

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

Unless stated otherwise, all abbreviations and defined terms contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus. All enquiries concerning the Rights Issue with Warrants should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200, Kuala Lumpur (Tel: +603-27839299).

This Abridged Prospectus, together with the NPA and RSF are only despatched to Entitled Shareholders whose names appear in our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Thursday, 23 May 2024. This Abridged Prospectus together with the NPA and RSF, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue with Warrants would result in the contravention of any laws of such countries or jurisdictions. Our Company, our Principal Adviser and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

This Abridged Prospectus has been registered by Bursa Securities. The registration of this Abridged Prospectus should not be taken to indicate that Bursa Securities recommends this Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. Bursa Securities has not, in any way, considered the merits of the Rights Issue with Warrants. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents.

Approval for this Rights Issue with Warrants has been obtained from our shareholders at our EGM held on 1 December 2023. Approval has also been obtained from Bursa Securities via its letter dated 27 October 2023 for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and new Siab Shares to be issued pursuant to the exercise of the Warrants ("New Securities"). The listing of and quotation for the Rights Shares and Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have been duly credited with the Rights Shares and Warrants allotted to them and notices of allotment have been despatched to them. However, the approval from Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and New Securities on the ACE Market of Bursa Securities are not to be taken as an indication of the merits of the Rights Issue with Warrants.

Bursa Securities is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" AS SET OUT IN SECTION 5 OF THIS ABRIDGED PROSPECTUS.



SIAB HOLDINGS BERHAD

Registration No. 202001043548 (1399869-A)
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF 766,524,307 NEW ORDINARY SHARES IN SIAB HOLDINGS BERHAD ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.1200 PER RIGHTS SHARE TOGETHER WITH 383,262,153 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 13 RIGHTS SHARES FOR EVERY 10 EXISTING ORDINARY SHARES IN SIAB HOLDINGS BERHAD HELD AS AT 5.00 P.M. ON THURSDAY, 23 MAY 2024 TOGETHER WITH 1 WARRANT FOR EVERY 2 RIGHTS SHARES SUBSCRIBED ("RIGHTS ISSUE WITH WARRANTS")

**Principal Adviser,
Managing Underwriter
and Joint Underwriter**



M & A SECURITIES SDN BHD
Registration No. 197301001503 (15017-H)
(A Participating Organisation of Bursa
Malaysia Securities Berhad)

Joint Underwriter



**NEWPARADIGM SECURITIES
SDN BHD**
(formerly known as PM Securities Sdn Bhd)
Registration No. 198101000194 (66299-A)
(A Participating Organisation of Bursa
Malaysia Securities Berhad)

Financial Adviser



**ECO ASIA CAPITAL ADVISORY
SDN BHD**
Registration No. 201801022562 (1284581-H)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	: Thursday, 23 May 2024 at 5.00 p.m.
Last date and time for sale of Provisional Allotment	: Thursday, 30 May 2024 at 5.00 p.m.
Last date and time for transfer of Provisional Allotment	: Tuesday, 4 June 2024 at 4.30 p.m.
Last date and time for acceptance and payment	: Monday, 10 June 2024 at 5.00 p.m.
Last date and time for excess application and payment	: Monday, 10 June 2024 at 5.00 p.m.

This Abridged Prospectus is dated 23 May 2024

ALL ABBREVIATIONS AND DEFINED TERMS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

OUR BOARD OF DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

M & A SECURITIES SDN BHD, BEING THE PRINCIPAL ADVISER FOR THIS RIGHTS ISSUE WITH WARRANTS, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE WITH WARRANTS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS SHOULD NOTE THAT THEY MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THE ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE OF WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THESE DOCUMENTS.

DEFINITIONS

EXCEPT WHERE THE CONTEXT OTHERWISE REQUIRES, THE FOLLOWING DEFINITIONS AND ABBREVIATIONS SHALL APPLY THROUGHOUT THIS ABRIDGED PROSPECTUS, NPA AND RSF:

Abridged Prospectus	: This Abridged Prospectus issued by Siab dated 23 May 2024 in relation to the Rights Issue with Warrants
ACE Market	: ACE Market of Bursa Securities
ACE Market LR	: ACE Market Listing Requirements of Bursa Securities
Act	: Companies Act 2016 as amended from time to time including any re-enactment thereof
Acquisition	: Acquisition of 2,000,000 ordinary shares in Taghill from Chu Yee Hong, Wong Yih Ming and Yap Kek Siung, representing 100.00% of the equity interest in Taghill, for the Purchase Consideration
Board	: Board of Directors of Siab
Bimtech	: Bimtech Solutions Sdn Bhd [Registration No. 201901046247 (1355577-D)]
BIM	: Building Information Modelling
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]
Bursa Securities	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
CDS Account(s)	: Central depository system account(s), which is/are a securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the rules of Bursa Depository for the recording of depositors of securities and for dealings in such securities by the depositor
Closing Date	: Monday, 10 June 2024 at 5.00 p.m., being the last date and time for the acceptance and payment for the Rights Shares and the Excess Rights Shares with Warrants
CMSA	: Capital Markets and Services Act, 2007
Code	: Malaysian Code on Take-Overs and Mergers, 2016
Consideration Issue Price	: Issue price of RM0.1300 per Consideration Share
Consideration Shares	: 200,000,000 new Siab Shares to be issued at the Consideration Issue Price as part of the Purchase Consideration pursuant to the Acquisition
Constitution	: Constitution of our Company

DEFINITIONS (Cont'd)

