



SIAB HOLDINGS BERHAD
202001043548 (1399869-A)



**ANNUAL
REPORT
2022**

Refresh Team
Refresh Work
Reimagine Business

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CORPORATE PROFILE

SIAB Holdings Berhad (“**SIAB**”) and its subsidiaries, collectively known as “SIAB Group”, have their main business in building construction. Apart from that, the group also provides Information and Communications Technology (“**ICT**”) solutions and services. The roots of the SIAB Group can be traced back to 1984, when one of its subsidiaries, Siab (M) Sdn. Bhd. (“**Siab (M)**”), was established. Over the years, the SIAB Group has accomplished many projects with a total value of more than RM2 billion.

Siab Holdings Berhad was initially incorporated as a private limited company named Siab Holdings Sdn Bhd in 2020, before being converted into a limited company on 24 June 2021, and changing its name to its current one to facilitate the initial public offering (IPO) exercise. On 28 February 2022, SIAB made its debut on the ACE Market of Bursa Malaysia Securities Berhad.

Going forward, SIAB has integrated all of the organization’s systems and processes, including QMS, EMS, and OSH, into a single comprehensive framework, enabling the organization to operate as a cohesive unit with shared objectives.

By utilizing our Integrated Management Systems (QESH), we can perform comprehensive audits and assessments, while also streamlining processes and resources.

- ISO 9001: 2015 (SIRIM UKAS Quality Management)
- ISO 45001:2018 (SIRIM QAS Occupational Health and Safety Management Systems)
- The ISO 14001:2015 (SIRIM QAS Environmental Management Systems)

We are proud of our QESH system and our familiarity with construction techniques; we offer value engineering options for cost optimisation while maintaining the desired specifications where appropriate.

Our corporate culture is goal-driven and values-driven, which strengthens our commitment to ethics.

With a 38-year track record, we can provide our clients with builder and cost-effective solutions, as well as control timely delivery and quality.

VISION, MISSION & **CORE VALUES**

Our Vision

We Care as A
Builder of Integrity
and Perseverance,
With Innovative
and Proactive
Action, We Deliver!

Our Mission

Being a Builder of Integrity, we create an excellent and coherent teamwork via our core values and productive organizational infrastructure align with our formulated strategic planning and alliance with vendors, we deliver our commitment in products and services effectively and efficiently to our esteemed clients.

Being a Competent Team, together with our trust in values, we move forward enthusiastically in a safe, healthy and cheerful working environment, encourage creativity and passion for growth, foster mutual respect and caring attitude.

Being an Accountable Organisation, we dedicate to fulfill in our best endeavour in social responsibilities, environmental consciousness and innovative value engineering whilst balancing the interests of stakeholders.

Core Values

- | | |
|-------------------|---|
| Care | – We respect each other, our clients, the environment and our community. Safety and care are considered in our work practices and are key to the positive solutions we deliver for our clients. |
| Integrity | – We being honest in our dealings, taking responsibility and being accountable for our actions. |
| Tenacity | – Our persistence and perseverance, attitude, systems and disciplines focus our efforts into the delivery of excellence. |
| Innovative | – We thrive on challenges and take pride in being innovative and delivering successful solutions. |
| Proactive | – We are proactive in identifying issues and coming up with solutions. |

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN

Independent Non-Executive Chairman

NG WAI HOE

Group Managing Director

LIM MEI HWEE

Executive Director

TAN SOK MOI

Executive Director

DATO' SRI SHAHRIL BIN MOKHTAR

Independent Non-Executive Director

DATUK LIM TONG LEE

Independent Non-Executive Director

ANDREA HUONG JIA MEI

Independent Non-Executive Director



COMPANY SECRETARIES

Lau Yen Hoon

(MAICSA 7061368)
(SSM PC No. 202008002143)

Tan Siew Hong

(MAICSA 7066226)
(SSM PC No. 201908001915)

REGISTERED OFFICE

Unit 30-01, Level 30
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2783 9191
Fax : +603 2783 9111

HEAD/MANAGEMENT OFFICE

No. 82, Jalan BP 7/8
Bandar Bukit Puchong
47120 Puchong
Selangor Darul Ehsan
Tel : +603 8052 7117
E-mail : corporate@siabmy.com
Website : www.siabmy.com

REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603 2783 9299
Fax : +603 2783 9222

AUDITORS

KPMG PLT
[LLP0010081-LCA & AF 0758]
Level 10, KPMG Tower
No. 8 First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor
Tel : +603 7721 3388

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman

Datuk Lim Tong Lee

Member

Dato' Sri Shahril Bin Mokhtar
Andrea Huang Jia Mei

REMUNERATION COMMITTEE

Chairwoman

Andrea Huang Jia Mei

Member

Datuk Lim Tong Lee
Dato' Sri Shahril Bin Mokhtar

NOMINATION COMMITTEE

Chairman

Dato' Sri Shahril Bin Mokhtar

Member

Datuk Lim Tong Lee
Andrea Huang Jia Mei

PRINCIPAL BANKERS

Maybank
Maybank Islamic
UOB Bank
Ambank
RHB Bank
Hong Leong Bank
CIMB Bank
Affin Bank

SPONSOR

M & A Securities Sdn Bhd
45-11, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : +603 2284 2911

STOCK EXCHANGE

ACE Market of Bursa Malaysia
Securities Berhad

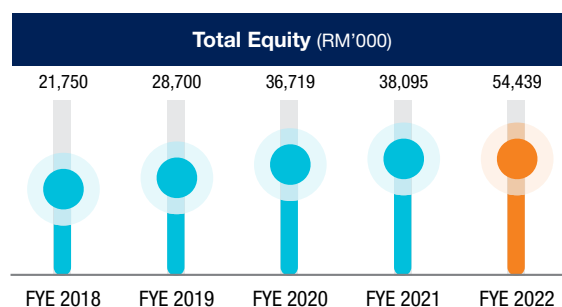
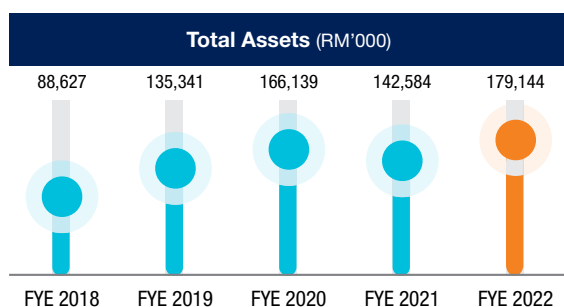
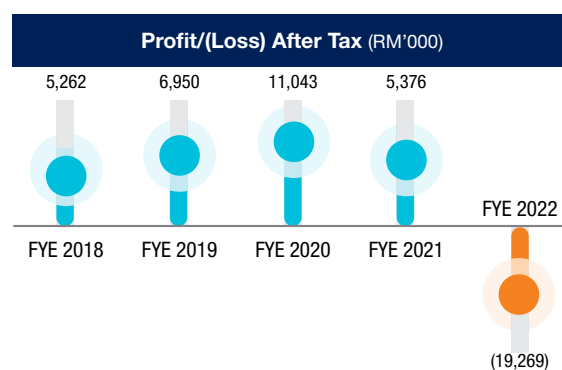
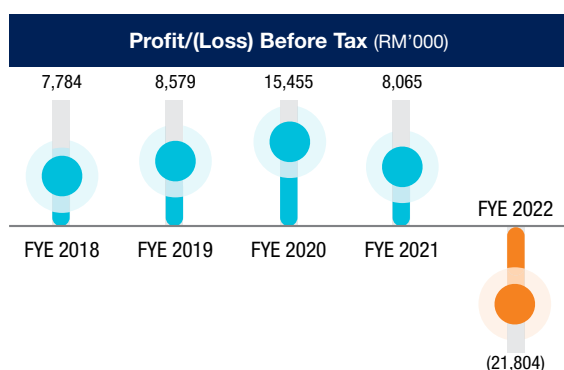
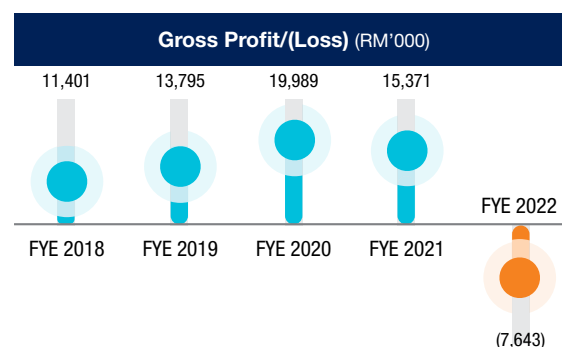
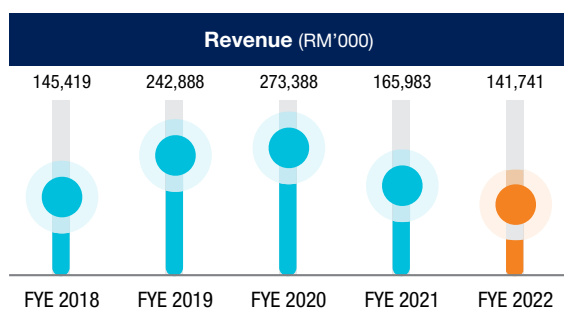
Stock Name : SIAB
Stock Code : 0241

GROUP STRUCTURE



FINANCIAL HIGHLIGHTS

	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000
FINANCIAL PERFORMANCE					
Revenue	145,419	242,888	273,388	165,983	141,741
Gross Profit/(Loss)	11,401	13,795	19,989	15,371	(7,643)
Profit/(Loss) Before Tax	7,784	8,579	15,455	8,065	(21,804)
Profit/(Loss) After Tax	5,262	6,950	11,043	5,376	(19,269)
FINANCIAL POSITION					
Total Assets	88,627	135,341	166,139	142,584	179,144
Total Borrowings	8,142	18,628	12,247	22,121	44,199
Total Equity	21,750	28,700	36,719	38,095	54,439
Cash and Cash Equivalents	11,060	14,897	13,379	10,702	31,441
FINANCIAL RATIOS					
Profit/(Loss) After Tax Margin (%)	3.62%	2.86%	4.04%	3.24%	(13.59%)
Basic Earnings/(Loss) per Share (sen)	30.77	40.63	64.57	31.43	(4.10)
Net Assets per Share (sen)	127.17	167.80	214.69	222.73	11.58



PROFILE OF DIRECTORS



TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN

Independent Non-Executive Chairman

Nationality  / Gender  / Age 

Date of Appointment **24 June 2021**

Qualifications

- Masters of Arts in Anthropology and Sociology (National University of Malaysia)
- Bachelor of Arts in Literature (University of Malaya)
- Advanced Management and Leadership Programme (Saïd Business School, Oxford)

Working experience

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun is a retired Inspector-General of the Royal Malaysia Police ("RMP"). He joined the RMP in 1984 as a Cadet Assistant Superintendent of Police. After completing basic police training, he was attached to the Special Branch Department of the RMP from 1986 to 2009 where he served in various capacities, including Deputy Director of the Special Branch in 2007 where he was responsible for overseeing the management, financial human resource and training functions of the RMP. In 2009, he was promoted as the Director of Special Task Force on Operation and Counter-Terrorism where he was responsible for overseeing all matters related to anti-terrorism, terrorist financing and money laundering in the country. In 2014, he served as the Director of the Management Department in Bukit Aman and was subsequently promoted as the Director of Special Branch in 2015 where he oversees overall functions of the Special Branch, including recruitment and training.

In 2017, he was promoted as the Inspector General of the RMP, the highest-ranking position in the RMP, a position he held until he retired from public service in 2019.

Other directorships of public companies and listed issuers

- Independent Non-Executive Chairman of Jaya Tiasa Holdings Berhad (listed on the Main Market of Bursa Securities) (appointed on 2 March 2020)
- Independent Non-Executive Chairman of Tropicana Corporation Berhad (listed on the Main Market of Bursa Securities) (appointed on 27 October 2020)
- Independent Non-Executive Director of Ancom Nylex Berhad (listed on the Main Market of Bursa Securities) (appointment date 19.9.2022)
- Independent and Non Executive Chairman of Hiap Teck Venture Berhad (listed on the Main Market of Bursa Securities) (appointment date 22.3.2023)

Family relationship with any director and/or major shareholders of the Company

Nil

Conflict of interest with the Company

Nil

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

Nil

Committee

Nil

PROFILE OF DIRECTORS

(CONT'D)

**NG WAI HOE**

Group Managing Director

 Nationality  / Gender  / Age 
Date of Appointment **30 December 2020****Qualifications**

- Master of Business Administration (Charles Sturt University)
- Bachelor of Science in Civil Engineering (Iowa State University)
- Graduate Member of the Board of Engineers Malaysia
- Graduate Member of the Institution of Engineers Malaysia

Working experience

Wai Hoe commenced his career as a Site Engineer with Topbina Sdn Bhd in 1997, where he was responsible for daily on-site supervision and coordination activities for the company's construction projects. He left Topbina Sdn Bhd in 2000 to join Gadang Engineering Sdn Bhd as a Project Engineer where he was involved in the planning, monitoring and supervision of daily construction activities at the project sites. He was then promoted to Construction Manager in 2001, and subsequently to Project Manager in 2002. As a Project Manager, he led the company's construction team and was involved in directing and planning clients' projects from commencement to completion.

In 2008, he left Gadang Engineering Sdn Bhd to join Pembinaan Tuju Setia Sdn Bhd as Construction Manager and was responsible for the overall project development activities of the company. While he was still attached to Pembinaan Tuju Setia Sdn Bhd, he was appointed as the director of Siab (M) in the same year, where he was involved in the business development and project implementation

activities of Siab (M). On 21 April 2011, he was appointed as the director of Tuju Setia Holdings Sdn Bhd and was tasked with the planning and implementation of projects for key clients of the company.

On 10 February 2012, Siab (M) was acquired by Tuju Setia Holdings Sdn Bhd, effectively becoming its wholly-owned subsidiary. On 1 July 2013, he along with Lim Mei Hwee and Tan Sok Moi, acquired the majority equity interest in Siab (M) and Siab Engineering from Tuju Setia Holdings Sdn Bhd. On 16 April 2014, he resigned as director of Tuju Setia Holdings Sdn Bhd.

Following the acquisition, he was appointed as the Group Managing Director of Siab (M). Since then, he has been responsible for charting our Group's overall strategy, direction and management of its corporate and business development activities.

Other directorships of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholders of the Company

Nil

Conflict of interest with the Company

Nil

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

Nil

Committee

Nil

PROFILE OF DIRECTORS

(CONT'D)



LIM MEI HWEE

Executive Director

Nationality  / Gender  / Age 

Date of Appointment **30 December 2020**

Qualifications

- Master of Business Administration (Heriot-Watt University)
- Diploma in Technology (Building) (Tunku Abdul Rahman College)

Working experience

Mei Hwee began her career in 1997 as a Contract Executive with Loh & Loh Constructions Sdn Bhd, a subsidiary of Loh & Loh Corporation Berhad (previously listed on the Main Market of Bursa Securities and was delisted in 2010). As a Contract Executive, she was responsible for cost control and analysis, monthly progress claims and payments as well as project final accounts. In 1999, she was promoted to an Audit Executive, where she was responsible for evaluating the adequacy and implementation of company's system and procedures for project management, tendering, procurement, contract administration, risk management and information technology. In 2001, she left Loh & Loh Constructions Sdn Bhd to join K.N.K. Development Sdn Bhd as a Contract Manager where she was responsible for managing the company's contract and project management functions which include performing costs and contracts administration tasks. She was also involved in project development and was responsible for preparing feasibility studies, cash flows as well as preliminary cost and budget analysis. She left K.N.K. Development Sdn Bhd in 2004 and joined Awangsa Bina Sdn Bhd as a Contracts Manager, where her roles involve overseeing costs and contracts administration and tendering.

In 2007, she was promoted as Quality Assurance ("QA")/Quality Control ("QC") Manager cum Management's Representative, where she was involved in managing the

QA/QC teams at all project sites, as well as developing and implementing the company's quality management system. She left Awangsa Bina Sdn Bhd in 2008 and joined Sam Chang Enterprise (M) Sdn Bhd as an Assistant Contract Manager, where her responsibilities include costs and contracts administration for international hotel projects in Malaysia and overseas.

In 2010, she joined Pembinaan Tuju Setia Sdn Bhd as a Contract Manager overseeing the tendering, costing and contract administration of the company. She was also appointed as the Management Representative in 2011 to lead and implement the company's quality management system of ISO9001. She was promoted to Senior Contracts Manager in 2012. On 1 July 2013, she along with Ng Wai Hoe and Tan Sok Moi acquired the majority equity interest in Siab (M) and Siab Engineering from Tuju Setia Holdings Sdn Bhd. Following the acquisition, she assumed the position of an Executive Director of Siab (M).

Other directorships of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholders of the Company

Nil

Conflict of interest with the Company

Nil

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

Nil

Committee

Nil

PROFILE OF DIRECTORS

(CONT'D)

**TAN SOK MOI**

Executive Director

 Nationality  / Gender  / Age 
Date of Appointment **30 December 2020****Qualifications**

- Master of Business Administration (University of Sunderland, UK)
- Diploma in Business Administration from the Association of Business Executives, the United Kingdom

Working experience

Sok Moi began her career in 1999 as an Administrative Assistant with Beca Carter Hollings & Ferner (S.E. Asia) Pte. Ltd., a company based in Singapore. She was promoted several times while with the company, namely to Senior Administration Assistant in 2002 and later as the Administrator of the company in 2005 where she was responsible for overseeing the overall administrative functions of the company. In 2005, she left Beca Carter Hollings & Ferner (S.E. Asia) Pte. Ltd. and returned to Malaysia. Subsequently, she joined Pembinaan Tuju Setia Sdn Bhd in 2006 and she was responsible for managing the company's human resource and administrative functions. In 2007, she was promoted to Secretary cum Administration Executive and subsequently, to Personal Assistant cum Human Resource Manager in 2011. As a Personal Assistant, she reports directly to the managing director and other directors of Pembinaan Tuju Setia Sdn Bhd in providing comprehensive and confidential high-level assistance and administrative role. She was also involved in leading the human resource department. On 1 July 2013, she along with Ng Wai Hoe and Lim Mei Hwee, acquired the majority equity interest in Siab (M) Sdn Bhd and Siab Engineering Sdn Bhd from Tuju Setia Holdings Sdn Bhd. Following the acquisition, she assumed the position of Executive Director of Siab (M) Sdn Bhd.

Other directorships of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholders of the Company

Nil

Conflict of interest with the Company

Nil

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

Nil

Committee

Nil

PROFILE OF DIRECTORS

(CONT'D)



DATO' SRI SHAHRIL BIN MOKHTAR

Independent Non-Executive Director

Nationality  / Gender  / Age 

Date of Appointment **24 June 2021**

Qualifications

- Master of Management (University of Malaya)
- Bachelor of Arts in Industrial and Organisational Psychology (minor in Political Science) from University of Missouri, St. Louis, the United States of America
- Advanced Management Program (Kellogg School of Management in Northwestern University, Chicago, the United States of America)

Working experience

In 1995, Dato' Sri Shahril Bin Mokhtar started as an Executive at Maybank Berhad in the human resource department. He joined PwC Malaysia in 1999 as a Manager in its Human Capital Centre and left in 2002. Then, he worked at British American Tobacco (M) Berhad as a Senior Manager and later joined Penerbangan Malaysia Berhad in September 2002 as a General Manager. He left Penerbangan Malaysia Berhad in 2006 and joined Rangkaian Pengangkutan Integrasi Deras (RAPIDKL) Sdn Bhd as its General Manager of Corporate Planning.

In 2009, he left his company and became an Advisor in the Economic Planning Unit of the Prime Minister's Department. He helped set up the Land Public Transport Commission and draft the Suruhanjaya Pengangkutan Awam Darat Act 2010. In 2010, he became the Chief Operating Officer of Suruhanjaya Pengangkutan Awam Darat (SPAD), where he helped lead long-term reforms in the land-based passenger and transportation sector.

In 2010, he joined Prasarana Malaysia Berhad as its Managing Director, where he developed business strategies in accordance with the company's turnaround and transformation plans. In January 2015, he became the Chief Executive Officer/Executive Director of Mass Rapid Transit Corporation Sdn Bhd (MRT Corp), overseeing the development and construction of the multibillion-dollar Mass Rapid Transit Line 1 and Line 2 projects.

In December 2018, he left Mass Rapid Transit Corporation Sdn Bhd and in April 2019, joined CSH Alliance Berhad as its Managing Director, responsible for overseeing the company's property construction, investment, development, and technology services businesses. In April 2020 he became the Managing Director of Sungai Kelang Expressway Sdn Bhd, a company that operates a highway concession.

Currently, he holds the chairmanship position at UiTM Holdings Sdn Bhd and UiTM Private Healthcare Sdn Bhd. Additionally, he serves as the EXCO Member and Chairman of the Marketing and Sponsorship Committee for the Football Association of Malaysia (FAM) and as the Deputy President and Treasurer of the Football Association of Selangor (FAS).

Other directorships of public companies and listed issuers

Nil

Family relationship with any director and/or major shareholders of the Company

Nil

Conflict of interest with the Company

Nil

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

Nil

Committee

- Chairman of the Nomination Committee
- Member of the Audit and Risk Management Committee
- Member of the Remuneration Committee

PROFILE OF DIRECTORS

(CONT'D)

**DATUK LIM TONG LEE**

Independent Non-Executive Director

 Nationality  / Gender  / Age 
Date of Appointment **24 June 2021****Qualifications**

- Member of the Association of Chartered Certified Accountants
- Member of the Malaysian Institute of Accountants
- Member of the Malaysian Institute of Certified Public Accountants

Working experience

Datuk Lim Tong Lee began his career in 1990 as an auditor with Ernst & Young in Malaysia, where he was involved in audits works for clients in various industries. He was promoted to Senior Auditor in 1994. He left Ernst & Young in 1995 and joined AmInvestment Bank Bhd as an Executive in its Corporate Finance division, where he was primarily involved in corporate advisory works.

He left in 1997 to join Land and Penas Sdn Bhd as its General Manager of Corporate Finance, where he was responsible for planning its IPO. He left the company and rejoined AmInvestment Bank Bhd in 1999 as Manager in its Corporate Finance division where he was responsible for corporate advisory works. In 2007, he left AmInvestment Bank Bhd and joined AmFraser Securities Pte Ltd in Singapore as the Director/Head of Corporate Finance, where he was involved in leading the corporate finance department. In 2013, He left AmFraser Securities Pte Ltd and joined AmWater Investments Management Pte. Ltd. Singapore, as the Chief Investment Officer where he was responsible for private equity investments in water projects in North Asia.

He left Amwater Investments Management Pte Ltd in 2014 and joined Venstar Capital Management Pte Ltd in Singapore as a Senior Vice President where he was involved in private equity investments around North and South East Asia. He left the company and joined KGI Securities Pte Ltd in 2015 as its Head of Corporate Finance. In 2017, he left KGI Securities Pte Ltd. He was appointed as a Board Member on 24 June 2021.

Other directorships of public companies and listed issuers

- Independent Non-Executive Director of Versalink Holdings Limited (Listed on the Catalyst Board of Singapore Stock Exchange)

Family relationship with any director and/or major shareholders of the Company

Nil

Conflict of interest with the Company

Nil

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

Nil

Committee

- Chairman of the Audit and Risk Management Committee
- Member of the Remuneration Committee
- Member of the Nomination Committee

PROFILE OF DIRECTORS

(CONT'D)



ANDREA HUONG JIA MEI

Independent Non-Executive Director

Nationality  / Gender  / Age 

Date of Appointment **24 June 2021**

Qualifications

- Member of the Association of Chartered Certified Accountants
- Member of the Malaysian Institute of Accountants
- Advanced Diploma in Commerce (Financial Accounting) (Tunku Abdul Rahman College)
- Diploma in Commerce (Financial Accounting) (Tunku Abdul Rahman College)

Working experience

Andrea started her career as an Audit Assistant with Sha, Tan & Co in 2005 where she was responsible for audit in accordance with approved audit plans and programs. Subsequently, she was promoted to Audit Semi-Senior in 2007. As an Audit Semi Senior, she carried out auditing work, account analysis and reconciliations involving clients in various industries. In 2008, she was promoted to Audit Senior, where her responsibilities included analysing engagement risk areas and completing the consolidation for a group of companies including public listed companies.

Thereafter, she left Sha, Tan & Co and was appointed as a Director of T&S Secretarial Services Sdn Bhd in 2014 which she resigned on 24 June 2021, a company involved in company secretarial services. In 2020, she was appointed as a Director of T&S Boardroom Sdn Bhd, a secretarial support services company. Her role includes organising board committee meetings, carrying out corporate exercises as well as liaising with auditors on behalf of clients in private companies and public companies listed on Bursa Securities. She subsequently

incorporated a Company, T&S Governance Sdn Bhd on 5 October 2021 which specializes in Internal Control review of public listed companies.

She was appointed as a Board Member on 24 June 2021.

Other directorships of public companies and listed issuers

- Independent Non-Executive Director of UniqueFire Holdings Berhad (seeking listing on the ACE Market of Bursa Securities)
- Independent Non-Executive Director of Yew Lee Pacific Group Berhad (listed on the ACE Market of Bursa Securities)
- Independent Non-Executive Director of EcoScience International Berhad (listed on the ACE Market of Bursa Securities)

Family relationship with any director and/or major shareholders of the Company

Nil

Conflict of interest with the Company

Nil

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

Nil

Committee

- Chairwoman of the Remuneration Committee
- Member of the Audit and Risk Management Committee
- Member of the Nomination Committee

PROFILE OF KEY SENIOR MANAGEMENT



KOO SEONG HOE

Chief Financial Officer

Nationality  / Gender  / Age  45

Koo Seong Hoe is the current Chief Financial Officer of Siab Holdings Berhad. He oversees financial planning, accounting, business planning, and human resources for Siab and its subsidiaries. He graduated with a Bachelor of Commerce in Accounting from Curtin University, Australia in 2001 and became a Member of CPA Australia in 2005 and the Malaysian Institute of Accountants in 2018.

He started his career as an Audit Assistant at Deloitte KassimChan in 2001. In 2005, he left Deloitte Kassimchan and ventured into the property industry by joining Gamuda Land (Botanic) Sdn Bhd, a subsidiary of Gamuda Berhad (listed on the Main Market of Bursa Securities), as a Business Development Executive. He has over 18 years of experience managing finance and accounting functions for property-related businesses.

He has held various finance and accounting positions at different companies, including Gamuda Land, Perspektif Masa, Kiarafield, S P Setia Project Management, Aeropod, and Gamuda Land (T12), before joining Siab in 2020.

