Circular for the percentage contribution computations of Net Segment Results and Net Segment Assets.

At that time, the Board was still positive of the outlook and prospects of the Group's Manufacturing and Trading segments and the venture into Property Development was intended to be temporary.

For the subsequent financial years and period, the percentage contribution computations of the Property Development Net Segment Results and Net Segment Assets (as set out in **Appendix I** of this Circular) were inconsistent as summarised below:

<b>FYE / FPE</b>	<b>Percentage contribution of the Property Development Segment computations</b>	<b>Diversification of business</b>
31 December 2008	<ul style="list-style-type: none"> <li>• percentage ratio of Net Segment Results was an anomalous result thus was disregarded; and</li> <li>• 22.55% of its Net Segment Assets.</li> </ul>	No.
31 December 2009	<ul style="list-style-type: none"> <li>• 5.78% of Net Segment Results; and</li> <li>• 26.30% of its Net Segment Assets.</li> </ul>	Yes, based on Net Segment Assets.
31 December 2010	<ul style="list-style-type: none"> <li>• 0.02% of Net Segment Results; and</li> <li>• 18.92% of its Net Segment Assets.</li> </ul>	No.
31 December 2011	<ul style="list-style-type: none"> <li>• 1,366.31% of Net Segment Results; and</li> <li>• 60.11% of its Net Segment Assets.</li> </ul>	Yes, based on Net Segment Results and Net Segment Assets.
Eighteen (18)- months FPE 30 June 2013	<ul style="list-style-type: none"> <li>• 127.46% of Net Segment Results; and</li> <li>• 23.0% of its Net Segment Assets.</li> </ul>	Yes, based on Net Segment Results.

The Board is of the view that the inconsistencies set out above were mainly attributable to the various avenues considered and attempted by the Group to continue and revive its Manufacturing and Trading business as well as the Group's venture into Property Development.

Such avenues include the Group's attempt to venture into the trading of wood based building materials in the FYE 31 December 2009 which resulted in a lower Trading loss of approximately RM1.89 million (FYE 31 December 2008: RM2.90 million). The Group had also acquired the timber concession area (as announced on Bursa Securities on 11 May 2011) wherein the agreement was subsequently terminated due to the non-issuance of timber logging license (as announced on Bursa Securities on 27 September 2013). Please also refer to **Sections 6.2 and 6.3, Part A** of this Circular for the annual commentary on the NA and gearing as well as EPS, respectively.

For the said financial years and period, the Group also commenced two (2) Property Development projects namely, the Pantai Avenue Project and Bukit Sri Putra Project. Notwithstanding the above-mentioned "triggers", the Board wanted further assurance that its venture into the Property Development business would be sustainable in the long term as well as to ensure that the Group has considered and attempted, to the extent reasonably possible, to revive its Manufacturing and Trading business.



In the first (1<sup>st</sup>) half of year 2013, with the completion of the Pantai Avenue Project (in March 2013) which yielded a cumulative profit of approximately RM3.2 million and the Bukit Sri Putra Project had yielded a cumulative profit of approximately RM11 million, this provided the Board with sufficient assurance that the Group's venture into Property Development is profitable and would be sustainable. The Board also had to accept that the business of the Group since the FYE 31 December 2007 has principally been involved in Property Development. As such, Tiger wishes to seek its shareholders' approval for the Proposed Ratification of Business Diversification.

## 2.2 Details of the Tiger Group's existing and on-going project

### Bukit Sri Putra Project

As set out in **Section 2(ii), Part A** of this Circular, the GDV for the Bukit Sri Putra Project is estimated to be RM90.0 million, GDC is estimated to be RM74.0 million and will provide an estimated profit of RM16.0 million.

Details of the property	: Agricultural land held under GM 5845, Lot 579 in the Mukim of Rawang, District of Gombak, State of Selangor Darul Ehsan. The approvals were obtained on 7 April 2009 and 19 February 2013 for the applications for the conversion from agricultural land to residential land.
Terms of the tenure	: Freehold
Encumbrances	: Nil
Approximate area (acres)	: 16.65
Type of development	: Housing project comprising 145 units of 3 storey linked house in Sungai Buloh, Selangor Darul Ehsan
Date of commencement	: April 2011
Percentage of completion	: Approximately 75% completed as at 30 June 2013
Expected completion date	: Within the fourth (4 <sup>th</sup> ) quarter of year 2013
Source of funds by Tiger to finance the remaining development costs	: Internally generated funds of approximately RM20.0 million

## 2.3 Details of the Tiger Group's future and proposed projects

### (i) Details of the Bukit Serdang Project

MyHarmony will undertake this development of a residential project located at Serdang, Selangor Darul Ehsan

The GDV of this project is estimated to be RM300.0 million, GDC is estimated to be RM255.0 million and will provide an estimated profit of RM45.0 million to the Group over a period of five (5) years.

Details of the property	: Agriculture land held under GM 645, Lot 2136 and GM 439 Lot 2135, in the Mukim of Petaling, District of Petaling, State of Selangor Darul Ehsan ("Serdang Land")
Terms of the tenure	: Freehold
Encumbrances	: Nil

Approximate area (acres)	:	2.97
Type of development	:	A condominium with a full range of securities and facilities for the enjoyment of all residents with the combination of swimming pool, children's wading pool, playground, gymnasium, jogging trail, reflexology path and etc.
Existing use of the Serdang Land	:	Currently the Serdang Land is vacant and is proposed to be developed into residential buildings.
Expected commencement and completion date	:	The Bukit Serdang Project is expected to commence in the first quarter of 2015 and is estimated to be completed within five (5) years from the date of relevant authorities' approval on the layout plan of the Bukit Serdang Project.
Source of funds by Tiger to finance the development costs	:	Internally generated funds, bank borrowings and/or part of the gross proceeds to be raised from the Proposed Rights Issue of Shares with Warrants under the Maximum Scenario of approximately RM65.0 million as set out in <b>Section 2.1.4, Part B</b> of this Circular.  The breakdown has yet to be determined at this juncture.
Current stage/status of approval of the development	:	The Bukit Serdang Project is currently in the planning stages and is pending the submission of the layout plan for the Bukit Serdang Project to the authorities for approval.  An SPA will then be executed between MyHarmony and its purchasers upon obtaining approvals from the relevant authorities and the developer's licence as well as the sales permit have been obtained.

**(ii) Details of the Alam Impian Project**

This development is in respect of the joint venture agreements entered into by Tiger Synergy Development with Pentas Irama and Elitprop, respectively, as mentioned in **Section 2(ii), Part A** of this Circular.

The GDV of this project is estimated to be RM200.0 million, GDC is estimated to be RM170.0 million and will provide an estimated profit of RM30.0 million to the Group over a period of three (3) years.

Details of the property	:	Agriculture land held under GM1388, Lot No. 1887 and GM 231 Lot 1889 both in the Mukim and District of Klang, State of Selangor Darul Ehsan (" <b>Shah Alam Land</b> ")
Terms of the tenure	:	Freehold
Encumbrances	:	(i) Lot 1887 is free from all encumbrances.  (ii) Lot 1889 is free from encumbrances save and except for a lien-holder's caveat lodged by TA Capital.
Approximate area (acres)	:	9.10

Type of development	:	A mixed-development located at Alam Impian, Shah Alam comprising of linked house and semi-detached house. The said development is surrounded with amenities such as shopping malls, schools and food and beverage outlets.
Existing use of the Shah Alam Land	:	Currently the land is vacant and is proposed to be developed into residential buildings.
Expected commencement and completion date	:	The Alam Impian Project is expected to commence in the second quarter of 2014, subject to obtaining the approvals for the layout and conversion plans and is estimated to be completed within three (3) years from the date of relevant authorities' approval on the layout plan of Alam Impian Project.
Source of funds by Tiger to finance the development costs	:	Internally generated funds, bank borrowings and/or part of the gross proceeds to be raised from the Proposed Rights Issue of Shares with Warrants under the Maximum Scenario of approximately RM65.0 million as set out in <b>Section 2.1.4, Part B</b> of this Circular.  The breakdown has yet to be determined at this juncture.
Current stage/status of approval of the development	:	The Alam Impian Project is currently in the planning stages and planning application of the layout plan for the Alam Impian Project have been submitted to the authorities for approval.  An SPA will then be executed between Tiger Synergy Development and its purchasers upon obtaining approvals from the relevant authorities and the developer's licence as well as the sales permit have been obtained.

**(iii) Details of the Seri Kembangan Project**

Tiger Synergy Land will undertake this development of residential buildings located at Seri Kembangan.

The GDV of this project is estimated to be RM150.0 million, GDC is estimated to be RM125.0 million and will provide an estimated profit of RM25 million to the Group over a period of three (3) years.

Details of the property	:	Agriculture land held under GM 267 Lot 562 in the Mukim of Petaling, District of Petaling, State of Selangor Darul Ehsan (" <b>Seri Kembangan Land</b> ")
Terms of the tenure	:	Freehold
Encumbrances	:	Third party first legal charge to Hap Seng Credit Sdn Bhd (88601-H)
Approximate area (acres)	:	1.875

Type of development	:	A residential development at Seri Kembangan where the surrounding area would consist of schools, university colleges, residential properties, supermarkets and a shopping mall. There would also be several bus services and a KTM Komuter train station near the area.
Existing use of the Seri Kembangan Land	:	Currently the land is vacant and is proposed to be developed into residential buildings.
Expected commencement and completion date	:	The Seri Kembangan Project is estimated to commence in the second quarter of 2014, subject to obtaining the approvals for the layout and conversion plans and is estimated to be completed within three (3) years from the date of relevant authorities' approval on the layout plan of Seri Kembangan Project.
Source of funds by Tiger to finance the development costs	:	Internally generated funds and/ or part of the gross proceeds to be raised from the Proposed Rights Issue of Shares with Warrants under the Maximum Scenario of approximately RM65.0 million as set out in <b>Section 2.1.4, Part B</b> of this Circular.  The breakdown has yet to be determined at this juncture.
Current stage/status of approval of the development	:	The Seri Kembangan Project is currently in the planning stages and is pending for the submission of the layout plan for the Seri Kembangan Project to the authorities for approval.  An SPA will then be executed between Tiger Synergy Land and its purchasers upon obtaining approvals from the relevant authorities and the developer's licence as well as the sales permit have been obtained.

#### **2.4 Continuity of Property Development in the future**

In view of the above developments set out in **Sections 2.2 and 2.3, Part A** of this Circular and the historical contribution from the Group's Property Development segment for the FYE 31 December 2007 and up to the eighteen (18)-months FPE 30 June 2013 (unaudited) as mentioned in **Section 2(ii), Part A** of this Circular, the Board anticipates that the Group's property development and construction activities will continue to be a major contributor to the Group's earnings in the future as it will continue to seek and secure more property development projects in future.

The Pantai Avenue Project and Bukit Sri Putra Project were the contributors to the revenue and profits from the Property Development segment and of the Group for the eighteen (18)-months FPE 30 June 2013. The Bukit Sri Putra Project and Alam Impian Project are expected to be the major contributors to the revenue and profits of the Property Development segment and of the Group for the financial year ending 30 June 2014. However, the Group does not expect the Bukit Serdang Project and Seri Kembangan Project (as set out in **Section 2.3, Part A** of this Circular) to contribute significantly to the revenue and profits of the Group for the financial year ending 30 June 2014 based on the commencement dates of the said projects as stated therein.

The Board is confident that the Group has the required skills and expertise to run the property development and construction business as the Managing Director of Tiger, namely Dato' TWL and the Executive Director of Tiger, namely TLC have vast experience in the property development and construction business. Please refer to their profile set out in **Appendix II** of this Circular.

In addition and as announced on Bursa Securities on 28 June 2013, the Company's securities has been reclassified from "**Industrial Products**" sector to "**Properties**" sector with effect from 1 July 2013.

### **3. RATIONALE FOR THE PROPOSED RATIFICATION OF BUSINESS DIVERSIFICATION**

As mentioned in **Section 2.1, Part A** of this Circular, at the time of the Group's initial venture into Property Development in the FYE 31 December 2007, it was intended to be part of the Group's temporary measures to address the Group's losses from its Manufacturing and Trading segments. In addition, the Board wanted sufficient assurance that the Group's venture into Property Development would be profitable and sustainable in the long term as well as to ensure that the Group has considered and attempted, to the extent reasonably possible, to revive its Manufacturing and Trading business.

However and as set out in **Appendix I** of this Circular, the venture into Property Development subsequently became more profitable compared to the Group's core business of Manufacturing and Trading. Thus, it is the Board's intention to continue with the Group's operations in Property Development in the future.

Nevertheless and as mentioned in **Section 2(i), Part A** of this Circular, based on Tiger's audited financial statements for the FYE 31 December 2007, approximately 34.68% of its Net Segment Results were from the Property Development segment, whilst approximately 10.37% of its Net Segment Assets was attributable to the Property Development segment. Thus, pursuant to the then Paragraph 10.12(1) of the Previous Listing Requirements as mentioned in **Section 2.1, Part A** of this Circular, the diversification of the Group's business into Property Development took place in the FYE 31 December 2007. However, Tiger did not seek its shareholders' approval due to the reasons set out in **Section 2.1, Part A** of this Circular.

In addition and as mentioned in **Sections 2(ii) and 2.4, Part A** of this Circular, the Board anticipates that the Group's Property Development will continue to be a major contributor to the Group's earnings in the future as it will continue to seek and secure more property development projects in future.

Premised on the above, the Proposed Ratification of Business Diversification would enable Tiger to seek a specific shareholders' approval at an EGM to be convened.

### **4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS OF THE TIGER GROUP**

#### **4.1 Overview and outlook of the Malaysian economy**

The global economy continued to experience modest growth in the second quarter of 2013. The US economy expanded at a moderate pace, while economic activity in the euro area remained weak amid austerity measures and ongoing sovereign debt concerns. In Asia, growth of several economies moderated in the second quarter, as the prolonged weakness in the external environment had begun to affect domestic economic activity, particularly in the more open economies. While domestic demand in the Malaysian economy has remained strong, the overall growth performance was affected by the weak external sector. In the second quarter, the Malaysian economy expanded by 4.3% (1Q 2013: 4.1%). Domestic demand remained firm, growing by 7.3% (1Q 2013: 8.2%) while exports registered a larger decline, amid weakness across most export products. On the supply side, the major economic sectors expanded further in the second quarter, supported by the continued strength in domestic demand.

In the construction sector, growth remained strong (9.9%; 1Q 2013: 14.2%), driven by the civil engineering and residential sub-sectors. Infrastructure and oil and gas projects, such as the MRT, Tanjung Bin and Janamanjung power plants, and Sabah-Sarawak Gas Pipeline, remained the key drivers of growth in the subsector. The construction of high-end residential properties in Klang Valley, Penang and Sabah supported growth in the residential sub-sector.

The headline inflation rate, as measured by the annual change in the Consumer Price Index (CPI), was higher at 1.8% in the second quarter (1Q 2013: 1.5%), attributable mainly to price increases in the food and non-alcoholic beverages and housing, water, electricity, gas, and other fuels categories.

The international reserves of Bank Negara Malaysia amounted to RM432.8 billion (equivalent to USD136.1 billion) as at 28 June 2013. This reserves level has taken into account the quarterly adjustment for foreign exchange revaluation changes. As at 31 July 2013, the reserves position amounted to RM438.3 billion (equivalent to USD137.8 billion), sufficient to finance 9.7 months of retained imports and is 3.8 times the short-term external debt.

The Overnight Policy Rate (“OPR”) was maintained at 3.00% during the second quarter. At the prevailing level of the OPR, monetary conditions remain supportive of economic activity.

The domestic financial system remained resilient throughout the second quarter amid episodes of higher volatility in the global and domestic financial markets. Domestic financial intermediation continued to be well-supported by sound financial institutions, orderly financial market conditions and sustained confidence in the financial system.

Going forward, the global economy continues to face downside risks, emanating from developments in several major economies. Policy uncertainty surrounding the quantitative easing programme in the US and European sovereign debt concerns are expected to weigh on market sentiment and growth prospects. While overall growth performance in most emerging economies, including in Asia, will be affected by these developments, domestic demand will continue to support the overall growth performance. The growth prospects are also being augmented by targeted policy measures.

For the Malaysian economy, the prolonged weakness in the external environment has affected the overall growth performance of the economy going forward. While domestic demand is expected to remain firm, supported by sustained private consumption, capital spending in the domestic-oriented industries and the ongoing implementation of infrastructure projects, the weak external sector in the first half of this year will affect our overall growth performance for the year. The overall growth of the economy for this year has now been revised to 4.5 - 5.0%. Going forward domestic demand is expected to remain on its steady growth trajectory and will continue to be supported by an accommodative monetary policy.

*(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2013, Bank Negara Malaysia)*

The 2012 Budget with the theme “National Transformation Policy (“NTP”): Welfare for the Rakyat, Well-Being of the Nation” clearly reflects the Government’s commitment in ensuring sustainable growth and enhancing the well-being of the rakyat. The Budget focused on five main areas, namely accelerating investment, generating human capital excellence, creativity and innovation, rural transformation programme, strengthening the civil service, and easing inflation and enhancing the well-being of the rakyat. Under the NTP, the services sector is envisaged to drive the economy towards a high-income and developed nation by 2020.

With prospects of global growth remaining modest at 3.9%, domestic demand will continue to drive the Malaysian economy boosted by the measures in the 2013 Budget. Against this backdrop, the GDP forecast for the Malaysian economy is between 4.5% and 5.5% in 2013.



Despite an increase in aggregate demand, inflation is expected to remain manageable following the expansion from the supply side. All sectors of the economy are expected to contribute to growth, with the services, manufacturing and construction sectors spearheading the expansion.

*(Source: Economic Report 2012/2013, Ministry of Finance, Malaysia)*

#### **4.2 Overview and outlook of the Malaysian's property market**

The Malaysian property market continued to grow albeit at a slower pace and registered 217,135 transactions worth RM69.08 billion in the first half of 2012 ("1H 2012"). Compared against the first half of 2011 ("1H 2011"), the volume and value of transactions recorded a modest increase of 1.1% and 6.5% respectively (1H 2011:214,778 transactions; RM64.81 billion). In comparison with the preceding second half of 2012 ("2H 2011") period, the market recorded a marginal increase of 0.7% in volume whilst the value dropped by 5.4% (2H 2011:215,625 transactions; RM73.02 billion).

On the market activities, all sub-sectors except industrial recorded modest increments compared to the 1H 2011. Development land recorded the highest increase of 5.5% followed by residential (1.5%), agricultural (0.4%) and commercial property sub-sectors (0.2%). Industrial sub-sector on the other hand recorded negative trend of 9.6%. Against the preceding 2H 2011 period, development land, agricultural and residential property sub-sectors recorded growths of 8.9%, 5.3% and 0.2% respectively. On the contrary, industrial and commercial property sub-sectors registered decreases of 10.0% and 6.4% respectively.

The overhang and unsold situation in the shops sub-sector improved further with gradual reduction in volume and value. As at end June 2012, the total number of overhang and unsold shops were 10,152 units, decreased by 17.8% compared against the 1H 2011 (12,353 units) and 17.1% compared to the preceding 2H 2011(10,565 units) period. Of the total in 1H 2012, 45.2% (4,590 units) was contributed by overhang units worth RM1.26 billion. This was lower by 22.6% in volume and 25.3% in value against the 1H 2011 (5,931 units: RM1.69 billion). Compared to the preceding 2H 2011 period, similar movement was noted; volume decreased by 16.3% (5,482 units) whilst value decreased by 20.5% (RM1.59 billion).

The purpose-built office and shopping complex sub-sectors saw encouraging performances. The national average occupancy rate for purpose-built office firmed up to 83.8% from 83.4% in the 1H 2011 and 84.0% in the preceding 2H 2011 period. Likewise the take-up space in 1H 2012 increased to 14.72 million square meters (1H 2011: 14.24 million square meters; 2H 2011: 14.54 million square meters). The total vacant space in the country however, stood equal to the 1H 2011 (2.84 million square meters) but higher compared to the preceding 2H 2011 period (2.79 million square meters) due to the new completions which injected another 120,234 square meters of space. Across the states, the performance was promising with 10 states breaching the country's average occupancy rate of 83.8%. As at end of June 2012, the existing supply of office space totalled 17.56 million square meters, with 2.16 million square meters in the incoming supply and more than 700,000 square meters in the planned supply.

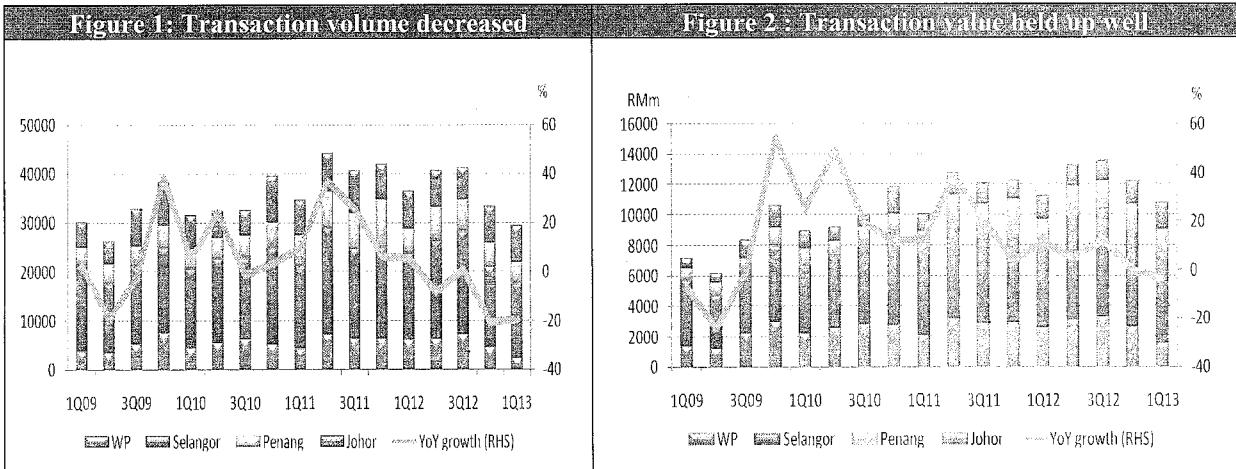
Construction activity of shopping complex sub-sector improved in 1H 2012. Against the 1H 2011, completions were higher by 92.1% but lower by 10.5% against 2H 2011. Construction starts however, declined by 56.9% and more than two fold (265.9%) compared to corresponding period and preceding period respectively. Similarly, new building plan approvals contracted by 17.7% and 16.9% against corresponding 1H 2011 and preceding 2H 2011, respectively.