Deed Poll	: Deed poll dated 8 May 2024 constituting the Warrants and governing the rights of Warrant holders
Directors	: A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the CMSA
Documents	: Collectively, this Abridged Prospectus and the accompanying NPA and RSF
e-RSF	: Electronic RSF
EGM	: Extraordinary general meeting
Entitled Shareholder(s)	: Shareholder(s) of Siab whose names appear in the Record of Depositors of Siab on the Entitlement Date
Entitlement Date	: At 5.00 p.m. on Thursday, 23 May 2024 being the time and date which the Entitled Shareholders must appear in the Record of Depositors of Siab in order to be entitled to participate in the Rights Issue with Warrants
EPS	: Earnings per Share
Excess Rights Shares with Warrants Application	: Application for additional Rights Shares with Warrants in excess of the Provisional Allotments by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable)
Excess Rights Shares with Warrants	: Rights Shares with Warrants which are not taken up or not validly taken up by the Entitled Shareholder(s) and/or their renouncee(s) and/or transferee(s) (if applicable) prior to the Closing Date
First Announcement	: Announcement dated 18 July 2023 in relation to the Previous Proposals
FYE	: Financial year ended / ending 31 December
Government	: The Government of Malaysia
GP / (GL)	: Gross profit / (loss)
ICT	: Information and communications technology
IMR or Protégé	: Protégé Associates Sdn Bhd [Registration No. 200401037256 (675767-H)]
IMR Report	: Independent Market Research Report titled "Overview and Outlook of the Construction Industry and Property Development Industry in Malaysia" dated 30 April 2024
Joint Underwriters	: M & A Securities and New Paradigm, collectively
LAT	: Loss after taxation
LATMI	: LAT and minority interest

DEFINITIONS (Cont'd)

LBT	: Loss before taxation
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities
LPD	: 30 April 2024, being the latest practicable date prior to the issuance of this Abridged Prospectus
LPS	: Loss per Share
LTD	: 17 July 2023, being the last traded day of Siab Shares prior to the First Announcement
M & A Securities or Principal Adviser or Managing Underwriter	: M & A Securities Sdn Bhd [Registration No. 197301001503 (15017-H)]
Market Day(s)	: A day on which the stock market of Bursa Securities is open for trading in securities
NA	: Net assets
NPA	: Notice of provisional allotment of Rights Shares pursuant to the Rights Issue With Warrants
Official list	: A list specifying all securities which have been admitted for listing on the ACE Market of Bursa Securities
PAT	: Profit after taxation
PATMI	: PAT minority interest
PBT	: Profit before taxation
PG Period	: FYE 2024 and FYE 2025, being the period of the Profit Guarantee
Placement Shares	: 100,000,000 Siab Shares issued pursuant to the Private Placement
NewParadigm	: NewParadigm Securities Sdn Bhd (formerly known as PM Securities Sdn Bhd) [Registration No. 198101000194 (66299-A)]
Previous Proposals	: Comprises the Acquisition and the renounceable rights issue of 919,512,111 new Siab Shares together with 459,756,056 free detachable warrants on the basis of 4 rights shares for every 3 existing Siab Shares held on an entitlement date to be determined later together with 1 warrant for every 2 rights shares subscribed
Profit Guarantee	: Profit guarantee by the Vendors to Siab that Taghill shall attain consolidated PATMI of not be less than RM24,000,000.00 for the FYE 2024 and FYE 2025 on a cumulative basis
Private Placement	: Private placement exercise of 100,000,000 Placement Shares at an issue price of RM0.12 per Share, which was completed on 28 December 2023
Proposals	: Collectively, the Private Placement, Rights Issue with Warrants and Acquisition

DEFINITIONS (Cont'd)

Provisional Allotments	: Rights Shares provisionally allotted to the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) pursuant to the Rights Issue with Warrants
Purchase Consideration	: Purchase consideration of RM122,000,000, to be satisfied via a combination of RM96,000,000 in cash and RM26,000,000 through the issuance of 200,000,000 Consideration Shares at the Consideration Issue Price in relation to Acquisition
Record of Depositors	: A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository
Restated SSA	: Amended and restated share sale agreement dated 15 September 2023 entered into between our Company and the Vendors to amend, restate, specify and/or supplement the relevant provisions of the SSA
Rights Issue with Warrants	: Renounceable rights issue of 766,524,307 Rights Shares together with 383,262,153 Warrants at an issue price of RM0.1200 per Rights Share on the basis of 13 Rights Shares for every 10 Siab Shares held on the Entitlement Date together with 1 Warrant for every 2 Rights Shares subscribed
Rights Issue Price	: Issue price of the Rights Shares under the Rights Issue with Warrants which has been fixed at RM0.1200 per Rights Share
Rights Share(s)	: 766,524,307 new Siab Shares to be issued pursuant to the Rights Issue with Warrants
RM and sen	: Ringgit Malaysia and sen, respectively
RSF	: Rights subscription form in relation to the Rights Issue with Warrants
Rules	: The Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
SC	: Securities Commission Malaysia
Siab or Company	: Siab Holdings Berhad [Registration No.: 202001043548 (1399869-A)]
Siab Group or Group	: Siab and its subsidiaries, collectively
Siab Share(s) or Share(s)	: Ordinary share(s) in Siab
SICDA	: Securities Industry (Central Depositories) Act, 1991
Share Registrar	: Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)]
SSA	: Conditional share sale agreement dated 18 July 2023 entered into between our Company and the Vendors for the Acquisition
Stakeholder	: Messrs. Teh & Lee

DEFINITIONS (Cont'd)

Taghill	: Taghill Projects Sdn Bhd [Registration No.: 201001036909 (920832-W)]
Taghill Group	: Taghill and its subsidiary, Bimtech
Taghill Shares or Sale Shares	: 2,000,000 ordinary shares in Taghill, representing 100.00% of the equity interest in Taghill
TERP	: Theoretical ex-rights price
Vendors	: Chu Yee Hong, Wong Yih Ming and Yap Kek Siung, collectively
Warrants	: 383,262,153 free new detachable warrants to be issued pursuant to the Rights Issue with Warrants
Warrants Exercise Price	: The exercise price of the Warrants under the Rights Issue with Warrants which has been fixed at RM0.2000 per Warrant
Underwriting	: Underwriting arrangement for the entire Rights Issue with Warrants of 766,524,307 Rights Shares.
Underwriting Agreement	: Underwriting agreement dated 7 May 2024 entered into between our Company and the Joint Underwriters pursuant to the Underwriting
5D-VWAMP	: 5-day volume weighted average market price

In this Abridged Prospectus, all references to “we”, “us”, “our” and “ourselves” are to our Company and save where the context otherwise requires, our subsidiaries. All references to “you” in this Abridged Prospectus are to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Unless otherwise stated and wherever applicable, the amounts represented in this Abridged Prospectus have been rounded to the nearest whole cent, for ease of reference.