PROFILE OF KEY SENIOR MANAGEMENT

(CONT'D)

**CHEAH KOK LIANG**

General Manager

 Nationality  / Gender  / Age  45

Cheah Kok Liang is a General Manager at Siab (M) Sdn. Bhd. He is responsible for overseeing our Group's construction projects which include planning and executing for new construction projects and oversees the management and execution of our construction project works.

He graduated with a Bachelor of Engineering (Hons) in Civil and Structural Engineering from Universiti Kebangsaan Malaysia in 2002. He commenced his career with Road Builder Sdn Bhd in 2002 as a Site Engineer and was part of the site management team assisting in overseeing the company's construction projects. He left Road Builder Sdn Bhd and joined Crest Builder Sdn Bhd in 2003 as a Senior Project Engineer. During his tenure with the company, he was involved in site management and coordination of the workers' workflow. He left Crest Builder Sdn Bhd in 2007 to establish KF Construction Sdn Bhd and served as its director where he was responsible for overseeing the project and construction activities. He has since dissolved the company in 2016.

In 2011, he re-joined Crest Builder Sdn Bhd in 2011 as a Senior Project Manager where he led the company's project team on planning, organisation and evaluation of project activities. In 2015, he left Crest Builder Sdn Bhd and joined Eupe Corporation Bhd, a company listed on the Main Market of Bursa Securities, as a Senior Project Manager where he was responsible for overseeing the company's overall project and construction management.

In 2016, he left Eupe Corporation Bhd and joined SIAB as Senior Project Manager.

TS. FONG KOK YEW

Commercial Manager

 Nationality  / Gender  / Age  39

Ts. Fong Kok Yew is the Commercial Manager. He is responsible for overseeing the overall project tendering activities which include review of potential tenders and preparation of tender submissions.

He obtained a Diploma in Technology (Quantity Surveying) from Tunku Abdul Rahman College in 2004. He subsequently obtained a Bachelor of Science in Construction Management from Heriot-Watt University, the United Kingdom in 2007.

He began his career with Wira Syukur (M) Sdn Bhd in 2004 as a Contract Executive involved in all aspects of the company's contract administration functions. He left Wira Syukur (M) Sdn Bhd in 2008 to join Pembinaan Tuju Setia Holdings Sdn Bhd as a Contract Executive where he was involved in pre-and post-contract activities which include participating in tender exercises and preparing progress claims. He was subsequently promoted to Senior Contract Executive and an Assistant Contract Manager in 2011 and 2013, respectively. He was mainly responsible in assisting the Contract Manager in project costing and contract management.

In 2013, he left Pembinaan Tuju Setia Holdings Sdn Bhd and joined Siab (M) Sdn. Bhd. as a Contracts Manager, where he was in-charge of the company's overall management of project costs and contracts. He was then reassigned to his current position in 2020.

Note:

- 1) None of the key senior management has any directorship in public companies and listed issuers.
- 2) None of the key senior management has any family relationship with any directors and major shareholders of the Group and the Company.
- 3) None of the key senior management has any conflict of interest with the Group and the Company.
- 4) None of the key senior management has any conviction for offences within the past five (5) years other than traffic offences, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders and Stakeholders

On behalf of the Board of Directors, I am honoured to present you the annual report and the audited financial statements of SIAB Holdings Berhad ("SIAB") and its subsidiaries ("the Group") for the financial year ended 31 December 2022 ("FY2022").

FY2022 was challenging for many economies and industries. As we move forward, I would like to assure you that we remain committed to upholding the highest standards of corporate governance and transparency in our business operations. We understand that our success is directly linked to your trust in us, and we will continue to work tirelessly to deliver value to you. While we face numerous challenges in the construction industry, we also see opportunities for growth and expansion. Our Board, management team, and employees are fully dedicated to realising our vision for SIAB and delivering sustainable returns to our shareholders.

TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN
Chairman

THE BEGINNING OF SIAB'S NEW JOURNEY

SIAB was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), an alternative market designed primarily for emerging corporations, on 28 February 2022. We have undertaken an initial public offering exercise and raised RM36.72 million through the listing of SIAB on the ACE Market of Bursa Securities. This marks a significant milestone for SIAB and the Group as we begin the next phase of our growth journey.

INDUSTRY AND BUSINESS OVERVIEW

The construction industry in Malaysia is a vital contributor to the country's economic growth, with the sector expected to experience a boost following the reopening of borders in April 2022. In FY2022, the construction industry was experiencing a moderate growth rate, driven by infrastructure projects and private sector investments. According to Department of Statistics Malaysia, construction sector maintained a double-digit growth of 10.1% in the fourth quarter of 2022.

However, the industry continues to face challenges such as labour shortages, rising material costs, and delays in project approvals. The Malaysian government has implemented several initiatives to address these challenges, such as streamlining the project approval process and promoting the use of prefabricated construction technologies.

CHAIRMAN'S STATEMENT

(CONT'D)

Taking into account these continued challenges, we remain cautiously optimistic of the recovery prospects of the construction sector in the current financial year ending 2023 ("FY2023"). The near-term earnings trajectory may be held back by margin compressions arising from an inflationary building material cost environment that could potentially persist into FY2023.

HOW DID WE DO IN FY2022?

The Group has recorded a total revenue of RM141.7 million (FY2021: RM166.0 million) and a loss before tax of RM21.80 million (FY2021: profit before tax of RM8.07 million) for FY2022. The Group's revenue was principally derived from the construction and civil engineering segments in the Malaysian market, contributing approximately 99% of total revenue for FY2022. The loss before tax for FY2022 is mainly attributable to lower revenue achieved, lower profitability from on-going projects due to elevated cost of construction materials, higher defects rectification cost incurred, fair value loss on investment in quoted shares and the one-off listing expenses incurred in the first quarter of FY2022.

While the economy has opened up in FY2022, considerable uncertainties remain over the scale and duration of those impacts arising from the COVID-19 pandemic. Nonetheless, we will keep our shareholders and stakeholders informed proactively through announcements with Bursa Malaysia as well as our corporate website. I am proud of our strong and capable management team's relentless efforts in steering SIAB Group over the past financial year. Despite the challenges ahead, we will continue our efforts in keeping our employees engaged and focused, whilst putting safety and health of our people as a key priority.

In support of ethical business practices, the Group adopts a strong stance against all forms of bribery and corruption. The adoption of a group-wide Anti-Bribery and Corruption policy since 23 February 2022 ensures that we have adequate procedures in place to comply with the applicable laws and regulatory requirements in relation to bribery and corruption.



CHAIRMAN'S STATEMENT

(CONT'D)

DIVIDEND

The Board of Directors has not recommended any dividend to be paid for the financial year ended 31 December 2022.

OUTLOOK AND PROSPECTS

Bank Negara Malaysia ("BNM") announced that Malaysia is unlikely to go into a recession in FY2023 as sustained domestic demand and spending are set to continue anchoring growth. BNM reported that the economy could grow by 4% to 5% in FY2023. Consistent with BNM's projections, the Ministry of Finance is also projecting the Malaysian economy to grow by 4.5% in FY2023 despite warnings by the World Bank about the global economy being "perilously close" to falling into recession. All economic sectors are expected to remain in the positive growth trajectory in FY2023, mainly driven by the services and manufacturing sectors. Other sectors, such as agriculture, mining and construction, which remained below pre-pandemic levels in FY2022, are also expected to grow further in line with the improvement in economic activities. In particular, the construction sector is projected to witness stronger growth rates at 6.1%, according to the Ministry of Finance.

Meanwhile, the Ministry of Finance warned that the world economy is projected to further soften in FY2023 at 2.9%. The global economy would be weighed down by persistent pressures such as inflation, tightening global financial conditions and economic deceleration among major economies. Other downside risks including prolonged geopolitical conflict, climate-related disasters and persistently high inflation are expected to further hamper global economic growth, hence, affecting Malaysia's performance.

In our view, the construction industry in Malaysia is expected to continue its recovery from the impact of the COVID-19 pandemic, driven by the government's continued focus on infrastructure development and private sector investments. The Malaysian government has allocated significant funds towards infrastructure projects, such as the Pan Borneo Highway and the Kuala Lumpur-Singapore High-Speed Rail, which are expected to create significant opportunities for the construction sector. The adoption of digital technologies, such as Building Information Modelling and automation, is expected to increase in the industry, as it improves productivity and cost-effectiveness. The government has implemented several initiatives to promote the use of prefabricated construction technologies and streamline the project approval process, which are expected to address labour shortages, rising material costs, and delays in project approvals.

CORPORATE GOVERNANCE

Information pertaining to corporate governance at SIAB is shown in pages 34 to 49.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board of SIAB, I would like to thank our management and staff of the Group for their unwavering loyalty, dedication, commitment and hard work in the execution of the Group's business strategies. I would also like to thank our business associates, investors and all other stakeholders for their continuous belief in and support to the Group.

Looking ahead, it is hoped that improvements will be seen in FY2023, supported by the recovery in external demands and expansion in private sector expenditure. However, the pace of recovery may not be symmetrical across different sectors, with economic activities in certain industries remaining below pre-pandemic levels. We take heed of these macroeconomic variables and remain cautiously optimistic that the Group will continue its growth in the coming financial year, albeit at a slower pace.

I hope this note finds all of you in good stead and excellent health.

Thank you.

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF SIAB HOLDINGS BERHAD

Siab Holdings Berhad (“SIAB”) is an investment holding company listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 28 February 2022. The principal activities of SIAB and its subsidiaries (collectively “the Group” or “SIAB Group”) include the provision of construction services, focusing on high-end commercial and mixed development projects, high-rise grade A office developments, hypermarkets, industrial buildings, institutional buildings (including hospitals), high-rise residential and township development.

SIAB Group is primarily involved in the implementation of construction projects, which includes daily management of all the works required for timely completion of the projects. SIAB Group engages sub-contractors to provide certain services such as supply and installation of construction materials, machinery and equipment, and other specialised trade work such as mechanical and electrical engineering works, piping and plumbing works, external paint works, water proofing works and other related works.

SIAB Group also provides information and communications technology (“ICT”) solutions and services to complement the Group’s principal activities.

To-date, SIAB Group has successfully completed numerous projects with a total value exceeding RM2 billion. On 6 July 2022, SIAB was awarded a contract by SDM Assets I Sdn. Bhd. for a proposed industrial development project with a total contract sum of RM89.57 million. As of 31 December 2022, SIAB Group has an outstanding order book of approximately RM295.75 million.

OBJECTIVES AND STRATEGIES

SIAB’s business objectives are to maintain sustainable growth and to create long term shareholders’ value. To achieve these business objectives, SIAB’s strategic priorities in the next 3 years include:

- (i) establishing SIAB’s own storage facility that will provide additional capacity for storage in line with our future plans of investing and purchasing additional construction related machinery and equipment as well as provide a location to undertake maintenance works for our existing and new construction machinery and equipment that are not in use;
- (ii) investment to support SIAB’s expansion plans:
 - SIAB intends to further expand its building construction activities by participating in tenders for higher value high-rise construction projects and other types of buildings. To enhance SIAB’s capacity and capability to tender for more building construction projects and to cater for future projects, we intend to invest and purchase new construction machinery and equipment to support our expansion plans; and
 - SIAB also intends to expand its presence into the civil engineering segment, focusing on the construction of roads, bridges and highways.
- (iii) enhance SIAB’s design and build services through the hiring of experienced individuals to strengthen SIAB Group’s technical capabilities and the procurement of a Building Information Modelling (“BIM”) software. The application of a BIM software is expected to contribute to more efficient project management.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

FINANCIAL REVIEW

SIAB Group has recorded a total revenue of RM141.74 million (FY2021: RM165.98 million) and a loss before tax of RM21.80 million (FY2021: profit before tax of RM8.07 million) for FY2022. Loss before tax for the current financial year is mainly attributable to lower revenue achieved, margin compressions from on-going projects due to elevated cost of construction materials, higher costs incurred for defect rectifications, fair value loss on investment in quoted shares and one-off listing expenses incurred in the first quarter of FY2022.

SIAB Group's financial performance for FY2022 reflects the challenges and uncertainties faced by the construction industry in Malaysia due to impacts from the COVID-19 pandemic and other market factors. While SIAB Group has experienced a decline in revenue and a loss before tax in FY2022, it is important to note that these challenges are not unique to SIAB Group and are being felt across the industry. It will be important for companies in the construction sector to continue to adapt to the changing market conditions, explore new business opportunities, and prioritise operational efficiency and cost control in order to remain competitive and sustainable in the long term.

SEGMENTAL REVIEW

SIAB Group's revenue was principally derived from the construction and civil engineering segments in the Malaysian market, contributing approximately 99% of total revenue for both FY2022 and FY2021.

SIAB Group is predominantly involved in construction and civil engineering, which is the only reportable segment. The other non-reportable segment comprises operations related to ICT solutions, maintenance services and investment holdings.

CHALLENGES

The construction industry is an essential sector in Malaysia's economy, contributing to the country's infrastructure development and economic growth. In 2020, the construction industry was severely affected by the COVID-19 pandemic, resulting in a contraction of 14.2% in the first quarter of 2021. However, the industry is expected to recover in the upcoming years.

In 2022, the construction industry was experiencing a moderate growth rate, driven by infrastructure projects and private sector investments. According to Department of Statistics Malaysia, construction sector maintained a double-digit growth of 10.1% in the fourth quarter of 2022. The performance in this sector was contributed by positive growth in all sub-sectors, particularly in civil engineering (17.9%) and non-residential buildings (10.7%). However, on a quarter-on-quarter seasonally adjusted, the construction sector decreased 7.3%. Several mega projects, such as the Kuala Lumpur-Singapore High-Speed Rail and the East Coast Rail Link, are in progress, which will create significant opportunities for the construction sector. The industry is also expected to witness a significant shift towards the adoption of digital technologies, such as BIM and automation, to improve productivity and reduce costs.

However, the industry continues to face challenges such as labour shortages, rising material costs, and delays in project approvals. The Malaysian government has implemented several initiatives to address these challenges, such as streamlining the project approval process and promoting the use of prefabricated construction technologies.

Overall, the construction industry in Malaysia is expected to continue its growth trajectory in the upcoming years, driven by infrastructure projects and digitalisation efforts.

PROSPECTS AND INDUSTRY OUTLOOK

Bank Negara Malaysia ("BNM") announced that Malaysia is unlikely to go into a recession in FY2023 as sustained domestic demand and spending are set to continue anchoring growth. BNM reported that the economy could grow by 4% to 5% in FY2023. Consistent with BNM's projections, the Ministry of Finance is also projecting the Malaysian economy to grow by 4.5% in FY2023 despite warnings by the World Bank about the global economy being "perilously close" to falling into recession. All economic sectors are expected to remain in the positive growth trajectory in FY2023, mainly driven by the services and manufacturing sectors. Other sectors, such as agriculture, mining and construction, which remained below pre-pandemic levels as of 2022, are also expected to grow further in line with the improvement in economic activities. In particular, the construction sector is projected to witness stronger growth rates at 6.1%, according to the Ministry of Finance.

Meanwhile, the Ministry of Finance warned that the world economy is projected to further soften in FY2023 at 2.9%. The global economy would be weighed down by persistent pressures such as inflation, tightening global financial conditions and economic deceleration among major economies. Other downside risks including prolonged geopolitical conflict, climate-related disasters and persistently high inflation are expected to further hamper global economic growth, hence, affecting Malaysia's performance.

In our view, the construction industry in Malaysia is expected to continue its recovery from the impact of the COVID-19 pandemic, driven by the government's continued focus on infrastructure development and private sector investments. The Malaysian government has

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

allocated significant funds towards infrastructure projects, such as the Pan Borneo Highway and the Kuala Lumpur-Singapore High-Speed Rail, which are expected to create significant opportunities for the construction sector.

The adoption of digital technologies, such as BIM and automation, is expected to increase in the industry, as it improves productivity and cost-effectiveness. The government has implemented several initiatives to promote the use of prefabricated construction technologies and streamline the project approval process, which are expected to address labour shortages, rising material costs, and delays in project approvals.

The construction industry in Malaysia is also expected to continue its shift towards sustainable and green building practices, driven by government policies and increasing public awareness. The government has introduced several incentives and regulations to promote sustainable construction, such as the Green Building Index and incentives for the installation of solar panels.

Taking into account continued challenges such as labour shortages, rising material costs, and delays in project approvals, we remain cautiously optimistic of the recovery prospects of the construction sector in FY2023. The near-term earnings trajectory may, however, be held back by margin compressions arising from an inflationary building material cost environment that could potentially persist into FY2023.

STATEMENT OF CASH FLOWS

Operating Activities

Net cash used in operating activities for SIAB Group in FY2022 was RM25.47 million (FY2021: RM10.42 million). This is mainly due to cash used for the construction of a new high-rise residential construction project, namely Arunya@KL North.

Investing Activities

There were no major investing activities in FY2022, other than the acquisitions of plant and equipment which are mainly acquisition of machinery and equipment in accordance with the proposed utilisation of initial public offering ("IPO") proceeds.

Financing Activities

Net cash generated from financing activities for SIAB Group in FY2022 was RM44.38 million (FY2021: RM3.03 million). This is mainly contributed by net proceeds received from the issuance of shares arising from the IPO exercise amounting to approximately RM35.6 million (FY2021: Nil) and additional drawdown of loans (net of repayment) in FY2022 amounting to RM16.44 million (FY2021: RM5.16 million).

IDENTIFICATION OF RISKS

Escalating costs of building materials

As an end-to-end construction group, SIAB Group faces the challenge of managing escalating costs of building materials, which consist primarily of steel bars and wire mesh, ready-mixed concrete, sanitary wares, tiles, cement, grout and adhesives, timber and plywood, hollow section and galvanised iron pipes, electrical items, bricks, diesel, and quarry products. The continued escalation in costs of building materials has a direct impact on the cost of doing business which has resulted in a significant hike in construction costs. As part of SIAB Group's risk management plan, various mechanisms have been put in place to manage cost escalations in building materials. There are also adequate project and resource management processes to mitigate this risk. In terms of the supply of building materials, SIAB Group's years of experience in the industry and the broad network of suppliers help mitigate this risk.

Labour shortages

While endemic stage has resulted in a significant increase in construction activities, SIAB Group along with the other industry players continue to experience labour shortages. The weaker Ringgit Malaysia continues to plague the construction industry. Despite the reopening of international borders since April 2022, according to the Construction Industry Development Board ("CIDB"), the construction industry still has an estimated shortage of about 400,000 workers to date. The CIDB is working closely with industry associations and the Human Resources Ministry to facilitate resolving the issue. This risk has been a major impediment to a full recovery of the construction industry as a whole and to some extent, SIAB Group.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

CAPITAL MANAGEMENT

SIAB Group's objectives when managing capital is to maintain a strong capital base and safeguard SIAB Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. SIAB Group also provides continuous financial support to certain subsidiaries. SIAB Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of SIAB Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

SIAB Group manages its capital structure and makes adjustments, in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, SIAB Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The directors monitor capital using a gearing ratio, which is total debt divided by total equity. SIAB Group's policy is to keep the gearing ratio within an acceptable limit.

No significant changes were made to the objectives, policies or processes of SIAB Group in relation to its approach on capital management during the financial year ended 31 December 2022.

DIVIDEND POLICY

SIAB does not currently have any formal dividend policy. The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of the Board and any final dividends for the year are subject to prior written consent from financial institution (where required) in relation to the covenants in our SIAB Group's existing financing agreements and shareholders' approval. It is SIAB's intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including SIAB Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by the Board.

The Board of Directors has not recommended any dividend to be paid for the financial year ended 31 December 2022 (FY2021: Nil).

ACKNOWLEDGEMENT

I would like to take this opportunity to extend my deepest appreciation to our team at SIAB Group for their continuous efforts and commitment all this while, from pre-listing to making its debut to the ACE Market of Bursa Securities on 28 February 2022. As we continue to navigate through these difficult times, I look forward to their continued support and contribution in the growth journey of SIAB Group.

Additionally, I would also like to express my profound gratitude to all our distinguished customers, shareholders, business partners, associates, suppliers and the respective regulatory authorities for their continuous support.

Last but not least, my sincere acknowledgement goes to my fellow board members for their unwavering support and precious advice. I strongly believe that the stewardship of the Board will ensure SIAB Group become even more resilient and emerge stronger.

Ng Wai Hoe
Group Managing Director

SUSTAINABILITY STATEMENT

INTRODUCTION

The Board is pleased to present SIAB Holdings Berhad's Sustainability Statement for the financial year ended 31 December 2022 ("FY2022").

Sustainability forms an integral part of the corporate strategy at SIAB Holdings Berhad ("SIAB") and its subsidiaries ("SIAB Group"). With growth, comes realisation of the significance and impacts of SIAB Group's core businesses present to the economy, environment and society. SIAB aspires to achieve sustainability best practices in its business activities by integrating sustainable practices into its core businesses and aligning them to its core values. SIAB believes in the long-term sustainability of its business operations and in creating value for our key stakeholders.

SCOPE OF DISCLOSURE

The information provided in this Sustainability Statement covers the sustainability efforts in respect of the economy, the environment and our societal contributions. The scope of disclosure is for the period from 1 January 2022 to date of this annual report and applies to the entire SIAB Group. It is worth noting that SIAB was listed on the ACE Market of Bursa Malaysia Securities Berhad on 28 February 2022.

SUSTAINABILITY GOVERNANCE

The Board acknowledges the importance for SIAB Group to adopt and continuously practise good governance throughout SIAB Group's operations to ensure accountability and transparency, as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value as well as the financial performance of SIAB Group. The Board has outlined the applications as set out in the Malaysian Code on Corporate Governance updated and issued by Securities Commission of Malaysia on 28 April 2021 ("MCCG"), with reference to the Corporate Governance Guide (4th edition) ("CG Guide") updated by Bursa Malaysia Berhad ("Bursa Malaysia") in December 2021.

To integrate sustainability, SIAB Group has instituted a clear governance model for sustainability to effectively steer SIAB Group towards achieving its sustainability objectives and reviewing the progress of its future sustainability initiatives. It also ensures that SIAB Group focuses on embedding relevant and material sustainability practices into all the business areas that SIAB Group operates in.

Roles and responsibilities

Board of Directors

- Reviews and approves the sustainability strategy, policies and initiatives as recommended by Key Senior Management and the Sustainability Working Group
- Reviews and approves the Sustainability Statement

Key Senior Management

- Recommends and advises the Board on matters pertaining to sustainability strategy, policies and initiatives
- Reviews material sustainability matters identified by the Sustainability Working Group and makes recommendations to the Board
- Oversees the implementation of sustainability strategies and initiatives approved by the Board
- Reviews and recommends the Sustainability Statement to the Board for approval

Sustainability Working Group

- Identifies material sustainability matters that are relevant to SIAB
- Plans and implements approved sustainability initiatives for SIAB
- Oversees the compilation and preparation of the Sustainability Statement
- Oversees stakeholder engagement including issues, grievances and suggestions raised in managing sustainability matters for SIAB

SUSTAINABILITY STATEMENT

(CONT'D)

STAKEHOLDER ENGAGEMENT

We engaged with our stakeholders actively throughout the fiscal year as part of our sustainability assessment process. Engaging with our stakeholders on various platforms enables us to identify what is truly important to them. This also allows us to develop initiatives that cater to their evolving needs.

Stakeholders	Areas of Concern or Material Sustainability Matters	Engagement Approaches	Frequency
Shareholders/ Investors	<ul style="list-style-type: none"> Sustainable growth Business and financial performance Shareholder value (capital gain and dividend) 	<ul style="list-style-type: none"> General meetings Annual report and audited financial statements Quarterly financial results Bursa announcements Public and media announcements Company website 	<ul style="list-style-type: none"> Annually Quarterly Ongoing
Customers	<ul style="list-style-type: none"> Project quality Timely project delivery Regulatory compliance 	<ul style="list-style-type: none"> Progress report meetings Company website 	<ul style="list-style-type: none"> Monthly Ongoing
Employees	<ul style="list-style-type: none"> Occupational health, safety and well-being Competitive remuneration Career development and training opportunities 	<ul style="list-style-type: none"> Open face-to-face communication Company events Internal communication (emails, dialogues with Group Managing Director) Bi-annual performance appraisals 	<ul style="list-style-type: none"> Bi-annually Ongoing
Board of directors	<ul style="list-style-type: none"> Company direction and strategies Risk management Regulatory compliance 	<ul style="list-style-type: none"> Board meetings and discussions Company events 	<ul style="list-style-type: none"> Annually Quarterly Ongoing
Subcontractors and suppliers	<ul style="list-style-type: none"> Fair and transparent procurement practices Quality work and ethical practices Timely payment and business continuity 	<ul style="list-style-type: none"> Progress report meetings Performance feedback and annual evaluation Company website 	<ul style="list-style-type: none"> Annually Monthly Ongoing
Regulators and authorities	<ul style="list-style-type: none"> Regulatory compliance Occupational safety and health 	<ul style="list-style-type: none"> Site inspections Statutory reporting Compliance audits 	<ul style="list-style-type: none"> Annually Ad-hoc
Community	<ul style="list-style-type: none"> Employment opportunities Health and safety Environment, Social and Governance ("ESG") awareness and initiatives 	<ul style="list-style-type: none"> Corporate Social Responsibility ("CSR") programmes Company website 	<ul style="list-style-type: none"> Annually Ongoing

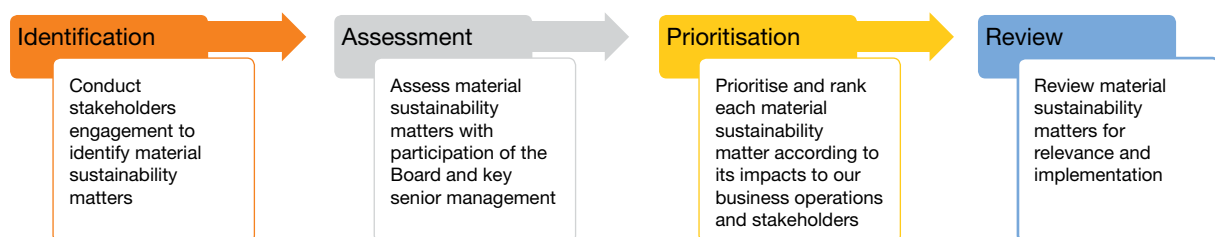
SUSTAINABILITY STATEMENT

(CONT'D)

MATERIALITY ASSESSMENT & PROCESS

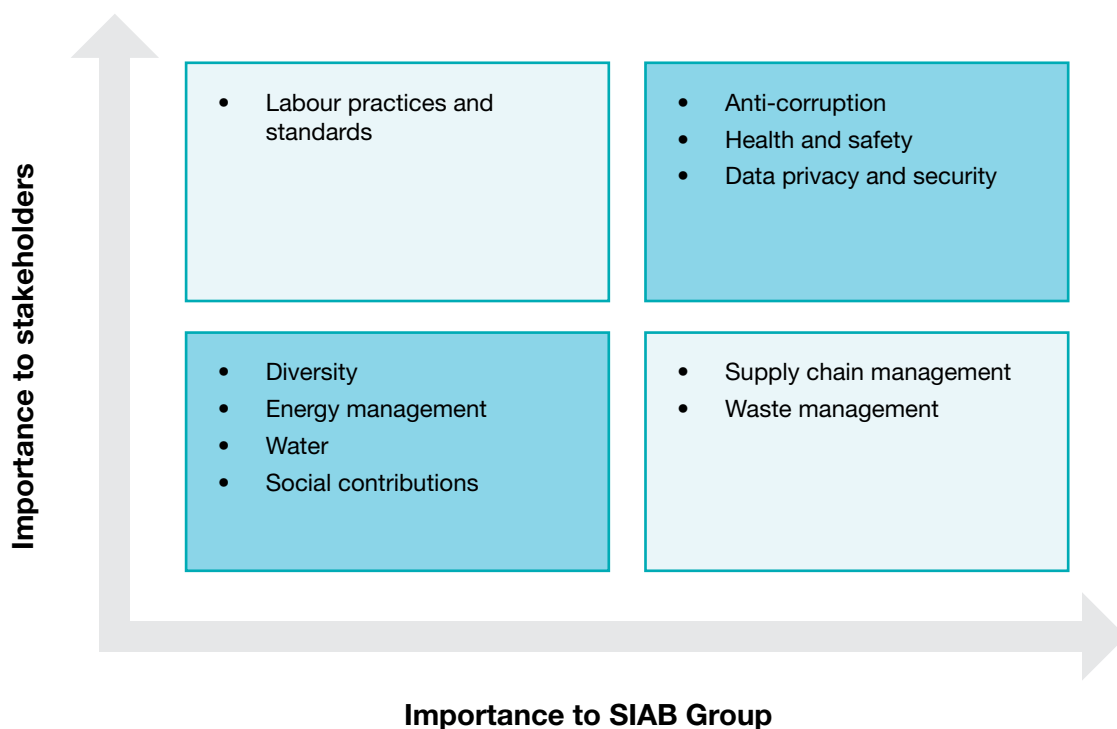
Materiality is a critical input into our corporate sustainability strategy because it ensures we provide our stakeholders with the sustainability information that are most relevant to them and our business. We have identified our material sustainability matters in accordance with the value chain and impact analysis relevant to our construction business and categorised them into three main categories: economic enhancements, environmental impacts and societal contributions.