*(Source: Property Market Report First Half 2012, Valuation and Property Services Department, Ministry of Finance, Malaysia)*

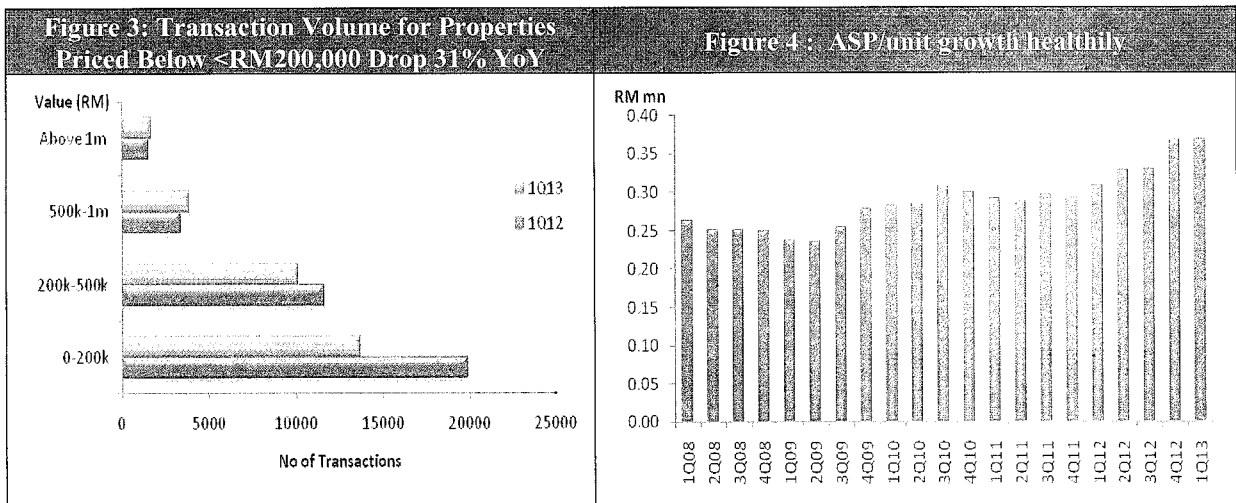
Taking advantage of the Government's continuous efforts to increase home ownership, developers are embarking on building more affordable homes. In this regard, launches for houses priced between RM150,000 and RM250,000 increased 2.7% to 5,628 units as at end-June 2012 (end-December 2011: 5,481 units).

*(Source: Economic Report 2012/2013, Ministry of Finance, Malaysia)*

The latest National Property Information Centre (“NAPIC”) data revealed the total property transactions in four major states, i.e., Kuala Lumpur, Selangor Darul Ehsan, Penang and Johor, in Malaysia, have collectively registered a contraction of 6.3% year-on-year (“YoY”) in 2012 – see **Figure 1**. This is within expectations as home-buyers appear to be more selective on their home purchases on the back of jittery global market outlook. Nevertheless, the drop in volume was well cushioned by the increase in average selling price (“ASP”), resulting in 6.8% YoY growth in sales to RM50.20 billion – see Figure 2.



In term of preference, the demand for mid to high-end property (ASP>RM500,000) surged, while the demand for low-end property remained subdued (see Figure 3) in 1<sup>st</sup> quarter of 2013. Again, the lack of supply of low-cost and affordable units, owing to increase in land prices, is the main contributor to the change in sales mix.



Home prices in the 4 major states have experienced an increase of 40% over the past five years – see Figure 4. With the current government to remain in power after the 13th general election, the government is expected to continue its Public Finance Reform initiatives, including the implementation of Goods and Services Tax as well as Subsidy Rationalisation Programme. This will inevitably translate into higher construction and building material costs when the subsidies reform is gaining traction. Against the backdrop of rising inflationary pressure, home prices cannot afford to stay at current level owing to rising land cost and cost of raw materials.

(Source: 2H2013, Property Sector Report, 3 July 2013, TA Securities Holdings Berhad’s Research Report)



Moving forward, the overall property market performance for 2013 will be subjected to the local and global economic environment. Nevertheless, the construction activity is expected to be vigorous particularly by the residential sub-sector. The implementation of the Economic Transformation Programme (“ETP”) projects is expected to be the supporting factor to the positive impact on the property market at large. The development of Klang Valley Mass Rapid Transit (“KVMRT”) as well as the light rail transit (“LRT”) extensions from Kelana Jaya to Putra Heights (“Putra Line”) and Sri Petaling to Putra Heights (“Star Line”) is expected to appreciate market value of surrounding properties. Brighter prospects for hotel and industrial sub-sectors are expected in response to incentives and programmes set forth by the government.

*(Source: Property Market Report 2012, Valuation and Property Services Department, Ministry of Finance, Malaysia)*

#### **4.3 Prospect of the Tiger Group**

The Group is well positioned to capitalise on the commercial benefits arising from the MRT project, being a major infrastructure project launched the Government of Malaysia wherein its proposed lines run across Serdang, Shah Alam and Seri Kembangan, being the locations of the Group’s future and proposed developments as set out in **Section 2.3, Part A** of this Circular. The completion of MRT is envisaged to see improvement in the public transport coverage and connectivity of the Klang Valley, which in turn would boost the commercial value as well as the public demand for residential properties in the townships. The Board is positive that the Group’s future and proposed projects will benefit from the location of the MRT stations in view that the proposed lines would be situated near the said projects.

In addition, based on the positive outlook of the Malaysian economy and property market in Selangor Darul Ehsan as highlighted in **Sections 4.1 and 4.2, Part A** of this Circular respectively, coupled with the rationale as disclosed in **Section 3, Part A** of this Circular above, the Board is of the opinion that Malaysia’s property market present an opportunity for the Group to benefit from the potential upside arising from the appreciation of the housing market’s capital value as well as increased demand, in view that the Group’s future and proposed development projects involve mainly residential development.

The Board takes cognizance of the outlook of the Malaysian economy and the Malaysian property market as mentioned in the above sections and are of the view that the aforementioned economic performance and industry outlook will augur well for the Group’s existing and on-going as well as future and proposed development projects. Premised on the above, the Board is upbeat that the Group’s prospects for its existing and future projects would be favourable going forward and hence its Property Development segment is expected to contribute positively to the future financial performance of the Group.

*(Source: The management of Tiger)*

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## 5. RISK FACTORS RELATING TO THE BUSINESS DIVERSIFICATION INTO PROPERTY DEVELOPMENT

### 5.1 Business risk

The diversification into the property development and construction business exposes the Tiger Group to risks inherent to the property development and construction industry as well as the property investment industry. The risk factors, among others, identified in relation to this context are as follows:

#### (i) Competition risk

The Tiger Group's property development and construction business faces competition from other companies operating in the same business. The competitiveness of the Group is dependent on the ability of its management to secure strategically located land-bank for development and construction, supply of labour and building materials as well as to price its development properties competitively, to provide quality and timely delivery of developments and to sell its properties. Failure by us to do so and to offer a property which meets or exceeds the expectations of our prospective customers (for a given price range) may have a bearing on our ability to sell such property. In addition, the Group may face further challenges as the Group is a relatively new entrant in the property development and construction industry and it lacks track record.

Nevertheless, the Group will continue to take measures to remain competitive in the property development and construction industry by providing quality developments and competitive pricing as well as actively seeking new opportunities in the property development and construction sector.

#### (ii) Increase in the cost of operations of our business

Any increase in raw material prices, labour and sub-contractor costs, overheads, energy costs and other cost of operations may result in lower margins, culminating in a need to increase the development cost. Any material increase in the aforesaid costs will have an adverse impact on our profit margins in the event we are unable to pass on the additional costs by increasing the prices of our development properties.

#### (iii) Risk of dependence on third party contractors and/or suppliers

The Tiger Group's property development and construction business is dependent on the support of third party contractors and/or suppliers to ensure the continuous supply of labour and construction materials.

Although the Group is not dependent on any single third party contractor, any substantial limitation or sub-standard performance of the third party contractors and their inability to supply sufficient labour, whether skilled or unskilled, and sufficient quality services and the increase in the cost of building materials will inevitably disrupt the progress and/or quality of the Group's operation and may cause and adverse effects on its profitability. The Group seeks to limit this risk by practising prudence in its selection of third party contractors engaged for its projects as well as implementing control procedures such as careful planning, closely monitoring of a project's progress and endeavouring prompt actions to ensure the overall positive progress of a project.

#### (iv) Increase in interest rate may lead to higher borrowing costs and affect our profitability

Interest rate exposure arises mainly from our borrowings and deposits. Any increase in the interest rates may lead to higher borrowing costs, and in turn, affect our profitability. Our credit facilities agreements with banks and financiers contain, *inter-alia*, covenants that may limit our operating and financing flexibility. Any act falling within the ambit or scope of such covenants will require the consent of the relevant banks or financiers.

**(v) Dependence on licences and permits**

The Tiger Group's ability to continue with its property development operations is highly reliant on its licences and permits granted by the Government. The Group would be adversely affected if it loses its licences. The Group may lose its licences in the event that it is in breach of the relevant rules and regulations and/or conditions imposed by the relevant authorities.

Notwithstanding the above, the Group currently has all the necessary licences and permits to carry out its business and is not aware of any circumstances that might result in the loss of such licences and permits.

**(vi) Risks of unforeseen delays in the completion of a project**

The timely completion of property development projects is dependent on various external factors, which include *inter-alia*, the timely receipt of requisite licenses, permits or regulatory approvals, the work performance of the appointed building contractors, sub-contractors and consultants, availability of financing and availability of construction/building materials, equipment and labour. Unreasonable wet weather may also delay the timely completion of the property development projects and construction projects.

Dato' TWL and TLC, being the Managing Director and Executive Director, respectively have been involved in the property development and construction business for not less than 20 years. Their involvement in the property development and construction business stemmed from their early career path which began in their family-owned construction and property development company.

With the experience of Dato' TWL and TLC as well as the support of the Group's key management and consultants (namely, architects, engineers, surveyors, subcontractors and other consultants), the Board is confident that the Group has the required expertise to run the property development and constructions business. The Group's completed and existing developments as set out in **Sections 2 and 2.2, Part A** of this Circular is testament of this. Please also refer to the profile of Dato' TWL and TLC set out in **Appendix II** of this Circular.

In addition, the Group will seek to limit the business risks through, *inter-alia*, effective human resource development strategies, market research and feasibility studies, product development, implement effective project management and cost-control policies, undertaking prudent business strategies, monitoring consumers' preference and lifestyle, reviewing operations and marketing strategies, no assurance can be given that any changes to these risks factors will not have a material adverse effect on the Group's business and earnings in the future.

**5.2 Dependence on key personnel**

As in any other business, the Tiger Group's success in the property development and construction business largely depends on the abilities, skills, experience, competency and continued efforts on Dato' TWL, TLC and its key management and consultants. The loss of any of the said directors and/or relevant key management personnel without suitable and timely replacement, or the inability of the Group to attract and retain other qualified personnel, could adversely affect the Group's property development and construction operations and consequently, its revenue and profitability. In recognising the importance of its key management, the Group continuously adopts appropriate approaches to retain the key personnel. In order to avoid over dependence on any key personnel, the Group strives to attract qualified and experienced employees, address the succession planning programme by grooming the junior employees to complement the management team. Such efforts would in turn help to ensure continuity and competency on the management team.

### **5.3 Political, economic and regulatory risks**

Similar to other types of businesses, political and economic conditions as well as regulatory developments in Malaysia could have a material effect on the Tiger Group's foray into the property development business and consequently the financial performance of the Group. Adverse political, economic and/or regulatory conditions or developments include but are not limited to risk of war, change in political leadership and environment, unfavourable changes in government policies, laws and legislation, nationalisation, changes in interest rates, changes in methods of taxation and economic recession. For example, the property development industry business will be sensitive to, inter-alia, interest rate movements, consumer sentiments, regulation and taxation changes or the gradual tightening of credit conditions.

While the Group will seek to limit the impact of such risks in its diversification by monitoring and adapting business strategies in response to major developments in the political, economic and regulatory environment, there is no assurance that any change to the above factors will not have a material adverse effect on the business and prospects of the Tiger Group's property development and construction business.

### **5.4 Forward-looking statements**

Certain statements in this Circular are based on assumptions deemed reasonable by the Board based on current conditions, which may not be reflective of the future results, and any forward-looking statements are based on assumptions made by the Company and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ from the future results, performance or achievements express or implied in such forward-looking statements. Such factors include, inter-alia, general economic and business conditions, competition and the impact of new laws and regulations affecting the Tiger Group. Hence, any forward-looking statement in this Circular should not be regarded as a representation warranty by the Group that the plans and objective of the Group will be achieved.

## **6. EFFECTS OF THE PROPOSED RATIFICATION OF BUSINESS DIVERSIFICATION**

The Proposed Ratification of Business Diversification will not have any effect on the share capital, NA per share, gearing, EPS and substantial shareholders' shareholdings of the Company.

However, the effects of the Group's business diversification into Property Development in the FYE 31 December 2007 and up to the eighteen (18)-months FPE 30 June 2013 are set out below:

### **6.1 Share capital**

The Group's diversification into Property Development in the FYE 31 December 2007 did not have any effect on the issued and paid-up share capital of the Company as it did not involve any issuance of new ordinary shares which was RM1.00 each then in the Company.

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6.2 NA per share and gearing

	Audited						Unaudited	
	As at 31 December						As at 30 June	
	2006	2007	2008	2009	2010	2011	2013	
	RM	RM	RM	RM	RM	RM	RM	
Share capital	44,000,000	44,000,000	44,000,000	44,000,000	35,200,000	61,220,000	76,904,000	
Share premium	13,038,507	13,038,507	13,038,507	13,038,507	7,556,107	7,556,107	15,407,000	
Revaluation reserves	244,162	66,561	66,561	66,561	66,561	66,561	67,000	
Warrant reserve	-	-	-	-	5,482,400	5,482,400	2,502,000	
(Accumulated losses)	(22,054,240)	(21,987,237)	(25,882,015)	(34,330,024)	(6,360,606)	(4,739,123)	(2,495,000)	
Shareholders' funds/ NA	35,228,429	35,117,831	31,223,053	22,775,044	41,944,462	69,585,945	92,385,000	
No. of shares in issue	44,000,000	44,000,000	44,000,000	44,000,000	176,000,000	306,100,000	384,520,100	
NA per share (RM)	0.80	0.80	0.71	0.52	0.24	0.23	0.24	
Total borrowings	20,881,431	24,390,271	20,813,158	22,063,565	18,555,967	15,274,646	8,854,000	
Gearing (times)	0.59	0.69	0.67	0.97	0.44	0.22	0.10	
Net profit/(loss) attributable to owners of the Company	263,161	(801,503)	(3,894,778)	(8,448,009)	(7,230,582)	1,531,764	2,243,000	
Weighted average no. of shares	44,000,000	44,000,000	44,000,000	44,000,000	176,000,000	224,080,000	384,520,000	
EPS / (Loss) per share (sen)	0.60	(1.82)	(8.85)	(19.20)	(4.11)	0.68	0.58	
Par value of ordinary shares in the Company (RM)	1.00	1.00	1.00	1.00	0.20	0.20	0.20	

(Source: The Company's Annual Report 2006 to 2011 and unaudited consolidated financial results for the eighteen (18)-months FPE 30 June 2013)

Based on the above, the Group's NA decreased to RM35.12 million as at 31 December 2007 compared to RM35.23 million as at 31 December 2006 (which was before the diversification into Property Development). The said decrease was mainly due to the loss for the year which arose mainly due to higher administrative expenses. The Group's borrowings also increased during the said financial year which resulted in a higher gearing of 0.69 times compared to the previous financial year of 0.59 times.

However, based on the disclosure of Net Segment Results set out in **Appendix I** of this Circular, the contribution from the Group's Property Development segment reduced the overall loss of the Group for the FYE 31 December 2007 and FYE 31 December 2008. The profit for the FYE 31 December 2011 and the eighteen (18)-months FPE 30 June 2013 was mainly attributable to the Group's Property Development segment.

The Group's gearing has also gradually improved to 0.10 times as at 30 June 2013 (unaudited) compared to 0.59 times as at 31 December 2006.

Based on the disclosure of Net Segment Assets set out in **Appendix I** of this Circular, the Group's Property Development segment has grown while the Manufacturing and Trading segments have decreased over the financial years and period. Thus, the diversification into Property Development had partly contributed to the improved NA and gearing of the Group and is expected to contributing positively to the future NA and gearing of the Group.

Notwithstanding the above, the Group also carried out the certain corporate proposals involving, among others, restructuring and fund raising exercises which contributed to the improved financial position. The annual commentary on the NA and gearing is as follows:

#### **FYE 31 December 2006**

- On 19 December 2006, Tiger announced on Bursa Securities, among others, the acquisition of Janavista together with the Pantai Avenue Project from Tang Yit Fun and Tang Yit Peng for a total cash consideration of RM8,175,000.

#### **FYE 31 December 2007 compared to FYE 31 December 2006:**

- The decrease in NA was mainly due to loss for the FYE 31 December 2007. However, the impact was mitigated by the recognition of revaluation surplus during the year. Thus, NA per share remained at RM0.80 as at 31 December 2007 when compared to 31 December 2006.
- Borrowings had increased as at 31 December 2007 compared to 31 December 2006. Thus, gearing increased to 0.69 times (as at 31 December 2006: 0.59 times).

#### **FYE 31 December 2008 compared to FYE 31 December 2007**

- The decrease in NA was mainly due to loss for the FYE 31 December 2007. Thus, NA per share decreased to RM0.71 as at 31 December 2008 (as at 31 December 2007: RM0.80 per share).
- Based on the disclosure of Net Segment Results set out in **Appendix 1** of this Circular, the loss was from the Manufacturing, Trading and others segments while the profit from the Group's Property Development segment reduced the overall loss of the Group for the FYE 31 December 2008.
- Borrowings had decreased as at 31 December 2008 compared to 31 December 2007. Thus, gearing decreased to 0.67 times (as at 31 December 2007: 0.69 times).

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#### **FYE 31 December 2009 compared to FYE 31 December 2008**

- On 17 July 2009 and 22 July 2009, Tiger announced on Bursa Securities, among others, the disposal of Minply Development Sdn Bhd and a joint venture to develop a vacant freehold land into a residential condominium to Tee Eng Ho and Tee Eng Seng for a cash consideration of RM2,150,000. The proceeds from the said disposal were to be utilised mainly for the repayment of bank borrowings, repayment of trade creditors and operating cash flow of the Group.
- The decrease in NA was mainly due to loss for the FYE 31 December 2009. Thus, NA per share decreased to RM0.52 as at 31 December 2009 (as at 31 December 2008: RM0.71 per share).
- Based on the disclosure of Net Segment Results set out in **Appendix I** of this Circular, all segments reported losses for the FYE 31 December 2009.
- Borrowings had increased as at 31 December 2009 compared to 31 December 2008. Thus, gearing increased to 0.97 times (as at 31 December 2008: 0.67 times).

#### **FYE 31 December 2010 compared to FYE 31 December 2009**

- On 14 January 2010, Tiger announced on Bursa Securities, among others, the following proposals:
  - Capital reduction by the cancellation of RM0.80 of the par value of every existing ordinary share of RM1.00 each in the Company pursuant to Section 64(1) of the Act to off-set its accumulated losses which was completed on 14 June 2010 as per the certificate of lodgement of order of High Court confirming reduction of share capital issued by Companies Commission of Malaysia ; and
  - Renounceable rights issue of 132,000,000 Shares together with Warrants 2010/2015 which was completed on 17 August 2010 as announced on Bursa Securities. The proceeds were to be utilised mainly for the repayment of bank borrowings and working capital purposes.
- On 14 April 2010, Tiger announced on Bursa Securities, among others, the disposal of a three and a half storey corner leasehold terrace factory for a cash consideration of RM1,470,000. The proceeds were to be utilised mainly for the repayment of bank borrowings and trade creditors.
- The increased NA was mainly attributable the above-mentioned corporate proposals. However, due to increased number of Shares, NA per Share decreased to RM0.24 as at 31 December 2010 (as at 31 December 2009: RM0.52 per share)
- Based on the disclosure of Net Segment Results set out in **Appendix I** of this Circular, all segments reported losses for the FYE 31 December 2010.
- Borrowings had decreased as at 31 December 2010 compared to 31 December 2009. Thus, gearing decreased to 0.44 times (as at 31 December 2009: 0.97 times).

### **FYE 31 December 2011 compared to FYE 31 December 2010**

- On 10 March 2011, Tiger announced on Bursa Securities, among others, a private placement of up to 26,400,000 Shares, representing ten percent (10%) of the issued and paid-up share capital of the Company then. The said private placement was completed with the placement of 17,600,000 Shares as announced on Bursa Securities on 13 April 2011. The proceeds were to be utilised mainly for working capital purposes.
- On 11 May 2011, Tiger announced on Bursa Securities, among others, the entry into an agreement with Cekal Kasih Sdn Bhd (“CKSB”) for the acquisition of the timber concession area for a cash consideration of RM2,286,580.62. The said agreement has been terminated due to the non-issuance of timber logging license and the said consideration has been refunded by CKSB, as announced on Bursa Securities on 27 September 2013.
- On 13 June 2011, Tiger announced on Bursa Securities, among others, the acquisition of fifty one (51) units of apartment from Dato’ TWL for a total purchase consideration of RM5.0 million to be fully settled via issuance of 25.00 million new Shares. This transaction has been completed as announced on 16 November 2011.
- On 13 June 2011, Tiger announced on Bursa Securities, among others, the acquisition of a parcel of freehold land from Suria Murni Bahagia Sdn Bhd (*formerly known as Tiger Energy Sdn Bhd*) for a purchase consideration of RM17.50 million to be fully settled via issuance of 87.50 million new Shares. This transaction has been completed as announced on 8 September 2011.
- The increased NA was mainly attributable the following:
  - increased share capital arising from the private placement which was announced on 10 March 2011, the acquisition of fifty one (51) units of apartment as announced on 13 June 2011 and the acquisition of a parcel of freehold land as announced 13 June 2011; and
  - profit for the FYE 31 December 2011.

However, due to increased number of Shares, NA per Share decreased to RM0.23 as at 31 December 2011 (as at 31 December 2010: RM0.24 per Share).

- Based on the disclosure of Net Segment Results set out in **Appendix I** of this Circular, the Trading segment incurred a substantial loss which was mainly mitigated by the profit from the Property Development segment. The Manufacturing segment recorded a minimal profit which was mainly attributable to waiver of its debts by other subsidiaries within the Group. Thus, the profit for the FYE 31 December 2011 was mainly attributable to the Group’s Property Development segment.
- Borrowings had decreased as at 31 December 2011 compared to 31 December 2010. Thus, gearing decreased to 0.22 times (as at 31 December 2010: 0.44 times).

### **Eighteen (18)-month FPE 30 June compared to FYE 31 December 2011**

- On 7 May 2012, Tiger announced on Bursa Securities, among others, a private placement of up to 39,410,000 Shares, representing ten percent (10%) of the issued and paid-up share capital of the Company then. The said private placement was completed with the placement of 30,610,000 Shares as announced on Bursa Securities on 14 November 2012. The proceeds were to be utilised mainly for the repayment of bank borrowings and working capital requirements.
- On 19 July 2012, Tiger announced on Bursa Securities, among others, the disposal of Minply Sdn Bhd to Hasrat Rancak Sdn Bhd for a total purchase consideration of RM500. This transaction has been completed as announced on Bursa Securities on 19 July 2012.



- On 4 June 2013, Tiger announced on Bursa Securities, among others, the disposal of Janavista to Bermont Development Sdn Bhd for a total consideration of RM1,000. This transaction has been completed as announced on 20 August 2013.
- On 13 June 2013, Tiger announced on Bursa Securities, among others, the Proposed Rights Issue of Shares with Warrants as set out in **Part B** of this Circular.
- As at the LPD, 50,360,100 Warrants 2010/2015 has been exercised.
- The increased NA was mainly attributable the following:
  - increased share capital and share premium arising from the private placement which was announced on 7 May 2012 and the exercise of Warrants 2010/2015; and
  - profit for the eighteen (18)-months FPE 30 June 2013.