Any reference in this Abridged Prospectus to any statute, guideline, listing requirement or enactment shall be a reference to such statute, guideline, listing requirement or enactment for the time being in force or as amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

TABLE OF CONTENTS

	Page
ADVISERS' DIRECTORY	ix
SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS	xi
LETTER TO OUR SHAREHOLDERS CONTAINING:	
1. INTRODUCTION	1
2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS	4
2.1 Details of the Rights Issue with Warrants	4
2.2 Basis and justification of determining the issue price of the Rights Shares and exercise price of the Warrants	5
2.3 Ranking of the Rights Shares with Warrants	6
2.4 Underwriting arrangements	6
2.5 Salient terms of the Warrants	11
3. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS	13
4. UTILISATION OF PROCEEDS	14
5. RISK FACTORS	19
5.1 Risks relating to our Group's Business	19
5.2 Risks relating to the Rights Issue with Warrants	21
6. INDUSTRY OVERVIEW AND PROSPECTS	22
6.1 Overview and outlook of the Malaysian economy	22
6.2 Overview and prospects of the property development market in Malaysia	23
6.3 Overview and prospects of the construction industry in Malaysia	25
6.4 Outlook and prospects of the ICT industry in Malaysia	26
6.5 Prospects of our Group	27
7. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS	28
7.1 Share capital	28
7.2 Losses and LPS	29
7.3 Convertible securities	30
7.4 NA and gearing	31
7.5 Substantial shareholders' shareholdings	32
8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS	33
8.1 Working capital and sources of liquidity	33
8.2 Borrowings	33
8.3 Material commitments	34
8.4 Contingent liabilities	34
8.5 Material transactions	34

TABLE OF CONTENTS (Cont'd)

	Page
9. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION	34
9.1 General	34
9.2 NPA	35
9.3 Last date and time of acceptance and payment	35
9.4 Methods of acceptance and application	35
9.5 Procedures for acceptance and payment	35
9.6 Procedures for part acceptance	41
9.7 Procedures for sale or transfer of the Provisional Allotments	41
9.8 Procedures for application for the Excess Rights Shares with Warrants	41
9.9 Procedures for acceptance by renouncee(s) and/or transferee(s)	43
9.10 Form of issuance	43
9.11 Laws of foreign countries or jurisdictions	44
10. TERMS AND CONDITIONS	46
11. FURTHER INFORMATION	46
APPENDICES	
I INFORMATION ON OUR GROUP	47
II INFORMATION ON TAGHILL	60
III PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON	75
IV ACCOUNTANT'S REPORT ON TAGHILL	95

[The rest of this page is intentionally left blank]

ADVISERS' DIRECTORY

COMPANY SECRETARIES

: **Lau Yen Hoon** (MAICSA 7061368)
(SSM Practicing Certificate No. 202008002143)

Liew Shu Ning (MAICSA 7074561)
(SSM Practicing Certificate No. 202408000033)

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

Telephone number: +603 2783 9191

**PRINCIPAL ADVISER, MANAGING
UNDERWRITER AND JOINT
UNDERWRITER**

: **M & A Securities Sdn Bhd**
[Registration No. 197301001503 (15017-H)]

Level 3 & 7, No. 45 & 47
The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone number: +603 2284 2911

JOINT UNDERWRITER

: **NewParadigm Securities Sdn Bhd**
[Registration No. 198101000194 (66299-A)]

11th Floor, KH Tower
No. 8, Lorong P. Ramlee
50200 Kuala Lumpur

Telephone number: +603 2054 8000

SOLICITORS

: **Teh & Lee**

A-3-3 & A-3-4, Northpoint Offices
Mid Valley City
No. 1 Medan Syed Putra Utara
59200 Kuala Lumpur

Telephone: +60 3 2283 2800

SHARE REGISTRAR

: **Tricor Investor & Issuing House Services Sdn Bhd**
[Registration No.: 197101000970 (11324-H)]

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone number: +603 2783 9299

ADVISERS' DIRECTORY (Cont'd)

- REPORTING ACCOUNTANTS** : **Baker Tilly Monteiro Heng PLT**
[Registration number.: 201906000600 (LLP0019411-LCA)]
Firm number: AF 0117
- Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
- Partner-in-charge: Paul Tan Hong
Approval number: No. 03459/11/2025 J
(Chartered Accountant of the Malaysian Institute of Accountants and Fellow Member of the Association of Chartered Certified Accountants)
- Telephone number: +603 2297 1000
- INDEPENDENT MARKET RESEARCHER** : **Protégé Associates Sdn Bhd**
[Registration No.: 200401037256 (675767-H)]
- Suite C-09-12, Plaza Mont' Kiara
2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur
- Managing Director's name: Seow Cheow Seng
(Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia)
- Telephone number: +603 6201 9301
- FINANCIAL ADVISER** : **Eco Asia Capital Advisory Sdn Bhd**
[Registration No.: 201801022562 (1284581-H)]
- Lot 1904, 19th Floor
Tower 1, Faber Towers
Jalan Desa Bahagia, Taman Desa
58100 Kuala Lumpur
- Telephone: +603 7971 1822
- Managing Director's name: Khoo Chee Siang
(Chartered Accountant, Fellow of the Association of Chartered Certified Accountants and Member of the Malaysian Institute of Accountants)
MIA membership number: CA 21553
- STOCK EXCHANGE LISTING** : ACE Market of Bursa Securities

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

THIS SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.

Information	Summary
Summary	
Basis of the Rights Issue with Warrants	: 13 Rights Shares for every 10 Siab Shares held together with 1 Warrant for every 2 Rights Shares subscribed
Number of issued Shares as at LPD	: 589,634,083 issued Shares
Number of Right Shares and Warrants	: 766,524,307 Rights Shares and 383,262,153 Warrants
Amount to be raised under the Rights Issue with Warrants	: (i) RM91.98 million to be raised from the Rights Issue with Warrants; and (ii) RM76.65 million to be raised from the exercise of Warrants.

Further details are set out in **Section 2.1** of this Abridged Prospectus.