This year, SIAB Group undertook a materiality assessment to capture the views of our stakeholders on sustainability matters. The materiality assessment also took into consideration any priority shifts that may have taken place over the past two years, given the focus on recovery and moving forward after the COVID-19 pandemic. We prioritised and ranked each material sustainability matter based on their importance to our business operations and stakeholders.



MATERIALITY MATRIX

We have reviewed our material sustainability matters, ensuring continued relevance to industry ESG trends. We aligned our material sustainability matters to Bursa Malaysia's enhanced sustainability reporting framework by incorporating common sustainability matters. Following this review process, 10 material sustainability matters were identified. The results are shown in the materiality matrix below and discussions on how we are addressing these material sustainability matters are summarised in the subsequent pages of this report.



SUSTAINABILITY STATEMENT

(CONT'D)

ECONOMIC ENHANCEMENTS

Supply Chain Management & Procurement Practices

SIAB Group believes in building a sustainable supply chain that ensures continuous and uninterrupted supply of construction materials and machineries in upholding its sustainability efforts. SIAB Group has been progressively implementing measures in the supply chain to encourage suppliers and contractors to conduct business in a responsible and sustainable manner.

SIAB Group operates a procurement function which provides both guidance and direction that underpins an all-encompassing approach towards maximising value creation by reducing supply chain costs, improving transactional processes, maintaining long term relationship with suppliers, complying with laws and regulations and enhancing efficiency, while providing sustainable fit-for-purpose solutions. This approach is embodied throughout SIAB Group's procurement function, which aims to deliver excellence in procurement practices through operational effectiveness, cross-functional collaboration and savings transparency. SIAB Group also sets out minimum requirements for environmental, safety and health in all contracts entered into for all its sub-contractors. All sub-contractors are also required to comply with SIAB's anti-bribery and corruption policy.

Indirect Economic Enhancements

The growth of SIAB Group has contributed to the creation of various job opportunities locally, where some employees have been with the organisation for over 10 years. The key senior management and leadership team of SIAB Group are always seeking avenues towards instilling a culture of well-being, enabling them to grow and prosper within SIAB Group. Employees are also being offered competitive salaries and benefits, along with a conducive, healthy and safe working environment.

ENVIRONMENTAL IMPACTS

As an environmentally-conscious organisation, SIAB's leadership understands the importance of reducing the environmental footprint. As an initiative driven by the key management team, SIAB is ISO 14001:2015 (Environmental Management Systems) certified, recognising the importance of environmental protection for the sustainability of SIAB's core businesses. SIAB is committed to:

- a) encourage continuous improvements in environmental performance by incorporating suitable monitoring mechanisms and improvement targets on aspects which are material to its operations;
- b) integrate the consideration of environmental concerns and impacts into its decision making and activities; and
- c) promote environmental awareness among its employees.

Prior to listing on Bursa Securities on 28 February 2022, SIAB Group has initiated some sustainable measures such as efficient use of resources and proper management of waste generated from the construction activities. Investments made in automation and process engineering over the years have not only resulted in costs reduction but have also minimised wastages of resources used and reduced the production of waste materials.

Energy Consumption

SIAB Group has constantly been looking for ways to ensure its operations are energy efficient. By minimising energy consumption, SIAB Group is able to improve operational costs and reduce its carbon footprint. To minimise energy usage, energy-saving LED lightings are used whenever possible throughout its business operations.

SIAB Group continuously create awareness among its employees on the benefits of being energy efficient by encouraging exemplary behaviours such as reduction of air-conditioning usage during operational hours to reduce carbon emission. All employees are well informed and are made accountable in combining efforts to save energy in their daily routine activities, such as effective control on electricity usage during office hours. For instance, the administration personnel will ensure all lights & air-conditioning are switched off at all times when they are not in use. SIAB Group has also entered into a contract to install solar panels in an effort to promote energy savings.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL IMPACTS (CONT'D)

Waste Management

In order to minimise environmental impacts, SIAB Group acknowledges its responsibility in ensuring that disposal of waste is done in a proper manner, and in accordance with the relevant laws and regulations such as the Environmental Quality Act, 1974. Our waste commitment includes reducing waste generation at source and handling any waste that we produce responsibly by adopting the 3R principles – reduce, reuse and recycle waste materials including waste paper, plastic and glass materials. Non-contaminated used materials such as papers, paper cartons and cardboard boxes are re-used, where possible, or sent to recycling centres.

SIAB has also established and implemented construction waste management in terms of generation, storage, collection, treatment and re-use of recyclables prior sending to authorised landfills

Environmental Training – Chemical Handling & Spillage Control Training



Workers are being exposed to different types of chemicals.



Two workers were chosen to carry out spillage control demonstration. Water is used as substitute to chemicals and poured on the ground to imitate chemical spillage

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL IMPACTS (CONT'D)

Waste Management (Cont'd)



Sand was used as absorbent to absorb the spillage on the ground. Sand was poured on to the entire area of the spillage to ensure all liquids were being absorbed.



The sand was then scooped into a bucket. The contents of the bucket were finally removed into a specified container and treated as scheduled wastes.



Waste storage areas

SUSTAINABILITY STATEMENT

(CONT'D)

ENVIRONMENTAL IMPACTS (CONT'D)

Water Consumption

Our construction sites are located in areas that are not stressed for water and experience above average rainfall. As such, no significant water related risks were recorded in FYE2022 and we had no issues sourcing water for operational use. Nevertheless, we continue to pay close attention to water resource management and aim to optimise our water usage.

SOCIAL CONTRIBUTIONS

SIAB Group is guided by the fundamental principles in the Human Rights Commission of Malaysia (Suhakam and Suruhanjaya Hak Asasi Malaysia) and is committed to good workplace practices such as non-discrimination, fair employment conditions, health and safety, workplace security, no child or forced labour and human trafficking, no sexual harassment, grievance handling, community rights, data privacy or data protection, etc. SIAB Group has also implemented separate policies on whistle blowing and diversity.

SIAB Group expects all its employees at all levels to conduct themselves responsibly, honestly and with integrity in carrying out their duties and responsibilities, and to comply with SIAB Group's policies, procedures and applicable laws and regulations. SIAB Group has a Code of Conduct and Ethics for Directors ("CCED"), which is available on the Company's website at <http://www.siabmy.com>. For employees, a Code of Conduct and Discipline for Employees has been set out in the employees' handbook to maintain a uniform set of values and ethics within the organisation.

Workplace Diversity & Inclusion

SIAB Group believes that discrimination prevents people from living up to their full potential, creates inequality as well as less stable and prosperous societies. Talent is diverse by nature and SIAB Group aims to build a diverse workforce that begins with offering equal opportunities and career perspectives to both men and women, regardless of race and nationality.

SIAB Group is well represented by all races and age groups with men outnumbering women. SIAB Group strives to increase the number of women in all positions especially in management roles over the longer term. The leadership of SIAB Group encourages all its employees to perform at the best of their abilities by motivating, connecting and valuing their contributions.

As a tradition, annual dinners are organised and held every year to reward and foster better relationships among all employees. To strengthen the spirit among people with different beliefs and culture, SIAB Group continues to celebrate major festivals such as Chinese New Year and Hari Raya, among others, with all employees to ensure a conducive working environment for all employees.



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL CONTRIBUTIONS (CONT'D)

Occupational Safety & Health

Upholding safety and health is one of SIAB Group's priorities and primary responsibility as a responsible organisation. SIAB Group aims to establish a "Safety First" culture and plans to enhance training, coaching, and recognition mechanisms in order to continuously encourage a culture of safety across the organisation. Various activities focusing on safety and health are being planned by the key senior management of SIAB Group to promote a healthy and positive work environment for all its employees.

Safety, Health & Environment Slogans

Safety, Health and Environment Conscious is our Pride



Working at height - column erection mockup



Fire drill and fire handling training

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL CONTRIBUTIONS (CONT'D)

Occupational Safety & Health (Cont'd)



Forklift maintenance training

Essential training programmes and initiatives carried out during FY2022 in relation to occupational safety and health awareness for employees include:

- Working at height training
- Fire drill and handling training
- Forklift maintenance training

As for health benefits for employees, SIAB Group provides medical coverage and insurance benefits. SIAB Group also constantly reviews its policies and management systems on Occupational Safety & Health and to ascertain they are adequate, effective, appropriate for the organisation. SIAB Group is committed to embed occupational safety and health as a culture and behaviour in the daily work of all employees. SIAB Group also plans to provide continuous training and professional development to its employees in order to cultivate talents from within the organisation to sustain growth in the future.

Contribution to the Underprivileged

SIAB Group is aware of its role in society. Employees of SIAB Group are encouraged to volunteer for community projects. During the financial year, SIAB Group has made a contribution to Persatuan Insan Istimewa Cheras as part of an initiative to help the underprivileged.



SUSTAINABILITY STATEMENT

(CONT'D)

SOCIAL CONTRIBUTIONS (CONT'D)

Data Privacy Protection and Cyber Security Measures

SIAB Group is mindful of the consequences of potential data breach or data loss that may bring about adverse impacts on its customers and business activities, and its corporate reputation. Hence, SIAB Group has implemented stringent personal data protection and security measures as part of enhancing the internal controls of SIAB Group. SIAB Group adheres to the Malaysian Personal Data Protection Act, 2010, to ensure all personal data are properly managed during its collection, storage and usage. All employees are also made aware of their respective roles in safeguarding employees' and customers' information, as well as the consequential penalties in the event of a data breach. This is done by communicating the rules and regulations relating to data protection through the signing of a compliance form by all employees. In addition, a confidentiality clause has also been incorporated in all employment contracts.

SIAB Group has also installed anti-virus software and firewalls to minimise any cyber-attacks where applicable. No complaints were received concerning any breach of customer privacy and loss of customer data in FY2022.

Compliance

An effective governance structure and risk management system forms the backbone of SIAB Group's business operations. Risk assessments are conducted on an annual basis to identify and mitigate significant risks that are affecting our business operations.

SIAB Group ensures adherence to all relevant laws and regulations to maintain SIAB's license to operate. Legislations we adhere to include, but are not limited to:

- Capital Markets and Services Act, 2007;
- Companies Act, 2016;
- Personal Data Protection Act, 2010;
- Employment Act, 1955;
- Environmental Quality Act, 1974; and
- Occupational Safety and Health Act, 1994.

In terms of ethics and integrity, SIAB Group remains steadfast in conducting its business with integrity and the highest standards of ethical conduct. This shapes a culture of responsibility among employees at all levels, which helps uphold our corporate reputation and maintain our brand positioning to further build our thriving business. SIAB Group has also implemented policies and mechanisms to safeguard compliance across the organisation.

SIAB Group's CCED, which has been approved by the board on 23 February 2022, lays down SIAB Group's expectations of directors, providing the fundamental guiding principles and standards applicable to the directors where such principles and standards are founded on high standards of professional and ethical practices. In addition to the CCED, SIAB Group has a number of policies in place that are aimed at strengthening business conduct and practices, such as the whistle blowing and the anti-bribery and corruption policies.

Whistle Blowing Policy

SIAB's Whistle Blowing policy provides a clear reporting channel for all employees and members of the public to disclose any improper conduct or any action that is harmful to the reputation of SIAB Group and/or compromise the interest of stakeholders. Any concerns about malpractices can be escalated in writing through SIAB's corporate website at <http://www.siabmy.com>. All reports are treated with high confidentiality and whistle blowers making the allegation will remain anonymous. No whistle blowing cases have been reported in FY2022.

Anti-Bribery and Corruption Policy

SIAB Group adopts a strong stance against all forms of bribery and corruption throughout our value chain. To further enforce our commitment towards zero bribery and corruption across the organisation, the Anti-Bribery and Corruption Policy has been adopted effective 23 February 2022, setting out the relevant measures to prevent any form of bribery and corruption throughout the organisation. Such concerns will be escalated to the Audit & Risk Management Committee, where the report will be investigated.

SUSTAINABILITY STATEMENT

(CONT'D)

CONCLUSION

With the various initiatives carried out in FY2022 and planned for the coming financial year ending 31 December 2023, SIAB Group is working towards striking a sustainable balance between its commitments to customers and also other stakeholders in the economic environment, while maintaining continuous growth and creating a mutually beneficial relationship with suppliers. SIAB Group is also taking conscious efforts to create and sustain employment opportunities for our local communities, empower our own employees through various career development initiatives and promote a conducive, healthy and safe working environment throughout the organisation.

In the year ahead, SIAB Group will continue to work on incorporating the requirements and recommendations as set out in the Sustainability Reporting Guide issued by Bursa Malaysia, CG Guide and MCCG, as well as the enhanced sustainability reporting requirements of ACE Market Listing Requirements announced by Bursa Malaysia in September 2022.

This Statement is made in accordance with a resolution of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO RULE 15.25 OF THE ACE MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

INTRODUCTION

The Board of Directors (“the Board”) of Siab Holdings Berhad (“SIAB” or “the Company”) and its subsidiaries (“SIAB Group”) firmly believes that commitment to good business ethics and corporate governance (“CG”) is essential to maintain long term sustainability of SIAB Group’s business and performance. The Board embraces good corporate governance and supports the principles and the recommended practices provided in the Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission (“SC”) on 28 April 2021.

In preparing this Corporate Governance Overview Statement (“CG Overview Statement”), the Company is guided by:

- Guidance Note 11 of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”);
- Corporate Governance Guide (4th edition) issued by Bursa Malaysia Berhad;
- MCCG; and
- the Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by SC on 30 July 2020 (revised on 12 April 2021).

This CG Overview Statement is supplemented with a Corporate Governance Report (“CG Report”), based on a prescribed format as outlined in Rule 15.25(2) of the ACE LR so as to map the application of the Company’s CG practices against the MCCG. The detailed application by SIAB Group for each corporate governance practice during the financial year ended 31 December 2022 is reported separately in the CG Report, which is available on the Company’s website at www.siabmy.com.

With that, the Board is pleased to present the CG Overview Statement for the financial year ended 31 December 2022, outlining the manner and extent to which SIAB Group has adopted and applied the relevant principles and recommended practices as set out above.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1) Board roles and responsibilities

The Board is mindful of its responsibilities in leading and determining the strategic direction and overseeing the overall management of SIAB Group. It aims to provide an effective oversight of the conduct of SIAB Group’s businesses, while ensuring that appropriate risk management and internal control systems are in place as well as regularly reviewing such systems to ensure their adequacy, integrity and effectiveness. The Board takes into consideration the interests of all stakeholders in their decision-making so as to ensure SIAB Group’s objective of creating long-term shareholder value is met.

The Board is guided by a Board Charter. Pursuant to ACE LR of Bursa Securities and MCCG, the Board has on 26 June 2021 approved the Board Charter and noted that the Board Charter is in line with both MCCG and ACE LR of Bursa Securities. The Board Charter sets out the Board’s strategic intent and outlines the roles and responsibilities of the Board and its committees, individual directors and the Chairman as well as the respective meetings’ requirements. The Board Charter is subject to review as and when necessary and it is available on the Company’s website at www.siabmy.com.

To assist the Board in discharging its oversight function, the Board has delegated specific responsibilities to the following board committees:

- Audit and Risk Management Committee (“ARMC”)
- Nomination Committee (“NC”)
- Remuneration Committee (“RC”)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

1) Board roles and responsibilities (cont'd)

The Board decided that the Executive Directors and key senior management team would assume the risk management function and reports directly to the ARMC, which has an oversight role for risk management governance. The Board has also reviewed and approved the respective Terms of Reference ("TOR") of the ARMC, NC and RC to be aligned with the requirements of the applicable practices and guidance of the MCCG. The TORs are subject to review as and when necessary and are available on the Company's website at www.siabmy.com.

Each board committee operates its functions within its respective TORs approved by the Board. The Chairman of the respective board committees reports to the Board on matters deliberated and recommendations made by the respective board committees.

2) Separation of functions between the Chairman and the Group Managing Director

The Board Charter has established clear roles and responsibilities of the Board in discharging its fiduciary and leadership functions. The roles of the Chairman and the Group Managing Director ("MD") are distinct and separated to engender accountability, such that no one individual has unfettered powers of decision-making. The segregation of roles also facilitates a healthy open, exchange of views between the Board and management in their deliberation of the business, strategic aims and key activities of the SIAB Group.

The Chairman's role is currently held by Tan Sri Dato' Sri Mohamad Fuzi Bin Harun, whilst Mr. Ng Wai Hoe is the MD of the Company.

The Chairman is primarily responsible for ensuring the effective functioning of the Board and leading the Board in its collective oversight of management by focusing on strategy, governance and compliance. The Chairman also ensures all executive and non-executive directors have unrestricted and timely access to all relevant information necessary for informed decision-making. The Chairman encourages active participation and deliberation by board members in the board meetings, to tap the wisdom of all board members and promotes consensus building.

The MD was appointed by the Board and is responsible for the day-to-day management of SIAB Group's operations and business as well as implementation of business plans and strategies, policies and decisions approved by the Board. The MD is supported by the Executive Directors, key senior management team and other committees which are tasked to oversee key operating areas. The MD develops and implements the strategic goals of SIAB Group as well as assesses any potential business opportunities.

The Executive Directors and key senior management team, led by the MD, are accountable for the conduct and performance of the business within the agreed business strategies. The MD is involved in leading and overseeing the day-to-day operations and management within his assigned responsibilities. The MD represents SIAB Group at the highest level and is a decision maker on matters within his scope of authority.

3) Board meetings

The Board meets on a quarterly basis with additional meetings being convened as and when necessary to consider urgent proposals or matters that require the Board's consideration. Off-site board meetings to discuss specific topics will be arranged, when necessary, to facilitate more time for discussion and view sharing. On 1 April 2022, Malaysia transitioned to the endemic phase of COVID-19, where all restrictions on business operating hours have been removed. Nevertheless, with the availability of various virtual meeting platforms, the Board continued with the planned meetings on a virtual basis and engaged effectively during those meetings. Web and teleconferencing were the main tools used to conduct the meetings throughout the year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

3) Board meetings (cont'd)

A full year corporate calendar, which sets out the dates for meetings of the Board, board committees and the Annual General Meeting ("AGM") as well as the closed period to restrict dealings in the Company's securities by the directors, is prepared and circulated to the directors before the start of each calendar year to allow the directors to plan ahead to attend such meetings. During those meetings, the Board deliberate and consider matters relating to SIAB Group's financial performance, significant investments, corporate developments, strategic issues and business plan. The Company Secretaries are responsible for ensuring all proceedings of the Board and board committees are recorded and draft minutes are circulated to the Directors for confirmation prior to being approved.

Throughout the financial year ended 31 December 2022, the Board had six Board meetings and the attendance of each director at those meetings is as follows:

Name of Director	No. of meetings attended*
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	6/6
Ng Wai Hoe	6/6
Lim Mei Hwee	6/6
Tan Sok Moi	6/6
Datuk Lim Tong Lee	6/6
Dato' Sri Shahril Bin Mokhtar	5/6
Andrea Huong Jia Mei	5/6

* all board meetings were held virtually.

Directors' commitment, resources and time allocated to the Company are evident from the attendance records.

At the board meeting held prior to SIAB's listing on the ACE Market of Bursa Securities on 28 February 2022, the Board reviewed and approved the Board Charter, establishment of board committees, TORs for the respective board committees. The key senior management team was also invited to attend the board meeting to explain and clarify on some of the matters being tabled in this meeting.

Directors were encouraged to participate in the meeting and to share their views. They were also encouraged to pose queries (if any) to management prior to each board Meeting. Any director who has a direct or deemed interest in the subject matter shall declare his or her interest at the meeting and abstain from deliberation and voting on the respective resolution. Decisions of the Board were made by consensus.

In fostering the commitment of the Board that the directors devote sufficient time to carry out their responsibilities, the directors are required to notify the Chairman before accepting any new directorship and such notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. Currently, all directors of the Company do not hold more than five directorships in any publicly listed issuer, which is in compliance with Rule 15.06 of the ACE LR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

4) Access to Information

All directors have unrestricted direct access to and interaction with the key senior management team, in which they may have informal meetings with the key senior management team to brief them on matters or major developments concerning SIAB Group's operations. The directors also have unrestricted access to the advice and services of the Company Secretaries. Directors may interact directly with, or request further explanation, information or updates on statutory and regulatory requirements from the Company Secretaries.

In addition to administrative matters, the Company Secretaries also advise the Board on corporate governance matters, corporate disclosures and ensure adherence to the relevant statutory and regulatory requirements. The Company Secretaries are qualified Chartered Secretaries and members of The Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries will facilitate the convening of all board and board committee meetings as well as the processes pertaining to the Company's forthcoming second Annual General Meeting ("AGM"). The Company Secretaries will also attend and record minutes of all board and board committees' meetings as well as the AGM. The Company Secretaries had and will continuously undertake professional development. The details of the role and responsibilities of the Company Secretaries are disclosed in the CG Report.

Subject to the approval of the Board, the directors, whether as a full board or board committees or in their individual capacity, may seek and obtain independent professional advice at SIAB Group's expense in the course of discharging their duties. Appropriate procedures are in place to facilitate the directors' access to such advice.

The Board recognises the importance of providing timely, relevant and up-to-date information in ensuring an effective decision-making process by the Board. In this regard, the Board is provided with not only quantitative information but also those of a qualitative nature which is pertinent to enable the Board in discharging its duties effectively.

Prior to scheduled board and/or board committees' meetings, the directors will be provided with a structured agenda, management reports and board papers at least five business days prior to the meeting. In order for meetings to be more effective, the meeting agenda is organised by taking into consideration the complexity of the proposals or matters to be deliberated. An indication will also be provided to guide the board and board committees as to whether the matters are for approval, discussion or for notation purpose in order for the meetings to be conducted efficiently.

Where necessary, members of the key senior management team will be invited to attend such board and/or board committees' meetings to report and update on areas of business within their responsibilities to provide board members insights of the business and to clarify any issues raised by the directors in relation to SIAB Group's operations. Directors are encouraged to share their views and insights in the course of deliberation and partake in discussions.

All discussed issues, decisions and conclusions including dissenting views made and whether any Director is abstained from voting or deliberating on a particular matter at such board and/or board committees' meetings as well as required actions to be taken by responsible parties will be minuted by the Company Secretaries. The minutes will be signed by the Chairman of the Board or board committees as a correct record of the proceedings of such meetings based on the confirmation from all the board members or board committee members. Decisions made and policies approved by the Board will be communicated to the relevant key senior management team for action after the meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

5) Directors' training

The Board recognises the importance of continuing professional development for its directors to ensure that they are equipped with the necessary skills and knowledge to assist them in discharging their duties as directors.