Notwithstanding the increased number of Shares, NA per Share increased to RM0.24 as at 30 June 2013 (as at 31 December 2011: RM0.23 per Share).

- Based on the disclosure of Net Segment Results set out in **Appendix I** of this Circular, the profit for the eighteen (18)-months FPE 30 June 2013 was mainly attributable to the Group's Property Development segment. The said gain was mainly from discontinued operations (i.e., the disposal of Janavista and deemed disposal of Minply C&E upon liquidation. The Trading segment recorded a minimal profit which was mainly from discontinued operations (i.e., the disposal of Minply Sdn Bhd).
- Borrowings had decreased as at 30 June 2013 compared to 31 December 2011. Thus, gearing decreased to 0.10 times (as at 31 December 2011: 0.22 times).

### 6.3 EPS

In view of the loss for the FYE 31 December 2007 as mentioned in **Section 6.2, Part A** of this Circular, the Group experienced a loss per share of 1.82 sen for the said financial year compared to an EPS of 0.60 sen for the FYE 31 December 2006.

For the subsequent financial years and period, the Group experienced a gradual reduction in its losses and for the FYE 31 December 2011, the Group enjoyed an EPS of 0.68 sen. For the eighteen (18)-months FPE 30 June 2013, the EPS was 0.58 sen (unaudited).

Based on the disclosure of Net Segment Results set out in **Appendix I** of this Circular, the contribution from the Group's Property Development segment reduced the overall loss of the Group for the FYE 31 December 2007 and FYE 31 December 2008. The profit for the FYE 31 December 2011 and the eighteen (18)-months FPE 30 June 2013 was mainly attributable to the Group's Property Development segment. Thus, the Property Development segment is expected to contribute positively to the future earnings and EPS of the Group.

The annual commentary of the Net Segment Results is set out in **Section 6.2, Part A** of this Circular as it forms part of the annual commentary for NA.

#### **6.4 Substantial shareholders' shareholdings**

The Group's diversification into Property Development in the FYE 31 December 2007 did not have any effect on the substantial shareholders' shareholdings as it did not involve any issuance of new ordinary shares which was RM1.00 each then.

#### **7. APPROVALS REQUIRED**

The Proposed Ratification of Business Diversification is conditional upon the approvals being obtained from the following:

- (i) the shareholders of the Company at the forthcoming EGM to be convened; and
- (ii) any other relevant authorities, if required.

#### **8. INTER-CONDITIONALITY OF THE PROPOSALS**

The Proposed Ratification of Business Diversification is not conditional upon the Proposals to be undertaken by the Company as set out in **Part B** of this Circular.

The Proposed Ratification of Business Diversification is not conditional upon any other corporate proposals by Tiger.

#### **9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION**

Save for the above-mentioned in **Section 8, Part A** and the Proposals in **Part B** of this Circular, the Board is not aware of any other outstanding corporate proposal which has been announced but pending implementation as at the date of this Circular.

#### **10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors and/or major shareholders of Tiger and/or persons connected with them have any interest, either direct or indirect, in the Proposed Ratification of Business Diversification.

#### **11. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board, after having considered all aspects of the Proposed Ratification of Business Diversification including but is not limited to its rationale, effects and prospects of the Group, is of the opinion that the proposal is in the best interest of the Company and recommends you to vote in favour of the resolution pertaining to the Proposed Ratification of Business Diversification at the forthcoming EGM.

#### **12. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to the approvals of the relevant authorities being obtained, the Board expects the Proposed Ratification of Business Diversification to be completed in the fourth (4<sup>th</sup>) quarter of year 2013. The Proposed Ratification of Business Diversification will take an immediate effect upon the Company obtaining the shareholders' approval at the forthcoming EGM.

### **13. EGM**

The EGM, the Notice of which is set out in this Circular, will be held at the Avillion Admiral Cove, Batu 5 ½, Jalan Pantai, 71050 Si Rusa Port Dickson, Negeri Sembilan Darul Khusus, Malaysia. on Friday, 15 November 2013, 11.00a.m. or at any adjournment thereof, for the purpose of considering and, if though fit, passing with or without modification, the resolution to give effect to the Proposed Ratification of Business Diversification.

If you are unable to attend and vote in person at the EGM, you should complete, sign and return the enclosed Form of Proxy for the EGM to the Registered Office of the Company at No. 482, Ground Floor, Jalan Zamrud 6, Taman Ko-Op, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, so as to arrive not later than forty-eight (48) hours before the time fixed for holding the EGM. The Form of Proxy should be completed strictly in accordance to the instruction contained herein. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

### **14. FURTHER INFORMATION**

Shareholders are advised to refer to the **Appendices** set out in this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
**TIGER SYNERGY BERHAD**

**Dato' Tan Wei Lian**  
**Managing Director**

**PART B**

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED RIGHTS  
ISSUE OF SHARES WITH WARRANTS**



**TIGER SYNERGY BERHAD**  
Company No. 325631-V  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**

No. 482, Ground Floor  
Jalan Zamrud 6, Taman Ko-Op  
70200 Seremban  
Negeri Sembilan Darul Khusus  
Malaysia

21 October 2013

**Board of Directors**

Dato' Tan Wei Lian (*Managing Director*)  
Tan Lee Chin (*Executive Director*)  
Chua Eng Chin (*Independent Non-Executive Director*)  
Dato' Khoo Seng Hock (*Independent Non-Executive Director*)  
Chew Chee Bor (*Independent Non-Executive Director*)

**To: The shareholders of Tiger**

Dear Sir/Madam,

- (I) PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS;**
- (II) PROPOSED IASC; AND**
- (III) PROPOSED AMENDMENTS**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

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**1. INTRODUCTION**

On 13 June 2013, TA Securities had on behalf of the Board, announced that the Company proposes to undertake the following exercises:

- (i) Proposed Rights Issue of Shares with Warrants;
- (ii) Proposed IASC; and
- (iii) Proposed Amendments.

On 24 September 2013 and 14 October 2013, TA Securities had on behalf of the Board, announced that Bursa Securities had vide its letters dated 23 September 2013 and 14 October 2013, respectively approved the following:

- listing of and quotation for the Right Shares to be issued on the Main Market of Bursa Securities;
- admission of the Warrants 2013/2018 to the Official List of the Main Market of Bursa Securities and listing of and quotation for the Warrants 2013/2018 on the Main Market of Bursa Securities;
- listing of and quotation for the Adjustment Warrants to be issued on the Main Market of Bursa Securities;
- listing of and quotation for the new Shares to be issued pursuant to the exercise of Warrants 2013/2018 on the Main Market of Bursa Securities; and
- listing of and quotation for the new Shares to be issued pursuant to the exercise of the Adjustment Warrants on the Main Market of Bursa Securities,

pursuant to the Proposed Rights Issue of Shares with Warrants, subject to the conditions disclosed in **Section 7, Part B** of this Circular.

**THE PURPOSE OF THIS LETTER IS TO PROVIDE YOU WITH DETAILS ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM TO BE CONVENED. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED HEREIN TOGETHER WITH THIS CIRCULAR.**

**SHAREHOLDERS OF TIGER ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART B OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 Proposed Rights Issue of Shares with Warrants**

Based on the issued and paid-up share capital of Tiger as at the LPD, the Proposed Rights Issue of Shares with Warrants would entail an issuance of the Rights Shares on the basis of one (1) Rights Share for every one (1) existing Share held on the Entitlement Date, together with the Warrants 2013/2018 on the basis of one (1) Warrant 2013/2018 for every one (1) Rights Share subscribed. The Proposed Rights Issue of Shares with Warrants is renounceable in full or in part.

The Warrants 2013/2018 will be issued free to each Entitled Shareholders based on the respective Entitled Shareholder's entitlement to the Proposed Rights Issue of Shares with Warrants and on the acceptance of his/her rights entitlements.

The Warrants 2013/2018 will be immediately detached from the Rights Shares upon issuance and will be separately traded. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants 2013/2018 to be issued together with the Rights Shares pursuant to the Proposed Rights Issue of Shares with Warrants. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants 2013/2018 in the proportion of their acceptance of their Rights Shares entitlements. Any unsubscribed Rights Shares with the attached Warrants 2013/2018 shall be offered to other shareholders of Tiger under the excess Rights Shares application.

Any fractional entitlements under the Proposed Rights Issue of Shares with Warrants will be disregarded and shall be dealt with in such manner as the Board shall in their absolute discretion think expedient or to be in the best interests of the Company.

### **2.1.1 Basis of determining the issue price of the Rights Shares and the exercise price of the Warrants 2013/2018**

#### **(i) Rights Shares**

The final issue price for the Rights Shares shall be determined by the Board using market based principles after obtaining all approvals for the Proposed Rights Issue of Shares with Warrants but before the announcement of the Entitlement Date. The final issue price shall take into consideration the TEAP of the existing Shares, based on the 5D-VWAP of the existing Shares prior to the Price-Fixing Date to be determined by the Board but in any event, shall not be lower than the par value of the existing Shares.

For illustration purposes, based on the indicative issue price of RM0.20 per Rights Share, the issue price represents a discount of approximately RM0.012 or 5.66% from the TEAP of the existing Shares of RM0.2120, based on the 5D-VWAP of the existing Shares up to and inclusive of the LPD of RM0.2359.

#### **(ii) Warrants 2013/2018**

The Warrants 2013/2018 are attached to the Rights Shares without any cost and will be issued only to the shareholders of Tiger who successfully subscribed for the Rights Shares, and are exercisable into new Shares. Each Warrant 2013/2018 will entitle its holder to subscribe for one (1) new Share at the exercise price to be determined later.

The exercise price of the Warrants 2013/2018 shall be determined by the Board using market based principle after obtaining all the approvals for the Proposed Rights Issue of Shares with Warrants 2013/2018 but before the announcement of the Entitlement Date. The exercise price shall take into consideration of the TEAP and the then prevailing market conditions. In any event, the exercise price of the Warrants 2013/2018 shall not be lower than RM0.20, being the par value of the existing Shares.

For illustrative purposes, the exercise price for each Warrant 2013/2018 is assumed to be RM0.20, being the par value of the existing Shares.

Notwithstanding the above, TA Securities being the Adviser for the Proposed Rights Issue of Shares with Warrants will make an announcement on the final issue price of the Rights Shares and exercise price of the Warrants 2013/2018, the basis of determining the said prices, justification(s) for the said prices and justification(s) for the quantum of premium or discount to the 5D-VWAP of the Shares prior to the Price-Fixing Date.

### **2.1.2 Ranking of the Rights Shares and the new Shares arising from the exercise of the Warrants 2013/2018**

The Rights Shares to be issued shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, save and except that they will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Rights Shares.

The new Shares to be issued arising from the exercise of the Warrants 2013/2018 shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, save and except that they will not be entitled to any dividends, rights, allotment and/ or any other distributions that may be declared, made or paid prior to the relevant allotment date of the said new Shares.

Any fractions of a Rights Shares and Warrant 2013/2018 arising from the Proposed Rights Issue of Shares with Warrants shall be disregarded and dealt with in such manner by the Board as they may deem fit.

### **2.1.3 Minimum Subscription Level, Undertakings and Additional Undertakings by the Undertaking Shareholders**

The Proposed Rights Issue of Shares with Warrants will be undertaken on the Minimum Subscription Level. Based on the indicative issue price of RM0.20 per Rights Share, the Company will raise minimum proceeds of approximately RM9.52 million from the Proposed Rights Issue of Shares with Warrants.

The minimum gross proceeds of RM9.52 million to be raised was determined by the Board after taking into consideration, inter alia, the funding requirements of the Group and various avenues of financing via equity (such as a rights issue or private placement) or via debt (such as bank borrowings or the issuance of debt instruments). While the Group has not, thus far and in recent years since the completion of its restructuring and fund raising exercise (i.e., the renounceable rights issue of 132,000,000 Shares together with Warrants 2010/2015) on 17 August 2010, encountered difficulties in raising funds via bank borrowings, the Board is of the view that the Proposed Rights Issue of Shares with Warrants would be the most appropriate avenue of financing as this allows the Group to raise funds without incurring interest cost as well as minimise any potential cost outflow in respect of interest servicing as compared to financing via debt. Furthermore and notwithstanding the Minimum Subscription Level, the Entitled Shareholders would also have an opportunity to participate in an equity offering on a pro-rata basis and acquire new Shares at a discount to prevailing market prices, as compared to a private placement.

To meet the Minimum Subscription Level, the Company has obtained Undertakings and Additional Undertakings from the Undertaking Shareholders that each of them will not dispose any of their existing Shares following the announcement of the Proposed Rights of Shares with Warrants on 13 June 2013 and up to the completion of the Proposed Rights Issue of Shares with Warrants and that each of them has sufficient financial resources to subscribe in full for their respective entitlements of the Rights Shares with Warrants 2013/2018.

As at the LPD, the cumulative shareholdings of the Undertaking Shareholders have increased to 47,602,900 Shares compared to 47,352,900 Shares as per the Undertakings. Thus, the Company had on 21 August 2013 procured the Additional Undertakings to subscribe in full for any additional entitlements pursuant to the Proposed Rights Issue of Shares with Warrants.

The Undertaking Shareholders have provided confirmations that each of them has sufficient financial resources to subscribe in full for their respective entitlements of the Rights Shares with Warrants 2013/2018. As the Adviser for the Proposed Rights Issue of Shares with Warrants, TA Securities has verified the confirmations made by the Undertaking Shareholders.

In view of the Undertakings and Additional Undertakings and as the Proposed Rights Issue of Shares with Warrants will be implemented based on the Minimum Subscription Level, no underwriting arrangement will be made for the Rights Shares with Warrants 2013/2018 under the Proposed Rights Issue of Shares with Warrants.

Notwithstanding the above, in the event that the Minimum Subscription Level is not achieved due to reasons beyond our control such as the Undertaking Shareholders are not able to fulfil their undertaking obligations, the Proposed Rights Issue of Shares with Warrants will not be implemented. As at the LPD, we do not have any other alternative plan in the event the Minimum Subscription Level is not achieved.



For illustrative purposes, the shareholdings and right entitlements of the Undertaking Shareholders as at the LPD based on the Minimum Subscription Level are as follows:

	As at the LPD		Entitlement of Rights Shares		Entitlement of Warrants 2013/2018	
	No. of Shares	%	No. of Rights Shares	% *	No. of Warrants 2013/2018	% *
Dato' TWL	36,411,900	9.41	36,411,900	8.57	36,411,900	8.57
TLC	11,191,000	2.89	11,191,000	2.63	11,191,000	2.63
<b>Total</b>	<b>47,602,900</b>	<b>12.30</b>	<b>47,602,900</b>	<b>11.20</b>	<b>47,602,900</b>	<b>11.20</b>

Note:

\* Computed based on the Maximum Scenario, where the maximum number of Rights Shares (i.e., 424,710,000) available for subscription together with Warrants 2013/2018 (i.e., 424,710,000) available for subscription.

After taking into the consideration the above Undertakings and Additional Undertakings, the Company confirms that the Undertakings and Additional Undertakings will not give rise to any consequence of mandatory general offer obligation pursuant to the Code immediately after the Proposed Rights Issue with Warrants. Nonetheless, Dato' TWL and TLC have given their respective confirmations to observe and comply at all times with the provisions of the Code.

#### 2.1.4 Utilisation of proceeds

Based on the indicative issue price of RM0.20 per Rights Share, the gross proceeds will be utilised in the following manner based on the scenarios as illustrated below:

Minimum Scenario	:	Assuming none of the Existing Warrants is exercised prior to the Entitlement Date and only the Undertaking Shareholders fully subscribe for their entitlements of the Rights Shares with Warrants 2013/2018 pursuant to the Undertakings and Additional Undertakings.
Maximum Scenario	:	Assuming all of the Existing Warrants are exercised prior to the Entitlement Date and all the Entitled Shareholders fully subscribe for their entitlements of the Rights Shares with Warrants 2013/2018.

	Note	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected time frame for utilisation of proceeds (from the date of listing of the Rights Shares)
Repayment of bank borrowings	(1)	3,000	7,000	Within 12 months
General working capital	(2)	5,731	12,152	Within 12 months
Property development expenditure and future land acquisition	(3)	-	65,000	Within 24 months
Estimated expenses for the Proposals	(4)	790	790	Within 6 months
<b>Total estimated proceeds</b>		<b>9,521</b>	<b>84,942</b>	

Notes:

- (1) As at the LPD, the Group's total bank borrowings were approximately RM8.186 million. The Group intends to utilise RM3.0 million and RM7.0 million of the proceeds under Minimum Scenario and Maximum Scenario, respectively to repay part of the Group's bank borrowings. Based on the Group's prevailing interest rate of approximately 9.6% per annum, the Group anticipates an interest saving of approximately RM288,000 and RM672,000 per annum under Minimum Scenario and Maximum Scenario, respectively.
- (2) The Group intends to utilise up to RM12.15 million for its working capital as follows:

	<b>Minimum Scenario RM'000</b>	<b>Maximum Scenario RM'000</b>
Repayments of trade and other payables <sup>(a)</sup>	2,261	5,210
Other operating expenses <sup>(b)</sup>	3,470	6,942
	<b>5,731</b>	<b>12,152</b>

- (a) Comprise payments to suppliers for the purchase of construction materials, and payments to contractors and sub-contractors.
- (b) Comprise of the Group's day-to-day operating expenses to support its existing and future business operations. The detailed breakdown of the utilisation for other operating expenses to be incurred by the Group is as follows:

	<b>Minimum Scenario RM'000</b>	<b>Maximum Scenario RM'000</b>
- Staff costs	1,750	3,500
- Professional fees, utilities, other administration costs	1,720	3,442
	<b>3,470</b>	<b>6,942</b>

- (3) The proceeds and the allocations have not been earmarked for specific projects or parcels of lands to be acquired at this juncture to provide flexibility in determining the ultimate use of the proceeds while providing comfort to shareholders that the proceeds will largely be used for the Group's major business segment (i.e., property development as well as for future land banking activities).

Such property development expenditure which include, but is not limited to, contributions in respect of the intended developments of lands such as capital outlay and payment of landowners' entitlements, mobilisation fees, moving and temporary relocation costs, payments to contractors, suppliers and consultants and also contribution to the relevant authorities such as Tenaga Nasional Berhad, Syarikat Bekalan Air Selangor Darul Ehsan, Indah Water, Pejabat Tanah & Galian, Jabatan Kerja Raya and etc., as well as applications for permits in respect of property development activities.

Nevertheless and as set out in Section 2.3, Part A of this Circular, the Group has the following future and proposed projects:

- Bukit Serdang Project;
- Alam Impian Project; and
- Seri Kembangan Project.

As at the LPD, the above-mentioned future and proposed projects have yet to commence. In the event only the Minimum Scenario is achieved, Tiger would have to consider an alternative avenue of funding for its property development expenditure and future land acquisition such as bank borrowings. The procurement of funds may require more time and this in turn, could potentially delay the commencement of the Seri Kembangan Project and the Alam Impian Project.

- (4) *The estimated expenses for the Proposals consist of professional fees, fees payable to the relevant authorities, expenses to convene the EGM, printing, advertising and other ancillary expenses. Any surplus or shortfall for the estimated expenses in relation to the Proposals will be adjusted accordingly to or from the amount allocated for general working capital purposes of the Group.*

The actual proceeds to be raised from the Proposed Rights Issue of Shares with Warrants are dependent on the final issue price for the Rights Shares and the subscription level of the Proposed Rights Issue of Shares with Warrants. Any variation in the actual proceeds raised will be adjusted to or from the amount allocated for the general working capital purposes of the Group.

Pending utilisation of the proceeds from the Proposed Rights Issue of Shares with Warrants for the abovementioned purposes, the proceeds will be placed in deposits with financial institutions or invested in short-term money market instruments as the Board may deem fit. The interest derived from the deposits with the financial institutions or any gain arising from the short-term money market instruments will be used as additional working capital of the Group.

The exact quantum of proceeds that may be raised by the Company pursuant to the exercise of the Warrants 2013/2018 will depend upon the actual number of Warrants 2013/2018 exercised during the exercise period of the Warrants 2013/2018. The proceeds to be raised from the exercise of the Warrants 2013/2018 shall be utilised for the working capital and/or capital expenditure of the Group of which the exact timeframe and the breakdown for the utilisation cannot be determined by the Board at this juncture.

#### **2.1.5 Indicative salient terms of the Warrants 2013/2018**

The Warrants 2013/2018 will be immediately detached from the Rights Shares upon issuance and separately traded. The Warrants 2013/2018 will be issued in registered form and constituted by the Deed Poll.

The indicative salient terms of Warrants 2013/2018 are set out in **Appendix IV** of this Circular.

## **2.2 Proposed IASC**

As at the LPD, the authorised share capital of the Company is RM100,000,000 comprising 500,000,000 Shares of which RM77,414,020 comprising 387,070,100 Shares have been issued and fully paid-up.

In order to accommodate the issuance of the Rights Shares and any future issuance of new Shares arising from the exercise of the Warrants 2013/2018 and/or the Adjustment Warrants as well as to cater for any increases in share capital of the Company pursuant to any other future corporate exercises, the Company proposes to increase its authorised share capital to RM500,000,000 comprising 2,500,000,000 Shares.

## 2.3 Proposed Amendments

The Proposed Amendments entail the consequential amendments to the M&A of Tiger in order to facilitate and to reflect the Proposed IASC. The details of the Proposed Amendments are set out below:

Memorandum of Association	Existing	Proposed change
Clause 5	The Authorised Share Capital of the Company be increased from RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each to RM100,000,000.00 divided into 500,000,000 ordinary shares of 20 cents each by the creation of 499,900,000 ordinary shares of 20 cents each and such new shares when issued shall rank pari passu in all respects with the existing shares of the Company.	The Authorised Share Capital of the Company be increased from RM100,000,000.00 divided into 500,000,000 ordinary shares of RM0.20 each to RM500,000,000.00 divided into 2,500,000,000 ordinary shares of RM0.20 each by the creation of 2,000,000,000 ordinary shares of RM0.20 each and such new shares when issued shall rank pari passu in all respects with the existing shares of the Company.

Articles of Association	Existing	Proposed change
Article 3	The authorised share capital of the Company as at the date of the adoption of these Articles is RM100,000,000.00 (Ringgit Malaysia: One Hundred Million Only) divided into 500,000,000 ordinary shares of 20 cents each.	The authorised share capital of the Company as at the date of the adoption of these Articles is RM500,000,000.00 (Ringgit Malaysia: Five Hundred Million Only) divided into 2,500,000,000 ordinary shares of RM0.20 each.