The entire 766,524,307 Rights Shares will be fully underwritten. The Rights Shares with Warrants which are not taken up or invalidly taken up by the Entitled Shareholders and/or their renouncee(s) and/or their transferee(s) (if applicable) prior to the Closing Date shall be made available for Excess Rights Shares with Warrants Application. Our Board intends to allocate the Excess Rights Shares with Warrants in a fair and equitable manner in accordance with the procedures set out in **Section 9.8** of this Abridged Prospectus

Issue price of the Rights Shares and Warrants Exercise Price	<u>Issue price of the Rights Shares</u> RM0.12 per Rights Share. <u>Warrants Exercise Price</u> RM0.20 per Warrant.
---	--

Further details are set out in **Section 2.2** of this Abridged Prospectus.

Underwriting arrangements	Our Company had on 7 May 2024 entered into the Underwriting Agreement with the Joint Underwriters, where the Joint Underwriters will severally underwrite all 766,524,307 Rights Shares, in the proportion of 416,666,668 Rights Shares by M & A Securities, representing 54.36% of the Rights Shares and 349,857,639 Rights Shares by New Paradigm, representing 45.64% of the Rights Shares. Further details are set out in Section 2.4 of this Abridged Prospectus.
----------------------------------	---

Rationale	(i) the Rights Issue with Warrants will increase the number of Siab Shares in circulation which may potentially enhance the liquidity and marketability of Siab Shares on the ACE Market; (ii) the Rights Issue with Warrants will enable the Company to raise the requisite funds required as stated in Section 4 of this Abridged Prospectus expeditiously without incurring additional bank borrowings or the issuance of debt instruments as well as increasing the capital base of the Company which is expected to strengthen the financial position of the Company; (iii) the proceeds to be raised from the Rights Issue with Warrants are intended to be utilised mainly for the funding of the Acquisition and the working capital of our Group;
------------------	--

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS (Cont'd)**Rationale (Cont'd)**

- (iv) the Warrants attached to the Rights Shares are expected to enhance the attractiveness of the Rights Shares; and
- (v) the Warrants will also provide the Company with additional capital when they are exercised. The exercise of the Warrants will allow the Company to raise fresh proceeds without incurring additional financing cost and minimise any potential cash outflow in respect of interest servicing

Further details are set out in **Section 3** of this Abridged Prospectus.

Utilisation of proceeds

Purposes	RM'000	Expected timeframe for utilisation of proceeds (from listing date)
Cash Consideration of the Acquisition	84,000	Within 24 months
Working capital	3,668	Within 24 months
Estimated expenses for the Proposals	4,315	Within 1 month
Total	91,983	

Further details are set out in **Section 4** of this Abridged Prospectus.

Risk factors

You should consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:

- (i) our Group is dependent on key management and qualified personnel;
- (ii) our Group may not successfully turnaround its loss-making position in the future;
- (iii) our Group faces competition from existing and new competitors who may be capable of offering similar services;
- (iv) our Group cannot ensure that the Profit Guarantee will be met;
- (v) our Group's profitability may be affected by increased in fluctuation of construction costs; and
- (vi) our Group's prospect may be affected, to a certain extent, by the developments in the economic, political and regulatory environment of Malaysia.

Further details are set out in **Section 5** of this Abridged Prospectus.

Procedures for acceptance and payment

You may subscribe for the Provisional Allotments as well as apply for Excess Rights Shares with Warrants, if you choose to do so, using either of the following methods:

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-RSF	All Entitled Shareholders

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for each application method in **Section 9.5** and **Section 9.8**.

The last day, date and time for acceptance of and payment for the Provisional Allotments and Excess Rights Shares with Warrants is on **Monday, 10 June 2024 at 5.00 p.m.**, being the Closing Date.



SIAB HOLDINGS BERHAD

Registration No.: 202001043548 (1399869-A)
(Incorporated in Malaysia)

Registered Office:

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

23 May 2024

Directors:

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun (*Independent Non-Executive Chairman*)
Ng Wai Hoe (*Managing Director*)
Lim Mei Hwee (*Executive Director*)
Tan Sok Moi (*Executive Director*)
Dato' Sri Dr. Shahril Bin Mokhtar (*Independent Non-Executive Director*)
Andrea Huong Jia Mei (*Independent Non-Executive Director*)
Lee Kam Foo (*Independent Non-Executive Director*)

To: The Entitled Shareholders

Dear Sir/Madam,

RIGHTS ISSUE WITH WARRANTS

1. INTRODUCTION

On 18 July 2023, M & A Securities had, on behalf of the Board, announced that our Company intends to undertake the Previous Proposals.

On 28 August 2023, the Company had applied to Bursa Securities for the withdrawal of the additional listing application for the Previous Proposals with the intention to review the structure of the Previous Proposals.

On 15 September 2023, the Company and Vendors had mutually agreed to vary certain terms relating to Acquisition in relation to the mode of payment and ranking of Consideration Shares. In relation to this, the parties had entered into the Restated SSA. In view of the above, the Board had resolved to revise the Previous Proposals to the Proposals.

On 5 October 2023, the Company proposes to vary the details of the Private Placement and Rights Issue with Warrants in relation to the issue price of the Placement Shares, rounding down the number of Rights Shares and Warrants and the undertaking and underwriting arrangement.

On 27 October 2023, M & A Securities had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 27 October 2023 approved-in-principle the following:

- (i) listing of and quotation for the Placement Shares;
- (ii) listing of and quotation for the Rights Shares and Warrants;
- (iii) admission of the Warrants on the Official List;
- (iv) listing of and quotation for the new Siab Shares to be issued pursuant to the exercise of the Warrants; and
- (v) listing of and quotation for the Consideration Shares.

on the ACE Market of Bursa Securities.