For the financial year ended 31 December 2022, the directors have attended the following seminars and/or training programmes:

Director	Seminars and/or training programmes	Dates
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	<ul style="list-style-type: none"> Malaysian Investor Relations Association ("MIRA"): Investor Relations On-Boarding 	12 May 2022
	<ul style="list-style-type: none"> Tricor: Guideline on Conduct of Directors of Listed Corporations and Their Subsidiaries, Issued by SC, Analysis of Corporate Governance Monitor 2019 & 2020 and Malaysian Code on Corporate Governance (Revised) 	20 July 2022
Ng Wai Hoe	<ul style="list-style-type: none"> MIRA: Key to Effective Shareholders Engagement via Annual General Meeting 	24 March 2022
	<ul style="list-style-type: none"> MIRA: Investor Relations On-Boarding 	12 May 2022
	<ul style="list-style-type: none"> TRICOR: Guideline on Conduct of Directors of Listed Corporations and Their Subsidiaries, Issued by SC, Analysis of Corporate Governance Monitor 2019 & 2020 and Malaysian Code on Corporate Governance (Revised) 	20 July 2022
Lim Mei Hwee	<ul style="list-style-type: none"> MIRA: Key to Effective Shareholders Engagement via Annual General Meeting 	24 March 2022
	<ul style="list-style-type: none"> MIRA: Investor Relations On-Boarding 	12 May 2022
	<ul style="list-style-type: none"> TRICOR: Guideline on Conduct of Directors of Listed Corporations and Their Subsidiaries, Issued by SC, Analysis of Corporate Governance Monitor 2019 & 2020 and Malaysian Code on Corporate Governance (Revised) 	20 July 2022
	<ul style="list-style-type: none"> Webinar programme on What Happens After Covid Act 829 Expires 	25 October 2022
Tan Sok Moi	<ul style="list-style-type: none"> MIRA: Key to Effective Shareholders Engagement via Annual General Meeting 	24 March 2022
	<ul style="list-style-type: none"> MIRA: Investor Relations On-Boarding 	12 May 2022
	<ul style="list-style-type: none"> TRICOR: Guideline on Conduct of Directors of Listed Corporations and Their Subsidiaries, Issued by SC, Analysis of Corporate Governance Monitor 2019 & 2020 and Malaysian Code on Corporate Governance (Revised) 	20 July 2022
	<ul style="list-style-type: none"> Webinar programme on What Happens After Covid Act 829 Expires 	25 October 2022
Dato' Sri Shahril Bin Mokhtar	<ul style="list-style-type: none"> MIRA: Investor Relations On-Boarding 	12 May 2022
	<ul style="list-style-type: none"> TRICOR: Guideline on Conduct of Directors of Listed Corporations and Their Subsidiaries, Issued by SC, Analysis of Corporate Governance Monitor 2019 & 2020 and Malaysian Code on Corporate Governance (Revised) 	20 July 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

5) Directors' training (cont'd)

For the financial year ended 31 December 2022, the directors have attended the following seminars and/or training programmes: (cont'd)

Director	Seminars and/or training programmes	Dates
Datuk Lim Tong Lee	• MIRA: Investor Relations On-Boarding	12 May 2022
	• TRICOR: Guideline on Conduct of Directors of Listed Corporations and Their Subsidiaries, Issued by SC, Analysis of Corporate Governance Monitor 2019 & 2020 and Malaysian Code on Corporate Governance (Revised)	20 July 2022
Andrea Huang Jia Mei	• MIRA: Investor Relations On-Boarding	12 May 2022
	• TRICOR: Guideline on Conduct of Directors of Listed Corporations and Their Subsidiaries, Issued by SC, Analysis of Corporate Governance Monitor 2019 & 2020 and Malaysian Code on Corporate Governance (Revised)	20 July 2022

The Board has also been regularly updated and advised by the Company Secretaries along with other independent professionals on regulatory changes and matters on governance, to enable the directors to discharge their responsibilities effectively. The directors are mindful of the need to continuously enhance their skills and knowledge in order to assist them in discharging their duties as directors. The Board will, on a continuous basis, evaluate and determine the training needs of the directors.

6) Code of Conduct and Ethics for Directors

The Board has established and adopted a Code of Conduct and Ethics for directors ("CCED") and a separate Code of Conduct and Discipline for employees. The CCED, as incorporated in the Board Charter, has been formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors.

The CCED is to be observed by all directors of SIAB Group, and the core areas of conducts are disclosed in the CG Report. This CCED shall be reviewed by the Board every three years or as required when internal or external events warrant a more frequent review to be undertaken.

The CCED for Directors has been approved and adopted by the Board on 23 February 2022. The CCED is also published on the Company's website at www.siabmy.com.

7) Board Composition

The Board currently has seven members, comprising the Group Managing Director, two Executive Directors and four Independent Non-Executive Directors. Hence, the Company fulfilled the prescribed requirements for one-third of the membership of the Board to be independent members pursuant to the ACE LR. The current composition also fulfills MCGG's recommendation of having at least half of the board comprising independent directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**8) Board Diversity**

The Board acknowledges the importance of boardroom diversity in terms of age, gender and ethnicity as well as recognises the benefits of such diversity. The Board also recognises that having board members with a range of different backgrounds, skills, experience and diversity is essential to ensure diverse range of viewpoints, to facilitate optimal and effective decision making and governance. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria of a director, based on an effective blend of competencies, skills, extensive experience to strengthen the Board, should remain a priority.

The Company has adopted boardroom diversity in the Board Charter, which is made available at the Company's website at www.siabmy.com.

The Board is well-balanced with an effective mix of executive directors and independent non-executive directors, which is in line with MCGG and is of the appropriate size with the right mix of skills and experience. This balance enables the Board to provide clear and effective leadership to SIAB Group and to bring informed and independent judgement on many aspects of SIAB Group's strategies and performances. It also ensures that the highest standards of professionalism, conduct, transparency and integrity are maintained within SIAB Group.

The MD, who has deep knowledge of the business, is responsible for developing and implementing strategic business direction, plans and policies for SIAB Group. He ensures the efficiency and effectiveness of SIAB Group's operations as well as supervises the respective head of divisions and departments, who are responsible for all functions, contributing to the success of SIAB Group. He also oversees the day-to-day management of SIAB Group within the powers, discretions and delegations authorised by the Board from time to time.

The independent directors play a pivotal role in corporate accountability. None of the independent directors participate in the day-to-day management of SIAB Group. The Board recognises the presence of independent directors as essential in providing unbiased and independent opinions, advice and judgements to ensure that the interests, not only of SIAB Group, but also of shareholders, stakeholders, employees, customers, suppliers and other communities in which SIAB Group conducts its business, are well represented and taken into account.

The Board, through the NC, will assess the independence of the independent directors annually based on the criteria set out in the ACE LR. The NC also ensures that the composition of the board is refreshed periodically. The tenure of each director is reviewed by the NC and annual re-election of a director is contingent upon satisfactory evaluation of the director's performance and contribution to the Board.

Considering the recommendations made in the MCGG on the tenure of an independent director not exceeding a cumulative term of nine years and that the Company was listed on the ACE Market of Bursa Securities on 28 February 2022, none of the independent director's tenure has exceeded a cumulative term of nine years.

In order to uphold the independence of independent directors, the Board has adopted the following policies:

- subject to the Board justification and shareholders' approval, the tenure of independent directors should not exceed a cumulative nine years;
- an annual assessment of independence of its independent directors focusing on the events that would affect the ability of independent directors to continue bringing independent and objective judgement to board deliberation and the regulatory definition of independent directors; and
- the independent directors must declare themselves to be independent from management and free of any business or other relationship which could interfere with the exercise of their independent judgement and objective participation and decision-making process of the Board.

The Board did not nominate a senior independent non-executive director to whom queries or concern regarding the Group may be conveyed. The Board is of the view that all independent directors of the Company are always within reach of the shareholders and issues are discussed openly at meetings, thus shareholders may approach any of the independent directors of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

9) Board Effectiveness Assessment

The effectiveness of the Board is vital to the success of SIAB Group. As such, the Board, through its NC, conducts a rigorous evaluation process to assess the performance of the Board, Board Committees and each individual board member on an annual basis. Since the Company's listing on the ACE Market of Bursa Securities on 28 February 2022, the Board decided that the first board effectiveness assessment for FY2022 be conducted by an independent firm of consultants. The Board is also committed to have the board effectiveness assessment performed by external consultants once every three years.

The board effectiveness assessment for FY2022 was conducted by Tricor Corporate Service Sdn Bhd through circulation of assessment questionnaire and forms to evaluate the effectiveness of the Board, Board Committees and the performance, personality and quality aspects of individual directors as well as independence of all independent non-executive directors.

The assessment comprised of evaluation of the Board as a whole, board committees and directors, based on the main areas relating to board mix and composition, quality of information and decision making, boardroom activities, relationship of the Board with management, Environmental, Social and Governance (ESG) issues, as well as performance evaluation of the board committees. For individual directors' self/peer evaluations, the assessment criteria include fit and proper, contribution and performance, as well as caliber and personality.

The overall results of the board effectiveness assessment conducted for FY2022 were positive with all evaluated areas rated as either "average" or "above average", reflecting strong performance by the Board, board committees, individual directors and members of the board committees. It was satisfied that they had been effective in their discharge of functions, roles and duties and had also met the performance criteria in the relevant areas of assessments.

Nevertheless, the Board has identified certain key areas, particularly related to succession planning and ESG, for further enhancement in the future.

10) Appointment and re-election of board members

The Board appoints its members through a formal process that is consistent with the Company's Constitution. The NC has been entrusted with the responsibilities for proposing and recommending the right candidates to the Board for appointment. In addition, the NC also has the function of assessing the effectiveness of the Board, reviewing the skills, professionalism, integrity and competencies of individual directors and the composition of the various board committees. On 30 May 2022, the Board has adopted the Directors' Fit and Proper Policy which forms the basis and yardstick for the Nomination Committee and the Board in the fit and proper assessment prior to the appointment of any candidate as a Director or making recommendation for the re-election of an existing Director.

The process for the appointment of a board member is summarized, as follows:

- identification of a candidate upon the recommendation by the existing board members, key senior management team, shareholders and/or other consultants;
- the NC to consider, inter-alia, the competency, experience, commitment, contribution and integrity of the candidates, and in the case of candidates proposed for appointment as independent directors, the candidate's independence, in evaluating the suitability of the candidates;
- recommendation of candidates to be made by the NC to the Board, as well as recommendation for appointment as a member of the various board committees, where necessary; and
- decision to be made by the Board on the proposed new appointment, including appointment to the various board committees.

At the forthcoming second AGM of the Company, two directors shall retire from office at the conclusion of the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

10) Appointment and re-election of board members (cont'd)

The Constitution also requires all directors including the MD, to retire from office at least once in each three (3) years and one-third (1/3) of the Directors are subject to retirement by rotation and are eligible for re-election at every AGM. The NC will assess the performance of all directors particularly the directors who were standing for re-election at the forthcoming second AGM. The NC will also consider the current composition of the Board and the tenure of each director on the Board. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of SIAB.

11) Board Committees

The Board, in view of assisting the discharge of its stewardship role, has established board committees namely the ARMC, NC and RC, which comprise solely independent non-executive directors. These board committees were delegated with certain responsibilities as well as the authority to examine specific issues and operate within their respective TORs as approved by the Board, and to report to the Board with their proceedings, deliberations and recommendations. The ultimate responsibility for decision making, however, lies with the Board.

The board committees for the financial year ended 31 December 2022 are as follows:

(a) Audit & Risk Management Committee

The ARMC comprises three members, all of whom are independent non-executive directors.

The composition, attendance for meetings and work of activities of the ARMC are set out in the ARMC Report on pages 50 to 54 of this annual report. The ARMC's TOR is published on the Company's website at www.siabmy.com.

(b) Nomination Committee

The NC comprises three members, all of whom are independent non-executive directors.

The composition, attendance for meetings and work of activities of the NC are set out in the NC Report on pages 55 to 57 of this annual report. The NC's TOR is published on the Company's website at www.siabmy.com.

(c) Remuneration Committee

The RC is responsible for carrying out annual reviews where recommendations are submitted to the board on the overall remuneration policy for directors and key senior management team, to ensure that the remuneration policy remains in support of its corporate objectives and shareholder value and is in tandem with its culture and strategy. The roles and responsibilities of the RC are set out in the RC's TOR, which is published on the Company's website at www.siabmy.com.

The RC believes in a remuneration policy that fairly supports the director's responsibilities and fiduciary duties in steering SIAB Group to achieve its long-term goals and enhance shareholders' value. The main objective in this respect is to offer a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

The RC comprises three members, all of whom are independent non-executive directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

11) Board Committees (cont'd)

The board committees for the financial year ended 31 December 2022 are as follows: (cont'd)

(c) Remuneration Committee (cont'd)

The composition of the RC is as follows:

- i) Andrea Huong Jia Mei (Independent Non-Executive Director) – Chairwoman
- ii) Datuk Lim Tong Lee (Independent Non-Executive Director) – Member
- iii) Dato' Sri Shahril Bin Mokhtar (Independent Non-Executive Director) – Member

The RC meeting is held as and when required, but at least once a year. For the financial year ended 31 December 2022, the RC met once and all recommendations of the RC had been approved by the Board.

12) Directors' remuneration

The Board is mindful that fair remuneration is critical to attract, retain and motivate the directors of SIAB Group as well as directors serving as members of the board committees. The Board has thus established formal and transparent remuneration policies and procedures for the Board and board committees.

The remuneration of executive directors consists of basic salary, statutory contributions, allowance, bonus and other benefits. Any salary review takes into account market rates and the performance of both the individual and SIAB Group.

The remuneration of non-executive directors comprises fees that reflect their expected roles and responsibilities, including any additional work and contributions required.

The Company will seek shareholders' approval at the forthcoming second AGM for directors' fees and benefits payable to the directors for the financial year ending 31 December 2023 until the conclusion of the next AGM of the Company in 2024. This is to facilitate the payment of the directors' fees and benefits on a monthly basis and/or as and when incurred and shall be applicable to the subsequent financial year thereon.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

12) Directors' remuneration (cont'd)

Details of directors' remuneration of the Company (including the MD) who served during the financial year ended 31 December 2022 are as follows :

Name of director	Ringgit Malaysia (RM)						
	Allowances	Fees	Salaries	Bonuses*	Other emoluments	Directors' benefits	Total
Group Managing Director							
Ng Wai Hoe	120,000	–	540,000	90,000	143,502	985	894,487
Executive Directors							
Lim Mei Hwee	120,000	–	480,000	80,000	130,202	985	811,187
Tan Sok Moi	120,000	–	420,000	70,000	116,902	984	727,886
Independent Non-Executive Chairman / Directors							
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	–	120,000	–	–	–	984	120,984
Dato' Sri Shahril Bin Mokhtar	–	48,000	–	–	–	984	48,984
Datuk Lim Tong Lee	–	48,000	–	–	–	984	48,984
Andrea Huong Jia Mei	–	48,000	–	–	–	984	48,984
Total	360,000	264,000	1,440,000	240,000	390,606	6,890	2,701,496

* for financial year ended 2021

Note: Directors' remuneration and benefits are received and receivable on a group basis. Other emoluments include statutory contributions to the Employees' Provident Fund and Employment Insurance Scheme.

The Company has six key senior management, including the Executive Directors and the MD who is an executive director. The three key senior management (excluding the Executive Directors and MD) whose remuneration falls within the respective bands of RM50,000 is disclosed below:

Remuneration bands	Number of key senior management
RM100,001 – RM150,000	0
RM150,001 – RM200,000	1
RM200,001 – RM250,000	0
RM250,001 – RM300,000	0
RM300,001 – RM350,000	2

The Board is of the view that disclosure on a named basis on the top five key senior management's remuneration components including salaries, bonuses, benefits-in-kind and other emoluments in the bands of RM50,000 (in accordance with Practice 8.2 as recommended in MCCG), is not in the best interest of the Company due to privacy reasons.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1) Audit and Risk Management Committee

The ARMC comprises three members of the Board, all of whom are independent non-executive directors. The committee is chaired by Datuk Lim Tong Lee, who is a qualified chartered accountant and the other members of the ARMC are Dato' Sri Shahril Bin Mokhtar and Ms Andrea Huong Jia Mei. The members of the ARMC are financially literate and have sufficient understanding of SIAB Group's businesses. Details of the ARMC are set out in the ARMC Report on pages 50 to 54 of this annual report.

The ARMC assists the Board in discharging its statutory duties and responsibilities by ensuring:

- accurate and timely financial reporting and compliance with applicable financial reporting standards;
- adequate internal control in the systems and processes which enable SIAB Group to operate effectively and efficiently;
- that an effective risk management framework is in place to manage risks impacting SIAB Group;
- that internal audit functions effectively and audits are performed by external auditors objectively and independently; and
- SIAB Group complies with applicable laws, rules and regulations and has an appropriate code of business conduct in place.

The Board, through the NC, assesses the composition and performance of the ARMC annually, as part of the annual board committee effectiveness assessment. Based on the results of the evaluation of the ARMC for the financial year ended 31 December 2022, the criteria of which included, among others, quality and composition, skills and competencies and meeting administration and conduct, the functioning of the ARMC was found to be satisfactory. The Board has reviewed and approved the ARMC's TOR on 26 June 2021, and will review the ARMC's TOR periodically as and when the need arises to keep it current and relevant, in accordance with the requirements of MCCG and ACE LR, at all times.

The Board has adopted and incorporated a policy that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the ARMC in its TOR. The Board will adhere to the same when considering the appointment of an ARMC member.

A summary of activities and the role of the ARMC in relation to both the internal and external auditors are described in the ARMC Report on pages 50 to 54 of this annual report.

2) Suitability and independence of external auditors

The Board through the ARMC has established a transparent and professional relationship with SIAB Group's external auditors. The ARMC has an explicit authority to communicate directly with the external auditors. The ARMC will meet with the external auditors at least twice a year to discuss their audit plan and audit findings in relation to SIAB Group's financial statements. Private sessions between the ARMC and the external auditors will be held without the presence of the MD, Executive Directors and the key senior management team to discuss audit findings and any other observations they might have during the audit process for the next financial year ending 31 December 2023.

The external auditors will be invited to attend the ARMC meetings as and when required apart from the scheduled meetings when they present the audited financial statements of SIAB Group to the ARMC. During such meetings, the external auditors are required to highlight and discuss the nature, scope of the audit, internal controls and problems that might require the attention of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2) Suitability and independence of external auditors (cont'd)

The ARMC, in adhering to the policies and procedures in assessing the suitability and independence of external auditors, will undertake an annual assessment of the quality of audit, which encompasses the performance and quality of the external auditors and their independence, objectivity and professionalism. The assessment process will involve identifying the areas of assessment, setting the minimum standard and devising tools to obtain relevant data. The areas of assessment include among others, the external auditors' calibre, audit quality processes, audit team, audit scope, audit communication, audit governance and independence as well as the components of audit and non-audit fees.

During the financial year ended 31 December 2022, the external auditors, Messrs. KPMG PLT, provided the ARMC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The external auditors are required to declare their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants. Messrs. KPMG PLT, had provided their declaration in their annual audit plan for the financial year ended 31 December 2022 in their presentation to the ARMC. Being satisfied with the external auditors' performance, technical competence and independence, the ARMC recommended the appointment of Messrs. KPMG PLT as external auditors for the financial year ending 31 December 2023.

In reviewing the audit and non-audit services provided by Messrs. KPMG PLT, the ARMC ensured that the independence and objectivity of the external auditors are not compromised. The external auditors have been engaged mainly to perform the statutory audit on SIAB Group's annual financial statements.

For the financial year ended 31 December 2022, Messrs. KPMG PLT also undertook the following non-audit related reviews:

- Review of the Statement on Risk Management and Internal Control

3) Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls that provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. Such a system is designed to reduce rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, frauds or losses. The effectiveness of the system of internal controls of SIAB Group will be reviewed periodically by the ARMC.

The internal audit function has been outsourced to an independent consulting company, Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), a corporate member of The Institute of Internal Auditors Malaysia. This is to the ARMC in assuming the task of internal control review and risk assessment functions of SIAB Group for the financial year ended 31 December 2022. Any areas of improvement and the implementation of recommendations are monitored by the ARMC. The outsourced internal auditors report directly to the ARMC.

The Board is of the view that the overall risk management and internal control systems in place for the financial year ended 31 December 2022 are operating adequately and effectively for the purpose of safeguarding SIAB Group's assets as well as shareholders' investments and the interests of employees and other stakeholders. The key features of the risk management and internal control systems are set out in the Statement on Risk Management and Internal Control on pages 58 to 61 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

4) Financial Reporting

In presenting the quarterly financial reports and the annual audited financial statements to the stakeholders, primarily the shareholders, investors and regulatory authorities, the Board is committed to provide a clear, balanced and meaningful assessment of SIAB Group's financial position and prospects. The Board, as assisted by the ARMC, oversees the financial reporting of SIAB Group. The ARMC reviews SIAB Group's quarterly financial reports and the annual audited financial statements for the financial year ended 31 December 2022, as well as the appropriateness of SIAB Group's accounting policies and the changes to these policies, to ensure compliance with the financial reporting standards and other regulatory requirements.

The Board is responsible for ensuring the financial statements of SIAB Group are prepared in accordance with the requirements of the Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016 and the ACE LR, to give a true and fair view of the financial position of SIAB Group at the end of the financial year.

The Board is satisfied that in preparing the financial statements for the financial year ended 31 December 2022, SIAB Group has adopted and applied consistently the appropriate accounting policies and presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information. SIAB Group had also implemented the relevant internal controls to ensure the financial statements are free from material misstatement. The Board also considered that all applicable approved accounting standards in Malaysia were being adopted and the financial statements were prepared on a going concern basis.

The Chairman's Statement and the Management Discussion and Analysis in this annual report provide additional analysis and insights on the state of SIAB Group's business. A Statement of Directors' Responsibilities in respect of the audited financial statements is presented on page 64 of this annual report.

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

SIAB Group recognises the importance of being accountable to its shareholders and stakeholders and it remains committed to maintain an active and proactive communication approach with its shareholders and stakeholders to facilitate mutual understanding of each other's objectives and expectations. SIAB Group firmly believes that timely, accurate and effective communication with its shareholders and stakeholders is the key to enable them to make informed decisions with respect to SIAB Group's business, its policies on governance, the environment and corporate responsibility.

1) Communication with Stakeholders

The Board acknowledges the importance of maintaining transparency and accountability to all its stakeholders, particularly its shareholders and investors as it ensures that market credibility and investors' confidence are maintained. Through extensive disclosures of appropriate and relevant information, using various channels of communication on a timely basis, SIAB Group aims to effectively provide shareholders and investors with information to fulfill transparency and accountability objectives.

At this juncture, the channel of communication to shareholders, stakeholders and general public for the overall performance and operations of SIAB Group's business activities are press releases, public announcements on quarterly basis, annual report and disclosures to Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)**2) Leveraging Information Technology for Effective Dissemination of Information**

Shareholders are also encouraged to access SIAB Group's corporate website at www.siabmy.com as well as Bursa Securities' website at www.bursamalaysia.com to obtain the latest information of the Company. Continuous improvement and development of the website will be undertaken by the Company to ensure easy and convenient access.

3) Conduct of General Meetings

The Company's AGM is the principal forum for dialogue with all shareholders and the Board encourages shareholders to attend and participate in the AGM. The notice of meeting and the annual report are required to be sent out to shareholders at least 21 days before the date of the meeting in accordance with the Company's Constitution. A presentation will be given by the Chairman to explain SIAB Group's strategy, performance and major developments to shareholders during the AGM. This is also in line with Section 316(2) of Companies Act 2016 and Rule 7.15 of ACE LR which call for at least 21 days' notice period for public companies or listed issuers respectively.

In accordance with the recommendation of the MCCG, the Notice of the first AGM of the Company was circulated 28 days prior to the date of the meeting, which provided shareholders ample time to read through the annual report. The first AGM had been conducted virtually through live streaming from the broadcast venue at Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. All resolutions set out in the Notice of AGM had been put to vote via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at <https://tiih.online> on 21 June 2022.

Shareholders had participated in the Questions and Answers session on the proposed resolutions and about SIAB Group's operations in general. Shareholders who were unable to attend had allowed to appoint proxies in accordance with the Company's Constitution to attend virtually and vote on their behalf electronically. The Board and key senior management had presented and provided clarification to shareholders' queries. The external auditors, KPMG PLT, also joined the AGM virtually to provide their professional and independent clarification on any issues and concerns raised by the shareholders.

Pursuant to Paragraph 8.31A(1) of the ACE LR, any resolutions set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and are intended to be moved at any general meeting of the Company will be subject to poll voting by the shareholders. The votes cast at the general meeting will be validated by a scrutineer, who is independent of the person undertaking the polling process, not an officer of the Company and is not interested in the resolution to be passed at the general meeting.

SIAB Group has introduced electronic voting (e-voting) facilities and will make available of such facilities in future meetings, where necessary, and if the number of attendees at the general meeting increases. This is to ensure that the mandatory poll voting process at all general meetings are being carried out efficiently. In addition, the Company has adopted its Constitution to allow the Company to leverage on technology to enhance communication with the shareholders of the Company and the conduct of future general meetings.

The Company will continue to leverage on technology to facilitate remote shareholders' participation and e-voting for the conduct of polls on all resolutions via remote participation and voting facilities for its forthcoming second AGM to be held on 21 June 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

4) Corporate Disclosure Policy

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to SIAB Group to the regulators, shareholders and stakeholders. The Board formalised pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the ACE LR, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders.

To augment the process of disclosure, the Board has established a dedicated section for corporate information on the Company's website, where information on the company's announcements, financial information and the Group and Company's annual report could be accessed.

FUTURE PRIORITIES IN KEY AREAS OF CORPORATE GOVERNANCE PRACTICES

Corporate governance is clearly an imperative for SIAB Group in the year of 2022 against the backdrop of regulatory changes in the domestic corporate governance realm and a relatively challenging economic environment that is characterised by volatile market conditions and commodity prices.

Since SIAB's listing on the ACE Market of Bursa Securities on 28 February 2022, the Board will continue to place an even greater emphasis and focus on the Company's corporate governance practices for the financial year ending 31 December 2023. Moving forward, the Board will continue to work towards achieving high quality outcomes in the realm of corporate governance.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

PURSUANT TO PARAGRAPH 15.15 OF THE ACE MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

INTRODUCTION

The Board is pleased to present the Audit & Risk Management Committee (“ARMC”) Report for the financial year ended 31 December 2022.

The ARMC was established by the Board of SIAB on 26 June 2021 to assist the Board in discharging its statutory duties and fulfilling its oversight responsibilities for SIAB Holdings Berhad (“SIAB” or “the Company”) and its subsidiaries (collectively “the Group”) in relation to the following:

- external and internal audit process;
- accounting and financial reporting process;
- system of internal control;
- process of monitoring of compliance with applicable laws, regulations, standards and best practice guidelines; and
- such other matters that may be specifically delegated to the ARMC by the Board.

The ARMC is also responsible for reviewing the principal risks identified by management and to oversee the implementation of appropriate systems to manage and monitor those risks.

COMPOSITION OF THE ARMC

Name	Designation	Directorship
Datuk Lim Tong Lee	Chairman	Independent Non-Executive Director
Dato’ Sri Shahril Bin Mokhtar	Member	Independent Non-Executive Director
Andrea Huong Jia Mei	Member	Independent Non-Executive Director

The composition of the ARMC above complies with paragraph 15.09(1)(a) and (b) of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and practices 9.1 and 9.4 of the Malaysian Code on Corporate Governance (issued on 28 April 2021).

The Chairman of the ARMC, Datuk Lim Tong Lee, is a member of the Malaysian Institute of Accountants (“MIA”), the Malaysian Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. As such, the composition of ARMC meets the requirements of Rule 15.09(1)(c)(i) of the ACE LR, which stipulates that at least one member of the ARMC must be a member of MIA. In accordance with Rule 15.09(2) of the ACE LR, no alternate director was appointed as a member of the ARMC.