## 3. RATIONALE FOR THE PROPOSALS

### 3.1 Proposed Rights Issue of Shares with Warrants

After due consideration of the various methods of fund raising available for the purposes as stated in **Section 2.1.4, Part B** of this Circular, the Board is of the opinion that the Proposed Rights Issue of Shares with Warrants is currently an appropriate avenue after taking into consideration the following:

- (i) it allows the Company to raise capital without incurring interest costs as compared to other means of financing, such as bank borrowings or the issuance of debt instruments. This will allow the Company to preserve cash flow for re-investment and/or operational purposes;
- (ii) it enhances the cash flow of the Group and enables the Group to fund its capital expenditure and/or working capital requirements which is expected to contribute positively to the future earnings of the Group and improve its financial performance;
- (iii) it involves the issuance of new Shares without diluting the existing shareholders' equity interest, assuming all Entitled Shareholders fully subscribe for their respective entitlements and exercise their Warrants 2013/2018 subsequently. The Undertakings and Additional Undertakings allow the Managing Director and Executive Director (whom are also substantial shareholders) to extend their support for the Proposed Rights Issue of Shares with Warrants which will facilitate the Group to raise the necessary funds;

- (iv) it provides an opportunity for the existing shareholders to increase their equity participation in the Company at a discount to the prevailing market price for the Shares from the subscription of the Rights Shares;
- (v) the Warrants 2013/2018 (which are attached to the Rights Shares) will increase the attractiveness of the Proposed Rights Issue of Shares with Warrants by providing an incentive to the shareholders to subscribe for their entitlements under the Proposed Rights Issue of Shares with Warrants and hence, providing them with the potential capital appreciation arising from the exercise of the Warrants 2013/2018, depending on the future performance of the Shares; and
- (vi) the Warrants 2013/2018 will enable the Company to raise further proceeds from the equity market as and when any of the Warrants 2013/2018 are exercised while at the same time provide the shareholders of Tiger with the opportunity to increase their equity participation in the Company at a pre-determined price over the exercise period of the Warrants 2013/2018.

### **3.2 Proposed IASC**

The Proposed IASC is to accommodate the issuance of the Rights Shares and any future issuance of new Shares arising from the exercise of the Warrants 2013/2018 and/or the Adjustment Warrants as well as to cater for any increases in share capital of Tiger pursuant to any other future corporate exercises.

### **3.3 Proposed Amendments**

The Proposed Amendments are to facilitate and to reflect the consequence of the Proposed IASC.

## **4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS OF THE TIGER GROUP**

Please refer to the industry overview, outlook and prospects of the Tiger Group set out in **Section 4, Part A** of this Circular.

## **5. EFFECTS OF THE PROPOSALS**

The Proposed IASC and Proposed Amendments will not have any effect on the share capital, NA per share, gearing, EPS and substantial shareholders' shareholdings of Tiger.

For illustration purposes, the proforma effects of the Proposed Rights Issue of Shares with Warrants based on the Minimum Scenario and Maximum Scenario on the share capital, NA per share, gearing, EPS and substantial shareholders' shareholdings of Tiger Group are as follows:

## 5.1 Issued and paid-up share capital

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued and paid-up share capital as at the LPD	387,070,100	77,414,020	387,070,100	77,414,020
To be issued pursuant to the full exercise of the Existing Warrants	-	-	37,639,900	7,527,980
<b>After the full exercise of the Existing Warrants</b>	<b>387,070,100</b>	<b>77,414,020</b>	<b>424,710,000</b>	<b>84,942,000</b>
To be issued pursuant to the Proposed Rights Issue of Shares with Warrants	47,602,900	9,520,580	424,710,000	84,942,000
<b>After the Proposed Rights Issue of Shares with Warrants</b>	<b>434,673,000</b>	<b>86,934,600</b>	<b>849,420,000</b>	<b>169,884,000</b>
To be issued pursuant to the exercise of the Existing Warrants and Adjustment Warrants by TLC*	20,401	4,080	-	-
<b>After the exercise of the Existing Warrants and Adjustment Warrants by TLC</b>	<b>434,693,401</b>	<b>86,938,680</b>	<b>849,420,000</b>	<b>169,884,000</b>
To be issued pursuant to the full exercise of the Warrants 2013/2018	47,602,900	9,520,580	424,710,000	84,942,000
<b>Enlarged issued and paid-up share capital</b>	<b>482,296,301</b>	<b>96,459,260</b>	<b>1,274,130,000</b>	<b>254,826,000</b>

\* Based on the Minimum Scenario, the total number of outstanding Warrants 2010/2015 as at the LPD would be adjusted from 37,639,900 Existing Warrants to 38,393,877 Warrants 2010/2015. Nevertheless, listing applications have been made to Bursa Securities wherein approvals have been obtained vide Bursa Securities' letters dated 23 September 2013 and 14 October 2013 for the maximum number of new Shares to be issued arising from the exercise of the Adjustment Warrants.

The exercise price of the Warrants 2010/2015 remains unchanged at RM0.20 each because the adjusted exercise price for the Warrant 2010/2015 cannot be lower than the par value of the existing Shares.

The aforementioned adjustment is to be determined pursuant to the Existing Deed Poll constituting the Warrants 2010/2015.

Accordingly, number of Warrants 2010/2015 held by Dato' TWL and TLC as at the LPD would be adjusted as follows, based on Minimum Scenario:

	Number of Existing Warrants held	Number of Existing Warrants and Adjustment Warrants held
Dato' TWL	nil	nil
TLC	20,000	20,401

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## 5.2 NA per share and gearing

The proforma effects of the Proposed Rights Issue of Shares with Warrants on the NA and gearing of the Group based on the audited consolidated financial statements of the Company as at 31 December 2011 are as follows:

### Minimum Scenario

	(Audited) As at 31 December 2011 (RM'000)	(I) After Subsequent Events up to the LPD <sup>(1)</sup> (RM'000)	(II) After (I) and the Proposed Rights Issue of Shares with Warrants (RM'000)	(III) After (II) and exercise of the Existing Warrants and Adjustment Warrants by TLC (RM'000)	(IV) After (III) and full exercise of the Warrants 2013/2018 (RM'000)
Share capital	61,220	77,414	86,935	86,939	96,460
Share premium	7,556	15,452	15,452	15,453 <sup>(4)</sup>	20,566 <sup>(5)</sup>
Revaluation reserves	67	67	67	67	67
Warrant reserve	5,482	2,345	7,458 <sup>(2)</sup>	7,457 <sup>(4)</sup>	2,344 <sup>(5)</sup>
Accumulated losses	(4,739)	(8,125)	(14,028) <sup>(3)</sup>	(14,028)	(14,028)
Shareholders' funds / NA	69,586	87,153	95,884	95,888	105,409
No. of Shares in issue NA per Share (RM)	306,100,000 0.23	387,070,100 0.23	434,673,000 0.22	434,693,401 0.22	482,296,301 0.22
Total borrowings (RM'000) Gearing (times)	15,274 0.22	10,510 0.12	7,510 0.08	7,510 0.08	7,510 0.07

Notes:

(1) Events subsequent to 31 December 2011 ("Subsequent Events") up to the LPD:

- (a) The private placement of 30,610,000 Shares ("Private Placements") which was completed on 14 November 2012 as announced on Bursa Securities:  
 - After adjusting for the Private Placements involving the placements of 12,900,000 and 17,710,000 new Shares at RM0.31 and RM0.395 per Share, respectively; and  
 - After adjusting the actual expenses for the Private Placements of approximately RM113,000 against share premium.



- (b) Disposals/Revocation of lands held within the Group:
- After adjusting for the disposal of a piece of land held under GM 2502, Lot 1885, Tempat Sungai Kandis, Mukim of Klang, District of Klang, State of Selangor Darul Ehsan, by Pembinaan Terasia to Evergreen Wagon Sdn Bhd which was completed on 5 February 2013 as announced on Bursa Securities;
  - After adjusting for the disposal of 15 pieces of lands held under Lot 13990 to Lot 14004 at Pekan Lukut, District of Port Dickson, State of Negeri Sembilan Darul Khusus, Malaysia, by Tekan Mewah to Wonderful Niche Development Sdn Bhd which has been completed and announced on Bursa Securities on 29 May 2013;
  - After adjusting for the disposal of 108 pieces of land held under PT 156 to PT 243 and PT 245 to PT 264 at Pekan Lukut, District of Port Dickson, State of Negeri Sembilan Darul Khusus, Malaysia by Tekan Mewah to Kasimentari Sdn Bhd which was completed on 20 July 2012 and
  - After adjusting for the revocation of disposal of a piece of freehold land held under GM1927, Lot 1888, Mukim of Klang, Tempat Batu Gajah, District of Klang, State of Selangor Darul Ehsan by Pembinaan Terasia to Rima Waja Land Services, as announced on Bursa Securities on 5 February 2013.
- (c) After adjusting for the disposal of Minply Sdn Bhd, a wholly-owned subsidiary of the Company to Hasrat Rancak Sdn Bhd which was completed on 19 July 2012.
  - (d) After adjusting for the disposal of Janavista Sdn Bhd, a wholly-owned subsidiary of the Company to Bermont Development Sdn Bhd which has been completed and announced on Bursa Securities on 20 August 2013.
  - (e) After adjusting for the effects arising from the deemed disposal of Minply C&E upon liquidation which was completed on 18 January 2011.
  - (f) After adjusting for the termination of the agreement between Minpalm International Trading Company Sdn Bhd ("MITCSB"), a wholly-owned subsidiary of Tiger and Cekal Kasih Sdn Bhd to acquire the concession right to extract and purchase all timber logs from a timber concession. The purchase consideration of RM2,286,581 was fully refunded to MITCSB.
  - (g) There were RM3,137,434 debited from warrant reserve account and credited to share premium account pursuant to the exercise of 50,360,100 Existing Warrants subsequent to 31 December 2011. This was calculated based on the fair value of RM0.0623 per Existing Warrant as reflected in the Company's financial statements for the FYE 31 December 2011.
- (2) For illustrative purposes only, after adjusting the warrant reserve of RM5,112,551 based on the theoretical value of RM0.1074 per Warrant 2013/2018 for the 47,602,900 Warrants 2013/2018 to be issued pursuant to the Proposed Rights Issue of Shares with Warrants, which was derived with the Black-Scholes options pricing model based on, inter-alia, the indicative salient terms of the Warrants 2013/2018 as set out in **Appendix II** of this Circular and the 5D-VWAP of the existing Shares up to and including the LPD. Kindly note that the aforesaid value is presented for illustrative purposes only as the actual fair value of the Warrants 2013/2018 can only be determined at the point of issuance.
- (3) After adjusting for warrant reserve amounting to approximately RM5,112,551 (for the issuance of 47,602,900 Warrants 2013/2018) and estimated expenses of the Proposals amounting to RM790,000.
- (4) For illustrative purposes only, after adjusting approximately RM1,271 from warrant reserve account to share premium account pursuant to the exercise of the Existing Warrants and Adjustment Warrants by TLC. This was calculated based on the fair value of RM0.0623 per Existing Warrant as reflected in the Company's financial statements for the FYE 31 December 2011.
- (5) After adjusting RM5,112,551 from warrant reserve account to share premium account pursuant to the assumed full exercise of the Warrants 2013/2018.

**Maximum Scenario**

	(Audited) As at 31 December 2011 (RM'000)	(I) After Subsequent Events up to the LPD <sup>(1)</sup> (RM'000)	(II) After (I) and full exercise of the Existing Warrants (RM'000)	(III) After (II) and the Proposed Rights Issue of Shares with Warrants (RM'000)	(IV) After (III) and full exercise of the Warrants 2013/2018 (RM'000)
Share capital	61,220	77,414	84,942	169,884	254,826
Share premium	7,556	15,452	17,797 <sup>(2)</sup>	17,797	63,411 <sup>(5)</sup>
Revaluation reserves	67	67	67	67	67
Warrant reserve	5,482	2,345	- <sup>(2)</sup>	45,614 <sup>(3)</sup>	- <sup>(5)</sup>
Accumulated losses	(4,739)	(8,125)	(8,125)	(54,529) <sup>(4)</sup>	(54,529)
Shareholders' funds / NA	69,586	87,153	94,681	178,833	263,775
No. of Shares in issue	306,100,000	387,070,100	424,710,000	849,420,000	1,274,130,000
NA per Share (RM)	0.23	0.23	0.22	0.21	0.21
Total borrowings (RM'000)	15,274	10,510	10,510	3,510	3,510
Gearing (times)	0.22	0.12	0.11	0.02	0.01

Notes:

(1) Subsequent Events up to the LPD :

(a) The Private Placements which was completed on 14 November 2012 as announced on Bursa Securities:

- After adjusting for the Private Placements involving the placements of 12,900,000 and 17,710,000 new Shares at RM0.31 and RM0.395 per Share. respectively; and
- After adjusting the actual expenses for the Private Placements of approximately RM113,000 against share premium.

(b) Disposals/Revocation of disposal of lands held within the Group:

- After adjusting for the disposal of a piece of land held under GM 2502, Lot 1885, Tempas Sungai Kandis, Mukim of Klang, District of Klang, State of Selangor Darul Ehsan, by Pembinaan Terasia to Evergreen Wagon Sdn Bhd which was completed on 5 February 2013 as announced on Bursa Securities;

- After adjusting for the disposal of 15 pieces of lands held under Lot 13990 to Lot 14004 at Pekan Lukut, District of Port Dickson, State of Negeri Sembilan Darul Khusus, Malaysia, by Tekan Mewah to Wonderful Niche Development Sdn Bhd which has been completed and announced on Bursa Securities on 29 May 2013;
  - After adjusting for the disposal of 108 pieces of land held under PT 156 to PT 243 and PT 245 to PT 264 at Pekan Lukut, District of Port Dickson, State of Negeri Sembilan Darul Khusus, Malaysia, by Tekan Mewah to Kasimentari Sdn Bhd which was completed on 20 July 2012; and
  - After adjusting for the revocation of disposal of a piece of freehold land held under GM1927, Lot 1888, Mukim of Klang, Tempat Batu Gajah, District of Klang, State of Selangor Darul Ehsan by Pembinaan Terasia to Rima Waja Land Services, as announced on Bursa Securities on 5 February 2013.
- (c) After adjusting for the disposal of Minply Sdn Bhd, a wholly owned subsidiary of the Company to Hasrat Rancak Sdn Bhd which was completed on 19 July 2012.
  - (d) After adjusting for the disposal of Janavista Sdn Bhd, a wholly owned subsidiary of the Company to Bermont Development Sdn Bhd which has been completed and announced on Bursa Securities on 20 August 2013.
  - (e) After adjusting for the effects arising from the deemed disposal of Minply C&E upon liquidation which was completed on 18 January 2011.
  - (f) After adjusting for the termination of the agreement between MITCSB, a wholly-owned subsidiary of Tiger and Cekal Kasih Sdn Bhd to acquire the concession right to extract and purchase all timber logs from a timber concession. The purchase consideration of RM2,286,581 was fully refunded to MITCSB.
  - (g) There were RM3,137,434 debited from warrant reserve account and credited to share premium account pursuant to the exercise of 50,360,100 Existing Warrants subsequent to 31 December 2011. This was calculated based on the fair value of RM0.0623 per Existing Warrant as reflected in the Company's financial statements for the FYE 31 December 2011.
  - (2) The remaining warrant reserve of RM2,344,966 was debited from warrant reserve account and credited to share premium account assuming full exercise of the Existing Warrants.
  - (3) For illustrative purposes only, after adjusting the warrant reserve of RM45,613,854 based on the theoretical value of RM0.1074 per Warrant 2013/2018 for the 424,710,000 Warrants 2013/2018 to be issued pursuant to the Proposed Rights Issue of Shares with Warrants, which was derived with the Black-Scholes options pricing model based on, inter-alia, the indicative salient terms of the Warrants 2013/2018 as set out in **Appendix II** of this Circular and the 5D-VWAP of the existing Shares up to and including the LPD. Kindly note that the aforesaid value is presented for illustrative purposes only as the actual fair value of the Warrants 2013/2018 can only be determined at the point of issuance.
  - (4) After adjusting for warrant reserve amounting to approximately RM45,613,854 (for the issuance of 424,710,000 Warrants 2013/2018) and estimated expenses of the Proposals amounting to RM790,000.
  - (5) After adjusting RM45,613,854 from warrant reserve account to share premium account pursuant to the assumed full exercise of the Warrants 2013/2018.

### 5.3 EPS

Based on the assumption that the Proposed Rights Issue of Shares with Warrants is expected to be completed by the fourth (4<sup>th</sup>) quarter of year 2013, the Proposed Rights Issue of Shares with Warrants is not expected to have any material immediate effect on the earnings and EPS of the Tiger Group for the FYE 30 June 2014. It should be noted that the proceeds to be raised are expected to be utilised within six (6) to twenty four (24) months from the date of the listing of the Rights Shares. Nevertheless, the Proposed Rights Issue of Shares with Warrants is expected to contribute positively to the future earnings of the Group as a result of the injection of fresh funds when the benefits of the utilisation of proceeds are realised coupled with the prospects of the Group as set out in **Section 4.3, Part A** of this Circular. The effect of any exercise of the Warrants 2013/2018 on the Company's consolidated EPS would be dependent on the returns generated by the Company from the utilisation of proceeds arising from the exercise of the Warrants 2013/2018.

However, the EPS of the Group shall be correspondingly diluted as a result of the increase in the number of Shares in issue pursuant to the issuance of the Rights Shares and the new Shares arising from the exercise of the Warrants 2013/2018 in the future.

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#### 5.4 Substantial shareholders' shareholdings

The proforma effects of the Proposed Rights Issue of Shares with Warrants on the direct and indirect shareholdings of the substantial shareholders of Tiger as at the LPD are as follows:

##### Minimum Scenario

Name	As at the LPD			(I) After Proposed Rights Issue of Shares with Warrants		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Dato' TWL	36,411,900	9.41	13,651,000 <sup>(1)</sup>	72,823,800	16.75	24,842,000 <sup>(1)</sup>
TLC	11,191,000	2.89	36,411,900 <sup>(2)</sup>	22,382,000	5.15	72,823,800 <sup>(2)</sup>
Name	(II) After (I) and exercise of the Existing Warrants and Adjustment Warrants by TLC			(III) After (II) and exercise of the Warrants 2013/2018		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Dato' TWL	72,823,800	16.75	24,862,401 <sup>(1)</sup>	109,235,700	22.65	36,053,401 <sup>(1)</sup>
TLC	22,402,401	5.15	72,823,800 <sup>(2)</sup>	33,593,401	6.97	109,235,700 <sup>(2)</sup>

Notes:

- (1) Deemed interested via the shareholding of his wife. SCN pursuant to Section 6A of the Act and Section 317 of the CMSA and via the shareholding of his sister. TLC pursuant to Section 6A of the Act.
- (2) Deemed interested via the shareholding of her brother Dato' TWL pursuant to Section 6A of the Act.

**Maximum Scenario**

Name	As at the LPD				(I) After full exercise of Existing Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' TWL	36,411,900	9.41	13,651,000 <sup>(1)</sup>	3.53	36,411,900	8.57	13,754,000 <sup>(1)</sup>	3.24
TLC	11,191,000	2.89	36,411,900 <sup>(2)</sup>	9.41	11,211,000	2.64	36,411,900 <sup>(2)</sup>	8.57

Name	(II) After (I) and Proposed Rights Issue of Shares with Warrants				(III) After (II) and full exercise of the Warrants 2013/2018			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' TWL	72,823,800	8.57	27,508,000 <sup>(1)</sup>	3.24	109,235,700	8.57	41,262,000 <sup>(1)</sup>	3.24
TLC	22,422,000	2.64	72,823,800 <sup>(2)</sup>	8.57	33,633,000	2.64	109,235,700 <sup>(2)</sup>	8.57

Notes:

- (1) Deemed interested via the shareholding of his wife, SCN pursuant to Section 6A of the Act and Section 317 of the CMSA and via the shareholding of his sister, TLC pursuant to Section 6A of the Act.
- (2) Deemed interested via the shareholding of her brother, Dato' TWL pursuant to Section 6A of the Act.

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## 5.5 Convertible securities

As at the LPD, Tiger has a total of 37,639,900 Existing Warrants and the exercise price of these Existing Warrants is RM0.20.

The Proposed Rights Issue of Shares with Warrants may give rise to adjustments to the exercise price and/or number of Existing Warrants held by each holder of the Existing Warrants, so far as unexercised pursuant to the Existing Deed Poll dated 9 July 2010.

Any adjustment which is required will be made in accordance with the provisions of the Existing Deed Poll to mitigate any potential equity dilution resulting from the Proposed Rights Issue of Shares with Warrants and to ensure that the status of the holder of the Warrants 2010/2015 are not prejudiced after the Proposed Rights Issue of Shares with Warrants. Save for the adjustments to the exercise price and/or number of Warrants 2010/2015 held, other provisions as stipulated in the Existing Deed Poll including the rights and obligations of the holders of the Warrants 2010/2015 will remain unchanged.

Any necessary adjustments arising from the Proposed Rights Issue of Shares with Warrants in relation to the Existing Warrants will only be finalised on the Entitlement Date. The details on the adjustments shall be set out in a notice to the holders of the Existing Warrants, which shall be despatched in due course.

## 6. HISTORICAL SHARE PRICES

The monthly high and low transacted market prices of Shares for the past twelve (12) months from October 2012 to September 2013 are as follows:

	<b>High RM</b>	<b>Low RM</b>
<b>2012</b>		
October	0.400	0.130
November	0.470	0.305
December	0.385	0.300
<b>2013</b>		
January	0.330	0.305
February	0.310	0.225
March	0.250	0.235
April	0.285	0.250
May	0.400	0.265
June	0.265	0.210
July	0.245	0.215
August	0.245	0.222
September	0.240	0.220

The last transacted price of the Shares on 12 June 2013, being the last date on which the Shares were traded, prior to the date of announcement of the Proposals was RM0.230.

The last transacted price of the Shares on the LPD, being the latest practicable date prior to the printing of this Circular, was RM0.230.

(Source: *Bloomberg*)



## 7. APPROVALS REQUIRED

The Proposals are conditional upon the approvals being obtained from the following:

(i) Bursa Securities for the following:

- listing of and quotation for the Right Shares to be issued on the Main Market of Bursa Securities;
- admission of the Warrants 2013/2018 to the Official List of the Main Market of Bursa Securities and listing of and quotation for the Warrants 2013/2018 on the Main Market of Bursa Securities;
- listing of and quotation for the Adjustment Warrants to be issued on the Main Market of Bursa Securities;
- listing of and quotation for the new Shares to be issued pursuant to the exercise of Warrants 2013/2018 on the Main Market of Bursa Securities; and
- listing of and quotation for the new Shares to be issued pursuant to the exercise of Adjustment Warrants on the Main Market of Bursa Securities.

pursuant to the Proposed Rights Issue of Shares with Warrants. The said approval of Bursa Securities, which was obtained vide its letters dated 23 September 2013 and 14 October 2013, is subject to the following conditions:

<b>No.</b>	<b>Conditions imposed</b>	<b>Status of compliance</b>
(1)	Tiger and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals;	To be complied.
(2)	Tiger and TA Securities to inform Bursa Securities upon the completion of the Proposals;	To be complied.
(3)	Tiger to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;	To be complied.
(4)	Tiger to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders at EGM for the Proposals	To be complied.
(5)	Payment of additional listing fees pertaining to the exercise of Warrants 2013/2018. In this respect, Tiger is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants 2013/2018 as at the end of each quarter together with a details computation of listing fees payable.	To be complied.

(ii) the shareholders of Tiger at an EGM to be convened for the Proposals; and

(iii) any other relevant authorities, if required.

## 8. INTER-CONDITIONALITY OF THE PROPOSALS

The Proposals are not conditional upon the Proposed Ratification of Business Diversification to be undertaken by the Company as set out in **Part A** of this Circular.

The Proposed Rights Issue of Shares with Warrants is conditional upon Proposed IASC and Proposed Amendments but not vice versa.