Bursa Securities' approval-in-principle is subject to the following conditions:

Conditions for the Private Placement and Right Issue with Warrants	Status of Compliance
(i) Siab and M & A Securities must fully comply with the relevant provisions under the ACE Market LR pertaining to the implementation of the Private Placement and Rights Issue with Warrants.	Complied for the Private Placement. To be complied for the Rights Issue with Warrants.
(ii) Siab and M & A Securities to inform Bursa Securities upon the completion of the Private Placement and Rights Issue with Warrants.	The Private Placement was completed on 28 December 2023, pending compliance upon the completion of the Rights Issue with Warrants.
(iii) Siab to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Private Placement and Rights Issue with Warrants are completed.	The Private Placement was completed on 28 December 2023, pending compliance upon the completion of the Rights Issue with Warrants.
(iv) Siab to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied upon completion of the Rights Issue with Warrants.
Conditions for the Acquisition	Status of Compliance
(i) Siab and M & A Securities must fully comply with the relevant provisions under the ACE Market LR pertaining to the implementation of the Acquisition.	To be complied
(ii) Siab and M & A Securities to inform Bursa Securities upon the completion of the Acquisition.	To be complied

Conditions for the Acquisition	Status of Compliance
(iii) Siab to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Acquisition is completed.	To be complied
(iv) Compliance by Siab with the public shareholding spread upon completion of the Acquisition and upon completion of the profit guarantee period. In this connection, M & A Securities is to furnish a schedule containing the information set out in Appendix 8E, Chapter 8 of the ACE Market LR to Bursa Securities, prior to the allotment and issuance of the Consideration Shares.	To be complied
(v) Siab to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in a general meeting approving the Acquisition, Private Placement and the Rights Issue with Warrants.	Complied

On 1 December 2023, our shareholders approved the Proposals at our EGM.

On 18 December 2023, M & A Securities had, on behalf of our Board, announced that our Board had resolve to fix the issue price for the Placement Shares at RM0.12 per Placement Share. The Private Placement was completed with listing of 100,000,000 Placement Shares on 28 December 2023.

On 8 March 2024, M & A Securities had, on behalf of our Board, had submitted an application to Bursa Securities to seek an extension of time of up to 25 July 2024 to complete the implementation of the Rights Issue with Warrants and issuance of the Consideration Shares in relation to the Acquisition. Subsequently, on 19 March 2024, Bursa Securities approved the extension of time up to 25 July 2024.

On 7 May 2024, M & A Securities had, on behalf of our Board, announced the Entitlement Date for the Rights Issue with Warrants and the other relevant dates pertaining to the Rights Issue with Warrants. On the same date, M & A Securities had announced on behalf of our Board that the Company had entered into the Underwriting Agreement with the Joint Underwriters.

On 8 May 2024, on our behalf, M & A Securities had announced the execution of the Deed Poll by the Company.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by M & A Securities or us.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE WITH WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

Siab has an issued share capital of RM84,035,818 comprising 589,634,083 Siab Shares as at the LPD. For avoidance of doubt, as at the LPD, Siab does not have any treasury shares or convertible securities.

The Rights Issue with Warrants entails an issuance of 766,524,307 Rights Shares together with 383,262,153 Warrants at an issue price of RM0.1200 for each Rights Share on the basis of 13 Rights Shares for every 10 existing Siab Shares held by the Entitled Shareholders as at the Entitlement Date together with 1 Warrant for every 2 Rights Shares subscribed.

The basis of 13 Rights Shares for every 10 existing Siab Shares held, together with 1 Warrant for every 2 Rights Shares subscribed by the Entitled Shareholders on the Entitlement Date was arrived at after taking into consideration, amongst others, the following:

- (i) the amount of proceeds to be raised from the subscription of the Rights Shares (based on the Rights Issue Price) which is to be channeled towards the purposes as set out in Section 4 of this Abridged Prospectus; and
- (ii) pursuant to Rule 6.51 of the ACE Market LR which states that the number of new Shares which will arise from the exercise or conversion of all outstanding convertible equity securities (i.e. warrants and convertible preference shares (if any)) does not exceed 50.00% of the total number of issued Shares of our Company (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

As you are an Entitled Shareholder and the Rights Shares are prescribed securities, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, an NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and a RSF which is to be used for the acceptance of the Provisional Allotments, and for the application of any Excess Rights Shares with Warrants under excess application, should you wish to do so. You may also subscribe for such Provisional Allotments and Excess Rights Shares with Warrants via e-RSF in accordance with the instructions as set out in Section 9.5.2 of this Abridged Prospectus.

Only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

The Warrants are attached to the Rights Shares without any cost, and shall only be issued to the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who subscribe for the Rights Shares. The Warrants are exercisable into new Siab Shares and each Warrant will entitle the Warrant holder to subscribe for 1 new Siab Share at the Warrants Exercise Price. The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll. The salient terms of the Warrants are set out in Section 2.5 of this Abridged Prospectus.

Any dealing in our securities will be subject to, amongst others, the provisions of the SICDA, the rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares with Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical share or warrant certificates will be issued but notices will be despatched to the successful applicants of the Rights Shares with Warrants.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. However, the Rights Shares and Warrants cannot be renounced separately. As such, the Entitled Shareholders who renounce all of their Rights Shares entitlements will not be entitled to the Warrants attached thereto. If the Entitled Shareholders accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in proportion of their acceptance to the Rights Shares entitlements. The Rights Shares and Warrants which are not taken up or invalidly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renounee(s) and/or transferee(s).

2.2 Basis and justification of determining the issue price of the Rights Shares and exercise price of the Warrants.

(i) Rights Shares

Our Board has fixed the issue price of the Rights Shares at RM0.1200 each after taking into consideration the following:

- (a) the historical share price of Siab;
- (b) discount of 4.69% to the TERP of Siab Shares of RM0.1259 based on the 5D-VWAMP of Siab Shares up to and including the LTD (being the market day prior to the First Announcement) of RM0.1335. The discount was determined by the Board to encourage existing Siab shareholders to participate in the Rights Issue with Warrants, allowing the Company to raise the required funds; and
- (c) the funding requirements of our Group as set out in Section 4 of this Abridged Prospectus.

(ii) Warrants

The Warrants Exercise Price has been fixed at RM0.2000 per Warrant after taking into consideration, amongst others, the following:

- (a) the Warrants will be issued at no cost to the Entitled Shareholders and/ or their renounee(s) who successfully subscribe for the Rights Shares;
- (b) the issue price of RM0.2000 per Warrant is at a premium of 58.86% to the TERP of Siab Shares of RM0.1259, calculated based on the 5D-VWAMP of Siab Shares up LTD of RM0.1335 per Share based on the Rights Issue Price;
- (c) the rationale for the Rights Issue with Warrants as set out in Section 3 of this Abridged Prospectus; and
- (d) the proceeds that may be raised for future usage by our Group.