The Board assessed the composition and performance of the ARMC and its members through an externally facilitated board committee effectiveness assessment for the financial year ended 31 December 2022. Based on the assessment, the Board is satisfied that the present composition of the ARMC is appropriate. The Board is also satisfied that the ARMC and its members discharged their functions, duties and responsibilities, in accordance with the ARMC’s Terms of Reference.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

MEETINGS OF THE ARMC

All members were appointed prior to the listing of the Company on the ACE Market of Bursa Securities on 28 February 2022. The first ARMC meeting was held on 11 January 2022 and all ARMC members were present at the first meeting.

During the financial year ended 31 December 2022, the ARMC had six meetings and the attendance of each ARMC member at those meetings is as follows:

Name of Director	Designation	No. of meetings attended*
Datuk Lim Tong Lee	Chairman, Independent Non-Executive Director	6/6
Dato' Sri Shahril Bin Mokhtar	Independent Non-Executive Director	5/6
Andrea Huong Jia Mei	Independent Non-Executive Director	6/6

* all six meetings were held virtually via video conferencing.

Web and teleconferencing were the main tools used to conduct the virtual meetings during the year. The virtual meetings were structured through the usage of meeting agendas and relevant meeting papers distributed electronically to the ARMC prior to those meetings. The meetings were of adequate length to allow the ARMC sufficient time to accomplish its agenda and to discuss emerging issues.

The meetings were conducted in an open and constructive manner where focused discussions, questioning and expressions of differing opinions were encouraged. The directors of the Company, external auditors, internal auditors, company secretaries and certain relevant key management personnel were invited to attend these meetings.

The ARMC met with the Group's external auditors to discuss the external audit plan prior to the commencement of the audit and audit findings and any other observations they had during the audit process. The ARMC also met with the external auditors in a separate private session without the presence of the Group Managing Director and key senior management on 22 February 2022. The ARMC enquired about management's cooperation with the external auditors, their sharing of information, the proficiency and adequacy of resources in financial reporting functions as well as the operational efficiencies of the Group.

The ARMC Chairman reports to the Board on matters deliberated at every ARMC meeting and recommendations made by the ARMC are subject to approval of the Board.

TERMS OF REFERENCE OF THE ARMC

The ARMC is guided by its Terms of Reference which, inter alia, sets out the purpose, composition, roles and responsibilities, authority as well as the internal procedural matters for the ARMC, a copy of which is made available on the Company's website at www.siabmy.com.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

SUMMARY OF WORK OF THE ARMC

The ARMC carried out its duties in accordance with its Terms of Reference. The main activities carried out by the ARMC during the financial year ended 31 December 2022 were as follows:

1. Financial Reporting

- a) Reviewed the unaudited quarterly financial results of SIAB and its subsidiaries ("the Group") and the relevant announcements to Bursa Securities and recommended them for approval by the Board.
- b) Reviewed the audited annual financial statements of the Group for the financial year ended 31 December 2021 and recommended them for approval by the Board.

In reviewing the financial results and statements, the ARMC focused particularly on changes in or implementation of major accounting policy or accounting standards and significant matters highlighted including financial reporting issues, key judgement and significant estimates made by management on items that may affect the financial results and statements and significant or unusual events and any exceptional transactions.

The ARMC also deliberated on management's explanations and recommendations of the external auditors on those issues. The reviews were to ensure that financial reporting and disclosures are in compliance with the ACE LR, provisions of the Companies Act 2016, Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and any other relevant legal and regulatory requirements.

The following reviews have been carried out to ensure that the Group and the Company's quarterly interim financial statements and related disclosures present a true and fair view of the Group's and the Company's financial position and performance and are in compliance with MFRS 134 – Interim Financial Reporting Standards in Malaysia and International Accounting Standards (IAS) 34 – Interim Financial Reporting as well as the applicable disclosure provisions of the ACE LR of Bursa Securities.

Date of Meeting	Review of quarterly results and annual financial statements
22 February 2022	Fourth quarter results as well as the unaudited annual financial statements of the Group and the Company for financial period/year ended 31 December 2021.
25 April 2022	Draft audited financial statements for the financial year ended 31 December 2021.
30 May 2022	First quarter results for the financial period ended 31 March 2022.
23 August 2022	Second quarter results for the financial period ended 30 June 2022.
21 November 2022	Third quarter results for the financial period ended 30 September 2022.

2. External Audit

- a) Reviewed the audit plan of the external auditors which outlined the materiality, audit scope, audit methodology, audit focus areas, timing of audit, and audit fees prior to the commencement of the annual statutory audit.
- b) Discussed with the external auditors the key audit focus areas, impacts of new or proposed changes in accounting standards and regulatory requirements applicable to the Group and the plans, processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

SUMMARY OF WORK OF THE ARMC (CONT'D)

The ARMC carried out its duties in accordance with its Terms of Reference. The main activities carried out by the ARMC during the financial year ended 31 December 2022 were as follows: (cont'd)

2. External Audit (cont'd)

- c) Reviewed the reports on the progress of the statutory audit, the key audit matters where the audit has focused on and the audit processes for the areas of concern, including management's responses to audit findings raised by the external auditors.
- d) Assessed the independence and objectivity of the external auditors in carrying out statutory audit for the Group and prior to the engagement of the external auditors for ad-hoc non-audit services.

The ARMC received confirmation on 22 February 2022 from the external auditors, Messrs. KPMG PLT, that they adhered to the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") in relation to communication of breaches of auditor independence, in which they have not identified any breach of independence and they were in compliance with the independence requirements set out in the By-Laws and the IESBA Code. Based on this, the ARMC was satisfied that Messrs. KPMG PLT were unlikely to create any conflict of interest nor impair the independence and objectivity of the external audit.

The ARMC also assessed the performance of the external auditors for the financial year ended 31 December 2022, covering areas such as scope of work, calibre, quality control processes, professionalism of the audit team, communication with the audit team, audit governance and independence as well as the audit fees of the external auditors. The ARMC was satisfied that Messrs. KPMG PLT are unlikely to create any conflict of interest nor impair the independence, suitability and performance of Messrs. KPMG PLT and thus, recommended to the Board to seek for shareholders' approval on the re-appointment of Messrs. KPMG PLT as external auditors for the financial year ending 31 December 2023 at its forthcoming second AGM to be held on 21 June 2023.

3. Internal Audit

- a) The ARMC conducted meetings that are attended by Internal Auditors on quarterly basis and has reviewed three internal audit reports which covered the following areas:
 - Commercial and Contract
 - Management of Sub-contractors
 - Project Management
- b) For the financial year ended 31 December 2022, the following internal audit activities were carried out:
 - Tabled the Internal Audit Charter for approval and adoption by the ARMC.
 - Tabled the internal audit plan for the financial year ended 31 December 2022 for ARMC's review and endorsement.
 - Conducted internal audit reviews based on the approved internal audit plan.
 - Presented and issued internal audit reports on the findings on audit classified into several risk level, significant weaknesses identified, recommendations on the necessary course of actions for management to rectify or mitigate the risks identified, management responses and an overall audit opinion to the ARMC.
 - Performed follow-up reviews on previously reported audit findings and monitor the status of the implementation of management action plan on outstanding issues through follow-up reports to ensure that all key risks and control weaknesses are being properly addressed.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

SUMMARY OF WORK OF THE ARMC (CONT'D)

The ARMC carried out its duties in accordance with its Terms of Reference. The main activities carried out by the ARMC during the financial year ended 31 December 2022 were as follows: (cont'd)

4) Recurrent Related Party Transactions and Related Party Transactions

- a) Reviewed the policies and procedures for Recurrent Related Party Transactions ("RRPT") and Related Party Transactions ("RPT") that arose and discussed possible conflict of interest situations that may arise within the Group to ensure that:
 - transactions with related parties and/or interested persons were conducted at arm's length basis and on normal commercial terms and that the internal control procedures with regards to such transactions were sufficient, not prejudicial to the interests of the Group and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the ACE LR of Bursa Securities); and
 - the transactions are fair and reasonable and are not detrimental to the minority shareholders.
- b) Reviewed the processes that the Group has in place for identifying, evaluating, approving, reporting and monitoring of RRPT. The ARMC was satisfied that the processes were adequate to ensure the transactions have been made at arm's length basis and not prejudicial to the interest of the Group or its minority shareholders and will be tracked and reported in a timely manner.

5) Other Activities

- a) Reviewed the corporate governance practices adopted by the Group based on the Malaysian Code on Corporate Governance issued by the Securities Commission (updated on 28 April 2021).
- b) Reviewed the Corporate Governance Overview Statement, the ARMC Report and the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the annual report.
- c) Reviewed the review Risk Registry which is maintained to evaluate principal business risks and risk profiles which identify the risk factors, statement of risks, risk owners, likelihood, impacts, and proposed risk mitigation actions.

NOMINATION COMMITTEE REPORT

PURSUANT TO RULE 15.08A OF THE ACE MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

INTRODUCTION

The Board of Directors of Siab Holdings Berhad (“SIAB” or “the Company”) is pleased to present the Nomination Committee (“NC”) Report for the financial year ended 31 December 2022. This report has been prepared in accordance with Rule 15.08A of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the practices of the Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission on 28 April 2021.

The NC was established on 26 June 2021 by the Board of SIAB. The NC has been entrusted with the responsibility of proposing and recommending new nominees to the Board and assessing individual directors on an on-going basis.

COMPOSITION OF THE NC

Name	Designation	Directorship
Dato’ Sri Shahril Bin Mokhtar	Chairman	Independent Non-Executive Director
Datuk Lim Tong Lee	Member	Independent Non-Executive Director
Andrea Huang Jia Mei	Member	Independent Non-Executive Director

The NC comprises three members of the Board of Directors (“the Board”), all of whom are Independent Non-Executive Directors. The composition of the NC above complies with paragraph 15.08A(1) of ACE LR of Bursa Securities and the practices of MCCG.

MEETINGS OF THE NC

During the financial year ended 31 December 2022, the NC had two meetings and the attendance of each NC member at those meetings is as follows:

Name of Director	Designation	No. of meetings attended*
Dato’ Sri Shahril Bin Mokhtar	Chairman, Independent Non-Executive Director	1/2
Datuk Lim Tong Lee	Member, Independent Non-Executive Director	2/2
Andrea Huang Jia Mei	Member, Independent Non-Executive Director	2/2

* two virtual meetings were held.

The meetings were conducted in an open and constructive manner that encourage focused discussions, questioning and expressions of differing opinions.

NOMINATION COMMITTEE REPORT

(CONT'D)

TERMS OF REFERENCE OF THE NC

The NC is guided by its Terms of Reference ("TOR") which, inter alia, sets out the purpose, composition, roles and responsibilities, authority as well as the internal procedural matters for the NC, a copy of which is made available on the Company's website at www.siabmy.com.

The NC's duties and responsibilities as stated in its TOR include, amongst others, the following:

- to assist the Board in ensuring that the Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- to ensure appropriate selection criteria and processes and to identify and recommend to the Board, candidates for directorships of SIAB and members of the relevant Board Committees;
- to assist the Board in assessing and evaluating circumstances where a director's involvement outside SIAB and its subsidiaries (collectively "the Group") may give rise to a potential conflict of interest with the Group's businesses, upon receiving declaration of the same from the director and thereafter, to inform SIAB's Audit and Risk Management Committee of the same. After deliberation with the Audit and Risk Management Committee, to recommend to the Board the necessary actions to be taken in circumstances where there is a conflict of interest;
- to evaluate the effectiveness of the Board and the relevant Board Committees; and
- to ensure an appropriate framework and succession planning for the Board.

The recommendations of the NC are subject to approval of the Board.

SUMMARY OF WORK BY THE NC

The NC carried out its duties in accordance with its TOR. The main activities carried out by the NC during the financial year ended 31 December 2022 are as follows:

- reviewed and assessed the mix of skills, expertise, experience, structure, composition, balance and size of the Board;
- reviewed and assessed the performance of the Board, Board Committees and individual directors through an externally facilitated board effectiveness assessment;
- reviewed and recommended to the Board, the Directors' Fit & Proper policy for approval and adoption;
- reviewed and recommended for Board's consideration the NC Report incorporating the NC's activities for inclusion in the 2022 annual report;
- discussed and recommended to the Board, the directors who are retiring and be eligible for re-election at the forthcoming second Annual General Meeting; and
- reviewed the training needs of directors and was satisfied that the directors have attended the relevant training programmes as well as having been updated with market developments and related issues, apprised on a continuing basis by the company secretaries on new and/or revised statutory and regulatory requirements, have adequately met the training needs of each of the directors towards enhancing their skills and knowledge in discharging their duties and role as a director.

NOMINATION COMMITTEE REPORT

(CONT'D)

SUMMARY OF WORK BY THE NC (CONT'D)

Appointment to the Board and the effectiveness of the Board

The NC reviews annually and recommends to the Board the structure, size, balance and composition of the Board and Board Committees. This requires a review of the required mix of skills and experience including core competencies which non-executive directors should bring to the Board and other qualities for the Board to function effectively and efficiently. Thereafter, the Board carries out its own assessment of the recommendations made by the NC and determines the appointments to be made. The Company Secretaries ensure that all appointments are properly made, and that legal and regulatory obligations are met. The Board has also put in place a process to provide for the orderly succession of the Board and the management team.

The NC was satisfied that the board composition in term of size, mix of competencies and diversity representation and the balance between executive, non-executive and independent directors as per ACE LR, was adequate and in line with SIAB Group's business operations and needs.

The board effectiveness assessment for FY2022 was conducted by Tricor Corporate Service Sdn Bhd through circulation of assessment questionnaire and forms to evaluate the effectiveness of the Board, board committees and the performance, personality and quality aspects of individual directors as well as independence of all independent non-executive directors.

The assessment comprised of evaluation of the Board as a whole, board committees and directors, based on the main areas relating to board mix and composition, quality of information and decision making, boardroom activities, relationship of the Board with management, Environmental, Social and Governance (ESG) issues, as well as performance evaluation of the board committees. For individual directors' self/peer evaluations, the assessment criteria include fit and proper, contribution and performance, as well as caliber and personality.

The overall results of the board effectiveness assessment conducted for FY2022 were positive with all evaluated areas rated as either "average" or "above average", reflecting strong performance by the Board, board committees, individual directors and members of the board committees. It was satisfied that they had been effective in their discharge of functions, roles and duties and had also met the performance criteria in the relevant areas of assessments.

The Board is cognisant that a formal, rigorous, and transparent process for the appointment and re-election of directors should be put in place based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender in evaluating whether a director has the character, experience, integrity, competence and timely discharging his or her role effectively. The Board has in place a Director's Fit and Proper policy, which was adopted and approved by the Board on 30 May 2022. The Director's Fit and Proper policy is available on the Company's website at www.siabmy.com.

This NC report is made in accordance with a resolution of the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Siab Holdings Berhad (“the Company”) is pleased to present the Statement on Risk Management and Internal Control (“Statement”) which outlines the nature and scope of risk management and internal control system of the Company and its subsidiaries (“the Group”) for the financial year ended 31 December 2022.

This Statement has been prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Malaysian Code on Corporate Governance issued by the Securities Commission on 28 April 2021, as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its overall responsibility to practice and maintain an effective risk management and sound internal control, which include reviewing its adequacy, integrity, and effectiveness to ensure that the shareholders’ interests and the Group’s assets are safeguarded.

In view of the inherent limitations in any system of risk management and internal control, the Board acknowledges that the system is designed to manage the Group’s key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement of financial information, loss, fraud or any unforeseeable circumstances.

The Board, supported by the Audit and Risk Management Committee (“ARMC”), exercises monitoring oversight on the establishment and implementation of a risk management framework, evaluates its effectiveness and enhance the system as and when there are changes to business environment and regulatory guidelines.

The Board is assisted by the Management in implementing the approved policies and procedures on governance, identifying and analysing the key business risk faced by the Group, designing and applying suitable internal controls to manage these risks and monitoring the effectiveness of the internal controls and the governance processes.

RISK MANAGEMENT

The Board has established an on-going risk management process and as part of the risk management process, the Group maintains a Risk Registry and a Risk Management Handbook. The Risk Registry is maintained to evaluate principal business risks and risk profiles which identify the risk factors, statement of risks, risk owners, likelihood, impacts, and proposed risk mitigation actions. The Risk Management Handbook summarises the risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts.

The risk identification process identifies and evaluates the issues arising from changes in both the external business environment and internal operating conditions. The risk measurement guidelines comprise financial and non-financial qualitative measure of risk consequences and are subsequently applied to allocate risk likelihood rating and risk impact rating. The risk control actions are designed and implemented based on the priority sequence.

The respective risk owners are entrusted to identify risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring, and managing significant risks is embedded in the day-to-day business activities of the respective operational functions and the management team. The key risks categories of the Group encompass business and strategic risks, financial risks, operational risks and regulatory or compliance risk.

The Board confirms that the process of identifying risks, evaluating, and managing the significant risks faced by the Group, has been in place during the financial year under review and up to the date of approval of this Annual Report is operating adequately and effectively.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

KEY ELEMENTS OF INTERNAL CONTROLS

Key features of the processes established by the Board that provide effective governance and oversight of control, which enable management to ensure that established policies, guidelines and procedures are followed and complied with, include:

- **Organisational Structure**

The Group has an organisational structure in place for each line of reporting, with defined responsibilities and levels of delegated authority. In addition, the Board and the Board Committees are all governed by defined terms of reference. Management of each operating unit has responsibilities for identifying risks and the overall Group's business as a whole. They are also responsible for instituting adequate procedures and internal controls to mitigate and monitor such risks on an on-going basis.

- **Limits of Authority**

Limits of Authority have been established within the Group to provide a functional framework of authority in approving revenue, operating expenses and capital expenditure.

- **Policies and Standard Operating Procedures ("SOPs")**

Policies and SOPs consist of elements of internal control in day-to-day operations. These policies and SOPs are aimed at promoting accountability, efficiencies, and responsibilities within the Group. Policies and SOPs are reviewed on a regular basis to reflect the changing risks impacting the Group and to address any operational deficiencies.

- **Talent Management**

Ongoing training and development programmes to ensure that employees are constantly kept up to date with the constantly changing technological environment to be competent in the industry in line with achieving the Group's business objectives.

The Group also provides on-the-job training programmes to all its employees to ensure they are equipped with the latest skills and knowledge to carry out their duties and responsibilities.

- **Board Committees**

The Board has established the following Board Committees:

- Audit and Risk Management Committee;
- Nomination Committee; and
- Remuneration Committee

to assist in discharging its duties. These Committees are delegated and empowered with specific authority to perform their scope of duties as defined in their respective terms of reference ("TORs"). These TORs are made available on the Company's website at www.siabmy.com.

The Audit & Risk Management Committee ("ARMC") is also responsible for the review of quarterly and annual financial statements as well as results announcements and recommends to the Board for approval.

- **Anti-Bribery and Corruption ("ABC") Policy and Procedures**

The Group has established ABC Policy and procedures prohibiting all forms of bribery and corruption practices and all its employees are required to adhere to the policy. The Group's ABC policy and procedures is made available on the Company's website at www.siabmy.com.

- **Whistle-Blowing Policy**

The Group has established a Whistle-Blowing Policy to allow its employees, customers, suppliers, and stakeholders to have a channel to report and disclose any non-compliance or illegal activities within the Group. This policy is made available on the Company's website at www.siabmy.com.

- **Safety and Health Management**

The Group has a manual in place that takes into account the safety and health of all employees and stakeholders. The Group enforces strict precautionary measures and guidelines in the workplace at all times as stipulated by relevant authorities.

Adequate insurance coverage and security measures on major assets of the Group are also provided to ensure sufficient safeguard against any mishap that will result in material losses to the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

INTERNAL AUDIT FUNCTION

The responsibility for reviewing the adequacy and integrity of the internal control system has been delegated by the Board to the ARMC. In turn, the ARMC is charged with the responsibility to assess the adequacy and integrity of the Group's system of internal control, and its compliance with the Group's policies and procedures through independent internal audit reviews.

The internal audit function is outsourced to an independent professional consultancy firm, Sterling Business Alignment Consulting Sdn Bhd ("Internal Auditor") that through the ARMC provides to the Board, an independent assessment of the adequacy and sufficiency of systems, procedures, and controls of the Group.

The Internal Auditor conducted internal audit review in two cycles, highlighting any identified risks in the risk management and internal control system. In relation to the financial year ended 31 December 2022, the Internal Auditor performed the following internal audit reviews:

Reported on	Company	Audited area
August 2022	SIAB Construction Sdn Bhd	<ul style="list-style-type: none"> Commercial and Contract Management of Sub-contractors
February 2023	SIAB Construction Sdn Bhd	<ul style="list-style-type: none"> Project Management

The Internal Auditor also attend ARMC meetings on a quarterly basis to present their Internal Audit Reports which includes findings on internal audit classified into several risk level, significant weaknesses identified, recommendations on the necessary course of actions for management to rectify or mitigate the risks identified, management responses and an overall audit opinion.

The Internal Auditor also carries out follow-up reviews subsequent to internal audit reviews to assess the status of the implementation of the management action plans, which are based on the recommended course of action. Based on the internal audit reviews conducted, none of the weaknesses identified have resulted in any material losses, contingencies, or uncertainties.

The total cost of the outsourced internal audit function for the financial year ended 2022 was RM38,343.

ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises that the system of risk management and internal control has to be reviewed and updated periodically to conform to the constant change in business environment. The Board through the ARMC, has reviewed and is of the opinion that the risk management and internal control frameworks are adequate. Appropriate ongoing mitigating activities and control procedures have been put in place to deal with any identified weaknesses.

ASSURANCE TO THE BOARD

The Board has received assurance from the Group Managing Director, Executive Directors, and the Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects for the financial year under review.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement for inclusion in the Annual Report of the Company for the financial year ended 31 December 2022 pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report as issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Company, in all material respect:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out; or
- b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Directors and management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy those problems.

CONCLUSION

For the financial year under review and up to the date of approval of this Statement, the Board is of the opinion that the system of risk management and internal control currently in place is, as far as practicable, adequate and effective to safeguard the Group's interests and assets. The Board is committed towards maintaining a sound system of risk management and internal control to achieve a balance between the Group's business objectives and its operational efficiency. The Board is also cognizant that the Group's risk management framework and internal control system must be continuously reassessed and enhanced, as and when necessary.

This Statement is made in accordance with a resolution of the Board.

ADDITIONAL COMPLIANCE INFORMATION

PURSUANT TO RULE 9.25 OF THE ACE MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as otherwise disclosed in Note 25 Related Parties to the Audited Financial Statements of this annual report, there were no material contracts entered into by the Company and/or its subsidiaries involving the interest of the directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 December 2022 or entered into since the end of the previous financial year.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the Group's external auditors and a firm or corporation affiliated to the external auditors' firm by the Group and the Company for the financial year ended 31 December 2022 are as follows:

	Group RM'000	Company RM'000
Audit fees:		
- Statutory audit	175	15
- Interim audit	–	–
Non-audit fees:		
- IPO related professional fees	110	110
- Review of Statement of Risk Management and Internal Control	10	10
- Tax advisory services	32	2
- Transfer pricing documentation review	25	–

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The details of the RRPTs are disclosed in Note 25 Related Parties to the Audited Financial Statements for the financial year ended 31 December 2022.

ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

UTILISATION OF PROCEEDS

SIAB was successfully listed on the ACE Market of Bursa Securities on 28 February 2022. The Company has raised a total amount of RM36.72 million from the corporate exercise at an issue price of RM0.30 per share. The status of the utilisation of these proceeds as of 31 December 2022 is set out below:

Details	Proposed utilisation RM'000	Deviation ⁽¹⁾ RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Estimated timeframe for utilisation from listing date
Purchase of land and construction of storage facility	6,098	–	(606)	5,492	Within 24 months
Purchase of machinery and equipment	13,125	–	(6,570)	6,555	Within 24 months
Purchase of Building Information Modelling software	3,066	–	–	3,066	Within 24 months
Upgrade software and systems	810	–	(649)	161	Within 18 months
Office expansion	300	(37)	(263)	–	Within 24 months
Working capital	9,300	473	(9,773)	–	Within 12 months
Listing expenses	4,023	(436)	(3,587)	–	Within 3 months
Total	36,722	–	(21,448)	15,274	

Notes :

- (1) The actual listing expenses are lower than the estimated amount hence the excess of RM0.436 million was re-allocated for working capital purposes.
- (2) Following the completion of the office expansion in December 2022, the actual office expansion expenses are lower than estimated amount hence the excess of RM0.037 million was re-allocated for working capital purposes.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

PURSUANT TO PARAGRAPH 15.26(A) OF THE ACE MARKET LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

The directors of the Siab Holdings Berhad ("the Company") are responsible for the preparation of the financial statements of the Company and its subsidiaries (collectively "the Group") that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 ("the Act") in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company and of the Group that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements of the Company and of the Group for the financial year ended 31 December 2022, the directors have:

- a) adopted suitable accounting policies and then applied them consistently;
- b) presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- c) stated whether the applicable accounting standards have been applied, subject to any material departures disclosed and explained in the financial statements; and
- d) assessed the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Act. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Malaysia governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Statement is made in accordance with a resolution of the Board.



DIRECTORS' REPORT & AUDITED FINANCIAL **STATEMENTS** FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Loss for the year attributable to owners of the Company	19,269	3,527

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, Siab (M) Sdn. Bhd., a subsidiary of the Company, had on 22 February 2022 paid to the former owners of the subsidiary a final dividend of RM4.00 per ordinary share totalling RM4,000,000 in respect of the financial year ended 31 December 2020 as declared in the financial statements of the previous financial year ended 31 December 2021.

The Directors do not recommend any dividend to be paid for the financial year ended 31 December 2022.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Ng Wai Hoe
Lim Mei Hwee
Tan Sok Moi
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun
Datuk Lim Tong Lee
Dato' Sri Shahril Bin Mokhtar
Andrea Huong Jia Mei

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	At 1.1.2022	Number of ordinary shares		At 31.12.2022
		Bought	Sold	
<i>Interests in the Company</i>				
Ng Wai Hoe				
- direct interest	110,167,525	–	(19,585,500)	90,582,025
- indirect interest ⁽¹⁾	73,445,016	–	(9,792,700)	63,652,316
Lim Mei Hwee				
- direct interest	73,445,017	–	(11,016,800)	62,428,217
Tan Sok Moi				
- direct interest	55,083,763	–	(8,568,600)	46,515,163
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun				
- direct interest	–	300,000	–	300,000
Datuk Lim Tong Lee				
- direct interest	–	300,000	–	300,000
Andrea Huong Jia Mei				
- direct interest	–	300,000	(300,000)	–

⁽¹⁾ Deemed interest by virtue of the Director's interests in Makmur Baru Holdings Sdn. Bhd.