The Proposed IASC and Proposed Amendments are inter-conditional with each other.

The Proposals are not conditional upon any other corporate proposals by Tiger.

## 9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the above-mentioned in **Section 8, Part B** and the Proposed Ratification of Business Diversification in **Part A** of this Circular, the Board is not aware of any other outstanding corporate proposal which has been announced but pending implementation as at the date of this Circular.

## 10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of the Company and/or persons connected with them have any interest, either direct or indirect, in the Proposals apart from their respective entitlements as shareholders of the Company under the Proposed Rights Issue of Shares with Warrants, the rights of which are also available to all other existing shareholders of the Company.

## 11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposals including but is not limited to its rationale, effects and prospects of the Group, is of the opinion that the Proposals are in the best interest of the Company and recommends that you vote in favour of the resolutions pertaining to the Proposals at the forthcoming EGM of the Company.

## 12. ESTIMATED TIME FRAME OF COMPLETION

Barring any unforeseen circumstances and subject to the approvals of the relevant authorities being obtained, the Board expects the Proposals to be completed in the fourth (4<sup>th</sup>) quarter of year 2013.

The indicative timetable of events leading up to the listing of and quotation for the Rights Shares and Warrants 2013/2018 on the Main Market of Bursa Securities is set out below:

<b>Tentative Date</b>	<b>Events</b>
Mid November 2013	- EGM - Announcement of book closure date
End November 2013	Despatch of abridged prospectus, notice of provisional allotment and rights subscription form for the Proposed Rights Issue of Shares with Warrants
Mid December 2013	Listing of and quotation for the Rights Shares and Warrants 2013/2018 on Bursa Securities/ completion of the Proposed Rights Issue of Shares with Warrants

### 13. EGM

The EGM, the Notice of which is set out in this Circular, will be held at the Avillion Admiral Cove, Batu 5 ½, Jalan Pantai, 71050 Si Rusa Port Dickson, Negeri Sembilan Darul Khusus, Malaysia on Friday, 15 November 2013, 11.00a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you should complete, sign and return the enclosed Form of Proxy for the EGM to the Registered Office of the Company at No. 482, Ground Floor, Jalan Zamrud 6, Taman Ko-Op, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, so as to arrive not later than forty-eight (48) hours before the time fixed for holding the EGM. The Form of Proxy should be completed strictly in accordance to the instruction contained herein. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

### 14. FURTHER INFORMATION

Shareholders are advised to refer to the Appendices set out in this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
**TIGER SYNERGY BERHAD**

**Dato' Tan Wei Lian**  
**Managing Director**

**SEGMENTAL REPORTING (I.E., TOTAL REVENUE, SEGMENT RESULTS AND SEGMENT ASSETS DISCLOSURES) OF THE TIGER GROUP FOR THE FYE 31 DECEMBER 2006 TO THE EIGHTEEN (18)-MONTHS FPE 30 JUNE 2013**

	Manufacturing	Trading	Property Development	Others*	Total	Elimination <sup>^</sup>	Consolidated
<b>FYE 31 December 2006 (Audited)</b>							
External revenue (RM)	7,756,825	53,469,274	979,084	-	62,205,183	-	62,205,183
Percentage contribution	12.47%	85.96%	1.57%	0.00%	100.00%		
Segment results (RM)	1,225,911	1,713,498	31,240	2,008,739	4,979,388	(3,862,914)	1,116,474
Unallocated income (RM)	-	-	-	-	-	256,000	256,000
Finance cost (RM)	(120,676)	(918,019)	(79)	(1,859)	(1,040,633)	-	(1,040,633)
Sub-total / Profit before tax (i.e., after elimination) (RM)	1,105,235	795,479	31,161	2,006,880	3,938,755		331,841
Taxation (RM)	56,776	(142,988)	(5,325)	20,712	(70,825)		(70,825)
Net Segment Results / Profit for the year (i.e., after elimination) (RM)	1,162,022	652,491	25,836	2,027,592	3,867,930		261,016
<b>Percentage contribution</b>	<b>30.04%</b>	<b>16.87%</b>	<b>0.67%</b>	<b>52.42%</b>	<b>100.00%</b>		
Segment assets (RM)	11,350,376	59,544,569	8,665,619	45,533,683	125,094,247	(57,001,314)	68,092,933
Less: Segment liabilities (RM)	9,136,298	39,862,197	8,260,824	10,097,660	67,356,979	(34,492,475)	32,864,504
Net Segment Assets / N/A (i.e., after elimination) (RM)	2,214,078	19,682,372	404,795	35,436,023	57,737,268		35,228,429
<b>Percentage contribution</b>	<b>3.83%</b>	<b>34.09%</b>	<b>0.70%</b>	<b>61.38%</b>	<b>100.00%</b>		

**SEGMENTAL REPORTING (I.E., TOTAL REVENUE, SEGMENT RESULTS AND SEGMENT ASSETS DISCLOSURES) OF THE TIGER GROUP FOR THE FYE 31 DECEMBER 2006 TO THE EIGHTEEN (18)-MONTHS FPE 30 JUNE 2013 (cont'd)**

	Manufacturing	Trading	Property Development	Others*	Total	Elimination <sup>^</sup>	Consolidated
<b>FYE 31 December 2007</b>							
External revenue (RM)	21,711,220	22,550,663	11,229,604	-	55,491,487	-	55,491,487
Percentage contribution	39.12%	40.64%	20.24%	0.00%	100.00%		
Segment results (RM)	(295,240)	3,204,245	1,695,799	122,851	4,727,655	(4,144,391)	583,264
Unallocated income (RM)	-	-	-	-	-	317,000	317,000
Unallocated expenses (RM)	-	-	-	-	-	(17,674)	(17,674)
Finance cost (RM)	(215,819)	(1,302,596)	(10,475)	(117)	(1,529,007)	-	(1,529,007)
Sub-total / Loss before tax (i.e., after elimination) (RM)	(511,059)	1,901,649	1,685,324	122,734	3,198,648		(646,417)
Taxation (RM)	(153,877)	333,882	(627,212)	299,886	(147,321)		(147,321)
Net Segment Results / Loss for the year (i.e., after elimination) (RM)	(664,936)	2,235,531	1,058,112	422,620	3,051,327		(793,738)
<b>Percentage contribution</b>	<b>(21.79%)</b>	<b>73.26%</b>	<b>34.68%</b>	<b>13.85%</b>	<b>100.00%</b>		
Segment assets (RM)	14,520,920	54,240,635	41,092,199	65,783,048	175,636,802	(99,409,714)	76,227,088
Less: Segment liabilities (RM)	12,701,197	32,175,666	33,837,222	26,935,736	105,649,821	(64,540,564)	41,109,257
Net Segment Assets / NA (i.e., after elimination) (RM)	1,819,723	22,064,969	7,254,977	38,847,312	69,986,981		35,117,831
<b>Percentage contribution</b>	<b>2.60%</b>	<b>31.53%</b>	<b>10.37%</b>	<b>55.50%</b>	<b>100.00%</b>		

APPENDIX I

SEGMENTAL REPORTING (I.E., TOTAL REVENUE, SEGMENT RESULTS AND SEGMENT ASSETS DISCLOSURES) OF THE TIGER GROUP FOR THE FYE 31 DECEMBER 2006 TO THE EIGHTEEN (18)-MONTHS FPE 30 JUNE 2013 (cont'd)

	Manufacturing	Trading	Property Development	Others*	Total	Elimination <sup>^</sup>	Consolidated
<b>FYE 31 December 2008 (Audited)</b>							
External revenue (RM)	984,036	7,576,122	15,404,233	-	23,964,391	-	23,964,391
Percentage contribution	4.11%	31.61%	64.28%	0.00%	100.00%		
Segment results (RM)	(1,217,475)	(1,513,308)	2,630,054	(9,054,983)	(9,155,712)	8,712,052	(443,660)
Finance cost (RM)	(300,382)	(1,378,413)	(12,093)	-	(1,690,888)	-	(1,690,888)
Sub-total / Loss before tax (i.e., after elimination) (RM)	(1,517,857)	(2,891,721)	2,617,961	(9,054,983)	(10,846,600)		(2,134,548)
Taxation (RM)	-	(7,523)	(1,755,599)	-	(1,763,122)	-	(1,763,122)
Net Segment Results / Loss for the year (i.e., after elimination) (RM)	(1,517,857)	(2,899,244)	862,362	(9,054,983)	(12,609,722)		(3,897,670)
<b>Percentage contribution</b>	<b>(12.04%)</b>	<b>(22.99%)</b>	<b>6.84%</b>	<b>(71.81%)</b>	<b>(100.00%)</b>		
Segment assets (RM)	10,903,999	48,113,552	46,671,208	45,360,871	151,049,630	(84,413,131)	66,636,499
Less: Segment liabilities (RM)	11,603,176	28,883,444	36,392,848	28,594,747	105,474,215	(70,060,769)	35,413,446
Net Segment Assets / NA (i.e., after elimination) (RM)	(699,177)	19,230,108	10,278,360	16,766,124	45,575,415		31,223,053
<b>Percentage contribution</b>	<b>(1.53%)</b>	<b>42.19%</b>	<b>22.55%</b>	<b>36.79%</b>	<b>100.00%</b>		

**SEGMENTAL REPORTING (I.E., TOTAL REVENUE, SEGMENT RESULTS AND SEGMENT ASSETS DISCLOSURES) OF THE TIGER GROUP FOR THE FYE 31 DECEMBER 2006 TO THE EIGHTEEN (18)-MONTHS FPE 30 JUNE 2013 (cont'd)**

	Manufacturing	Trading	Property Development	Others*	Total	Elimination <sup>^</sup>	Consolidated
<b>FYE 31 December 2009 (Audited)</b>							
External revenue (RM)	81,576	8,793,693	2,253,838	-	11,129,107	-	11,129,107
Percentage contribution	0.73%	79.02%	20.25%	0.00%	100.00%		
Segment results (RM)	(1,262,571)	(184,401)	(456,060)	(6,231,510)	(8,134,542)	-	(8,134,542)
Finance cost (RM)	(181,371)	(1,471,846)	(144,104)	(561)	(1,797,882)	-	(1,797,882)
Sub-total / Loss before tax (i.e., after elimination) (RM)	(1,443,942)	(1,656,247)	(600,164)	(6,232,071)	(9,932,424)		(9,932,424)
Taxation (RM)	(395,920)	(238,598)	(14,022)	(52,298)	(700,838)		(700,838)
Net Segment Results / Loss for the year (i.e., after elimination) (RM)	(1,839,862)	(1,894,845)	(614,186)	(6,284,369)	(10,633,262)		(10,633,262)
<b>Percentage contribution</b>	<b>(17.30%)</b>	<b>(17.82%)</b>	<b>(5.78%)</b>	<b>(59.10%)</b>	<b>(100.00%)</b>		
Segment assets (RM)	9,855,354	45,405,268	42,007,088	31,997,131	129,264,841	(69,464,692)	59,800,149
Less: Segment liabilities (RM)	12,118,107	27,852,910	32,243,268	19,931,157	92,145,442	(55,120,337)	37,025,105
Net Segment Assets / N/A (i.e., after elimination) (RM)	(2,262,753)	17,552,358	9,763,820	12,065,974	37,119,399		22,775,044
<b>Percentage contribution</b>	<b>(6.10%)</b>	<b>47.29%</b>	<b>26.30%</b>	<b>32.51%</b>	<b>100.00%</b>		



**SEGMENTAL REPORTING (I.E., TOTAL REVENUE, SEGMENT RESULTS AND SEGMENT ASSETS DISCLOSURES) OF THE TIGER GROUP FOR THE FYE 31 DECEMBER 2006 TO THE EIGHTEEN (18)-MONTHS FPE 30 JUNE 2013 (cont'd)**

	Manufacturing	Trading	Property Development	Others*	Total	Elimination <sup>^</sup>	Consolidated
<b>FYE 31 December 2010 (Audited)</b>							
External revenue (RM)	-	1,818,692	8,837,138	-	10,655,830	-	10,655,830
Percentage contribution	0.00%	17.07%	82.93%	0.00%	100.00%		
Segment results (RM)	(395,455)	(3,882,625)	432,448	(1,061,960)	(4,907,592)	-	(4,907,592)
Finance cost (RM)	(355,159)	(1,827,842)	(84,665)	(16,604)	(2,284,270)	-	(2,284,270)
Sub-total / Loss before tax (i.e., after elimination) (RM)	(750,614)	(5,710,467)	347,783	(1,078,564)	(7,191,862)		(7,191,862)
Taxation (RM)	(18,739)	(74)	(349,672)	-	(368,485)		(368,485)
Net Segment Results / Loss for the year (i.e., after elimination) (RM)	(769,353)	(5,710,541)	(1,889)	(1,078,564)	(7,560,347)		(7,560,347)
<b>Percentage contribution</b>	<b>(10.18%)</b>	<b>(75.53%)</b>	<b>(0.02%)</b>	<b>(14.27%)</b>	<b>(100.00%)</b>		
Segment assets (RM)	9,565,523	36,176,122	96,612,166	58,586,006	200,939,817	(126,251,114)	74,688,703
Less: Segment liabilities (RM)	12,597,639	24,303,297	85,532,726	19,951,939	142,385,601	(109,641,360)	32,744,241
Net Segment Assets / NA (i.e., after elimination) (RM)	(3,032,116)	11,872,825	11,079,440	38,634,067	58,554,216		41,944,462
<b>Percentage contribution</b>	<b>(5.18%)</b>	<b>20.28%</b>	<b>18.92%</b>	<b>65.98%</b>	<b>100.00%</b>		

APPENDIX I

SEGMENTAL REPORTING (I.E., TOTAL REVENUE, SEGMENT RESULTS AND SEGMENT ASSETS DISCLOSURES) OF THE TIGER GROUP FOR THE FYE 31 DECEMBER 2006 TO THE EIGHTEEN (18)-MONTHS FPE 30 JUNE 2013 (cont'd)

	Manufacturing	Trading	Property Development	Others*	Total	Elimination <sup>^</sup>	Consolidated
<b>FYE 31 December 2011 (Audited)</b>							
External revenue (RM)	-	4,952,082	33,188,618	-	38,140,700	-	38,140,700
Percentage contribution	0.00%	12.98%	87.02%	0.00%	100.00%		
Segment results (RM)	1,382,221	(16,923,610)	25,227,840	(2,221,815)	7,464,636	-	7,464,636
Finance cost (RM)	(346,686)	(1,000,282)	(69,820)	(1,405)	(1,418,193)	-	(1,418,193)
Sub-total / Profit before tax (i.e., after elimination) (RM)	1,035,535	(17,923,892)	25,158,020	(2,223,220)	6,046,443		6,046,443
Taxation (RM)	(29,640)	(246,985)	(4,229,390)	(8,664)	(4,514,679)	-	(4,514,679)
Net Segment Results / Profit for the year (i.e., after elimination) (RM)	1,005,895	(18,170,877)	20,928,630	(2,231,884)	1,531,764		1,531,764
<b>Percentage contribution</b>	<b>65.67%</b>	<b>(1,186.27%)</b>	<b>1,366.31%</b>	<b>(145.71%)</b>	<b>100.00%</b>		
Segment assets (RM)	8,640,354	17,095,334	158,380,429	71,201,511	255,317,628	(144,645,950)	110,671,678
Less: Segment liabilities (RM)	10,666,575	23,393,364	125,269,085	40,899,990	200,229,014	(159,143,281)	41,085,733
Net Segment Assets / NA (i.e., after elimination) (RM)	(2,026,221)	(6,298,030)	33,111,344	30,301,521	55,088,614		69,585,945
<b>Percentage contribution</b>	<b>(3.68%)</b>	<b>(11.43%)</b>	<b>60.11%</b>	<b>55.01%</b>	<b>100.00%</b>		

**SEGMENTAL REPORTING (I.E., TOTAL REVENUE, SEGMENT RESULTS AND SEGMENT ASSETS DISCLOSURES) OF THE TIGER GROUP FOR THE FYE 31 DECEMBER 2006 TO THE EIGHTEEN (18)-MONTHS FPE 30 JUNE 2013 (cont'd)**

	Manufacturing	Trading	Property Development	Others*	Total	Elimination <sup>^</sup>	Consolidated
<b>Eighteen (18)-months FPE 30 June 2013 (Unaudited)</b>							
External revenue (RM)	-	5,946,747	27,189,808	-	33,136,555	-	33,136,555
Percentage contribution	0.00%	17.95%	82.05%	0.00%	100.00%		
Segment results (RM)	198,417	261,905	37,306 <sup>#</sup>	(212,000)	285,628	-	285,628
Finance cost (RM)	(282,155)	(245,057)	(457,615)	(405,740)	(1,390,567)	-	(1,390,567)
Sub-total / Profit before tax (i.e., after elimination) (RM)	(83,738)	16,848	(420,309)	(617,740)	(1,104,939)		(1,104,939)
Taxation (RM)	(63,621)	(57,313)	(19,681)	(59,653)	(200,268)	-	(200,268)
Gain on discontinued operations (RM)	-	249,538	3,298,000	-	3,547,538	-	3,547,538
Net Segment Results / Profit after tax (RM)	(147,359)	209,073	2,858,010	(677,393)	2,242,331		2,242,331
<b>Percentage contribution</b>	<b>(6.57%)</b>	<b>9.32%</b>	<b>127.46%</b>	<b>(30.21%)</b>	<b>100.00%</b>		
Segment assets (RM)	8,067,659	15,772,838	163,835,760	87,139,400	274,815,657	(164,591,659)	110,223,998
Less: Segment liabilities (RM)	10,241,238	12,925,133	142,198,518	15,359,578	180,724,467	(162,885,910)	17,838,557
Net Segment Assets / NA (i.e., after elimination) (RM)	(2,173,579)	2,847,705	21,637,242	71,779,822	94,091,190		92,385,441
<b>Percentage contribution</b>	<b>(2.31%)</b>	<b>3.02%</b>	<b>23.00%</b>	<b>6.29%</b>	<b>100.00%</b>		

(Source: Tiger Annual Report 2006 to 2011 and unaudited consolidated financial results for the eighteen (18)-months FPE 30 June 2013)

Notes:

\* Others represent investment holding and dormant companies. Others Net Segment Assets comprised mainly amounts due from subsidiaries.

<sup>^</sup> Elimination for segment results is in respect of consolidation elimination for inter-company transactions. Elimination for segment assets and segment liabilities is in respect of consolidation elimination for inter-company balances (i.e., amounts due from and to respective companies).

# The lower segment results for the Property Development segment was mainly due to the waiver of an amount due from a subsidiary within the Group of RM4.8 million and the reversal for the over-recognition of revenue in prior years.

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**DIRECTORS' AND KEY MANAGEMENT PROFILE**

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**DATO' TWL**

Dato' TWL, aged 44, Malaysian, was appointed to the Board as the Managing Director of Tiger in November 2006. After completing his upper secondary education in 1986, he started his career in a family owned property development and construction company. Since then, he has gained over 25 years of experience in the property development and construction industry. Therefore, Dato' TWL has played a major role in leading the Group to diversify its business into Property Development. In addition to his strong communication skills, experience, and in-depth knowledge of the business environment, he is also the President of the Negeri Sembilan Darul Khusus Chinese Chamber of Commerce and Industry, Vice President of The Associated Chinese Chambers of Commerce and Industry of Malaysia.

**TLC**

TLC, aged 43, Malaysian was appointed to the Board as an Executive Director of Tiger in February 2008. She graduated with a LLB (Honours) from the University of Northumbria, United Kingdom. After completing her Diploma in Business Administration in 1987, she started her career in the property development and construction industry. In 1993, she joined her family owned 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 more than 20 years of experience in the property development and construction industry. In recognition of her outstanding entrepreneurial achievements, she has received an outstanding Entrepreneur Award at the Golden Bull Award 2010.

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**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**


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**BAKER TILLY**

Baker Tilly Monteiro Heng  
Chartered Accountants (AF0117)  
Baker Tilly MH Tower  
Level 10, Tower 1, Avenue 5  
Bangsar South City  
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**16 OCT 2013**

The Board of Directors  
**Tiger Synergy Berhad**  
Ground Floor, No.482, Jalan Zamrud 6,  
Taman Ko-op,  
70200 Seremban,  
Negeri Sembilan Darul Khusus

**STRICTLY CONFIDENTIAL**

Dear Sirs,

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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES  
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011**


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We have reviewed the Proforma Consolidated Statements of Financial Position of Tiger Synergy Berhad ("Tiger" or "the Company") and its subsidiaries ("the Group") as at 31 December 2011 together with the accompanying notes which have been prepared by the Directors of Tiger for illustrative purposes only (which we have stamped for the purpose of identification), for which the Directors of Tiger are solely responsible, as set out in the accompanying statements for inclusion in the Circular to Shareholders of Tiger in relation to the following proposals:-

- I. Proposed renounceable rights issue of up to 424,710,000 new ordinary shares of RM0.20 each in Tiger ("Rights Share(s)") on the basis of one (1) Rights Share for every one (1) existing ordinary shares of RM0.20 each in Tiger held, together with up to 424,710,000 free detachable warrants 2013/2018 ("Warrants 2013/2018") on the basis of one (1) Warrant 2013/2018 for every one (1) Rights Share successfully subscribed at an entitlement date to be determined later ("Entitlement Date") ("Proposed Rights Issue of Shares with Warrants");
- II. Proposed increase in the authorised share capital of Tiger from RM100,000,000 comprising 500,000,000 ordinary shares of RM0.20 each in Tiger ("Shares") to RM500,000,000 comprising 2,500,000,000 Shares ("Proposed IASC"); and
- III. Proposed amendments to the Memorandum and Articles of Association of Tiger as a consequence of the Proposed IASC ("Proposed Amendments")

(The above proposals are collectively hereinafter referred to as the "Proposals").

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**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
*(cont'd)*

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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**Proforma Consolidated Statements of Financial Position as at 31 December 2011**

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We conducted our work in accordance with the approved standard for assurance engagements in Malaysia, *ISAE 3000 - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Our work consisted primarily of comparing the audited consolidated statement of financial position of the Group as at 31 December 2011, considering and discussing the adjustments and the Proforma Consolidated Statements of Financial Position with the responsible officers of the Group. Our work involved no independent examination of the underlying financial information.

We plan and perform our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Proforma Consolidated Statements of Financial Position of the Group have been properly prepared on the basis set out in the accompanying notes to the Proforma Consolidated Statements of Financial Position based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2011, which have been prepared in accordance with the Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by Tiger in the preparation of its audited consolidated financial statements for the financial year ended 31 December 2011.

The audited financial statements of Tiger for the financial year ended 31 December 2011 were reported by us without any modification to the members of Tiger on 20 April 2012.

As the Proforma Consolidated Statements of Financial Position are prepared for illustrative purposes only, and such information, because of its nature, may not give a true picture of the effects on the financial position of the Group had the transactions and events occurred at the reporting date. Further, such information does not purport to predict the Group's future financial position.

In our opinion:-

- (i) the Proforma Consolidated Statements of Financial Position of the Group have been properly compiled on the basis as set out in the accompanying notes to the Proforma Consolidated Statements of Financial Position based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2011 (which have been prepared by the Directors in accordance with the Financial Reporting Standards in Malaysia), and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 31 December 2011; and
- (ii) the adjustments made to the information used in the preparation of the Proforma Consolidated Statements of Financial Position are appropriate for the purposes of preparing the Proforma Consolidated Statements of Financial Position of the Group as at 31 December 2011.

