

NSX ANNOUNCEMENT

Unless otherwise defined or the context otherwise permit, capitalised terms used in this announcement shall have the meanings given to them in the Company's market updates dated 2 July 2018 and 15 August 2018, and announcement dated 11 July 2018

18 October 2018

MONTHLY UPDATE ON THE PROGRESS OF THE REQUOTATION PLAN

I Synergy Holdings Berhad (NSX:ISY) (the **Company**) is pleased to provide the third monthly update on the progress of the Re quotation Plan.

Work progress to the previous month

During the period from 15 September 2018 to 17 October 2018:

- the Auditor reviewed the Operating Company's responses to the outstanding audit issues. The Auditor has advised that all but one of these outstanding audit issue has been resolved to their satisfaction. They are still liaising with the Operating Company on the sole remaining outstanding audit issue. The Operating Company explained that progress on the resolution of this outstanding audit issue had been slower than expected due to the following reasons:
 - the staff member having conduct of the matter at the relevant time has left the employ of the Operating Company, and the new staff member employed in his place required time to familiarise with the Operating Company's accounting and record-keeping systems; and
 - the long public holidays from 30 September to 9 October 2018 for China's National Day, often referred to in China as the "Golden Week" holidays.
- The Company's Chinese legal counsel has completed legal due diligence investigation on WFOE, and are waiting to receive documents confirming that the entire equity capital of the Operating Company to WFOE. The Operating Company's application for the transfer of its equity capital has not been approved and registered by local office of the Department of Industry and Commerce.

Work plan for the coming month

The work plan for the coming month is to:

- complete the audit of the Operating Company's financial statements; and
- complete the Chinese legal due diligence.

Indicative time-table - snapshot

In the market update which the Company announced on 2 July 2018, the Company set out an indicative time-table towards the implementation of the Re-quotation Plan. The Company presents below a snapshot of this indicative time-table together with the status or progress report, as the case may be, of each milestone as of the date of this monthly update.

Milestone	Initial target date	Status or progress report, as appropriate
Sign Placement Agreement	2 July 2018	Completed.
Complete the subscription of new Shares under the Placement Agreement	10 July 2018	Completed.
Sign Definitive Agreement	13 July 2018	Completed.
Complete due diligence on Target Company	24 August 2018	The Company estimates that this can be completed by 15 November 2018
Submit Suitability for Listing Submission to NSX [@]	31 August 2018	To commence when due diligence is substantially completed. Target date rescheduled to 15 December 2018
Submit draft of notice of extraordinary general meeting for NSX's perusal [@]	14 September 2018	To commence when due diligence is substantially completed. Target date rescheduled to 15 December 2018
Dispatch notice of extraordinary general meeting	12 October 2018	After, and only if, the NSX accepts the Company's Suitability for Listing Submission. Target date rescheduled to 31 January 2019

[@] The Company envisages that it will submit these for NSX's concurrent review

Cautionary note

Shareholders and investors should note that there is no assurance that the results of Due Diligence will be satisfactory or that NSX will accept the Company's Suitability for Listing Submission in relation to the Target Group. In the event either or both these events do not occur, the Company's ability to seek re-quotation of its securities will be adversely affected. Therefore, Shareholders and investors are advised to exercise caution when dealing in the Company's securities.

For and on behalf of
I Synergy Holdings Berhad



Dato' Teo Chee Hong
Director