By virtue of their interests in the shares of the Company, Ng Wai Hoe, Tan Sok Moi and Lim Mei Hwee are also deemed interested in the shares of the subsidiaries during the year to the extent that the Company has an interest.

The other Directors holding office at 31 December 2022 did not have interest in the shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2022 are as follows:

	From the Company RM'000
Directors of the Company:	
Fees	264
Remuneration	2,040
Estimated money value of any other benefits	7
	2,311

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 122,409,000 new ordinary shares ("Public Issue") in conjunction with the Company's initial public offering on the ACE Market of Bursa Malaysia Securities Berhad at RM0.30 per ordinary share ("Initial Public Offering").

There were no other changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, there was no indemnity given to or insurance effected for the Directors, officers or auditors of the Group and of the Company.

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

The auditors' report on the audit of financial statements of the Company's subsidiaries did not contain any qualification.

DIRECTORS' REPORT

(CONT'D)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT AND SUBSEQUENT EVENTS

Significant and subsequent events are disclosed in Note 26 to the financial statements.

DIRECTORS' REPORT

(CONT'D)

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and the Company during the year are RM175,000 and RM15,000 respectively.

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

.....
Ng Wai Hoe
Director

.....
Lim Mei Hwee
Director

Kuala Lumpur

Date: 19 April 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Assets					
Property, plant and equipment	3	12,157	5,918	–	–
Right-of-use assets	4	32	139	–	–
Investment properties	5	5,351	5,460	–	–
Investments in subsidiaries	6	–	–	60,723	36,723
Other investments	7	757	863	–	–
Deferred tax assets	13	3,633	–	–	–
Total non-current assets		21,930	12,380	60,723	36,723
Trade and other receivables	8	81,103	72,580	6,224	–
Contract assets	9	41,643	46,578	–	–
Current tax assets		631	344	–	–
Other investments	7	2,396	–	–	–
Cash and cash equivalents	10	31,441	10,702	488	1
Total current assets		157,214	130,204	6,712	1
Total assets		179,144	142,584	67,435	36,724
Equity					
Share capital	11	72,336	36,723	72,336	36,723
Merger reserve	11	(35,723)	(35,723)	–	–
Retained earnings/ (Accumulated losses)		17,826	37,095	(5,250)	(1,723)
Total equity attributable to owners of the Company		54,439	38,095	67,086	35,000
Liabilities					
Loans and borrowings	12	20,292	12,244	–	–
Deferred tax liabilities	13	281	484	–	–
Total non-current liabilities		20,573	12,728	–	–
Loans and borrowings	12	23,907	9,877	–	–
Lease liabilities		–	137	–	–
Trade and other payables	14	73,288	81,747	284	1,724
Contract liabilities	9	6,872	–	–	–
Current tax liabilities		65	–	65	–
Total current liabilities		104,132	91,761	349	1,724
Total liabilities		124,705	104,489	349	1,724
Total equity and liabilities		179,144	142,584	67,435	36,724

The notes on pages 79 to 134 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	15	141,741	165,983	–	–
Cost of sales		(149,384)	(150,612)	–	–
Gross (loss)/profit		(7,643)	15,371	–	–
Other income		552	1,129	–	–
Administrative expenses		(9,623)	(7,069)	(4,204)	(1,719)
Net loss on impairment of financial instruments	17	(3,360)	(20)	–	–
Other expenses		(411)	(411)	–	–
Results from operating activities		(20,485)	9,000	(4,204)	(1,719)
Finance income		495	190	877	–
Finance costs	16	(1,814)	(1,125)	–	–
(Loss)/Profit before tax	17	(21,804)	8,065	(3,327)	(1,719)
Tax credit/(expense)	18	2,535	(2,689)	(200)	–
(Loss)/Profit and total comprehensive (expense)/income for the year		(19,269)	5,376	(3,527)	(1,719)
(Loss)/Profit and total comprehensive (expense)/income attributable to:					
Owners of the Company		(19,269)	5,376	(3,527)	(1,719)
(Loss)/Profit and total comprehensive (expense)/income for the year		(19,269)	5,376	(3,527)	(1,719)
Basic (loss)/earnings per ordinary share (sen)	19	(4.10)	31.43		
Diluted (loss)/earnings per ordinary share (sen)	19	(4.10)	31.43		

The notes on pages 79 to 134 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Non-distributable			Distributable		Total equity RM'000
		Share capital RM'000	Invested equity RM'000	Merger reserve RM'000	Retained earnings RM'000		
Group							
At 1 January 2021							
Profit and total comprehensive income for the year		*	1,000	—	35,719	36,719	
Effect of restructuring exercise	26	36,723	(1,000)	(35,723)	5,376	5,376	
Dividends	20	—	—	—	—	—	
					(4,000)	(4,000)	
At 31 December 2021/1 January 2022							
Loss and total comprehensive expense for the year		36,723	—	(35,723)	37,095	38,095	
New shares issued	11	—	—	—	(19,269)	(19,269)	
Share issuance expenses	11	36,723	—	—	—	36,723	
		(1,110)	—	—	—	(1,110)	
At 31 December 2022							
		72,336	—	(35,723)	17,826	54,439	

* Denotes RM3

The notes on pages 79 to 134 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Share capital RM'000	Non- Distributable Accumulated losses RM'000	Total equity RM'000
Company				
At 1 January 2021		*	(4)	(4)
Loss and total comprehensive expense for the year		–	(1,719)	(1,719)
Effect of restructuring exercise	26	36,723	–	36,723
At 31 December 2021/1 January 2022		36,723	(1,723)	35,000
Loss and total comprehensive expense for the year		–	(3,527)	(3,527)
New shares issued	11	36,723	–	36,723
Share issuance expenses	11	(1,110)	–	(1,110)
At 31 December 2022		72,336	(5,250)	67,086

* Denotes RM3

The notes on pages 79 to 134 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities					
(Loss)/Profit before tax		(21,804)	8,065	(3,327)	(1,719)
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	3	1,543	1,186	–	–
Depreciation of right-of-use assets	4	107	405	–	–
Depreciation of investment properties	5	109	109	–	–
Finance income		(495)	(190)	(877)	–
Finance costs	16	1,814	1,125	–	–
Gain on disposal of property, plant and equipment		–	(506)	–	–
Net loss on impairment of financial assets	17	3,360	20	–	–
Change in fair value of other investments		408	(23)	–	–
Operating (loss)/profit before changes in working capital		(14,958)	10,191	(4,204)	(1,719)
Changes in working capital:					
Change in trade and other receivables and prepayments		(14,523)	7,341	(15,223)	–
Change in trade and other payables		(4,459)	(28,900)	(1,441)	1,720
Change in contract assets		4,935	12,936	–	–
Change in contract liabilities		6,872	(6,625)	–	–
Cash (used in)/generated from operations		(22,133)	(5,057)	(20,868)	1
Income tax paid		(1,565)	(4,236)	(135)	–
Income tax refunded		42	–	–	–
Interest paid		(1,814)	(1,125)	–	–
Net cash (used in)/from operating activities		(25,470)	(10,418)	(21,003)	1

STATEMENTS OF CASH FLOWS

(CONT'D)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)(a)	(4,307)	(286)	–	–
Net changes in other investments		(62)	(4)	–	–
Interest income received		495	190	877	–
Subscription of shares in a subsidiary	(iii)	–	–	(15,000)	–
Proceeds from disposal of other investments:					
- quoted shares		4	–	–	–
Proceeds from disposal of property, plant and equipment		–	506	–	–
Net cash (used in)/from investing activities		(3,870)	406	(14,123)	–
Cash flows from financing activities					
Change in deposits pledged		(3,532)	252	–	–
Dividends paid	20	(4,000)	(2,000)	–	–
Net proceeds from issuance of new shares		35,613	–	35,613	–
Net drawdown of loans and borrowings	(ii)	16,439	5,157	–	–
Payment of lease liabilities	(i),(ii)	(137)	(379)	–	–
Net cash from financing activities		44,383	3,030	35,613	–
Net increase/(decrease) in cash and cash equivalents		15,043	(6,982)	487	1
Cash and cash equivalents at 1 January		(4,759)	2,223	1	*
Cash and cash equivalents at 31 December	(iv)	10,284	(4,759)	488	1

* Denotes RM3

STATEMENTS OF CASH FLOWS
(CONT'D)

(i) Cash outflows for leases as a lessee

	Note	Group 2022 RM'000	2021 RM'000
Included in net cash (used in)/from operating activities:			
Payment relating to short-term leases	17	1,253	1,300
Payment relating to leases of low-value assets	17	75	228
Payment relating to variable lease payments not included in the measurement of lease liabilities	17	3,432	3,714
Interest paid in relation to lease liabilities	16	2	11
Included in net cash from financing activities:			
Payment of lease liabilities		137	379
Total cash outflows for leases		4,899	5,632

(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Note	Term loans RM'000	Hire purchase liabilities RM'000	Recourse factoring RM'000	Revolving credit RM'000	Total loans and borrowings RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2021								
Net changes from financing cash flows		7,758	1,659	-	-	9,417	177	9,594
Acquisition of property, plant and equipment	(a)	5,746	(589)	-	-	5,157	(379)	4,778
Acquisition of new lease		-	160	-	-	160	-	160
		-	-	-	-	-	339	339
At 31 December 2021/1 January 2022								
Net changes from financing cash flows		13,504	1,230	-	-	14,734	137	14,871
Acquisition of property, plant and equipment	(a)	7,696	(1,021)	4,764	5,000	16,439	(137)	16,302
		-	3,475	-	-	3,475	-	3,475
At 31 December 2022		21,200	3,684	4,764	5,000	34,648	-	34,648

STATEMENTS OF CASH FLOWS

(CONT'D)

(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

(a) Acquisition of property, plant and equipment

	Note	Group 2022 RM'000	2021 RM'000
Acquisition of property, plant and equipment	3	7,782	446
Less: Acquisition financed by hire purchase arrangements	(ii)	(3,475)	(160)
Acquisition of property, plant and equipment by cash		4,307	286

(iii) Reconciliation of net cash outflow from subscription of shares in a subsidiary

During the financial year ended 31 December 2022, the Company subscribed for 24,000,000 new ordinary shares in its subsidiary, Siab (M) Sdn. Bhd. at an issue price of RM1.00 per share. The said purchase consideration was partially satisfied by capitalisation of the amount due from Siab (M) Sdn. Bhd..

	Company 2022 RM'000
Total consideration from subscription of shares	24,000
Less: Capitalisation of the amount due from subsidiary	(9,000)
Net cash outflow	15,000

(iv) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000	2021 RM'000
Fixed deposits with licensed banks	10	21,226	8,074	–	–
Less: Pledged deposits		(11,606)	(8,074)	–	–
Cash and bank balances	10	10,215	2,628	488	1
Bank overdrafts	12	(9,551)	(7,387)	–	–
Cash and cash equivalents in the statements of cash flows		10,284	(4,759)	488	1

The notes on pages 79 to 134 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Siab Holdings Berhad (the “Company”) is a public limited liability company, incorporated and domiciled in Malaysia and was listed on the ACE Market of Bursa Malaysia Securities Berhad on 28 February 2022. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

No. 82, Jalan BP 7/8
Bandar Bukit Puchong
47120 Puchong
Selangor Darul Ehsan

Registered office

Unit 30-01, Level 30 Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the financial year ended 31 December 2022 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 19 April 2023.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

1. BASIS OF PREPARATION (CONT'D)**(a) Statement of compliance (cont'd)**

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company: (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standard, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023; and
- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgements

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

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

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

- Note 13 – recognition of deferred tax assets
- Note 15 – revenue recognition
- Note 22.4 – measurement of expected credit loss (“ECL”)

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity and any resulting gain or loss is recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

(b) *Fair value through profit or loss*

All financial assets not measured at amortised cost are measured at fair value through profit or loss. On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 2(h)(i)).

Financial liabilities

Financial liabilities of the Group and the Company are measured at amortised cost using the effective interest method.

Interest expense is recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments (cont'd)

(iii) Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Derecognition

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

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Property, plant and equipment****(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Store, site equipment, portable cabins and computers	5 - 15 years
• Plant and machineries	10 years
• Office equipment, furniture and fittings	5 - 20 years
• Motor vehicles	5 years
• Renovation	2 - 10 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for lease of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases (cont'd)

(ii) Recognition and initial measurement (cont'd)

As a lessee (cont'd)

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment property

(i) Investment property carried at cost

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each investment property, from the date that they are available for use.

Investment properties under construction is not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Leasehold land	99 years

Depreciation method, useful lives and residual value are reviewed at the end of the reporting period, and adjusted as appropriate.

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

(f) Contract asset/Contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments (see Note 2(h)(i)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(h) Impairment****(i) Financial assets**

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables and contract assets individually with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovering amounts due.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (cont'd)

(ii) Other assets

The carrying amounts of the other assets (except for deferred tax asset and contract assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(i) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Issue expenses

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(j) Employee benefits****(i) Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group and the Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(k) Revenue and other income**(i) Revenue from contracts with customers**

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to a customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
- (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(iii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

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

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

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

(n) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(o) Operating segments**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(p) Contingencies**(i) Contingent liabilities**

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

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(q) Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings	Store, site	Plant and	Office	Motor	Renovation	Total
Cost	RM'000	equipment, portable cabins and computers RM'000	machineries RM'000	furniture and fittings RM'000	vehicles RM'000	RM'000	RM'000
At 1 January 2021	4,455	9,099	645	667	837	142	15,845
Additions	-	237	-	26	169	14	446
Disposals	-	(2,810)	-	-	(40)	-	(2,850)
At 31 December 2021/1 January 2022	4,455	6,526	645	693	966	156	13,441
Additions	-	7,053	-	109	432	188	7,782
At 31 December 2022	4,455	13,579	645	802	1,398	344	21,223
Accumulated depreciation							
At 1 January 2021	498	6,846	645	559	541	98	9,187
Charge for the year	89	909	-	63	111	14	1,186
Disposals	-	(2,810)	-	-	(40)	-	(2,850)
At 31 December 2021/1 January 2022	587	4,945	645	622	612	112	7,523
Charge for the year	88	1,219	-	44	166	26	1,543
At 31 December 2022	675	6,164	645	666	778	138	9,066
Carrying amounts							
At 1 January 2021	3,957	2,253	-	108	296	44	6,658
At 31 December 2021/1 January 2022	3,868	1,581	-	71	354	44	5,918
At 31 December 2022	3,780	7,415	-	136	620	206	12,157

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**3.1 Security**

Buildings of the Group with a carrying amount of RM3,780,000 (2021: RM3,868,000) are pledged as security for bank facilities granted to the Group (see Note 12).

3.2 Hire purchase and loan arrangements

The net carrying amounts of motor vehicles and site equipment acquired under hire purchase are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Motor vehicles	619	352
Site equipment	4,279	1,291

4. RIGHT-OF-USE ASSETS

	Site equipment RM'000	Leasehold land RM'000	Office building RM'000	Total RM'000
Group				
At 1 January 2021	152	34	19	205
Additions	224	–	115	339
Depreciation	(330)	(1)	(74)	(405)
At 31 December 2021/ 1 January 2022	46	33	60	139
Depreciation	(46)	(1)	(60)	(107)
At 31 December 2022	–	32	–	32

The Company leases a leasehold land that has a lease term of 99 years.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

4. RIGHT-OF-USE ASSETS (CONT'D)

4.1 Variable lease payments based on occupancy (usage)

Certain leases of office building and site equipment contain variable lease payments based on occupancy (usage). The total variable rental payments for the year ended 31 December 2022 of the Group amounted to RM3,432,000 (2021: RM3,714,000). The Group is not able to estimate the future occupancy (usage) as it depends on the project status and usage requirements.

4.2 Extension options

Certain leases of leasehold land and office building contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The extension options of all leases are currently included in the lease term as the Group assessed that it is reasonably certain to exercise the extension options. Hence, as at 31 December 2022 and 31 December 2021, there are no potential future lease payments not included in lease liabilities.

4.3 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. INVESTMENT PROPERTIES

	Leasehold land RM'000	Buildings RM'000	Total RM'000
Group Cost			
At 1 January 2021/31 December 2021/ 1 January 2022/31 December 2022	518	5,150	5,668
Accumulated depreciation			
At 1 January 2021	74	25	99
Depreciation for the year	5	104	109
At 31 December 2021/1 January 2022	79	129	208
Depreciation for the year	6	103	109
At 31 December 2022	85	232	317
Carrying amounts			
At 1 January 2021	444	5,125	5,569
At 31 December 2021/1 January 2022	439	5,021	5,460
At 31 December 2022	433	4,918	5,351

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the lease contains a non-cancellable period of 3 years.

The investment properties of the Group are pledged as security for term loans granted to the Group as referred in Note 12.

The following are recognised in profit or loss:

	2022 RM'000	2021 RM'000
Group		
Lease income	309	283
Direct operating expenses:		
- income generating investment properties	20	18

The operating lease payments to be received are as follows:

	2022 RM'000	2021 RM'000
Group		
Less than one year	309	309
One to two years	25	309
Two to three years	—	25
Total undiscounted lease payments	334	643

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

Fair value information

Fair value of investment properties is categorised as follows:

	Level 3 RM'000	Total RM'000
Group		
2022		
Buildings	6,070	6,070
Leasehold land	1,000	1,000
2021		
Buildings	6,070	6,070
Leasehold land	1,000	1,000

The following table shows the valuation technique used in the determination of fair values within level 3 as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The comparison method entails comparing the properties with similar properties that were sold recently or those that are currently offered for sale in the vicinity or other similar areas.	Price per square foot.	The estimated fair value would increase/(decrease) if price per square foot of property were higher/(lower).
The most significant input into this valuation approach is price per square foot.		

Valuation processes applied by the Group for Level 3 fair value

The fair values of leasehold land and buildings at the end of the reporting period were determined by the Directors by reference to the professional valuations performed by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The professional valuations were carried out in April 2021 and May 2021, respectively, which estimated the market value of the investment properties based on the comparison method of valuation.

This valuation method entails comparing the properties with similar properties that were sold recently or those that are currently offered for sale in the vicinity or other similar areas. The most significant input into this valuation approach is price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

6. INVESTMENTS IN SUBSIDIARIES

	Note	Company RM'000
Unquoted shares, at cost		
At 1 January 2021		—
Effect of restructuring (Note 26)	6.1	36,723
31 December 2021/1 January 2022		36,723
Subscription of shares	6.2	24,000
At 31 December 2022		60,723

6.1 During the year ended 31 December 2021, the Company had undertaken a restructuring exercise and completed the acquisition of the entire equity interest in Siab (M) Sdn. Bhd. ("Siab (M)") for a purchase consideration of RM36,722,508 which was wholly satisfied by the issuance of 367,225,080 new ordinary shares in the Company at an issue price of RM0.10 per share.

6.2 During the year ended 31 December 2022, the Company subscribed for 24,000,000 new ordinary shares in Siab (M) at an issue price of RM1.00 per share. The said purchase consideration was fully satisfied by capitalisation of the amount due from Siab (M) Sdn. Bhd. of RM9,000,000 and cash consideration amounting to RM15,000,000.

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2022 %	2021 %
Direct subsidiary				
Siab (M)	Malaysia	Constructions and civil engineering	100	100
Indirect subsidiaries (Held through Siab (M))				
Siab Construction Sdn. Bhd.	Malaysia	Constructions and civil engineering	100	100
Siab Network Solutions Sdn. Bhd.	Malaysia	Information and Communications Technology (“ICT”) solutions	100	100
Siab Engineering Sdn. Bhd.	Malaysia	Construction support services	100	100
Siab Development Sdn. Bhd.	Malaysia	Dormant	100	100

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

7. OTHER INVESTMENTS

	Group	
	2022	2021
	RM'000	RM'000
Non-current		
Fair value through profit or loss:		
Investment in unit trusts	39	42
Investment in fund investments	718	821
	757	863
Current		
Fair value through profit or loss:		
Investment in quoted shares	2,396	–
	3,153	863

Investments in unit trusts, fund investments and quoted shares meet the requirement of financial assets measured at fair value through profit or loss (“FVTPL”) as the holder of investments does not seek to collect merely contractual cash flows and relevant interests but also to hold for appreciation in the value on the funds.

8. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Trade					
Trade receivables	8.1	72,556	71,351	–	–
		72,556	71,351	–	–
Non-trade					
Other receivables		8,314	1,163	2	–
Prepayments		233	66	–	–
Amount due from subsidiaries	8.2	–	–	6,222	–
		8,547	1,229	6,224	–
		81,103	72,580	6,224	–

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

8. TRADE AND OTHER RECEIVABLES (CONT'D)**8.1 Trade receivables**

Included in the trade receivables of the Group are retention sums relating to construction work-in-progress. Retention sums are unsecured, interest free and are expected to be collected as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Within 1 year	8,322	8,731	—	—
More than 1 year	21,951	24,558	—	—
	30,273	33,289	—	—

8.2 Amount due from subsidiaries

The non-trade amount due from subsidiaries are unsecured, interest free and repayable on demand, except for loans to subsidiaries of RM5,923,000 (2021: Nil) which are subject to interest at 6.40% (2021: Nil) per annum.

8.3 Offsetting of financial assets and financial liabilities

The following table provides information of financial assets and financial liabilities that have been set off for presentation purposes:

	Note	Gross amount RM'000	Balances that are set off RM'000	Net carrying amount in the statement of financial position RM'000
Group				
2022				
Trade receivables		73,074	(518)	72,556
Trade payables	14	(70,065)	518	(69,547)
2021				
Trade receivables		78,488	(7,137)	71,351
Trade payables	14	(82,574)	7,137	(75,437)

Certain trade receivables and trade payables were set off for presentation purpose because the Group has enforceable right to set off and intends to settle on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

9. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Group	
	2022	2021
	RM'000	RM'000
Contract assets	41,643	46,578
Contract liabilities	(6,872)	–

The contract assets primarily relate to the Group's right to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed based on agreed milestones, certified by architects and payment is expected within 30 days from billing date.

The contract liabilities primarily relate to the advance consideration received from a customer for construction contract, and revenue is recognised over time during general construction work. The contract liabilities are expected to be recognised as revenue over a period of 30 days.

Significant changes to contract assets and contract liabilities balances during the year are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Contract liabilities at the beginning of the period recognised as revenue	–	(6,625)
Contract assets at the beginning of the period not transferred to trade receivables due to change in time frame	4,334	13,636

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

10. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fixed deposits with licensed banks	10.1	21,226	8,074	–	–
Cash and bank balances		10,215	2,628	488	1
		31,441	10,702	488	1

10.1 Fixed deposits with licensed banks

Certain deposits placed with licensed banks are pledged as security for banking facilities granted to the Group (see Note 12).

11. SHARE CAPITAL AND MERGER RESERVE

(a) Share capital

	Amount 2022 RM'000	Number of shares 2022 '000	Amount 2021 RM'000	Number of shares 2021 '000
Group and Company				
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 January	36,723	367,225	*	*
Effect of restructuring (Note 26)	–	–	36,723	367,225
New shares issued for the Public Issue (Note 26)	36,723	122,409	–	–
Share issuance expenses	(1,110)	–	–	–
At 31 December	72,336	489,634	36,723	367,225

* Denotes RM3, consisting 3 ordinary shares

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

11. SHARE CAPITAL AND MERGER RESERVE (CONT'D)

(a) Share capital (cont'd)

	2022 RM'000	2021 RM'000
Group and Company		
Share capital in legal form	73,446	36,723
Less: Share issuance expenses	(1,110)	–
Share capital in the statements of financial position	72,336	36,723

Ordinary shares

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

The new ordinary shares issued during the financial year rank equally in all respects with the existing shares of the Company.

(b) Merger reserve

In the event where a new company is formed to facilitate a restructuring exercise, in which the new company itself is not a business, book value accounting is applied. The assets and liabilities acquired are recognised in the consolidated financial statements at their respective carrying amounts as if the restructuring had occurred before the start of the earliest period presented. The other components of equity of the acquired entities are added to the same components within the Group equity.

The merger reserve comprises the difference between cost of investment recorded by the Company and the share capital of Siab (M) arising from the restructuring exercise during the year ended 31 December 2021.

12. LOANS AND BORROWINGS

	Note	Company 2022 RM'000	2021 RM'000
Non-current			
Term loans	12.1	17,915	11,762
Hire purchase liabilities	12.2	2,377	482
		20,292	12,244
Current			
Term loans	12.1	3,285	1,742
Hire purchase liabilities	12.2	1,307	748
Bank overdrafts	12.3	9,551	7,387
Revolving credit	12.4	5,000	–
Recourse factoring	12.5	4,764	–
		23,907	9,877
		44,199	22,121

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

12. LOANS AND BORROWINGS (CONT'D)

12.1 Term loans

The term loans are secured by the following:

- (i) The Group's buildings (see Note 3) and investment properties (see Note 5);
- (ii) Joint and several guarantees executed by certain Directors of the Company; and
- (iii) Guarantee by the Government of Malaysia ("GoM") under the PEMULIH Government Guarantee Scheme, Special Relief Facility Covid-19 Scheme and Working Capital Guarantee Scheme.

12.2 Hire purchase liabilities

Hire purchase liabilities are secured over motor vehicles and site equipment (see Note 3).

12.3 Bank overdrafts

The bank overdrafts are secured by the following:

- (i) Pledge over fixed deposits (see Note 10);
- (ii) Joint and several guarantees executed by certain Directors of the Company; and
- (iii) Guarantee by the Government of Malaysia ("GoM") under the PEMULIH Government Guarantee Scheme, Special Relief Facility Covid-19 Scheme and Working Capital Guarantee Scheme.

12.4 Revolving credit

The revolving credit facility is secured by pledge over fixed deposits (see Note 10).

12.5 Recourse factoring

During the financial year ended 31 December 2022, the Group entered into a domestic recourse factoring arrangement with a licensed bank ("the facility").

Based on the facility, the licensed bank agrees that upon issuance of invoice to the participating customer, the licensed bank is to pay a partial amount of the invoice to the Group. Subsequently, when payment is made by the participating customer to the licensed bank, the remaining invoice amount (net of other bank charges) shall be released by the licensed bank to the Group.

Should the customer fail to pay the outstanding receivables to the licensed bank upon its due date, the Group will be required to make payment to the licensed bank on the next business day after the due date. As the Group retains substantially all the risks and rewards associated with the customers, the receivables do not qualify for derecognition. Instead, the transaction is accounted for as a collateralised borrowing.