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**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31  
DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF  
(cont'd)**

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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

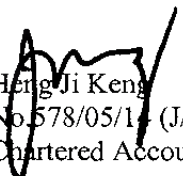
**Proforma Consolidated Statements of Financial Position as at 31 December 2011**

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This letter has been prepared for inclusion in the Circular to Shareholders of Tiger in connection with the Proposals and is not to be used, circulated, quoted or otherwise referenced to in any document or used for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

  
Baker Tilly Monteiro Heng  
No. AF 0117  
Chartered Accountants

  
Heng Ji Keng  
No. 578/05/14 (J/PH)  
Chartered Accountant



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
(cont'd)

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011**

The Proforma Consolidated Statements of Financial Position of Tiger Synergy Berhad ("Tiger" or "the Company") and its subsidiaries ("the Group") as at 31 December 2011 as set out below for which the Directors of Tiger are solely responsible, have been prepared for illustrative purposes only to show the effects on the audited consolidated statement of financial position of the Group as at 31 December 2011 had the transactions as described in Note 2 and the proposals as described in Note 3 been effected on that date, and should be read in conjunction with the notes accompanying to the Proforma Consolidated Statements of Financial Position.

**Minimum Scenario**

	Audited Consolidated Statement of Financial Position as at 31 December 2011 RM'000	Adjusted Consolidated Statement of Financial Position as at 31 December 2011 RM'000	Proforma I  Proposed Rights Issue of Shares with Warrants RM'000	Proforma II  After I and Assuming Exercise of the Existing and Adjustment Warrants by TLC RM'000	Proforma III  After II and Assuming Full Exercise of Warrants 2013/2018 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9,305	8,877	8,877	8,877	8,877
Land held for property development	24,127	14,344	14,344	14,344	14,344
Investment properties	5,700	5,700	5,700	5,700	5,700
Timber concession rights	2,287	-	-	-	-
<b>Total non-current assets</b>	<b>41,419</b>	<b>28,921</b>	<b>28,921</b>	<b>28,921</b>	<b>28,921</b>
<b>Current assets</b>					
Amount due from customers for contract work	288	-	-	-	-
Property development costs	26,641	10,417	10,417	10,417	10,417
Trade receivables	6,187	5,415	5,415	5,415	5,415
Other receivables and deposits	1,719	1,125	1,125	1,125	1,125
Accrued billings	33,875	31,012	31,012	31,012	31,012
Cash and bank balances	543	38,028	43,759	43,763	53,284
<b>Total current assets</b>	<b>69,253</b>	<b>85,997</b>	<b>91,728</b>	<b>91,732</b>	<b>101,253</b>
<b>TOTAL ASSETS</b>	<b>110,672</b>	<b>114,918</b>	<b>120,649</b>	<b>120,653</b>	<b>130,174</b>

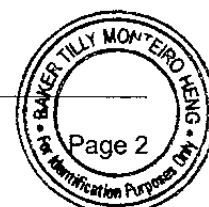
**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**Minimum Scenario (Continued)**

	Audited Consolidated Statement of Financial Position as at 31 December 2011 RM'000	Adjusted Consolidated Statement of Financial Position as at 31 December 2011 RM'000	Proforma I  Proposed Rights Issue of Shares with Warrants RM'000	Proforma II  After I and Assuming Exercise of the Existing and Adjustment Warrants by TLC RM'000	Proforma III  After II and Assuming Full Exercise of Warrants 2013/2018 RM'000
<b>EQUITY AND LIABILITIES</b>					
Equity attributable to owners of the Company					
Share capital	61,220	77,414	86,935	86,939	96,460
Share premium	7,556	15,452	15,452	15,453	20,566
Revaluation reserve	67	67	67	67	67
Warrant reserve	5,482	2,345	7,458	7,457	2,344
Accumulated losses	(4,739)	(8,125)	(14,028)	(14,028)	(14,028)
Shareholders' funds	69,586	87,153	95,884	95,888	105,409
<b>TOTAL EQUITY</b>	69,586	87,153	95,884	95,888	105,409
<b>Non-current liabilities</b>					
Borrowings	6,474	7,774	7,510	7,510	7,510
Deferred tax liabilities	173	172	172	172	172
<b>Total non-current liabilities</b>	6,647	7,946	7,682	7,682	7,682
<b>Current liabilities</b>					
Trade payables	3,951	2,172	2,172	2,172	2,172
Other payables and accruals	13,284	10,187	10,187	10,187	10,187
Borrowings	8,800	2,736	-	-	-
Tax payable	8,404	4,724	4,724	4,724	4,724
<b>Total current liabilities</b>	34,439	19,819	17,083	17,083	17,083
<b>TOTAL LIABILITIES</b>	41,086	27,765	24,765	24,765	24,765
<b>TOTAL EQUITY AND LIABILITIES</b>	110,672	114,918	120,649	120,653	130,174



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**Minimum Scenario (Continued)**

	Audited Consolidated Statement of Financial Position as at 31 December 2011 RM'000	Adjusted Consolidated Statement of Financial Position as at 31 December 2011 RM'000	Proforma I Proposed Rights issue of Shares with Warrants RM'000	Proforma II After I and Assuming Exercise of the Existing and Adjustment Warrants by TLC RM'000	Proforma III After II and Assuming Full Exercise of Warrants 2013/2018 RM'000
Number of ordinary shares of · RM0.20 each ('000)	306,100	387,070	434,673	434,693	482,296
Net assets ("NA") (RM'000) *	69,586	87,153	95,884	95,888	105,409
NA per ordinary share (RM) *	0.23	0.23	0.22	0.22	0.22
Net Tangible Assets ("NTA") (RM'000) *	67,299	87,153	95,884	95,888	105,409
NTA per ordinary share (RM) *	0.22	0.23	0.22	0.22	0.22

\* Attributable to the owners of Tiger.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
(cont'd)

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**Maximum Scenario**

	Audited Consolidated Statement of Financial Position as at 31 December 2011 RM'000	Adjusted Consolidated Statement of Financial Position as at 31 December 2011 RM'000	Proforma I  Assuming Full Exercise of the Existing Warrants RM'000	Proforma II  After I and the Proposed Rights Issue of Shares with Warrants RM'000	Proforma III  After II and Assuming Full Exercise of Warrants 2013/2018 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9,305	8,877	8,877	8,877	8,877
Land held for property development	24,127	14,344	14,344	14,344	14,344
Investment properties	5,700	5,700	5,700	5,700	5,700
Timber concession rights	2,287	-	-	-	-
<b>Total non-current assets</b>	<b>41,419</b>	<b>28,921</b>	<b>28,921</b>	<b>28,921</b>	<b>28,921</b>
<b>Current assets</b>					
Amount due from customers for contract work	288	-	-	-	-
Property development costs	26,641	10,417	10,417	10,417	10,417
Trade receivables	6,187	5,415	5,415	5,415	5,415
Other receivables and deposits	1,719	1,125	1,125	1,125	1,125
Accrued billings	33,875	31,012	31,012	31,012	31,012
Cash and bank balances	543	38,028	45,556	122,708	207,650
<b>Total current assets</b>	<b>69,253</b>	<b>85,997</b>	<b>93,525</b>	<b>170,677</b>	<b>255,619</b>
<b>TOTAL ASSETS</b>	<b>110,672</b>	<b>114,918</b>	<b>122,446</b>	<b>199,598</b>	<b>284,540</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	61,220	77,414	84,942	169,884	254,826
Share premium	7,556	15,452	17,797	17,797	63,411
Revaluation reserve	67	67	67	67	67
Warrant reserve	5,482	2,345	-	45,614	-
Accumulated losses	(4,739)	(8,125)	(8,125)	(54,529)	(54,529)
<b>Shareholders' funds</b>	<b>69,586</b>	<b>87,153</b>	<b>94,681</b>	<b>178,833</b>	<b>263,775</b>
<b>TOTAL EQUITY</b>	<b>69,586</b>	<b>87,153</b>	<b>94,681</b>	<b>178,833</b>	<b>263,775</b>

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**Maximum Scenario (Continued)**

	Audited Consolidated Statement of Financial Position as at 31 December 2011 RM'000	Adjusted Consolidated Statement of Financial Position as at 31 December 2011 RM'000	Proforma I Assuming Full Exercise of the Existing Warrants RM'000	Proforma II After I and the Proposed Rights Issue of Shares with Warrants RM'000	Proforma III After II and Assuming Full Exercise of Warrants 2013/2018 RM'000
<b>Non-current liabilities</b>					
Borrowings	6,474	7,774	7,774	3,510	3,510
Deferred tax liabilities	173	172	172	172	172
<b>Total non-current liabilities</b>	<b>6,647</b>	<b>7,946</b>	<b>7,946</b>	<b>3,682</b>	<b>3,682</b>
<b>Current liabilities</b>					
Trade payables	3,951	2,172	2,172	2,172	2,172
Other payables and accruals	13,284	10,187	10,187	10,187	10,187
Borrowings	8,800	2,736	2,736	-	-
Tax payable	8,404	4,724	4,724	4,724	4,724
<b>Total current liabilities</b>	<b>34,439</b>	<b>19,819</b>	<b>19,819</b>	<b>17,083</b>	<b>17,083</b>
<b>TOTAL LIABILITIES</b>	<b>41,086</b>	<b>27,765</b>	<b>27,765</b>	<b>20,765</b>	<b>20,765</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>110,672</b>	<b>114,918</b>	<b>122,446</b>	<b>199,598</b>	<b>284,540</b>
<b>Number of ordinary shares of - RM0.20 each ('000)</b>					
	<b>306,100</b>	<b>387,070</b>	<b>424,710</b>	<b>849,420</b>	<b>1,274,130</b>
<b>NA (RM'000) *</b>					
	<b>69,586</b>	<b>87,153</b>	<b>94,681</b>	<b>178,833</b>	<b>263,775</b>
<b>NA per ordinary share (RM) *</b>					
	<b>0.23</b>	<b>0.23</b>	<b>0.22</b>	<b>0.21</b>	<b>0.21</b>
<b>NTA (RM'000) *</b>					
	<b>67,299</b>	<b>87,153</b>	<b>94,681</b>	<b>178,833</b>	<b>263,775</b>
<b>NTA per ordinary share (RM) *</b>					
	<b>0.22</b>	<b>0.23</b>	<b>0.22</b>	<b>0.21</b>	<b>0.21</b>

\* Attributable to the owners of Tiger.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
(cont'd)

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011**

**1. Basis of Preparation**

- 1.1 The Proforma Consolidated Statements of Financial Position of the Group, for which the Directors of Tiger are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 31 December 2011 had the transactions as described in Note 2 and the Proposals as described in Note 3 been effected on that date, and should be read in conjunction with the notes accompanying the Proforma Consolidated Statements of Financial Position.
- 1.2 The Proforma Consolidated Statements of Financial Position of the Group have been prepared in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 31 December 2011, which have been prepared in accordance with the Financial Reporting Standards in Malaysia
- 1.3 The audited financial statements of Tiger for the financial year ended 31 December 2011 were reported by the auditors without any modification to the members of Tiger on 20 April 2012.

**2. Adjustments for Subsequent Events**

Subsequent to 31 December 2011 and up to 2 October 2013, being the latest practicable date prior to the printing of the circular to shareholders, Tiger had undertaken the following transactions:-

**2.1 Private Placements**

Tiger had undertaken the following private placements subsequent to 31 December 2011:-

- (i) Tiger had issued 12,900,000 new ordinary shares of RM0.20 each in Tiger ("Share(s)") at an issue price of RM0.31 per ordinary share which was completed on 8 November 2012; and
- (ii) Tiger had issued 17,710,000 new Shares at an issue price of RM0.395 per ordinary share which was completed on 14 November 2012.

(Collectively hereinafter referred to as the "Private Placements")

The expenses in relation to the Private Placements of approximately RM0.11 million were debited to the Share Premium Account.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**2. Adjustments for Subsequent Events (Continued)**

**2.1 Private Placements (Continued)**

The Private Placements had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase Effects on Total Assets RM'000	Effects on Total Equity RM'000
Cash and bank balances	10,881	-
Share capital	-	6,122
Share premium	-	4,759
	10,881	10,881

**2.2 Disposals of Land**

**2.2.1 Disposal of land by Pembinaan Terasia Sdn Bhd ("PTSB") to Evergreen Wagon Sdn Bhd**

PTSB, a wholly-owned subsidiary of Tiger had on 18 October 2012 entered into a sale and purchase agreement with Evergreen Wagon Sdn Bhd for the disposal of a piece of land measuring approximately 1.8277 hectare held under GM 2502, Lot 1885 at Mukim Klang, Tempat Sungei Kandis, Daerah Klang, Negeri Selangor for a total cash consideration of RM7.0 million. The gain arising from the disposal of land RM1.315 million was credited to the Accumulated Losses Account.

The said disposal was completed on 5 February 2013.

The said disposal of land had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase Effects on Total Assets RM'000	Effects on Total Equity RM'000
Cash and bank balances	1,315	-
Accumulated losses	-	1,315
	1,315	1,315



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

2. **Adjustments for Subsequent Events (Continued)**

2.2 **Disposals of Land (Continued)**

2.2.2 Disposal of property by Tekan Mewah Development Sdn Bhd ("Tekan Mewah") to Wonderful Niche Development Sdn Bhd

Tekan Mewah, a wholly-owned subsidiary of Tiger had on 14 February 2012 entered into a sales and purchase agreement with Wonderful Niche Development Sdn Bhd for the disposal of 15 pieces of land held under Lot No. 13990 to Lot No.14004 located at Pekan Lukut, Daerah Port Dickson, Negeri Sembilan for a total cash consideration of RM4.0 million. The gain arising from the disposal of land of RM0.625 million was credited to the Accumulated Losses Account.

The disposal of the said properties had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase/(Decrease)	
	Effects on	Effects on Total
	Total Assets	Liabilities and
	RM'000	Total Equity
		RM'000
Land held for property development	(3,375)	-
Cash and bank balances	2,327	-
Accumulated losses	-	625
Borrowings	-	(1,673)
	(1,048)	(1,048)

2.2.3 Disposal of land by Tekan Mewah to Kasimentari Sdn Bhd

Tekan Mewah, a wholly-owned subsidiary of Tiger had on 17 October 2011 entered into a sales and purchase agreement with Kasimentari Sdn Bhd for the disposal of 107 pieces of land and a piece of 4246 square metres commercial land, all held under PT 156 to PT 243 and PT 245 to PT 264 located at Pekan Lukut, Daerah Port Dickson, Negeri Sembilan for a total cash consideration of RM8.0 million. The gain arising from the disposal of land of RM1.592 million was credited to the Accumulated Losses Account.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**2. Adjustments for Subsequent Events (Continued)**

**2.2 Disposals of Land (Continued)**

**2.2.3 Disposal of land by Tekan Mewah to Kasimentari Sdn Bhd (Continued)**

The said disposal of land had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase/(Decrease) Effects on Total Assets RM'000	Effects on Total Liabilities and Total Equity RM'000
Land held for property development	(6,408)	-
Cash and bank balances	7,286	-
Accumulated losses	-	1,592
Borrowings	-	(714)
	878	878

**2.3 Revocation of Disposal of Land**

PTSB, a wholly-owned subsidiary of Tiger had on 5 February 2013 entered into a mutual termination agreement with Rima Waja Land Services ("Vendor") to revoke the purchase of a piece of freehold vacant land held under GM 1927, Lot 1888, Mukim Klang, Tempat Batu Gajah, Daerah Klang, Negeri Selangor. The 10% deposit paid of RM0.588 million was refunded by the Vendor.

The said revocation of disposal of land had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase/ (Decrease) Effects on Total Assets RM'000
Cash and bank balances	588
Other receivables and deposits	(588)
	-

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**2. Adjustments for Subsequent Events (Continued)**

**2.4 Drawdown of A Term Loan Facility**

Subsequent to 31 December 2011, Tiger had drawdown a term loan facility of RM1.74 million from a licensed financial institution.

The said drawdown of a term loan facility had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase/(Decrease) Effects on Total Assets RM'000	Effects on Total Liabilities RM'000
Cash and bank balances	1,740	-
Borrowings - non-current	-	1,300
Borrowings - current	-	440
	1,740	1,740

**2.5 Disposal of Subsidiaries**

**2.5.1 Disposal of Minply Sdn Bhd ("MSB")**

Tiger had on 19 July 2012 entered into a share sale agreement with Hasrat Rancak Sdn Bhd to dispose of its entire shares in MSB comprising 12,090,963 ordinary shares of RM1 each, representing 100% of the total paid-up share capital in MSB with a total cash consideration of RM500.

The audited consolidated statement of financial position of the Tiger Group as at 31 December 2011 had adjusted for the net profit of MSB of RM8.442 million for the financial period from 1 January 2012 up to the date of disposal.

There was a gain on disposal of RM0.249 million arising from the disposal of MSB. As a result of the disposal of MSB, the amount due from MSB amounting to RM3.754 million was written off.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

2. **Adjustments for Subsequent Events (Continued)**

2.5 **Disposal of Subsidiaries (Continued)**

2.5.1 **Disposal of MSB (Continued)**

The said disposal had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Liabilities and Total Equity RM'000
Property, plant and equipment	(404)	-
Cash and bank balances	994	-
Accumulated losses	-	4,937
Borrowings - non-current	-	(4,086)
Trade payables	-	(33)
Other payables and accruals	-	(228)
	590	590

2.5.2 **Disposal of Janavista Sdn Bhd ("Janavista")**

Tiger had on 4 June 2013 entered into a share sale agreement with Bermont Development Sdn Bhd to dispose of its entire shares in Janavista comprising 1,000,000 ordinary shares of RM1 each, representing 100% of the total paid-up share capital in Janavista with a total cash consideration of RM1,000.

The audited consolidated statement of financial position of the Tiger Group as at 31 December 2011 had adjusted for the net loss of Janavista of RM13.894 million for the financial period from 1 January 2012 up to the date of disposal.

There was a gain on disposal of RM2.125 million arising from the disposal of Janavista. As a result of the disposal of Janavista, the amount due to Janavista amounting to RM3.997 million was waived.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**2. Adjustments for Subsequent Events (Continued)**

**2.5 Disposal of Subsidiaries (Continued)**

The said disposal had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase/(Decrease)	
	Effects on	Effects on Total
	Total Assets	Liabilities and
	RM'000	Total Equity
		RM'000
Property, plant and equipment	(3)	-
Property development costs	(11,842)	-
Trade receivables	(408)	-
Accrued billings	(2,863)	-
Cash and bank balances	(5)	-
Accumulated losses	-	(7,772)
Borrowings - current	-	(31)
Trade payables	-	(747)
Other payables and accruals	-	(2,912)
Tax payable	-	(3,659)
	(15,121)	(15,121)

**2.6 Liquidation of a subsidiary**

**2.6.1 Liquidation of Minply Construction and Engineering Sdn Bhd ("Minply C&E")**

Minply C&E, a wholly-owned subsidiary of Tiger had ceased to be a subsidiary of Tiger on 1 April 2012 due to liquidation of this subsidiary.

The audited consolidated statement of financial position of the Tiger Group as at 31 December 2011 had adjusted for the net loss of Minply C&E of RM0.406 million for the financial period from 1 January 2012 up to the date of cessation.

There was a gain on deemed disposal of RM1.176 million arising from the liquidation of Minply C&E. As a result of the liquidation of Minply C&E, the amount due from Minply C&E of RM4.853 million was written off.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
(cont'd)

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

2. **Adjustments for Subsequent Events (Continued)**

2.6 **Liquidation of a subsidiary (Continued)**

2.6.1 **Liquidation of Minply C&E (Continued)**

The said liquidation had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Liabilities and Total Equity RM'000
Property, plant and equipment	(21)	-
Amount due from customers for contract work	(288)	-
Property development costs	(4,382)	-
Trade receivables	(364)	-
Other receivables and deposits	(6)	-
Accumulated losses	-	(4,083)
Deferred tax liabilities	-	(1)
Trade payables	-	(999)
Other payables and accruals	-	43
Tax payables	-	(21)
	(5,061)	(5,061)

2.7 **Termination of Agreement**

On 11th May 2011, Minpalm International Trading Company Sdn Bhd ("MITCSB"), a wholly-owned subsidiary of Tiger entered into an agreement ("Agreement") with Cekal Kasih Sdn Bhd to acquire the concession right to extract and purchase all timber logs from a timber concession area at a purchase consideration of RM2,286,581.

MITCSB and Cekal Kasih Sdn Bhd had subsequently mutually agreed to terminate the Agreement and the purchase consideration paid of RM2,286,581 was fully refunded to MITCSB.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

2. **Adjustments for Subsequent Events (Continued)**

2.7 **Termination of Agreement (Continued)**

The said termination of agreement had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase/ (Decrease) Effects on Total Assets RM'000
Cash and bank balances	2,287
Timber concession right	(2,287)
	<u>          -</u>

2.8 **Exercise of warrants 2010/2015**

Subsequent to 31 December 2011 and up to 2 October 2013, there were 50,360,100 warrants 2010/2015 exercised at the exercise price of RM0.20 per warrant 2010/2015. The related fair value of the said warrants exercised of RM3.137 million was credited to the Share Premium Account.

The exercises of 50,360,100 warrants 2010/2015 had the following impact on the audited consolidated statement of financial position of the Group as at 31 December 2011:-

	Effects on Total Assets RM'000	Effects on Total Equity RM'000
Cash and bank balances	10,072	-
Share capital	-	10,072
Warrant reserve	-	(3,137)
Share premium	-	3,137
	<u>10,072</u>	<u>10,072</u>



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**3. The Proposals**

The Board of Directors of Tiger intends to undertake the following proposals:-

- (i) Proposed renounceable rights issue of up to 424,710,000 new ordinary shares of RM0.20 each in Tiger ("Rights Share(s)") on the basis of one (1) Rights Share for every one (1) existing ordinary shares of RM0.20 each in Tiger held, together with up to 424,710,000 free detachable warrants 2013/2018 ("Warrants 2013/2018") on the basis of one (1) Warrant 2013/2018 for every one (1) Rights Share successfully subscribed at an entitlement date to be determined later ("Entitlement Date") ("Proposed Rights Issue of Shares with Warrants");
- (i) Proposed increase in the authorised share capital of Tiger from RM100,000,000 comprising 500,000,000 ordinary shares of RM0.20 each in Tiger ("Shares") to RM500,000,000 comprising 2,500,000,000 Shares ("Proposed IASC"); and
- (ii) Proposed amendments to the Memorandum and Articles of Association of Tiger as a consequence of the Proposed IASC ("Proposed Amendments")

(The above proposals collectively hereinafter referred to as the "Proposals").