The Warrants may be exercised at any time within a period of 5 years commencing on and including the date of issuance of the Warrants. The Board is of the opinion that the premium of the exercise price to the TERP is reasonable for the purpose of encouraging a longer term investment in the securities of Siab as the Warrants can be exercised into new Siab Shares at any time within a period of 5 years.

2.3 Ranking of the Rights Shares with Warrants

The Rights Shares and new Siab Shares from the exercise of Warrants shall, upon allotment and issuance, rank equally in all respects with the existing Siab Shares, save and except that the Rights Shares and new Siab Shares from the exercise of Warrants shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares.

The Warrant Holders will not be entitled to any voting rights or participation in any form of distribution and/or offer of further securities in our Company until and unless they exercise their Warrants into new Shares and the new Shares have been issued and allotted to such Warrant Holders.

2.4 Underwriting arrangements

The Company intends to raise RM91.98 million from the Rights Issue with Warrants to meet the funding requirements of our Group, which will be channelled towards the utilisation as set out in Section 4.

In view of the above, the Rights Issue with Warrants will be undertaken on full subscription basis and will be fully underwritten based on the Underwriting Agreement. In the event that the Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants, or if there are any Rights Shares which have not been taken up and such Rights Shares are applied for by way of applications for the Excess Rights Shares with Warrants, our Company will achieve a full subscription basis under the Rights Issue with Warrants and the Underwriting will not be applicable.

Our Company had on 7 May 2024 entered into the Underwriting Agreement with the Joint Underwriters, where the Joint Underwriters will underwrite the entire portion of 766,524,307 Rights Shares for an aggregate amount of RM91.98 million to achieve a full subscription basis of the Rights Issue with Warrants.

Details of the Underwriting are set out below:

Underwriters	Rights Shares to be underwritten		Shareholdings after the Underwriting⁽ⁱⁱ⁾		Funding Required^(iv)
	No. of Shares	%⁽ⁱ⁾	No. of Shares	%⁽ⁱⁱⁱ⁾	RM'000
<u>Managing Underwriter and Joint Underwriter</u>					
M & A Securities	416,666,668	54.36	416,666,668	30.72	50,000
<u>Joint Underwriter</u>					
NewParadigm	349,857,639	45.64	349,857,639	25.80	41,983
Total	766,524,307	100.00	766,524,307	56.52	91,983

Notes:

- (i) Based on 766,524,307 Rights Shares to be issued pursuant to the Rights Issue with Warrants.
- (ii) Assuming that none of our Entitled Shareholders subscribe for their respective entitlement pursuant to the Rights Issue with Warrants.

- (iii) Based on the enlarged issued share capital of 1,356,158,390 Siab Shares after taking into account the following:
 - (a) 589,634,083 Siab Shares as at the LPD; and
 - (b) 766,524,307 new Siab Shares to be issued pursuant to the Right Issue of Warrants.
- (iv) Based on the issue price of RM0.12 per Rights Share.

The underwriting fees and commission payable by our Company is 2.50% of the total value of the number of Rights Shares underwritten by the Joint Underwriters ("**Underwritten Shares**"). The underwriting commission is subject to the terms and conditions of the Underwriting Agreement. The underwriting commission and all other costs in relation to the Underwriting will be fully borne by our Company from the proceeds of the Rights Issue with Warrants.

Amongst other terms and conditions of the Underwriting Agreement, the Underwriting is made on the basis of the representations, warranties, covenants and undertakings given by our Company. An extract of the salient terms of the Underwriting Agreement is set out below:

1. The Joint Underwriters' obligations to underwrite the Underwritten Shares are conditional upon the following conditions precedent:
 - (i) the clearance of the Abridged Prospectus by Bursa Securities and the lodgement of registrable Abridged Prospectus with the Companies Commission of Malaysia together with all documents required under Section 154 of the Act prior to the issuance of the Abridged Prospectus to the public;
 - (ii) the issuance of the Abridged Prospectus (including all procedures, requirements, letters and documents) required under Section 154 of the Act to the public within 3 months from the date of the Underwriting Agreement or such extension as consented by the Joint Underwriters;
 - (iii) there having been, as at any time from the date of the Underwriting Agreement up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of Siab Group (which in the reasonable opinion of the Joint Underwriters is or will be material in the context of the issue of the Rights Shares) from that set forth in the Abridged Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained in the Underwriting Agreement if they are repeated on and as of the Closing Date;
 - (iv) the issue, offering and subscription of the Rights Shares not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
 - (v) all necessary approvals and consents required in relation to the Rights Issue with Warrants including but not limited to governmental approvals having been obtained and are in full force and effect;
 - (vi) the Joint Underwriters having been satisfied that arrangements have been made by Siab to ensure payment of the expenses referred to in the Underwriting Agreement;

- (vii) the delivery to the Joint Underwriters prior to the date of registration of the Abridged Prospectus:
 - (a) a certified true copy each of all the resolutions of Siab's directors and/or shareholders in general meeting approving the Underwriting Agreement, the Abridged Prospectus, the Rights Issue with Warrants and authorising the execution of the Underwriting Agreement and the issuance of the Abridged Prospectus (to be certified as true copies by an authorised officer of Siab);
 - (b) a written confirmation or certificate dated the date of the Abridged Prospectus and duly signed by an authorised officer of Siab stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence of adverse conditions;
 - (viii) the delivery to the Joint Underwriters on the Closing Date of such reports and confirmations dated the Closing Date from Siab's directors as the Joint Underwriters may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of Siab or its subsidiaries nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties as though they have been given and/or made on such date.
2. In the event any of the above-mentioned conditions precedent are not satisfied by the Closing Date, the Joint Underwriters shall be entitled but not bound to terminate the Underwriting Agreement by notice given to Siab not later than 3 Market Days after the Closing Date and upon such termination:
- (i) Siab and the Joint Underwriters shall be released and discharged from their obligations save for a few undertakings specifically provided in the Underwriting Agreement;
 - (ii) neither Siab nor the Joint Underwriters shall have a claim against each other save for antecedent breaches by Siab and claims arising therefrom;
 - (iii) each party shall in such event return any and all monies paid to the other pursuant to the Underwriting Agreement within 72 hours on the receipt of such notice; and
 - (iv) the Joint Underwriters reserve the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Joint Underwriters' rights under the Underwriting Agreement.
3. The obligations of each Joint Underwriter is several and no Joint Underwriter will be responsible for any failure by any other Joint Underwriter to meet their respective obligations nor will such failure relieve the Company or the remaining Joint Underwriter of their respective obligations and nothing in the Underwriting Agreement will be construed as constituting or evidencing a partnership between the Joint Underwriters.
4. The rights of each Joint Underwriter are several. Each Joint Underwriter will have the right to protect and enforce its rights arising out of the Underwriting Agreement and it will not be necessary for the M & A Securities or NewParadigm to be joined as an additional party in any proceedings for the purposes of the Underwriting Agreement.