The recourse factoring facility is secured by pledge over fixed deposits (see Note 10).

NOTES TO THE FINANCIAL STATEMENTS

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13. DEFERRED TAX ASSETS/(LIABILITIES)

(a) Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Property, plant and equipment	-	-	(870)	(605)	(870)	(605)
Unabsorbed business losses	3,868	51	-	-	3,868	51
Unabsorbed capital allowances	294	7	-	-	294	7
Right-of-use assets	-	-	-	(25)	-	(25)
Lease liabilities	-	33	-	-	-	33
Others	60	55	-	-	60	55
Tax assets/(liabilities)	4,222	146	(870)	(630)	3,352	(484)
Set off of tax	(589)	(146)	589	146	-	-
Net deferred tax assets/(liabilities)	3,633	-	(281)	(484)	3,352	(484)

Movement in temporary differences during the financial year

Group	Recognised in profit or loss		At 31.12.2021/ 1.1.2022		Recognised in profit or loss		At 31.12.2022	
	1.1.2021 RM'000	(Note 18) RM'000	31.12.2021/ 1.1.2022 RM'000	(Note 18) RM'000	1.1.2022 RM'000	(Note 18) RM'000	31.12.2022 RM'000	(Note 18) RM'000
Property, plant and equipment	(548)	(57)	(605)	(265)	(605)	(265)	(870)	(870)
Unabsorbed business losses	25	26	51	3,817	51	3,817	3,868	3,868
Unabsorbed capital allowances	7	-	7	287	7	287	294	294
Right-of-use assets	(41)	16	(25)	25	(25)	25	-	-
Lease liabilities	43	(10)	33	(33)	33	(33)	-	-
Others	55	-	55	5	55	5	60	60
	(459)	(25)	(484)	3,836	(484)	3,836	3,352	3,352

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(b) Unrecognised deferred tax assets

Deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which the Group can utilise the benefits therefrom.

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2022 RM'000	2021 RM'000
Unabsorbed business losses	1,007	–
Unabsorbed capital allowances	29	–
	1,036	–

Pursuant to the latest tax legislation, unabsorbed business losses from a year of assessment ("YA") can only be carried forward up to 10 consecutive YAs. The table below shows the unabsorbed business losses in respective YAs.

	Group	
	2022 RM'000	2021 RM'000
Expiring in:		
2028	56	56
2030	47	47
2031	116	116
2032	16,905	–
	17,124	219

The other temporary differences do not expire under current tax legislation.

Significant judgements and assumptions

Assumptions on generation of future taxable profits depend on management's estimates of future cash flows, which are closely linked to the outcome of future projects. Judgement is also required on the application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations and hence, the amount of deferred tax assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

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14. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade					
Trade payables	8.3, 14.1	69,547	75,437	–	–
		69,547	75,437	–	–
Non-trade					
Other payables		3,109	1,823	253	61
Dividends payable	20	–	4,000	–	–
Accruals		632	487	31	24
Amount due to subsidiaries	14.2	–	–	–	1,639
		3,741	6,310	284	1,724
		73,288	81,747	284	1,724

14.1 Trade payables

Included in trade payables of the Group are retentions of RM18,739,000 (2021: RM21,678,000). Retentions are unsecured, interest free and are expected to be paid as follows:

	Group	
	2022 RM'000	2021 RM'000
Within 1 year	8,035	4,632
More than 1 year	10,704	17,046
	18,739	21,678

14.2 Amount due to subsidiaries

The non-trade amount due to subsidiaries was interest free, unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

15. REVENUE

	Group 2022 RM'000	2021 RM'000
Revenue from contracts with customers	141,741	165,983
15.1 Disaggregation of revenue		
Primary geographical market		
Malaysia	141,741	165,983
Major products and service lines		
Construction contracts	141,576	164,967
ICT solutions	156	1,005
Hardware & software and IT services	9	11
	141,741	165,983
Timing and recognition		
Over time	141,732	165,972
At a point in time	9	11
	141,741	165,983

15.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Construction contracts	ICT solutions	Hardware & software and IT services
Timing of recognition or method used to recognise revenue	Revenue is recognised over time using the cost incurred method.	Revenue is recognised over time based on progress of work performed.	Revenue is recognised when goods or services are delivered or rendered.
Significant payment terms	Based on the agreed milestones, certified by architects.	Based on the agreed milestones, certified by architects.	Credit period of average 30 days from invoice date.
Variable element in consideration	Liquidated Ascertained Damages ("LAD") being the penalties for not achieving defined milestones on time are treated as a variable element in consideration.	Not applicable.	Not applicable.
Warranty	Generally, defect liability period of 2 to 3 years is given to the customers.	Generally, defect liability period of 1 to 2 years is given to the customers.	Not applicable.

There is no obligation for returns or refunds in the revenue transactions.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

15. REVENUE (CONT'D)

15.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure only provides information for contracts that have a duration of more than one year.

	2023 RM'000	2024 RM'000	Total RM'000
Group 2022			
Revenue from construction contracts	276,361	19,390	295,751
	2022 RM'000	2023 RM'000	Total RM'000
Group 2021			
Revenue from construction contracts	394,815	147,219	542,034

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

15.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers, especially for construction contracts:

Variable Consideration

Variable orders are integral and significant parts of contract revenue. They can also be present in lump sum contracts. Revenue from variation orders is included only when it is highly probable that the revenue will not be reversed. There is a risk that the actual payment of variation orders may differ from the estimated amount.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

15. REVENUE (CONT'D)

15.4 Significant judgements and assumptions arising from revenue recognition (cont'd)

Liquidated Ascertained Damages ("LAD")

LAD are penalties for not achieving defined milestones on time. LAD are common in construction contracts. If a project does not meet the defined milestone in a contract, a provision reducing the transaction price is made unless it is highly probable that the LAD will not be imposed. The estimated LAD provision is highly judgemental and based on experience from similar LAD situations and negotiations with customers in addition to an assessment of client relationship and economic impact.

Total Contract Cost

The estimate of total contract cost can be judgemental and sensitive to changes. The cost estimates can significantly impact revenue recognition for contracts using cost progress, particularly in lump sum construction contracts. In making these estimates, management relied on professional estimates and also on past experience of completed projects. The forecasting of total contract cost depends on the ability to properly execute the design phase, availability of skilled resources, productivity and quality factors, performance of subcontractors and sometimes also weather conditions. A change in the estimates will directly affect the revenue to be recognised.

16. FINANCE COSTS

	Group	
	2022 RM'000	2021 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	1,812	1,114
Interest expense on lease liabilities	2	11
	<hr/> 1,814	<hr/> 1,125

17. (LOSS)/PROFIT BEFORE TAX

Note	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(Loss)/Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
Audit fees:				
- KPMG PLT				
- Statutory audit	175	146	15	10
- Others	—	90	—	90
Non-audit fees:				
- KPMG PLT	120	315	120	315
- Local affiliates of KPMG PLT	57	56	2	5

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

17. (LOSS)/PROFIT BEFORE TAX (CONT'D)

	Note	Group		Company	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Material expenses/(income)					
Depreciation of property, plant and equipment	3	1,543	1,186	–	–
Depreciation of right-of-use assets	4	107	405	–	–
Depreciation of investment properties	5	109	109	–	–
Personnel expenses (including key management personnel):					
- Directors' fees		264	66	264	66
- Directors' remuneration		2,040	1,944	2,040	–
- Contributions to Employees' Provision Fund		1,236	548	421	–
- Wages, salaries and others		8,762	7,538	278	–
Initial public offering expenses		748	1,478	748	1,478
Change in fair value of other investments		408	(23)	–	–
Gain on disposal of property, plant and equipment		–	(506)	–	–
Finance income		(495)	(190)	(877)	–
Expenses arising from leases					
Expenses relating to short-term leases	17.1	1,253	1,300	–	–
Expenses relating to leases of low-value assets	17.1	75	228	–	–
Expenses relating to variable lease payments not included in the measurement of lease liabilities	17.1	3,432	3,714	–	–
Net loss on impairment of financial instruments					
Financial assets at amortised cost		3,360	20	–	–

17.1 Expenses arising from leases

The Group leases different types of site equipment that either have a contract term that is less than 12 months, low-value in nature or includes variable lease payments where the rental expense is based on the usage of equipment. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS

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18. TAX (CREDIT)/EXPENSE

Recognised in profit or loss

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax expense				
- Current year	1,228	2,511	200	-
- Under provision in prior year	73	153	-	-
Total current tax recognised in profit or loss	1,301	2,664	200	-
Deferred tax (asset)/expense				
- Current year	(3,729)	94	-	-
- Over provision in prior year	(166)	(69)	-	-
- Write down of deferred tax asset	59	-	-	-
Total deferred tax recognised in profit or loss	(3,836)	25	-	-
	(2,535)	2,689	200	-

Reconciliation of tax (credit)/expense

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(Loss)/Profit before tax	(21,804)	8,065	(3,327)	(1,719)
Income tax calculated using				
Malaysian tax rate at 24%	(5,233)	1,936	(799)	(413)
Non-deductible expenses	2,801	720	1,209	413
Current year losses for which no deferred tax asset was recognised	189	-	-	-
Write down of deferred tax asset	59	-	-	-
Non-taxable income	(258)	(51)	(210)	-
(Over)/Under provision in prior years	(93)	84	-	-
	(2,535)	2,689	200	-

NOTES TO THE FINANCIAL STATEMENTS

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19. (LOSS)/EARNINGS PER ORDINARY SHARE

Basic (loss)/earnings per ordinary share

The calculation of basic (loss)/earnings per ordinary share was based on the (loss)/profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Group	2022 RM'000	2021 RM'000
(Loss)/Profit attributable to ordinary shareholders	(19,269)	5,376
	2022 '000	2021 '000
<i>Weighted average number of ordinary shares</i>		
Issued shares at 1 January	367,225	*
Effect of new ordinary shares issued from restructuring exercise	–	17,104
Effect of new shares issued	102,958	–
Weighted average number of ordinary shares at 31 December (basic)	470,183	17,104
	2022 sen	2021 sen
Basic (loss)/earnings per share	(4.10)	31.43

* Denotes 3

Diluted earnings per ordinary share

Diluted earnings per ordinary share as at 31 December 2022 and 2021 are identical with basic earnings per ordinary share as the Group does not have any dilutive potential ordinary shares.

20. DIVIDENDS

Dividends recognised by the Group:

	Per share ⁽¹⁾ RM	Total amount RM'000	Date of payment
2021			
Final 2020 ordinary	4.00	4,000	22 February 2022

⁽¹⁾ The dividends were declared to the shareholders of Siab (M) prior to the restructuring exercise during the year ended 31 December 2021.

The Directors do not recommend any dividend to be paid for the year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

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21. OPERATING SEGMENTS

The Group is predominantly involved in construction and civil engineering, which is the only reportable segment. Other non-reportable segments comprise operations related to ICT solutions, maintenance services and investment holdings.

All the Group's operations and its revenue are carried out and derived in Malaysia.

The Managing Director of the Group (the Chief Operating Decision Maker) reviews internal management reports on a monthly basis.

Performance is measured based on segment profit or loss, as included in the internal management reports that are reviewed by the Managing Director of the Group. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within this industry.

Segment assets and liabilities

Segment assets and liabilities information is neither included in the internal management reports nor provided regularly to the Managing Director of the Group. Hence, no disclosure is made on segment assets and liabilities.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties and right-of-use assets.

	2022 RM'000	2021 RM'000
Group		
Total additions to property, plant and equipment	7,782	446
Total additions to right-of-use assets	–	339
	7,782	785

Segment (loss)/profit

Group		
Segment (loss)/profit	(14,710)	7,178

Included in the measure of segment (loss)/profit are:

Revenue from external customers	141,576	164,967
Finance income	197	190
Finance costs	(1,814)	(1,125)
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(1,759)	(1,700)
Tax credit/(expense)	2,791	(2,709)
Net loss on impairment of financial instruments	(3,360)	(20)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. OPERATING SEGMENTS (CONT'D)

Reconciliation of reportable segment revenue, profit or loss and other material items

	Group 2022 RM'000	2021 RM'000
Revenue		
Total external revenue		
for reportable segment	141,576	164,967
Other non-reportable segments	165	1,016
Consolidated total	141,741	165,983
Profit or loss		
Total (loss)/profit for reportable segment	(14,710)	7,178
Other non-reportable segments	(4,559)	(1,802)
Consolidated total	(19,269)	5,376
Income tax		
Total tax credit/(expense) for reportable segment	2,791	(2,709)
Other non-reportable segments	(256)	20
Consolidated total	2,535	(2,689)

Major customers

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

	Revenue 2022 RM'000	2021 RM'000	Segment
Customer A	29,485	8,443	Construction and civil engineering
Customer B	–	39,196	Construction and civil engineering
Customer C	19,110	32,258	Construction and civil engineering
Customer D	34,880	28,263	Construction and civil engineering
Customer E	2,654	19,090	Construction and civil engineering
Customer F	37,159	3,928	Construction and civil engineering
Customer G	17,652	–	Construction and civil engineering

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS

22.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL")
- (b) Amortised cost ("AC")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2022			
Group			
Financial assets			
Other investments	3,153	–	3,153
Trade and other receivables #	80,870	80,870	–
Cash and cash equivalents	31,441	31,441	–
	115,464	112,311	3,153
Financial liabilities			
Trade and other payables	(73,288)	(73,288)	–
Loans and borrowings	(44,199)	(44,199)	–
	(117,487)	(117,487)	–
Company			
Financial assets			
Trade and other receivables	6,224	6,224	–
Cash and cash equivalents	488	488	–
	6,712	6,712	–
Financial liabilities			
Trade and other payables	(284)	(284)	–

Exclude prepayments

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2021			
Group			
Financial assets			
Other investments	863	–	863
Trade and other receivables #	72,514	72,514	–
Cash and cash equivalents	10,702	10,702	–
	84,079	83,216	863
Financial liabilities			
Trade and other payables	(81,747)	(81,747)	–
Loans and borrowings	(22,121)	(22,121)	–
	(103,868)	(103,868)	–
Company			
Financial assets			
Cash and cash equivalents	1	1	–
Financial liabilities			
Trade and other payables	(1,724)	(1,724)	–

Exclude prepayments

22.2 Net gains and losses arising from financial instruments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net gains/(losses) on:				
Financial assets measured at fair value through profit or loss	(408)	23	–	–
Financial assets measured at amortised cost	(2,865)	170	877	–
Financial liabilities measured at amortised cost	(1,812)	(1,114)	–	–
	(5,085)	(921)	877	–

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

22.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and subcontractors. The Company's exposure to credit risk arises principally from loans to subsidiaries. There are no significant changes as compared to prior period.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

The Group has 9 (2021: 8) ongoing projects as at end of the reporting period. There is a concentration of credit risk with respect to trade receivables due from 3 (2021: 4) contract customers, which accounted for 40% (2021: 52%) of trade receivables (including retention sums) and contract assets due from 2 (2021: 3) contract customers which accounted for 60% (2021: 54%) of contract assets as at the end of the reporting period.

The disclosure of the exposure of credit risk for trade receivable as at the reporting period by geographic region is not disclosed as the Group's business is operated only in Malaysia.

Recognition and measurement of impairment loss

The Group determines the probability of default for these receivables individually using internal information available.

Generally, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and expected credit losses ("ECLs") for trade receivables and contract assets as at the end of the reporting period, which are grouped together as they are expected to have similar risk nature:

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2022			
Trade receivables			
Current (not past due)	46,929	–	46,929
1 – 30 days past due	8,769	–	8,769
31 – 60 days past due	3,835	–	3,835
61 – 90 days past due	1,716	–	1,716
More than 90 days past due	15,405	(4,098)	11,307
	76,654	(4,098)	72,556
Contract assets			
Current (not past due)	41,643	–	41,643
2021			
Trade receivables			
Current (not past due)	42,164	–	42,164
1 – 30 days past due	12,080	–	12,080
31 – 60 days past due	4,589	–	4,589
61 – 90 days past due	1,847	–	1,847
More than 90 days past due	11,409	(738)	10,671
	72,089	(738)	71,351
Contract assets			
Current (not past due)	46,578	–	46,578

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below:

	Trade receivables Credit impaired RM'000
Group	
Balance at 1 January 2021	3,623
Amounts written off	(2,905)
Net remeasurement of loss allowance	20
	<hr/>
Balance at 31 December 2021/1 January 2022	738
Net remeasurement of loss allowance (Note 26)	3,360
	<hr/>
Balance at 31 December 2022	4,098
	<hr/>

Other receivables

Credit risks on other receivables are mainly arising from advances to subcontractors, tender deposits and utilities deposits. At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses. These other receivables have low credit risks. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.4 Credit risk (cont'd)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured financial guarantees to contract customers in relation to construction contracts. The Company provides unsecured financial guarantees to banks and suppliers in respect of banking and credit facilities granted to its subsidiaries. The Company monitors the ability of the subsidiaries to service their loans and payables on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group and of the Company amounts to RM18,130,000 (2021: RM14,291,000) and RM43,786,000 (2021: Nil) respectively, representing the outstanding performance guarantees of the Group and the outstanding banking and credit facilities of the subsidiaries as at the end of the reporting period.

Recognition and measurement of impairment loss

As at the end of the reporting period, probability of the default of the Group and of its subsidiaries is low and no allowance of impairment is recognised. These contract customers and subsidiaries have low credit risks. Consequently, the Group and the Company is of the view that the loss allowance is not material and hence, it is not provided for.

The financial guarantees have not been recognised since the fair value on initial recognition and the associated loss allowances, if any, is not material.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the non-trade amount due from and loans on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These non-trade amount due from and loans are not secured by any collateral or supported by any other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.4 Credit risk (cont'd)

Inter-company balances (cont'd)

Recognition and measurement of impairment loss

Generally, the Company considers the non-trade amount due from and loans to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when subsidiaries' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the amount due from and loans when they are payable, the Company considers the non-trade amount due from and loans to be in default when the subsidiaries are not able to pay when demanded. The Company considers the amount due from and loans to a subsidiary to be credit impaired when:

- The subsidiary is unlikely to repay its non-trade amount due and loan to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these non-trade amount due from and loans individually using internal information available.

As at the end of the reporting period, there was no indication that the inter-company balances are not recoverable. As these amounts are considered to have low credit risk, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

22.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, loans and borrowings and lease liabilities.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The Group agreed to provide continuous financial support to certain subsidiaries to enable them to fulfil their obligations as and when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.5 Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM'000	Contractual interest rate/ discount rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
2022							
<i>Non-derivative financial liabilities</i>							
Hire purchase liabilities	3,684	2.35% - 5.41%	3,975	1,470	1,270	1,235	-
Bank overdrafts	9,551	#	9,551	9,551	-	-	-
Term loans	21,200	*	24,713	4,214	4,157	10,546	5,796
Revolving credit	5,000	^	5,000	5,000	-	-	-
Recourse factoring	4,764	&	4,764	4,764	-	-	-
Trade and other payables	73,288	-	73,288	73,288	-	-	-
Financial guarantees	-	-	18,130	18,130	-	-	-
	117,487		139,421	116,417	5,427	11,781	5,796

Represents lenders' cost of funds ranging from a margin of +0.50% to +2.00% per annum.

* Represents lenders' cost of funds ranging from a margin of -2.30% to +4.40% per annum.

^ Represents lenders' cost of funds plus a margin of 1.50% per annum.

& Represents lenders' cost of funds plus a margin of 0.75% per annum.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Group 2021	Carrying amount RM'000	Contractual interest rate/ discount rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<i>Non-derivative financial liabilities</i>							
Hire purchase liabilities	1,230	2.35% - 4.08%	1,297	790	337	170	-
Bank overdrafts	7,387	#	7,387	7,387	-	-	-
Term loans	13,504	*	16,260	2,371	2,430	7,109	4,350
Trade and other payables	81,747	-	81,747	81,747	-	-	-
Lease liabilities	137	3.50% - 5.45%	139	139	-	-	-
Financial guarantees	-	-	14,291	14,291	-	-	-
	104,005		121,121	106,725	2,767	7,279	4,350

Represents lenders' cost of funds ranging from a margin of +1.00% to +2.00% per annum.

* Represents lenders' cost of funds ranging from a margin of -2.30% to +2.00% per annum.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM'000	Contractual interest rate/ discount rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000
Company				
2022				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	284	–	284	284
Financial guarantees	–	–	43,786	43,786
	<u>284</u>		<u>44,070</u>	<u>44,070</u>
2021				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	1,724	–	1,724	1,724
	<u>1,724</u>		<u>1,724</u>	<u>1,724</u>

22.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and Company's financial position or cash flows. The Group and the Company are not exposed to foreign currency risk as all of their sales and purchases were denominated in RM. The Company is not significantly exposed to other price risk.

22.6.1 Interest rate risk

The Group's fixed rate deposits and loans and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate loans and borrowings and Company's variable rate amount due from subsidiaries are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Interest rate exposure arises mainly from the Group's loans and borrowings. The Group closely monitors the interest rate trends and decisions in respect of fixed or floating rate debt structure, and tenor of borrowings are made based on the expected interest rate trends and after consultations with the bankers.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.6 Market risk (cont'd)

22.6.1 Interest rate risk (cont'd)

Exposure to interest rate risk

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

	Note	2022 RM'000	2021 RM'000
Group			
Fixed rate instruments			
Financial assets			
Deposits placed with licensed banks	10	21,226	8,074
Financial liabilities			
Hire purchase liabilities	12	(3,684)	(1,230)
Lease liabilities		–	(137)
		(3,684)	(1,367)
Floating rate instruments			
Financial liabilities			
Bank overdrafts	12	(9,551)	(7,387)
Term loans	12	(21,200)	(13,504)
Revolving credit	12	(5,000)	–
Recourse factoring	12	(4,764)	–
		(40,515)	(20,891)
Company			
Floating rate instruments			
Financial assets			
Trade and other receivables			
- Amount due from subsidiaries (Interest-bearing)	8	5,923	–

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.6 Market risk (cont'd)

22.6.1 Interest rate risk (cont'd)

Interest rate risk sensitivity analysis (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have (decreased)/increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	Post-tax profit/(loss)		Post-tax profit/(loss)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	2022	2022	2021	2021
	RM'000	RM'000	RM'000	RM'000
Group				
Floating rate instruments	(308)	308	(159)	159
Company				
Floating rate instruments	45	(45)	–	–

22.6.2 Other price risk

Equity price risk arises from the Group's investment in quoted shares.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the investment in quoted shares on a portfolio basis. Material investments within the portfolio are managed in an individual basis and all material buy and sell decisions are approved by the Audit and Risk Management Committee.

Equity price risk sensitivity analysis

The analysis assumes that all other variables remain constant and the Group's investment in quoted shares moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI").

A 10% (2021: 10%) strengthening/(weakening) in FBMKLCI at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by RM182,000 (2021: Nil) for investments classified as fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of hire purchase liabilities also approximate their fair values upon discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

The table below analyses other financial instruments at fair value:

	Fair value of financial instruments carried at fair value Level 1 RM'000	Fair value of financial instruments carried at fair value Level 2 RM'000	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Group					
2022					
Financial assets					
Other investments					
- Unit trusts	–	39	–	39	39
- Fund investments	–	718	–	718	718
- Quoted shares	2,396	–	–	2,396	2,396
	2,396	757	–	3,153	3,153
Financial liabilities					
Term loans	–	–	(21,200)	(21,200)	(21,200)
2021					
Financial assets					
Other investments					
- Unit trusts	–	42	–	42	42
- Fund investments	–	821	–	821	821
	–	863	–	863	863
Financial liabilities					
Term loans	–	–	(13,504)	(13,504)	(13,504)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (CONT'D)

22.7 Fair value information (cont'd)

Level 2 fair value

Other investments

The fair values of investments in unit trusts and fund investments are determined based on the net assets value as stipulated in the statements provided by the counterparties of the investments.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2021: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and input used
Term loans	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

23. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group also provides continuous financial support to certain subsidiaries. The Directors monitor capital using a gearing ratio, which is total debt divided by total equity. The Group's policy is to keep the gearing ratio at an acceptable limit.

The debt-to-equity ratios at the end of the reporting periods were as follows:

	Note	Group 2022 RM'000	2021 RM'000
Loans and borrowings	12	44,199	22,121
Lease liabilities		–	137
Total debt		44,199	22,258
Total equity		54,439	38,095
Debt-to-equity ratio		0.81	0.58

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

24. CAPITAL COMMITMENTS

	Group	
	2022	2021
	RM'000	RM'000
Capital expenditure commitment		
Leasehold land		
Contracted but not provided for	4,331	–

25. RELATED PARTIES

Identity of related parties

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

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

The Group has related party relationship with its subsidiaries and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Note 8 and 14 to the financial statements.

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
A. Key management personnel				
Directors				
Directors' Fees	264	66	264	66
Directors' Remuneration	2,040	1,944	2,040	–
Contributions to				
Employees' Provision Fund	388	369	388	–
Other emoluments	3	3	3	–
Advances from a director	–	5	–	5
Estimated monetary value of				
any other benefits	7	10	7	–
B. Subsidiaries				
Payment on behalf by a subsidiary	–	–	1,211	161
Loans given to subsidiaries	–	–	23,345	–
Repayment of loan from subsidiaries	–	–	17,079	–
Interest charged to subsidiaries				
for loans given	–	–	578	–
Reimbursement of initial public				
offering expenses by the Company	–	–	–	1,479

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. SIGNIFICANT AND SUBSEQUENT EVENTS

2021

(a) Restructuring exercise

In conjunction with, and as an integral part of the listing of the Company's shares on the ACE Market of Bursa Malaysia Securities Berhad, the Company has undertaken the following restructuring exercise:

Acquisition of shares in respect of Siab M

On 31 May 2021, the Company entered into a conditional share sale agreement to acquire the entire issued share capital of Siab (M) of RM1,000,000 from its existing shareholders for a purchase consideration of RM36,722,508. The purchase consideration was fully satisfied by the issuance of 367,225,080 new ordinary shares of the Company at an issue price of RM0.10 per share, which was issued to the shareholders of Siab (M), namely Ng Wai Hoe, Lim Mei Hwee, Tan Sok Moi, Makmur Baru Holdings Sdn. Bhd. and Alam Kota Sdn. Bhd..

The acquisition was completed on 14 December 2021.

For the purpose of accounting for the restructuring exercise, the Group applied book value accounting on the basis that the restructuring exercise does not constitute a business combination to which acquisition accounting can be applied. Under book value accounting, the difference between the cost of investment recorded by the Company and the share capital of Siab (M) is accounted for as merger reserve.