**Utilisation of Proceeds from the Proposed Rights Issue of Shares with Warrants**

The proceeds from the Proposed Rights Issue of Shares with Warrants will be utilised in the following manner:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Repayment of bank borrowings	3,000	7,000
Working capital		
- Repayments of trade and other payables	2,261	5,210
- Other operating expenses	3,470	6,942
Property development expenditure and future land acquisition	-	65,000
Estimated expenses for the Proposals	790	790
	9,521	84,942

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**4. Proforma Consolidated Statements of Financial Position**

**4.1 Minimum Scenario**

The minimum scenario assumes that:-

- (i) The Proposed Rights Issue of Shares with Warrants will be undertaken on a minimum level of subscription of 47,602,900 Rights Shares together with 47,602,900 Warrants 2013/2018 ("Minimum Subscription Level") at the indicative issue price of RM0.20 per Rights Share.
- (ii) None of the 37,639,900 outstanding existing warrants, 2010/2015 ("Existing Warrants") is exercised prior to the Entitlement Date.
- (iii) The Managing Director (namely Dato' Tan Wei Lian ("Dato'TWL")) and the Executive Director (namely Tan Lee Chin ("TLC")), both of whom are substantial shareholders of the Company (Dato' TWL and TLC are collectively referred to as "Undertaking Shareholders") have provided irrevocable undertakings to subscribe for their entitlement of the Right Shares with Warrants 2013/2018.
- (iv) Upon the completion of the Proposed Rights Issue of Shares with Warrants, TLC is assumed will fully exercise her Existing Warrants and additional warrants to be issued in consequence of adjustment arising from the Proposed Rights Issue of Shares with Warrants during the exercise period pursuant to the terms as stipulated in the existing deed poll dated 9 July 2010 ("Adjustment Warrants") in respect of the 88,000,000 free detachable warrants issued pursuant to the said deed poll and any additional warrants to be issued in accordance to the said deed poll ("Warrants 2010/2015") amounting to 20,401 at the exercise price of RM0.20 per warrant.
- (v) The 47,602,900 Warrants 2013/2018 issued pursuant to the Proposed Rights Issue of Shares with Warrants are fully exercised at an indicative exercise price of RM0.20 each after the completion of the Proposed Rights Issue of Shares with Warrants.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

4. **Proforma Consolidated Statements of Financial Position (Continued)**

4.1 **Minimum Scenario (Continued)**

4.1.1 **Proforma I**

Proforma I incorporates the effects of the adjusted consolidated statement of financial position of the Group as at 31 December 2011 and the Proposed Rights Issue of Shares with Warrants as described in Note 4.1(i) and the utilisation of funds arising from the Proposed Rights Issue of Shares with Warrants.

For the preparation of the Proforma Consolidated Statements of Financial Position, the Directors of Tiger have allocated a value of RM0.1074 per Warrant 2013/2018 to the free Warrants 2013/2018 based on the fair value of the Warrant 2013/2018 extracted from Bloomberg as at 2 October 2013, being the latest practicable date prior to the printing of the circular to shareholders. The value of the Warrants 2013/2018 is based on the relative fair values of the ordinary shares by reference to the following information extracted from Bloomberg:-

Valuation model	:	Black Scholes
Share price	:	RM0.2437 (five (5)-days volume weighted average price ("5D-VWAP") up to and including LPD of announcement on 13 June 2013)
Indicative exercise price	:	RM0.20 per Warrant 2013/2018
Expiry date	:	1 October 2018 (5 years)
Volatility	:	70.605%
Dividend	:	No dividend
Borrowing cost	:	9.60% per annum

As the above variables are subject to change upon the implementation of the Proposed Rights Issue of Shares with Warrants as described in Note 3(i), the actual quantum of the components of the warrant reserve will only be determined upon issuance of the Warrants 2013/2018. As such, the actual quantum may differ from the amount computed above.

With the issuance of 47,602,900 Warrants 2013/2018 pursuant to the Proposed Rights Issue of Shares with Warrants, Tiger has recognised the fair values of the Warrants 2013/2018 of approximately RM5.113 million based on the basis as described above and debited to the Accumulated Losses Account.

The proceeds arising from the Proposed Rights Issue of Shares with Warrants earmarked for repayment of borrowings of RM3.0 million will be debited to the Borrowings Account and the proceeds earmarked for working capital of RM5.731 million will be included in the Cash and Bank Balances Account. The estimated expenses in relation to the Proposals of RM0.79 million will be debited to the Accumulated Losses Account.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**4. Proforma Consolidated Statements of Financial Position (Continued)**

**4.1 Minimum Scenario (Continued)**

**4.1.1 Proforma I (Continued)**

The Proposed Rights Issue of Shares with Warrants will have the following impact on the adjusted consolidated statement of financial position of the Group as at 31 December 2011:-

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Liabilities and Total Equity RM'000
Cash and bank balances	5,731	-
Share capital	-	9,521
Accumulated losses	-	(5,903)
Warrant reserve	-	5,113
Borrowings	-	(3,000)
	5,731	5,731

**4.1.2 Proforma II**

Proforma II incorporates the cumulative effects of Proforma I and the exercise of the Existing Warrants and Adjustment Warrants by TLC as described in Note 4.1(iv).

The fair values of the Existing Warrants of RM0.001 million are calculated based on the fair value of RM0.0623 per Existing Warrants and will be credited to the Share Premium Account.

The full exercise of the Existing Warrants and Adjustment Warrants by TLC will have the following impact on the Proforma Consolidated Statements of Financial Position of the Group as at 31 December 2011:-

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity RM'000
Cash and bank balances	4	-
Share capital	-	4
Share premium	-	1
Warrant reserve	-	(1)
	4	4

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

4. **Proforma Consolidated Statements of Financial Position (Continued)**

4.1 **Minimum Scenario (Continued)**

4.1.3 **Proforma III**

Proforma III incorporates the cumulative effects of Proforma II and assuming the full exercise of 47,602,900 Warrants 2013/2018 at the indicative exercise price of RM0.20 per Share as described in Note 4.1(v).

The full exercise of 47,602,900 Warrants 2013/2018 will have the following impact on the Proforma Consolidated Statements of Financial Position of the Group as at 31 December 2011:-

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity RM'000
Cash and bank balances	9,521	-
Share capital	-	9,521
Share premium	-	5,113
Warrant reserve	-	(5,113)
	9,521	9,521

4.2 **Maximum Scenario**

The maximum scenario assumes that:-

- (i) All of the 37,639,900 Existing Warrants are exercised at the exercise price of RM0.20 per warrant prior to the Entitlement Date of the Proposed Rights Issue of Shares with Warrants.
- (ii) All the entitled shareholders will fully subscribe for their respective entitlements under the Proposed Rights Issue of Shares with Warrants at the indicative issue price of RM0.20 per Share as described in Note 3(i) above.
- (iii) The 424,710,000 Warrants 2013/2018 issued pursuant to the Proposed Rights Issue of Shares with Warrants are fully exercised at an indicative exercise price of RM0.20 each.

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**4. Proforma Consolidated Statements of Financial Position (Continued)**

**4.2 Maximum Scenario (Continued)**

**4.2.1 Proforma I**

Proforma I incorporates the effects of the adjusted consolidated statement of financial position of the Group as at 31 December 2011 and assuming full exercise of the Existing Warrants as described in Note 4.2(i).

The fair values of the Existing Warrants of RM2.345 million are calculated based on the fair value of RM0.0623 per Existing Warrant and will be credited to the Share Premium Account.

The full exercise of 37,639,900 Existing Warrants will have the following impact on the adjusted consolidated statement of financial position of the Group as at 31 December 2011:-

	<b>Increase/(Decrease)</b>	
	<b>Effects on</b>	<b>Effects on</b>
	<b>Total Assets</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	7,528	-
Share capital	-	7,528
Share premium	-	2,345
Warrant reserve	-	(2,345)
	7,528	7,528

**4.2.2 Proforma II**

Proforma II incorporates the cumulative effects of Proforma I and the Proposed Rights Issue of Shares with Warrants as described in Note 4.2(ii) above and the utilisation of funds arising from the Proposed Rights Issue of Shares with Warrants.

For the preparation of the Proforma Consolidated Statements of Financial Position, the Directors of Tiger have allocated a value of RM0.1074 per Warrant 2013/2018 to the free Warrants 2013/2018 based on the fair value of the Warrant 2013/2018 extracted from Bloomberg as at 2 October 2013, being the latest practicable date of the circular to shareholders. The value of the Warrants 2013/2018 is based on the relative fair values of the ordinary shares by reference to the following information extracted from Bloomberg:-

Valuation model	: Black Scholes
Share price	: RM0.2437 (5D-VWAP up to and including LPD of announcement on 13 June 2013)
Indicative exercise price	: RM0.20 per Warrant 2013/2018
Expiry date	: 1 October 2018 (5 years)
Volatility	: 70.605%
Dividend	: No dividend
Borrowing cost	: 9.60% per annum

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
(cont'd)

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

4. Proforma Consolidated Statements of Financial Position (Continued)

4.2 Maximum Scenario (Continued)

4.2.2 Proforma II (Continued)

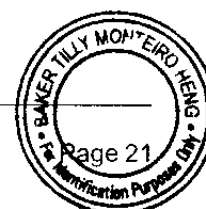
As the above variables are subject to change upon the implementation of the Proposed Rights Issue of Shares with Warrants as described in Note 3(i), the actual quantum of the components of the warrant reserve will only be determined upon issuance of the Warrants 2013/2018. As such, the actual quantum may differ from the amount computed above.

With the issuance of 424,710,000 Warrants 2013/2018 pursuant to the Proposed Rights Issue of Shares with Warrants, Tiger will recognise the fair values of the Warrants 2013/2018 of approximately RM45.614 million based on the basis as described above and debited to the Accumulated Losses Account.

The proceeds arising from the Proposed Rights Issue of Shares with Warrants earmarked for repayment of borrowings of RM7.0 million will be debited to the Borrowings Account and the proceeds earmarked for working capital of RM12.152 million and property development expenditure and future land acquisition of RM65.0 million will be included in the Cash and Bank Balances Account. The estimated expenses in relation to the Proposals of RM0.79 million will be debited to the Accumulated Losses Account.

The Proposed Rights Issue of Shares with Warrants will have the following impact on the Proforma Consolidated Statements of Financial Position of the Group as at 31 December 2011:-

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Liabilities and Total Equity RM'000
Cash and bank balances	77,152	-
Share capital	-	84,942
Accumulated losses	-	(46,404)
Warrant reserve	-	45,614
Borrowings	-	(7,000)
	77,152	77,152





**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

4. **Proforma Consolidated Statements of Financial Position (Continued)**

4.2 **Maximum Scenario (Continued)**

4.2.3 **Proforma III**

Proforma III incorporates the cumulative effects of Proforma II and assuming the full exercise of 424,710,000 Warrants 2013/2018 at the indicative exercise price of RM0.20 per Share as described in Note 4.2(iii).

The full exercise of 424,710,000 Warrants 2013/2018 will have the following impact on the Proforma Consolidated Statements of Financial Position of the Group as at 31 December 2011:-

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity RM'000
Cash and bank balances	84,942	-
Share capital	-	84,942
Share premium	-	45,614
Warrant reserve	-	(45,614)
	84,942	84,942

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

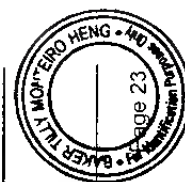
**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**5. Movements in Share Capital, Share Premium, Revaluation Reserve, Warrant Reserve and Accumulated Losses**

**5.1 Minimum Scenario**

	Number of Shares '000	Share capital Amount RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Warrant Reserve RM'000	Accumulated Losses RM'000
Audited consolidated statement of financial position as at 31 December 2011	306,100	61,220	7,556	67	5,482	(4,739)
Arising from the Private Placements - proceeds from the Private Placements	30,610	6,122	4,759	-	-	-
Arising from the disposals of land	-	-	-	-	-	3,532
Arising from the revocation on disposal of land	-	-	-	-	-	-
Arising from the drawdown of term loan	-	-	-	-	-	-
Arising from the disposal/liquidation of subsidiaries	-	-	-	-	-	-
Arising from the termination of agreement	-	-	-	-	-	(6,918)
Arising from the exercises of warrants 2010/2015	50,360	10,072	3,137	-	(3,137)	-
Adjusted consolidated statement of financial position as at 31 December 2011	387,070	77,414	15,452	67	2,345	(8,125)
Arising from the Proposed Rights Issue of Shares with Warrants	47,603	9,521	-	-	5,113	(5,903)
Per Proforma I	434,673	86,935	15,452	67	7,458	(14,028)
Arising from the exercise of the Existing Warrants and Adjustment Warrants by TLC	20	4	1	-	(1)	-
Per Proforma II	434,693	86,939	15,453	67	7,457	(14,028)
Arising from the full exercise of Warrants 2013/2018	47,603	9,521	5,113	-	(5,113)	-
Per Proforma III	482,296	96,460	20,566	67	2,344	(14,028)

Proforma Consolidated Statements of Financial Position  
as at 31 December 2011



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF (cont'd)**

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

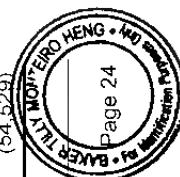
**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**5. Movements in Share Capital, Share Premium, Revaluation Reserve, Warrant Reserve and Accumulated Losses (Continued)**

**5.2 Maximum Scenario**

	Share capital						Accumulated
	Number of	Amount	Share	Revaluation	Warrant	Losses	
	Shares	RM'000	Premium	Reserve	Reserve	RM'000	
	'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Audited consolidated statement of financial position as at 31 December 2011	306,100	61,220	7,556	67	5,482	(4,739)	
Arising from the Private Placements - proceeds from the Private Placements	30,610	6,122	4,759	-	-	-	
Arising from the disposals of land	-	-	-	-	-	3,532	
Arising from the revocation on disposal of land	-	-	-	-	-	-	
Arising from the drawdown of term loan	-	-	-	-	-	-	
Arising from the disposal/liquidation of subsidiaries	-	-	-	-	-	(6,918)	
Arising from the termination of agreement	-	-	-	-	-	-	
Arising from the exercises of warrants 2010/2015	50,360	10,072	3,137	-	(3,137)	-	
Adjusted consolidated statement of financial position as at 31 December 2011	387,070	77,414	15,452	67	2,345	(8,125)	
Arising from the full exercise of the Existing Warrants	37,640	7,528	2,345	-	(2,345)	-	
Per Proforma I	424,710	84,942	17,797	67	-	(8,125)	
Arising from the Proposed Rights Issue of Shares with Warrants	424,710	84,942	-	-	45,614	(46,404)	
Per Proforma II	849,420	169,884	17,797	67	45,614	(54,529)	
Arising from the full exercise of Warrants 2013/2018	424,710	84,942	45,614	-	(45,614)	-	
Per Proforma III	1,274,130	254,826	63,411	67	-	(54,529)	

Proforma Consolidated Statements of Financial Position  
as at 31 December 2011



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
(cont'd)

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

6. **Movements in Cash and Bank Balances**

6.1 **Minimum Scenario**

	RM'000
Audited consolidated statement of financial position as at 31 December 2011	543
Arising from the Private Placements	
- proceeds from the Private Placements	10,881
Arising from the disposal of land	10,928
Arising from the revocation on disposal of land	588
Arising from the drawdown of term loan	1,740
Arising from the disposal/liquidation of subsidiaries	989
Arising from the termination of agreement	2,287
Arising from the exercises of warrants 2010/2015	10,072
Adjusted consolidated statement of financial position as at 31 December 2011	38,028
Arising from the Proposed Rights Issue of Shares with Warrants	
- proceeds from issuance of shares	9,521
- repayment of bank borrowings	(3,000)
- defrayment of estimated expenses in relation to the Proposals	(790)
Per Proforma I *	43,759
Arising from the exercise of the Existing Warrants and Adjustment Warrants by TLC	4
Per Proforma II *	43,763
Arising from the full exercise of Warrants 2013/2018	9,521
Per Proforma III *	53,284

\* Included in the cash and bank balances is a net amount of RM5.731 million resulting from the Proposed Rights Issue of Shares with Warrants earmarked for working capital requirements of the Group.



**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
(cont'd)

**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

**NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011 (Continued)**

**6. Movements in Cash and Bank Balances (Continued)**

**6.2 Maximum Scenario**

	RM'000
Audited consolidated statement of financial position as at 31 December 2011	543
Arising from the Private Placements	
- proceeds from the Private Placements	10,881
Arising from the disposals of land	10,928
Arising from the revocation on disposal of land	588
Arising from the drawdown of term loan	1,740
Arising from the disposal/liquidation of subsidiaries	989
Arising from the termination of agreement	2,287
Arising from the exercise of warrants 2010/2015	10,072
Adjusted consolidated statement of financial position as at 31 December 2011	38,028
Arising from the full exercise of Existing Warrants	7,528
Per Proforma I	45,556
Arising from the Proposed Rights Issue of Shares with Warrants	
- proceeds from issuance of shares	84,942
- repayment of bank borrowings	(7,000)
- defrayment of estimated expenses in relation to the Proposals	(790)
Per Proforma II *	122,708
Arising from the full exercise of Warrants 2013/2018	84,942
Per Proforma III *	207,650

\* Included in the cash and bank balances is a net amount of RM12.152 million resulting from the Proposed Rights Issue of Shares with Warrants earmarked for working capital requirements of the Group.



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**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF TIGER AS AT 31 DECEMBER 2011 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREOF**  
*(cont'd)*

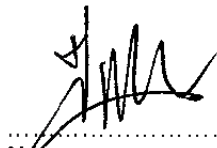
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**TIGER SYNERGY BERHAD AND ITS SUBSIDIARIES**

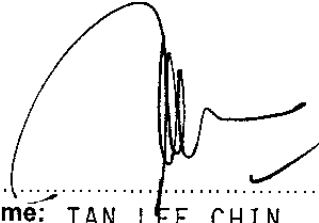
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**APPROVAL BY BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors of Tiger Synergy Berhad in accordance with a resolution dated **16 OCT 2013**



.....  
Name: TAN WEI LIAN  
Director



.....  
Name: TAN LEE CHIN  
Director

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**INDICATIVE SALIENT TERMS OF THE WARRANTS 2013/2018**


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The indicative salient terms of the Warrants 2013/2018 are set out below:

<b>Terms</b>	<b>Details</b>
Issue size	: Up to 424,710,000 free detachable warrants to be issued pursuant to the Proposed Rights Issue of Shares with Warrants (“ <b>Warrants 2013/2018</b> ”) to the Entitled Shareholders on the basis of one (1) Warrant 2013/2018 for every one (1) Rights Share successfully subscribed.
Form and denomination	: The Warrants 2013/2018 which are issued with the Rights Shares, are immediately detached upon issuance and will be separately traded. The Warrants 2013/2018 will be issued in registered form and will be constituted by the Deed Poll.
Exercise Price	: The exercise price of the Warrants 2013/2018 payable in respect of each new Share upon exercise of the Exercise Rights will be determined at a later date, after taking into consideration the TEAP of the existing Shares based on the 5-day VWAP up to and including the Price-Fixing Date, subject to the exercise price not being less than the par value of the existing Share each but subject always to adjustments in accordance with the Deed Poll.
Exercise Rights	: Each Warrant 2013/2018 entitles the registered holder at any time during the Exercise Period to subscribe for one (1) new Share at the exercise price, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Period	: The Warrants 2013/2018 may be exercised at any time within five (5) years commencing on and including the date of issuance of the Warrants 2013/2018 and up to and expiring at 5.00 p.m. on the Expiry Date. Warrants 2013/2018 which are not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Expiry Date	: A date being five (5) years from and including the date of issuance of the Warrants 2013/2018, provided that if such day falls on a day which is not a market day, then on the preceding market day.
Mode of exercise	: The registered holder of the Warrants 2013/2018 is required to lodge an exercise form, as set out in the Deed Poll, with the Company’s registrar, duly completed, signed and stamped together with payment of the exercise price for the new Share subscribed by banker’s draft or cashier’s order in Ringgit Malaysia drawn on a bank operating in Malaysia or a money order or a postal order in Ringgit Malaysia drawn on a post office operating in Malaysia.
Mode of transfer	: The Warrants 2013/2018 are transferable in the manner and according to the provisions of the Deed Poll, Securities Industry (Central Depositories) Act 1991 and the rules of Bursa Malaysia Depository Sdn Bhd.
Board Lot	: For the purpose of trading on Bursa Securities, one (1) board lot of Warrant 2013/2018 shall comprise one hundred (100) Warrants 2013/2018 carrying the right to subscribe for one hundred (100) new Shares at any time during the Exercise Period, or such other denomination as determined by Bursa Securities.



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**INDICATIVE SALIENT TERMS OF THE WARRANTS (cont'd)**


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- Adjustments in the exercise price and/or number of the Warrants 2013/2018 : The exercise price and/or number of unexercised Warrants 2013/2018 may be adjusted by the Board, in consultation with its principal advisers and certified by the auditors, in the event of any alteration to the share capital of the Company, including but not limited to the consolidation or subdivision or conversion, issuance of shares by way of capitalisation of profits or reserves, capital distribution or issue of shares or convertible securities or any other events, in accordance with the provisions of the Deed Poll.
- Rights of the Warrant 2013/2018 holder(s) : Warrant 2013/2018 holders are not entitled to any dividends, rights, allotments and/or other distributions and/or offer of further securities unless otherwise resolved by the Company in a general meeting. The Warrant 2013/2018 holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in the Company.
- Status of the new Shares arising from the exercise of the Warrants 2013/2018 : The new Shares to be issued pursuant to the exercise of the Warrants 2013/2018 shall, upon allotment and issuance, rank *pari passu* in all respect with the then existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the relevant date of allotment of the new Shares.
- Rights in the event of winding-up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a members' voluntary winding up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:
- (a) for the purpose of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the registered Warrants 2013/2018 holders, or some persons designated by them for such purposes by a special resolution, will be a party, the terms of such winding-up, compromise or arrangement will be binding on all registered Warrants 2013/2018 holders; and
  - (b) in any other case, every registered Warrants 2013/2018 Holder will be entitled to elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement exercised the Exercise Rights represented by that Warrants 2013/2018 to the extent specified in the exercise forms and be entitled to receive out of the assets of the Company which would be available in liquidation if he had on such date been the holder of the new Shares to which he would have been entitled to pursuant to such exercise and the liquidator of the Company will give effect to such election accordingly.
- Listing status : The Warrants 2013/2018 will be admitted and listed and traded on the Main Market of Bursa Securities. An application will be made for the admission of the Warrants 2013/2018 to the Official List of the Main Market of Bursa Securities as well as for the listing of and quotation for Warrants 2013/2018 and the new Shares to be issued pursuant to the exercise of the Warrants 2013/2018 on the Main Market of Bursa Securities.
- Governing law : The laws and regulations of Malaysia.

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**FURTHER INFORMATION**

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**1. Directors' responsibility statement**

This Circular has been seen and approved by the Board and the Directors individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or information contained in this Circular, or other facts and information the omission of which would make any statement in this Circular false or misleading.

**2. Consents****2.1 Adviser**

TA Securities, being the Adviser for the Proposed Ratification of Business Diversification and Proposed Rights Issue of Shares with Warrants has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

**2.2 Reporting Accountants**

Messrs Baker Tilly Monteiro Heng, being the Reporting Accountants for the Proposed Rights Issue of Shares with Warrants, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the proforma consolidated statements of financial position of Tiger as at 31 December 2011 and the Reporting Accountants' letter thereon and all references thereto in the form and context in which it appears in this Circular.