5. The final number of Underwritten Shares that each Joint Underwriter is required to underwrite shall be calculated as follows:

(a) Final number of Underwritten Shares to be underwritten by M & A Securities	=	$\frac{416,666,668}{766,524,307}$	X	Actual number of unsubscribed Rights Shares
--	---	-----------------------------------	---	---

(b) Final number of Underwritten Shares to be underwritten by NewParadigm	=	$\frac{349,857,639}{766,524,307}$	X	Actual number of unsubscribed Rights Shares
---	---	-----------------------------------	---	---

6. Any of the Joint Underwriters may by notice in writing to Siab given at any time on or before the allotment and issuance of the Rights Shares, terminate and cancel and withdraw their commitment to underwrite the Rights Shares to be underwritten if:

- (i) there is any breach by Siab any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to Siab, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Joint Underwriters, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of the Joint Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of Siab Group, the success of the Rights Issue with Warrants, or the distribution of the Rights Shares; or
- (ii) there is withholding of information of a material nature from the Joint Underwriters, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to Siab, which, in the opinion of the Joint Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of Siab Group and the success of the Rights Issue with Warrants, or the distribution of the Rights Shares; or
- (iii) there shall have occurred, happened or come into effect in the opinion of the Joint Underwriters any material or adverse change(s) to the business or financial condition of Siab or any of its subsidiaries; or
- (iv) there shall have occurred, happened or come into effect any of the following circumstances:
 - (a) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (b) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of Siab and/or the Joint Underwriters including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents which, in the reasonable opinion of the Joint Underwriters, would have or can reasonably be expected to have, a

material adverse effect on and/or materially prejudice the business or the operations of Siab or any of its subsidiaries and the success of the Rights Issue with Warrants, or the distribution of the Rights Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or

- (c) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (aa) on or after the date of the Underwriting Agreement; and
 - (bb) prior to the allotment of the Rights Shares,

lower than 90% of the level of the Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to such date and remains at or below that level for at least 3 Market Days; or
- (d) national disorder, outbreak of war or the declaration of a state of national emergency; or
- (e) failure on the part of Siab to perform any of its obligations under the Underwriting Agreement; or
- (f) any matter arose immediately before the date of the Abridged Prospectus which would have constituted a material and adverse omission in the context of the Rights Issue with Warrants; or
- (g) any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on Siab pursuant to the indemnities contained under the Underwriting Agreement.

For the avoidance of doubt, our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (excluding the Joint Underwriters), shall be given priority and shall first be allocated all their respective entitlements and Excess Rights Shares with Warrants applied for, if any. Upon completion of the allocation of such respective entitlements and Excess Rights Shares with Warrants to our Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s), the Joint Underwriters shall only then apply and be allocated for the remaining number of unsubscribed Rights Shares, if any. In the event the maximum number of Rights Shares available for subscription pursuant to the Rights Issue with Warrants are fully subscribed for by our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (excluding the Joint Underwriters), the Joint Underwriters will not apply and be allocated for any Rights Shares.

The Underwriting will not give rise to any mandatory general offer obligation pursuant to the Code and the Rules as the Joint Underwriters have in place arrangement to place out the Right Shares that is required to be subscribed by them to various independent investors.

Pursuant to Rule 8.02(1) of the ACE Market LR, a listed issuer must ensure that at least 25.00% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. A listed issuer which fails to maintain the said public shareholding spread requirement may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. In respect of a breach of Rule 8.02(1) of the ACE Market LR, Bursa Securities may take or impose any type of action or penalty pursuant to Rule 16.19 of the ACE Market LR, and/ or may suspend the trading in the securities of Siab pursuant to Rule 16.02 of the ACE Market LR.

As at the LPD, the public shareholding spread of Siab is 54.45%. The pro forma public shareholdings of our Company would potentially be reduced to 23.68% in the event that our Entitled Shareholders do not subscribe for their respective entitlements of the Rights Shares under the Rights Issue with Warrants and the Joint Underwriters subscribe for all the Rights Shares. However, the Joint Underwriters are expected to, amongst others, divest the Rights Shares via the open market on a progressive basis. In this regard, our Company expects to continue to comply with the minimum public shareholding spread of 25.00% pursuant to Rule 8.02(1) of the ACE Market LR upon completion of the Rights Issue with Warrants.

2.5 Salient terms of the Warrants

The salient terms of the Warrants are set out below:

Terms	Details
Issuer	: Siab
Issue size	: 383,262,153 Warrants
Form and denomination	: The Warrants will be issued in registered form and constituted by a Deed Poll.
Tenure	: 5 years commencing from and inclusive of the date of the issuance of the Warrants (" Issue Date ").
Exercise Period	: The Warrants may be exercised at any time within the Tenure of the Warrants including and commencing from the Issue Date and ending at 5.00 p.m. (Malaysia time) on the Expiry Date. Any Warrant which is not exercised at the close of business of the Expiry Date will thereafter lapse and cease to be valid.
Exercise Price	: The exercise price of the Warrants has been fixed at RM0.2000 per Warrant. Kindly refer to Section 2.2 (ii) of the Abridged Prospectus for the basis of determining the Warrants Exercise Price
Exercise Rights	: Each Warrant shall entitle Warrant Holders to subscribe for 1 new Siab Share at any time during the Exercise Period and at the Warrants Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.
Expiry Date	: The close of business at 5.00 p.m. in Malaysia on the day immediately preceding the 5 th anniversary of the Issue Date. If such day is not a market day, then it shall be on the immediately preceding market day.
Board lot	: For the purpose of trading on Bursa Securities, and subject to such conditions which Bursa Securities may impose from time to time, a board lot of Warrants shall be 100 Warrants carrying the right to subscribe for 100 new Siab Shares at any time during the Exercise Period, or such other denomination as determined by Bursa Securities.
Mode of exercise	: The Warrant Holders are required to lodge an exercise form with the Company' registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the exercise price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.