2022

(a) Initial Public Offering (IPO)

In conjunction with, and as an integral part of the listing of the Company's shares on the ACE Market of Bursa Malaysia Securities Berhad, the following listing scheme was undertaken by the Company:

- (i) Public issue of 122,409,000 new ordinary shares in the Company at an issue price of RM0.30 per share ("IPO Price") allocated in the following manner:-
 - 24,481,800 new shares available for application by the Malaysian Public;
 - 12,240,900 new shares available for application by the eligible directors and employees;
 - 24,481,800 new shares by way of private placement to selected investors; and
 - 61,204,500 new shares by way of private placement to identified Bumiputera investors approved by Ministry of International Trade and Industry, Malaysia.
- (ii) Offer for sale of 48,963,600 existing shares by way of private placement to selected investors at the IPO Price.

The Company's entire enlarged issued and paid-up share capital comprising 489,634,083 ordinary shares were listed on the ACE Market of Bursa Malaysia Securities Berhad on 28 February 2022.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)**2022 (cont'd)****(b) Debt settlement with Yong Tai Berhad ("YTB")**

On 17 May 2022, a subsidiary of the Group, Siab (M) entered into a debt settlement agreement with Yong Tai Berhad ("YTB"), YTB Development Sdn. Bhd. ("YTBD") and YTB Impression Sdn. Bhd. ("YTBI") for the settlement of an aggregate amount of RM6 million debt owing by YTBD and YTBI ("the Debtors") to Siab (M) ("Settlement Amount"). The Settlement Amount shall be repaid by the Debtors via the issuance of 12,000,000 YTB shares at an issue price of RM0.50 per share.

On the date of share transfer, the fair value of YTB share was at RM0.22 per share. Accordingly, the shortfall of RM0.28 per share between the agreed share price and the fair value share price amounting to RM3,360,000 has been recognised as impairment loss during the financial year.

On 19 April 2023, Siab (M) accepted a debt settlement arrangement proposed by YTB for the settlement of an aggregate amount of RM3,367,580 debt owing by YTBD and Apple 99 Development Sdn. Bhd. (a subsidiary of YTB) to Siab (M) and its subsidiary ("Settlement Amount").

The Settlement Amount shall be repaid via contra of properties valued at RM2,981,200. The remaining balance of RM386,380 will be settled after deducting defect works, if any, which is required to be carried out by Siab (M) and its subsidiaries.

(c) Acquisition of leasehold land

On 15 September 2022, Siab (M), entered into a sale and purchase agreement to acquire one parcel of leasehold vacant industrial land for a total cash consideration of RM4,331,053. The acquisition was fully funded by the initial public offering proceeds received by the Company and has been completed in March 2023.

(d) Termination of Letter of Award ("LA") with YTB Development Sdn. Bhd. ("YTBD") and YTB Impression Sdn. Bhd. ("YTBI")

On 31 March 2023, Siab (M), together with its contract customers, YTB Development Sdn Bhd ("YTBD") and YTB Impression Sdn Bhd ("YTBI"), have mutually agreed in principle to terminate the following Letter of Awards ("LA"), subject to a Mutual Termination Agreement to be entered into at a later date:

- LA dated 20 May 2018 entered between Siab (M) and YTBD in relation to the appointment of Siab (M) as the Main Contractor of the Impressions U-Thant ("IUT") Project with a total contracted sum of RM75 million; and
- LA dated 24 March 2021 entered between Siab (M) and YTBI in relation to the appointment of Siab (M) as the Main Contractor of the Dawn Project with a total contracted sum of RM160 million.

The balance contract value of the IUT and Dawn Project as at 28 February 2023 amounted to RM38 million and RM153 million respectively, and as at that date, the percentage of completion was at 51% and 5% respectively. The quantity surveyor shall evaluate and prepare the final accounts for the work done within three months upon which the parties will finalise a settlement arrangement on the remaining outstanding amount.

STATEMENT BY **DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 71 to 134 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

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

.....
Ng Wai Hoe
Director

.....
Lim Mei Hwee
Director

Kuala Lumpur

Date: 19 April 2023

STATUTORY **DECLARATION**

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Koo Seong Hoe**, the officer primarily responsible for the financial management of Siab Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 71 to 134 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Koo Seong Hoe, NRIC: 780503-08-6169, MIA CA 43796, at Kuala Lumpur, Wilayah Persekutuan on 19 April 2023.

.....
Koo Seong Hoe

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIAB HOLDINGS BERHAD
(REGISTRATION NO. 202001043548 (1399869-A)) (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Siab Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 71 to 134.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

i) Revenue and profit recognition from construction contracts

Refer to Note 2(k)(i) – Significant accounting policy: Revenue and other income – Revenue from contracts with customers, Note 9 – Contract assets and Note 15 – Revenue.

The key audit matter

The Group has recorded revenue from construction contracts of RM141,576,000 for the financial year ended 31 December 2022.

Construction contract accounting is identified as a key audit matter due to significant judgements involved. This includes the determination of total estimated costs to complete and the measurement of progress which affects the amounts of revenue to be recognised. Revenue from construction contracts is recognised over time using the cost incurred method, which is based on the proportion of total cost incurred at the reporting date compared to the estimated total contract costs while the cost of construction is recognised as an expense in profit or loss in the accounting periods in which the work is performed.

Changes in judgement and the related estimates throughout a contract period could result in a material variance in the revenue and profits recognised on contracts to date and in the current period. This may have an individually and collectively significant impact on the financial statements.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

i) Revenue and profit recognition from construction contracts (cont'd)

The key audit matter (cont'd)

The key judgements over construction contract accounting arise from the following areas:

- Estimated costs to complete the contracts; and
- The ability to deliver the contract within the contractual timelines and whether there is any exposure to liquidated and ascertained damages.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Reviewed the group policy on revenue recognition in order to ascertain that the revenue recognition policy meets the requirements of MFRS 15, Revenue with Contract Customers.
- Assessed the design and implementation of key controls over revenue recognition.
- Challenged the Group's key assumptions in the estimated costs to complete by performing the following procedures, among others:
 - Checked the estimated costs to complete to supporting documentation such as approved budgets, contracts and variation orders with sub-contractors; and
 - Corroborated the stage of completion and extent of costs incurred to date by comparing to external quantity surveyors' report.
- Discussed with management to understand the nature of contract modifications and variation orders and inspect the correspondences from customers including approved contract modifications and variation orders.
- Assessed the timing to complete projects through corroborative discussion with finance and operational units; and
- Evaluated the merits of extension of time application submitted to the contract customers to assess the exposure to liquidated and ascertained damages by inspecting relevant correspondences, including on-going negotiations with contract customers and contract terms.

ii) Valuation of trade receivables (including retention sums) and contract assets

Refer to Note 2(h)(i) – Significant accounting policy: Impairment – financial assets, Note 8 – Trade and other receivables, Note 9 – Contract assets and Note 22.4 – Financial Instruments – Credit risk – Trade receivables and contract assets.

The key audit matter

The Group has trade receivables (including retention sums) and contract assets as at 31 December 2022 of RM72,556,000 and RM41,643,000 respectively.

The Group has assessed the allowance for impairment loss of trade receivables (including retention sums) and contract assets on an individual basis. We identified the valuation of trade receivables (including retention sums) and contract assets as a key audit matter due to significant judgement and the level of uncertainty involved in assessing customer's specific conditions and credit history.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

ii) Valuation of trade receivables (including retention sums) and contract assets (cont'd)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Assessed the design and implementation of key controls over trade receivables.
- Checked the accuracy of trade receivables (including retention sums) ageing by checking samples of the ageing report to invoices, certificate of practical completion or certificate of make good defects respectively.
- Assessed the adequacy of impairment loss provided by the Group by evaluating the assumptions used, past 12 month's collection trend from contract customers as well as collections subsequent to the end of reporting period.
- Assessed the recoverability of the balance on overdue retention sums by inspecting subsequent progress certificate from contract customers and assessing the past payment trend of the contract customers.
- Inspected subsequent approved progress billings from contract customers to assess the recoverability of contract assets.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

(CONT'D)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

OTHER MATTER

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

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KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

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Lam Shuh Siang
Approval Number: 03045/02/2025 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 19 April 2023

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 DECEMBER 2022

No.	Location	Description/ Existing use	Tenure/Expiry of Lease	Land area/ Built-up area (sq feet)	Date of Acquisition/ Date of CCC	NBV @ 31 December 2022 (RM'000)
1	No. 82, Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan (Title: Geran 72279, Lot No. 58893, Mukim of Petaling, District of Petaling, State of Selangor Darul Ehsan)	3-storey shopoffice/Head Office	Freehold/ N/A	1,755/ 5,279	1 September 2015/ 23 December 2014	1,859
2	No. 80, Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan (Title: Geran 72279, Lot No. 58893, Mukim of Petaling, District of Petaling, State of Selangor Darul Ehsan)	3-storey shopoffice/Head Office	Freehold/ N/A	1,755/ 5,279	1 September 2015/ 23 December 2014	1,859
3	No. 12, Jalan Sri Kenari 9, Taman Sri Kenari, Sg. Chua, 43000 Kajang, Selangor Darul Ehsan (Title: PN 59352, Lot No. 41501, Pekan of Kajang, District of Ulu Langat, State of Selangor Darul Ehsan)	One and a half storey of mid terraced factory/ Storage	Leasehold/ 11 April 2099	1,604/ 1,638	15 October 2009/ 9 June 2000	94
4	HSM 40093, PT 29948, Tempat of Revolusi Hijau Batu 5, Johan Setia, Mukim of Klang, District of Klang, State of Selangor Darul Ehsan	Piece of agriculture land/ Vacant	Leasehold/ 18 November 2092	87,123/ N/A	14 September 2009/ N/A	433
5	GL-05-01, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-05, Lot No. GL-05-01 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space/ Rental	Freehold/ N/A	N/A ⁽³⁾ / 1,249	14 December 2018/ 8 November 2019	892

LIST OF PROPERTIES

(CONT'D)

No.	Location	Description/ Existing use	Tenure/Expiry of Lease	Land area/ Built-up area (sq feet)	Date of Acquisition/ Date of CCC	NBV @ 31 December 2022 (RM'000)
6	GL-05-02, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-05, Lot No. GL-05-02 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space/ Rental	Freehold/ N/A	N/A ⁽¹⁾ / 1,281	14 December 2018/ 8 November 2019	915
7	GL-05-03, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-05, Lot No. GL-05-02 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space/ Rental	Freehold/ N/A	N/A ⁽¹⁾ / 1,281	14 December 2018/ 8 November 2019	915
8	GL-06, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-06 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space/ Rental	Freehold/ N/A	N/A ⁽¹⁾ / 3,003	14 December 2018/ 8 November 2019	2,196

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

SHARE CAPITAL

Total Number of Issued Shares : 489,634,083 ordinary shares
Voting Rights : One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	No. of Shares	%
Less than 100	18	331	0.000
101 to 1,000	651	187,007	0.038
1,001 to 10,000	1,895	10,562,520	2.157
10,001 to 100,000	1,360	52,241,120	10.669
100,001 to 24,481,703 (*)	275	108,381,622	22.135
24,481,704 and above (**)	6	318,261,483	64.999
TOTAL	4,205	489,634,083	100.000

* Less than 5% of issued shares

** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

Names	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
NG WAI HOE	90,582,025	18.500	63,652,316 ⁽¹⁾	12.999
LIM MEI HWEE	62,428,217	12.749	—	0.000
TAN SOK MOI	46,515,163	9.499	—	0.000
TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN	300,000	0.061	—	0.000
DATUK LIM TONG LEE	300,000	0.061	—	0.000
DATO' SRI SHAHRIL BIN MOKHTAR	—	—	—	0.000
ANDREA HUONG JIA MEI	—	—	—	0.000
TOTAL	200,125,405	40.872	63,652,316 ⁽¹⁾	12.999

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

Names	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
NG WAI HOE	90,582,025	18.500	63,652,316 ⁽¹⁾	12.999
MAKMUR BARU HOLDINGS SDN BHD	63,652,316	12.999	—	0.000
LIM MEI HWEE	62,428,217	12.749	—	0.000
ALAM KOTA SDN BHD	55,083,762	11.249	—	0.000
TAN SOK MOI	46,515,163	9.499	—	0.000
DATO' DR CHANG LIK SEAN	1,000,000	0.204	55,083,762 ⁽²⁾	11.249
TOTAL	319,261,483	65.204	118,736,078	24.248

Notes :

1. Deemed interest by virtue of his interest in Makmur Baru Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
2. Deemed interest by virtue of his interest in Alam Kota Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Share Held	%
1	MAKMUR BARU HOLDINGS SDN BHD	63,652,316	12.999
2	LIM MEI HWEE	62,428,217	12.749
3	ALAM KOTA SDN BHD	55,083,762	11.249
4	NG WAI HOE	50,582,025	10.330
5	TAN SOK MOI	46,515,163	9.499
6	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG WAI HOE	40,000,000	8.169
7	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PERMODALAN RISDA BERHAD (MGNM84201)	8,235,182	1.681
8	HOW BEE LAY	4,248,100	0.867
9	CHUAH KEE CHENG @ CHUAH KEE BENG	2,500,000	0.510
10	M & A NOMINEE (TEMPATAN) SDN BHD MAJESTIC SALUTE SDN BHD FOR YAHYA BIN RAZALI	1,791,895	0.365
11	CHUA CHIN ENG	1,759,800	0.359
12	CHEAH CHUN MING	1,500,000	0.306
13	GAN KIAN CHONG	1,500,000	0.306
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TINT REALTY SDN BHD	1,500,000	0.306
15	LIM GEK SHAN	1,350,000	0.275
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LEONG EU (E-KPG)	1,300,000	0.265
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD TEOH SAW KHIM	1,200,000	0.245
18	TANG CHOOI LEAN	1,200,000	0.245
19	MECHVAC ENGINEERING SDN BHD	1,100,000	0.224
20	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ONG YOONG NYOCK (PB)	1,000,000	0.204
21	LONG HUEY MIIN	1,000,000	0.204
22	NG CHIN HOE	1,000,000	0.204
23	NG CHIN LEONG	1,000,000	0.204
24	WEE BENG AUN	1,000,000	0.204
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD KUEK FOOK HAI	980,000	0.200
26	PROVEN VENTURE CAPITAL PLT	954,600	0.194
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHUA ENG HO WA'A @ CHUA ENG WAH	940,000	0.191
28	ZACKRI RADZI TAN	936,600	0.191
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK	930,000	0.189
30	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR LAU LAY SHEEN	811,000	0.165
TOTAL		357,998,660	73.115

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting (“**AGM**”) of the Company will be conducted entirely through live streaming from the broadcast venue at Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (“**Broadcast Venue**”) using the Remote Participation and Voting facilities (“**RPV**”) provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at <https://tiih.online> on Wednesday, 21st June 2023 at 10.30 a.m. for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and the Auditors thereon. *(Please refer to Note No. 2)*
2. To approve the payment of Directors’ fees to the following Non-Executive Directors for the financial period from 1 January 2023 until the conclusion of the next Annual General Meeting of the Company.

Resolution 1	(i) Tan Sri Dato’ Sri Mohamad Fuzi Bin Harun – RM120,000.00 per annum
Resolution 2	(ii) Dato’ Sri Shahril Bin Mokhtar – RM48,000.00 per annum
Resolution 3	(iii) Datuk Lim Tong Lee – RM48,000.00 per annum
Resolution 4	(iv) Andrea Huong Jia Mei – RM48,000.00 per annum

- Resolution 5** 3. To approve the payment of Directors’ benefits of up to RM30,000 for the financial period from 22 June 2023 until the date of the next Annual General Meeting of the Company.
4. To re-elect the following Directors who are retiring in accordance with Clause 76(3) of the Constitution of the Company:-

Resolution 6	(i) Ng Wai Hoe
Resolution 7	(ii) Lim Mei Hwee

- Resolution 8** 5. To re-appoint KPMG PLT as the Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Board of Directors to fix their remuneration.

As Special Business

- Resolution 9** 6. To consider and if thought fit, to pass the following as Ordinary Resolution:

Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016 (“the Act”)

“THAT pursuant to Sections 75 and 76 of the Act, ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed General Mandate”).

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

THAT pursuant to Section 85(1) of the Companies Act 2016 read together with Rule 7.08 of the Listing Requirements and Clause 12(3) of the Constitution of the Company, it may be construed to mean that all New Shares in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances permit, to the amount of the existing shares or securities to which they are entitled ("Pre-emptive Rights") and accordingly, should this resolution be passed by the shareholders, this resolution shall have the effect of the shareholders having agreed to irrevocably waive their Pre-emptive Rights in respect of the New Shares to be allotted and issued by the Company pursuant to the Proposed General Mandate, and in this respect approval be and is hereby given for the Pre-emptive Rights of the shareholders to be offered with new shares in the Company in proportion to their shareholding in the Company pursuant to Section 85 of the Act and Clause 12(3) of the Constitution of the Company to be waived in respect of the issuance and allotment of the New Shares in relation to the Proposed General Mandate.

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

7. To transact any other business of the Company of which due notice shall have been given.

By Order of the Board

LAU YEN HOON (MAICSA 7061368) (SSM PC No. 202008002143)
TAN SIEW HONG (MAICSA 7066226) (SSM PC No. 201908001915)
Company Secretary

Kuala Lumpur
28 April 2023

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

NOTES:-**1. Important Notice**

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Act** which requires the Chairman of the meeting to be present at the main venue of the meeting. **Members will not be allowed to attend the meeting in person at the Broadcast Venue on the day of the meeting.**

Members are to attend, speak (including posing questions via real time submission of typed texts) and vote (collectively, "participate") remotely via the RPV facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely via the RPV.

2. For the purpose of determining a Member who shall be entitled to participate via the RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at **15 June 2023** and only a depositor whose name appears on the Record of Depositors shall be entitled to participate at the meeting or appoint proxy(ies) to participate in his stead.
3. A Member of the Company who is entitled to participate at this meeting is entitled to appoint proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote instead of him. A proxy may, but need not, be a member of the Company.
4. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.
5. Where a Member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.
6. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this 2nd AGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. **Please follow the Procedures for RPV in the Administrative Guide for the AGM.**
7. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
8. The instrument appointing a proxy and power of attorney or other authority, if any, under which it is signed notarially certified copy of that power of attorney, must be deposited with the Company's Share Registrar's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic appointment via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holdings the meeting or any adjourned thereof. Please refer to the Administrative Guide for the 2nd AGM for further information on electronic submission.
9. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL/DULY CERTIFIED certificate of appointment of authorised representative with the Share Registrar of the Company.
10. Pursuant to Rule 8.31A(1) of the Listing Requirements of Bursa Securities, all resolutions at the 2nd AGM or any adjournment thereof shall be voted by poll.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Notes for Ordinary and Special Business:-**1. Agenda No. 1****Receipt of Report and Audited Financial Statements**

This item of the Agenda is meant for discussion only. The provisions of Section 340(1) of the Act require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

2. Agenda No. 2 to 3 – Resolution No. 1 to 5**Payment of Directors' fees and Benefits**

Pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Directors' fees proposed for the financial year ending 31 December 2023 are calculated based on the current board size and assuming that all Non-Executive Directors will hold office until the next AGM.

The proposed Ordinary Resolution 5 is to facilitate payment of Directors' benefits for the financial period from 22 June 2023 until the date of the next AGM. Directors' benefits include allowances and other emoluments payable to Directors and in determining the estimated total, the Board had considered various factors including the number of scheduled meetings for the Board, Board Committees and Board meetings of subsidiaries.

In the event the Directors' fees and benefits proposed are insufficient (e.g. due to more meetings or enlarged Board size etc.), approval will be sought at the next AGM for the additional amount to meet the shortfall.

3. Agenda No. 4 – Resolution No. 6 to 7**Re-election of Directors who retire in accordance with Clause 76(3) of the Constitution of the Company**

Clause 76(3) of the Constitution of the Company provides that one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

The Directors who are subject to retirement pursuant to the Constitution are eligible and have offered themselves for re-election. Their profiles are available on page 7 to 13 of the Company's Annual Report 2022.

The Nomination Committee ("NC") had assessed the performance and contribution of the retiring Directors through the annual Board and Directors' assessment and satisfied that the retiring Directors met the criteria as prescribed under Rule 2.20A of the Listing Requirements of Bursa Securities as well as the fit and proper criteria under the Directors' Fit and Proper Policy of the Company. The Board of Directors had approved the NC's recommendation that the retiring Directors be re-elected as Directors of the Company at the 2nd AGM.

4. Agenda No. 5 – Resolution No. 8**Re-appointment of Auditors**

This resolution is to approve the re-appointment of KPMG PLT as the external auditors of the Company and to empower the Board of Directors to determine the auditors' remuneration for the financial year ending 31 December 2023. KPMG PLT had notified the Company of their intention to seek re-appointment as auditors.

The Board, through the Audit and Risk Management Committee, had assessed the suitability, objectivity and independence of KPMG PLT and satisfied that they had met the relevant criteria to be re-appointed as the Company's external auditors.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

5. **Agenda No. 6 - Resolution No. 9****Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to issue and allot new ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot new ordinary shares under an agreement or option or offer, provided that the aggregate number of new ordinary shares allotted pursuant to this resolution does not exceed the prescribed limit under the Listing Requirements of Bursa Securities.

Please note that Section 85(1) of the Act requires all new shares or other convertible securities of the Company be first offered to shareholders in proportion to their existing holdings. This proposed Ordinary Resolution 9 is also to seek waiver from all existing shareholders on their statutory pre-emptive rights pursuant to Section 85(1) of the Act. The resolution, if passed, will allow the Directors to issue and allot new ordinary shares in the Company from time to time without making a pre-emptive offer to the existing shareholders. Should the shareholders approve the proposed Ordinary Resolution No. 9, it would allow the Directors to issue the New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to issuance. This will result in a dilution to the shareholding percentage of the existing shareholders in the Company.

The Board of Directors of the Company is of the view that the Proposed General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. It will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, there is no decision to issue any new ordinary shares. Should there be a decision to issue new ordinary shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of new ordinary shares.

The proposed Ordinary Resolution No. 9 is a renewal of the previous year's mandate. As at the date of this notice, the Company has not issued any new ordinary shares under the general mandate obtained at the last AGM of the Company.

STATEMENT ACCOMPANYING

NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO RULE 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. There is no person seeking election as director of the Company at this Annual General Meeting.
2. **General mandate for issue of securities**
Kindly refer to item 6 - Explanatory Notes on Special Business for Resolution No. 9 on Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016 under the Notes to the Notice of the Annual General Meeting.

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PROXY FORM



SIAB HOLDINGS BERHAD
(Company Registration No. 202001043548
(1399869-A)) (Incorporated In Malaysia)

CDS Account No.	
No. of shares held	

I/We, I.C./Passport/Company No.
of
being a member of **SIAB HOLDINGS BERHAD**, do hereby appoint
..... I.C. / Passport No.
of
and/or I.C. / Passport No.
of

or failing *him/her the Chairman of the Meeting as *my/our proxy to vote for *me/us on my/our behalf at the Second Annual General Meeting ("AGM") of the Company to be conducted entirely through live streaming from the broadcast venue at Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("**Broadcast Venue**") using the Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn Bhd via TIH Online website at <https://tiah.online> on Wednesday, 21 June 2023 at 10.30 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

RESOLUTIONS	FOR	AGAINST
1. To approve the payment of Directors' fees of RM120,000.00 per annum to Tan Sri Dato' Sri Mohamad Fuzi Bin Harun for the financial period from 1 January 2023 until the conclusion of the next Annual General Meeting of the Company.		
2. To approve the payment of Directors' fees of RM48,000.00 per annum to Dato' Sri Shahril Bin Mokhtar for the financial period from 1 January 2023 until the conclusion of the next Annual General Meeting of the Company.		
3. To approve the payment of Directors' fees of RM48,000.00 per annum to Datuk Lim Tong Lee for the financial period from 1 January 2023 until the conclusion of the next Annual General Meeting of the Company.		
4. To approve the payment of Directors' fees of RM48,000.00 per annum to Andrea Huong Jia Mei for the financial period from 1 January 2023 until the conclusion of the next Annual General Meeting of the Company.		
5. To approve the payment of Directors' benefits of up to RM30,000 for the financial period from 22 June 2023 until the date of the next Annual General Meeting.		
6. To re-elect Ng Wai Hoe, a Director retiring in accordance with Clause 76(3) of the Constitution of the Company.		
7. To re-elect Lim Mei Hwee, a Director retiring in accordance with Clause 76(3) of the Constitution of the Company.		
8. To re-appoint KPMG PLT as the Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Board of Directors to fix their remuneration.		
9. Authority to Allot and Issue Shares Pursuant to Section 75 and 76 of the Companies Act 2016		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as *he/she thinks fit.

Signed this day of

.....
Signature/Common Seal of Member(s)

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:		
	No of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

NOTES

- For the purpose of determining a Member who shall be entitled to participate via the RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 15 June 2023 and only a depositor whose name appears on the Record of Depositors shall be entitled to participate at the meeting or appoint proxy(ies) to participate in his stead.
- A Member of the Company who is entitled to participate at this meeting is entitled to appoint proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote instead of him. A proxy may, but need not, be a member of the Company.
- Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SIDCA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SIDCA which is exempted from compliance with the provisions of Section 25A(1) of the SIDCA.
- Where a Member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.



5. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this 2nd AGM via RPV must request his/her proxy to register himself/herself for RPV at TIH Online website at <https://tiah.online>. Please follow the Procedures for RPV in the Administrative Guide for the AGM.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
7. The instrument appointing a proxy and power of attorney or other authority, if any, under which it is signed notarially certified copy of that power of attorney, must be deposited with the Company's Share Registrar's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic appointment via TIH Online at <https://tiah.online> not less than forty-eight (48) hours before the time appointed for holdings the meeting or any adjourned thereof. Please refer to the Administrative Guide for the 2nd AGM for further information on electronic submission.
8. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL/DULY CERTIFIED certificate of appointment of authorised representative with the Share Registrar of the Company.

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AFFIX
STAMP

The Share Registrar of SIAB HOLDINGS BERHAD
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur

2nd Fold Here

Fold This Flap For Sealing



SIAB HOLDINGS BERHAD

Registration No.: 202001043548 (1399869-A)
(Incorporated in Malaysia under the Companies Act 2016)

No. 82, Jalan BP 7/8,
Bandar Bukit Puchong, 47120 Puchong.

Tel : 03 - 8052 7117 **Fax :** 03 - 8052 7227

Email : corporate@siabmy.com

www.siabmy.com

*Excellence in Creation, **TRUST** in Values*