**3. Conflict of interest****3.1 Adviser**

Save as disclosed below, TA Securities has confirmed that that it is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Adviser for the Proposed Ratification of Business Diversification and/or the Proposed Rights Issue of Shares with Warrants:

As at the LPD, Lot 1889 is free from encumbrances save and except for a lien-holder's caveat lodged by TA Capital as mentioned in **Section 2.3(ii), Part A** of this Circular

TA Capital is a related company of TA Securities as both TA Capital and TA Securities are subsidiaries of TA Enterprise Berhad (Company No. 194867-M). TA Securities is of the opinion that its appointment as the Adviser for the Proposed Ratification of Business Diversification and Proposed Rights Issue of Shares with Warrants would not result in a "conflict of interest" situation based on the following:

- TA Securities is involved in various business activities including financial advisory, research, securities issuance, trading and brokerage. As such, the services extended to Tiger as the Adviser for the Proposed Ratification of Business Diversification and Proposed Rights Issue of Shares with Warrants is in the ordinary course of business of TA Securities;
- TA Capital is licensed under the Moneylender's Act 1951 and provides financing for Employees' Shares Option Scheme, Initial Public Offer financing, and short and medium term loans for corporate clients' working capital and investment purpose;

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**FURTHER INFORMATION (cont'd)**


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- The lines of business of TA Securities and TA Capital are distinct and their operations are independent of one another. In addition, there are internal controls and checks in place;
- The credit facility granted to the independent third parties by TA Capital constitute only a relatively small portion compared to the entire credit portfolio of TA Capital; and
- Save for the professional fees charged in relation to the Proposed Ratification of Business Diversification and Proposed Rights Issue of Shares with Warrants, TA Securities and TA Capital will not be deriving any direct monetary benefit from the Proposed Ratification of Business Diversification and Proposed Rights Issue of Shares with Warrants outside of their aforesaid capacities.

### 3.2 Due Diligence Solicitors

Messrs. Abdullah Chan & Co, being the due diligence solicitors for the Proposed Ratification of Business Diversification and the Proposals is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the due diligence solicitors for the Circular in respect of the Proposed Ratification of Business Diversification and the Proposals.

### 3.3 Reporting Accountants

Messrs Baker Tilly Monteiro Heng has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in relation to its role as the Reporting Accountants for the Proposed Rights issue of Shares with Warrants.

## 4. Material contracts

As at the LPD, neither the Company nor the Group have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of the Group) during the two (2) years immediately preceding the date of this Circular.

(i) Joint Venture Agreement dated 9 January 2013 between Pentas Irama and Tiger Synergy Development

Pursuant to the Joint Venture Agreement, Pentas Irama shall contribute all that freehold land held under GM1388, Lot No.1887 in the Mukim of Klang, State of Selangor Darul Ehsan, Malaysia (“**Development Land**”) and Tiger Synergy Development shall contribute and bear the entire cost and expenses of developing a residential and/or commercial project (“**Project**”) on the Development Land in accordance with the relevant approvals and the layout and building plans and apply and obtain the relevant approvals and licences from the relevant authorities.

The total amount of monies that Pentas Irama shall be entitled to receive from Tiger Synergy Development pursuant to the Joint Venture Agreement upon completion of the Project and/or the sale of part and/or all the individual properties in the Project, being an amount equivalent to 35% of the Gross Development Value (“**GDV**”) of the Project at the minimum GDV of RM80,000,000 or at the market value, whichever is higher.

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**FURTHER INFORMATION (cont'd)**

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- (ii) Joint Venture Agreement dated 17 January 2013, between Tiger Synergy Development and Elitprop

Pursuant to the Joint Venture Agreement, Elitprop shall contribute all that freehold land held under GM231, Lot No. 1889 in the Mukim of Klang, State of Selangor Darul Ehsan, Malaysia (“**Development Land**”) and Tiger Synergy Development shall contribute and bear the entire cost and expenses of developing a residential and/or commercial project (“**Project**”) on the Development Land in accordance with the relevant approvals and the layout and building plans and apply and obtain the relevant approvals and licences from the relevant authorities.

The total amount of monies that Elitprop shall be entitled to receive from Tiger Synergy Development pursuant to the Joint Venture Agreement upon completion of the Project and/or the sale of part and/or all the individual properties in the Project, being an amount equivalent to 35% of the Gross Development Value (“**GDV**”) of the Project at the minimum GDV of RM80,000,000 or at the market value, whichever is higher.

- (iii) Sale and Purchase Agreement dated 17 October 2011 between Tekan Mewah and Kasimentari Sdn Bhd

Pursuant to the Sale and Purchase Agreement, Tekan Mewah has agreed to sell and Kasimentari Sdn Bhd has agreed to purchase, 107 units of land titles held under Lot 14006 to Lot 14048 and Lot 14050 to Lot 14114 all of Town of Lukut, District of Port Dickson, State of Negeri Sembilan Darul Khusus, Malaysia and a piece of 4246m<sup>2</sup> commercial land held under Geran 169988, Lot 14049, Town of Lukut, District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia for a total purchase consideration of RM8,000,000. The sale has been completed.

- (iv) Sale and Purchase Agreement dated 14 February 2012 between Tekan Mewah and Wonderful Niche Development Sdn Bhd

Pursuant to the Sale and Purchase Agreement, Tekan Mewah has agreed to sell and Wonderful Niche Development Sdn Bhd has agreed to purchase, 15 pieces or parcels of land held under Geran 169840, Lot 13990 to Geran 169854 Lot 14004 all of Town of Lukut, District of Port Dickson, State of Negeri Sembilan Darul Khusus, Malaysia for a total consideration of RM4,000,000. The sale has been completed.

- (v) Sale and Purchase Agreement dated 18 October 2012 between Pembinaan Terasia and Evergreen Wagon Sdn Bhd

Pursuant to the Sale and Purchase Agreement, Pembinaan Terasia has agreed to sell and Evergreen Wagon Sdn Bhd has agreed to purchase, all that piece of land held under GM 2502, Lot 1885, Mukim of Klang, Tempat Sungei Kandis, District of Klang, State of Selangor Darul Ehsan, Malaysia for a total purchase consideration of RM7,000,000. The sale has been completed.

- (vi) Share Sale Agreement dated 3 June 2013 between Goldenier Property Management Sdn Bhd and Bermont Development Sdn Bhd

Pursuant to the Share Sale Agreement, Goldenier Property Management Sdn Bhd has agreed to sell and Bermont Development Sdn Bhd has agreed to purchase, the entire issued and paid-up capital in Janavista, a wholly-owned subsidiary of Tiger for a total purchase consideration of RM1,000.00. The sale has been completed.

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**FURTHER INFORMATION (cont'd)**


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**5. Material litigation, claims and arbitration**

Saved as disclosed below, as at the LPD, neither the Company nor the Group is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board does not have any knowledge of any proceedings, pending or threatened, against the Company or the Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group:

(i) Kuala Lumpur High Court Summons No.: 22NCVC-1486-12/2012

Plaintiffs : (1) Tang Yit Fun  
(2) Tang Yit Peng

Defendants : (1) Tiger  
(2) Goldenier Property Management Sdn Bhd  
(3) Janavista Sdn Bhd  
(4) Dato' Tan Wei Lian  
(5) Tan Lee Chin

In the suit, the causes of action of the Plaintiffs are breach of a sharesale agreement (**the Agreement**) between the Plaintiffs and Goldenier Property Management Sdn Bhd and fraud committed against the Plaintiffs in relation to the Agreement, hence, a party to the Suit. The Court has fixed the matter for trial on 16 October 2013 and 17 October 2013.

We have been duly informed by the Defendant's solicitors, Messrs Shyong Wee & Danny that presently, the Plaintiffs have filed for an application for leave to proceed against the 3<sup>rd</sup> Defendant (in liquidation) at the Seremban High Court which is still pending to be granted. Notwithstanding thereof, His Lordship Vazeer Alam Bin Mydin Meera had maintained the abovesaid trial dates and directed the parties to exchange witnesses statements one (1) week before the trial dates. His Lordship had further fixed case management on 7 October 2013 for further instruction to be given.

The Defendant's solicitors have stated that the Defendants exposure of liability that may arise from the above suit ought not to exceed the liquidated claim sum of RM 4,575,000.00 together with the usual judgement interest and costs whereas the remaining prayers for damages and accounts of proceeds for a project known as 'Polo Vista Exclusive Villas Development' would be subject to a further process of inquiry (if succeeded by the plaintiffs) which is not ascertainable at present.

On the other hand, the Defendants have a counterclaim for special damages totalling to the amount of RM 14,166,067.30 and general damages for RM10,000,000.00 far in excess of the Plaintiff's claim. In this respect, the Defendant's solicitors are of the view that the chances for success on damages against the Plaintiffs are more likely to succeed for the special damages amounting to RM4,052,719.30 being monies discovered to have been taken by the Plaintiffs from the 3<sup>rd</sup> Defendant at the material time without its knowledge and RM2,613,348.00 being arrears claimed by the Inland Revenue Board whilst the Plaintiffs were shareholders and/or directors of the 3<sup>rd</sup> Defendant.

(ii) Kuala Lumpur High Court Summons No.: 23NCVC-49-04/2012

Plaintiffs : (1) Chee Boon Leong  
(2) Chee Lee Lian

Defendant : Minply Industries (M) Sdn Bhd

**FURTHER INFORMATION (cont'd)**

On 13 April 2012, Chee Boon Leong and Chee Lee Lian commenced a proceedings against Minply for specific performance for two identical sale and purchase agreements dated 21 July 2008 entered between Cheng Chui Guan, the deceased (**the Deceased**) and Minply Industries (M) Sdn Bhd in respect of the sale and purchase of lands known as GM 1289 Lot 15121 (formerly HS(M) 2657 PTD 8241). The Plaintiffs are the administrators of the Deceased.

On 23 April 2013, the High Court dismissed the Plaintiffs' claims against Minply Industries (M) Sdn Bhd and allowed Minply Industries (M) Sdn Bhd's counter claims with cost of RM100,000.00, RM90,000.00 to be paid by the Plaintiffs to Minply Industries (M) Sdn Bhd, damages to be assessed for wrongful entry of private caveats and to be paid by the Plaintiffs to Minply Industries (M) Sdn Bhd, private caveats lodged be removed and interest at the rate of 5% per annum on RM90,000.00.

(iii) Court of Appeal Summons No.: J-02 (NCVC)(W)-1236-05/2013

Appellants : (1) Chee Boon Leong  
(2) Chee Lee Lian

Respondent : Minply Industries (M) Sdn Bhd

Pursuant to the above suit, the Appellants, have filed a Notice of Appeal dated 16 May 2013 against the whole decision given by the High Court of Kuala Lumpur on 23 April 2013.

On 18 June 2013, the Appellants have filed their Records of Appeal. Further to the case management on 30 July 2013, the Appellants informed the Court that they received the grounds of judgment on 26 July 2013. Parties are required to file their respective submissions and bundle of authorities on or before 17 October 2013. The hearing for the appeal is fixed on 4 November 2013..

The Respondent's solicitors, Messrs Mah-Kamariyah & Philip Koh are of the view that Minply Industries (M) Sdn Bhd has a strong case against the Appellants in the appeal.

**6. Material commitment**

As at the LPD, the Board is not aware of any material commitment incurred or known to be incurred by the Company or the Group, which may have material impact on the financial position of the Group.

**7. Contingent liabilities**

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Company or the Group, which may have material impact on the financial position of the Group:

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**FURTHER INFORMATION (cont'd)**

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**8. Documents available for inspection**

Copies of the following documents are available for inspection at the registered office of Tiger at No. 482, Ground Floor, Jalan Zamrud 6, Taman Ko-Op, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the M&A of Tiger;
- (ii) the audited consolidated financial statements of Tiger for the past two (2) FYE 31 December 2010 and 31 December 2011 and the latest unaudited quarterly results of the Group for the eighteen (18)-months FPE 30 June 2013;
- (iii) the proforma consolidated statements of financial position of Tiger as at 31 December 2011 and the Reporting Accountants' letter thereon;
- (iv) the Undertakings and Additional Undertakings and the confirmation letters by the Undertaking Shareholders as referred to in **Section 2.1.3, Part B** of this Circular;
- (v) the draft Deed Poll constituting the Warrants 2013/2018;
- (vi) the letters of consent as referred to in **Section 2** above;
- (vii) the letters of conflict of interest as referred to in **Section 3** above; and
- (viii) the material contracts as referred to in **Section 4** above; and
- (ix) the relevant cause paper in respect of the material litigation as referred to in **Section 5** above.

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**TIGER SYNERGY BERHAD**  
(Company No. 325631-V)  
(Incorporated in Malaysia under the Companies Act, 1965)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of Tiger Synergy Berhad (“**Tiger**” or “**Company**”) will be held at Avillion Admiral Cove, Batu 5 ½, Jalan Pantai, 71050 Si Rusa Port Dickson, Negeri Sembilan Darul Khusus, Malaysia on Friday, 15 November 2013, 11.00a.m. for the purpose of considering and if thought fit, passing the following resolutions with or without modification:

### **ORDINARY RESOLUTION 1**

#### **PROPOSED RATIFICATION OF BUSINESS DIVERSIFICATION OF TIGER AND ITS SUBSIDIARIES (“TIGER GROUP” OR “GROUP”) INTO PROPERTY DEVELOPMENT AND CONSTRUCTION ACTIVITIES (“PROPOSED RATIFICATION OF BUSINESS DIVERSIFICATION”)**

“**THAT** for the purposes of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and all other purposes, the shareholders of the Company hereby approve and ratify the Proposed Ratification of Business Diversification;

**AND THAT** subject to the Listing Requirements and the approval of all relevant authorities (if any), the Directors of the Company be and are hereby authorised to do all such acts, deeds and things as are necessary to give full effect to the aforesaid Proposed Ratification of Business Diversification with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities.”

### **ORDINARY RESOLUTION 2**

#### **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF SHARES UP TO 424,710,000 NEW ORDINARY SHARES OF RM0.20 EACH IN TIGER (“RIGHTS SHARES”) ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARES OF RM0.20 EACH IN TIGER HELD, TOGETHER WITH UP TO 424,710,000 FREE DETACHABLE WARRANTS 2013/2018 (“WARRANTS 2013/2018”) ON THE BASIS OF ONE (1) WARRANT 2013/2018 FOR EVERY ONE (1) RIGHTS SHARE SUCCESSFULLY SUBSCRIBED AT AN ENTITLEMENT DATE TO BE DETERMINED LATER (“ENTITLEMENT DATE”) (“PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS”);**

“**THAT** subject to the passing of Ordinary Resolution 3 and Special Resolution 1 and to all approvals being obtained from the relevant authorities including but without limited to the approval being obtained from Bursa Securities for the listing of and quotation for the Rights Shares, Warrants 2013/2018, the additional warrants to be issued in consequence of adjustment arising from the Proposed Rights Issue of Shares with Warrants during the exercise period as stipulated in the existing deed poll dated 9 July 2010 (“**Adjustment Warrants**”) and the new ordinary shares of RM0.20 each in Tiger (“**Shares**”) to be issued arising from the exercise of the Warrants 2013/2018 and the new Shares to be issued arising from the exercise of the Adjustment Warrants (whether in its original form or with or subject to any condition, modification, variation and/or amendment imposed by Bursa Securities), approval be and is hereby given to the Board of Directors to:

- (a) provisionally allot and issue Rights Shares to the registered shareholders of the Company whose names appear in the Record of Depositors at the close of business on a date to be determined by the Directors of the Company as they may deem fit (“**Entitled Shareholders**”), on the basis of one (1) Rights Share for every one (1) existing Share held on the entitlement date to be determined by the Board, at an issue price to be determined later;



- (b) allot and issue up to Warrant 2013/2018 to those Entitled Shareholders who have successfully applied for the Rights Shares on the basis of one (1) Warrant 2013/2018 for every one (1) Rights Share subscribed;
- (c) constitute the Warrants 2013/2018 upon the terms and conditions of a deed poll to be executed by the Company (“**Deed Poll**”), the principal terms of which are set out in **Appendix IV** of the Circular to Shareholders dated 8 October 2013; and
- (d) allot and issue such number of new Shares credited as fully paid-up arising from the exercise of Warrants 2013/2018 and/or such other additional warrants as may be required or permitted to be issued as a result of any adjustment under the provisions of the Deed Poll.

**AND THAT** the Directors be and are hereby authorised to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Directors in their absolute discretion.

**AND THAT** the Directors be and are hereby entitled to deal with all or any of the fractional entitlement of the Rights Shares and Warrants 2013/2018 arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason, whatsoever, in such manner as the Directors may in their absolute discretion deems fit or in the best interest of the Company.

**AND THAT** approval be hereby granted to Tiger to allow and issue the new Shares arising from the exercise of Warrants 2013/2018 shall remain in full force and effect for the duration of the tenure of the Warrants 2013/2018.

**AND THAT** all Rights Shares and new Shares to be issued herein shall upon issuance and allotment thereof, rank *pari passu* in all respects with the existing issued and fully paid-up Shares except that the Rights Shares and the new Shares shall not be entitled to any dividends, rights, allotment and/or other distribution that may be declared, made or paid prior to the date of issuance and allotment of the Rights Shares and the new Shares respectively.

**AND THAT** the Directors be and are hereby authorised to enter into and execute the Deed Poll constituting the Warrants 2013/2018 and to do all acts, deeds, things as they may deemed fit and expedient in order to implement, finalise and give effect to the aforesaid Deed Poll and that the Common Seal of the Company be affixed onto the Deed Poll in accordance with the Articles of Association of the Company.

**AND THAT** the Directors be and are hereby further authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company in order to carry out, finalise and give full effect to the Proposed Rights Issue of Shares with Warrants with full powers to assent or make any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Rights Issue of Shares with Warrants”.

### **ORDINARY RESOLUTION 3**

#### **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM100,000,000 COMPRISING 500,000,000 SHARES TO RM500,000,000 COMPRISING 2,500,000,000 SHARES (“PROPOSED IASC”)**

“**THAT** subject to the passing of Special Resolution 1, the authorised share capital of Tiger be and is hereby increased from RM100,000,000 comprising 500,000,000 Shares to RM500,000,000 comprising 2,500,000,000 Shares by the creation of an additional 2,000,000,000 new Shares **AND THAT** in consequence thereof, Clause 5 of the Memorandum of Association of the Company and all other relevant documents be and are hereby amended accordingly;

**AND THAT** the Directors be and are hereby authorised to take all steps or do all acts as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed IASC”.

## SPECIAL RESOLUTION 1

### PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF TIGER (“PROPOSED AMENDMENTS”)

“THAT subject to the passing of Ordinary Resolution 3, the following clauses of the Memorandum and Articles of Association of the Company be hereby amended as follows:

<b>Memorandum of Association</b>	<b>Existing</b>	<b>Proposed change</b>
Clause 5	The Authorised Share Capital of the Company be increased from RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each to RM100,000,000.00 divided into 500,000,000 ordinary shares of 20 cents each by the creation of 499,900,000 ordinary shares of 20 cents each and such new shares when issued shall rank pari passu in all respects with the existing shares of the Company.	The Authorised Share Capital of the Company be increased from RM100,000,000.00 divided into 500,000,000 ordinary shares of RM0.20 each to RM500,000,000.00 divided into 2,500,000,000 ordinary shares of RM0.20 each by the creation of 2,000,000,000 ordinary shares of RM0.20 each and such new shares when issued shall rank pari passu in all respects with the existing shares of the Company.

<b>Articles of Association</b>	<b>Existing</b>	<b>Proposed change</b>
Article 3	The authorised share capital of the Company as at the date of the adoption of these Articles is RM100,000,000.00 (Ringgit Malaysia: One Hundred Million Only) divided into 500,000,000 ordinary shares of 20 cents each.	The authorised share capital of the Company as at the date of the adoption of these Articles is RM500,000,000.00 (Ringgit Malaysia: Five Hundred Million Only) divided into 2,500,000,000 ordinary shares of RM0.20 each.

**AND THAT** the Board be and is hereby authorised to do all such acts and things and to take such steps that are necessary to give full effect to the Proposed Amendments.”

By Order of the Board of  
**TIGER SYNERGY BERHAD**

NG BEE LIAN (MAICSA 7041392)  
Company Secretary

Kuala Lumpur  
Date: 21 October 2013

**Notes:**

1. *Each member is entitled to vote/ may vote in person or by proxy or by attorney. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a Member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the Member specifies the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing. In the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer's Common Seal or under the hand of its officer or attorney duly authorised.*
3. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at No. 482, Ground Floor, Jalan Zamrud 6, Taman Ko-Op, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, not less than forty-eight (48) hours before the time set for holding the EGM or any adjournment thereof.*
4. *Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories Act, 1991 ("**SICDA**") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *Only members whose name appear in the Record of Depositors as at 11 November 2013 shall be eligible to attend and vote at the meeting.*
6. *Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.*



**TIGER SYNERGY BERHAD**  
(Company No. 325631-V)  
(Incorporated in Malaysia under the Companies Act, 1965)

**PROXY FORM**

CDS account no. of authorised nominee	No. of shares held

I/We, .....  
(FULL NAME AND NRIC/PASSPORT NO/COMPANY NO)

of .....  
(FULL ADDRESS)

being a member(s) of **TIGER SYNERGYBERHAD**, hereby appoint.....

.....  
(FULL NAME AND NRIC/PASSPORT NO)

of .....  
(FULL ADDRESS)

or failing him/her.....  
(FULL NAME AND NRIC/PASSPORT NO)

of .....  
(FULL ADDRESS)

or failing \*him/her, ^ the Chairman of the Meeting as my/our proxy to attend and vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting of the Company to be held at Avillion Admiral Cove, Batu 5 ½, Jalan Pantai, 71050 Si Rusa Port Dickson, Negeri Sembilan Darul Khusus, Malaysia on Friday, 15 November 2013, 11.00a.m. or any adjournment thereof in the manner indicated below:

^ If you wish to appoint other person(s) to be your proxy/proxies, kindly insert the name(s) of the person(s) desired and delete the words "or failing him/her, the Chairman of the Meeting".

My/our proxy/proxies is/are to vote as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1	Ordinary Resolution 1 – Proposed Ratification of Business Diversification		
2	Ordinary Resolution 2 – Proposed Rights Issue of Shares with Warrants		
3	Ordinary Resolution 3 – Proposed IASC		
4	Special Resolution 1 – Proposed Amendments		

\* Strike out whichever not applicable (Please indicate with an "X" in the appropriate box against each Resolution how you wish your proxy to vote. If no instruction is given this form will be taken to authorise the proxy to vote at his /her discretion).



For appointment of two proxies,  
percentage of shareholdings to be  
represented by the proxies:

Signature of Shareholder /Common Seal	Proxy 1	Percentage
	Proxy 2	%
Date: _____	Total	_____ 100%

**Notes on appointment of proxy**

- Each member is entitled to vote/ may vote in person or by proxy or by attorney. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a Member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the Member specifies the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing. In the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer's Common Seal or under the hand of its officer or attorney duly authorised.*
- The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at No. 482, Ground Floor, Jalan Zamrud 6, Taman Ko-Op, 70200 Seremban, Negeri Sembilan Darul Khusus, Malaysia, not less than forty-eight (48) hours before the time set for holding the EGM or any adjournment thereof.*
- Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories Act, 1991 ("**SICDA**") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- Only members whose name appear in the Record of Depositors as at 11 November 2013 shall be eligible to attend and vote at the meeting.*
- Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.*

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AFFIX  
STAMP

**THE COMPANY SECRETARY  
TIGER SYNERGY BERHAD**  
No. 482, Ground Floor  
Jalan Zamrud 6, Taman Ko-Op  
70200 Seremban  
Negeri Sembilan Darul Khusus  
Malaysia

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