Terms	Details
Adjustment in the Exercise Price and/or the number of Warrants	: The Warrants Exercise Price and/or the number of Warrants held by each Warrant holder may from time to time be adjusted in the event of any alteration to the share capital of the Company in accordance with the provisions as set out in the Deed Poll. Any adjustments to the exercise price and/or number of Warrants must be done in full compliance with Rule 6.55(3)(b) of the ACE Market LR.
Status of the new Siab Shares to be issued pursuant to the exercise of the Warrants	: The new Siab Shares to be issued upon the exercise of the Warrants shall, upon allotment and issuance, rank <i>pari passu</i> in all respects with the then existing Siab shares, save and except that they shall not be entitled to participate in any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new Siab Shares.
Modification of rights of Warrant Holder	: Subject to the approval of any relevant authority as required under law, any modification, amendment or addition to the Deed Poll must be: - (a) approved by the Warrant Holders sanctioned by special resolution (b) effected by a supplemental deed poll; (c) executed by the Company and expressed to be supplemental; and (d) comply with the requirements of the Deed Poll. The Company may without the consent of the Warrant Holders but in accordance with the terms of the Deed Poll, effect: (a) any modification to the Warrant or the Deed Poll which, in the opinion of the Company, is not materially prejudicial to the interest of the Warrant Holders; or (b) any modification to the Warrant or the Deed Poll, which in the opinion of the Company, is to correct a manifest error or to comply with mandatory provisions of Malaysian law, Rules of the Bursa Depository and/or ACE Market LR. Notice of every modification, amendment or addition to the Deed Poll is to be given to the Warrant Holders within 21 days from the date of such modification, amendment or addition in accordance with the Deed Poll.
Rights of Warrants Holders	: The Warrants do not entitle the Warrant Holders to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of further securities in the Company until and unless such Warrant Holders become shareholders of the Company by exercising their Warrant for new Siab Shares.
Rights in the event of winding-up, liquidation or an event of default	: As long as any of the Exercise Rights remain exercisable, where a resolution has been passed for a members' voluntary winding-up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for reconstruction of the Company or the amalgamation of the Company with one or more companies, then: (a) if such winding-up, compromise or scheme of arrangement is one in which the Warrant Holders, or some persons designated by them for such purpose by a special resolution shall be a party,

Terms	Details
	the terms of such winding-up, compromise or scheme of arrangement shall be binding on all the Warrant Holders; or (b) in any other case and to the extent permitted by law, every Warrant Holder shall be entitled, upon and subject to the terms and conditions of the Warrants at any time, within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or 6 weeks after (whichever is later) from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/her Warrants together with the duly completed exercise form and payment of the relevant Warrants Exercise Price, to elect to be treated as if he/she had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the Exercise Rights represented by such Warrant to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares arising from the exercise of the Warrant, to which he/she would have become entitled to receive out of the assets of the Company which would be available in liquidation, and the liquidator of the Company shall give effect to such election accordingly. All Exercise Rights, which have not been exercised within the above 6 weeks of either passing of such resolution for the winding-up or the granting of the court order for the approval of such compromise or arrangement, as the case may be, shall lapse and the Warrant will cease to be valid for any purpose. Subject to the foregoing, if the Company is wound up (other than by way of a members' voluntary winding-up), all Exercise Rights which have not been exercised prior to the date of commencement of the winding-up shall lapse and the Warrants will cease to be valid for any purpose.
Listing status	: The Warrants will be listed and quoted on the ACE Market.
Transferability	: The Warrants shall be transferable in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.
Governing law	: The Warrants and the Deed Poll shall be governed by the applicable laws and regulations of Malaysia.

3. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The rationale of the Rights Issue with Warrants is as follows:

- (i) the Rights Issue with Warrants will increase the number of Siab Shares in circulation which may potentially enhance the liquidity and marketability of Siab Shares on the ACE Market;
- (ii) the issuance of the Rights Issue with Warrants will enable the Company to raise the requisite funds required as stated in Section 4 expeditiously without incurring additional bank borrowings or the issuance of debt instruments as well as increasing the capital base of the Company which is expected to strengthen the financial position of the Company;

- (iii) the proceeds to be raised from the Rights Issue with Warrants are intended to be utilised mainly for the funding of the Acquisition and the working capital of our Group;
- (iv) the Warrants attached to the Rights Shares are expected to enhance the attractiveness of the Rights Shares; and
- (v) the Warrants will also provide the Company with additional capital when they are exercised. The exercise of the Warrants will allow the Company to raise fresh proceeds without incurring additional financing cost and minimise any potential cash outflow in respect of interest servicing.

Our Company had completed the Private Placement on 28 December 2023, raising a total of RM12.00 million. The status of the utilisation of the proceeds as at the LPD is as follows:

Details	Actual proceeds raised RM'000	Actual utilisation up to the LPD RM'000	Time frame for utilisation
Cash consideration for the Acquisition	12,000	-	Within 24 months from receipts of proceeds
Total	12,000	-	

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.12 per Rights Share, the gross proceeds to be raised from the Rights Issue with Warrants will be utilised in the following manner:

Details	Notes	RM'000	Timeframe for utilisation (from the receipt of proceeds)
Cash consideration for the Acquisition	(i)	84,000	Within 24 months
Working capital	(ii)	3,668	Immediately
Estimated expenses for the Proposals	(iii)	4,315	Within 1 month
Total		91,983	

Notes:

- (i) Our Company had entered into a SSA (and subsequently the Restated SSA) with the Vendors for the acquisition of the Sale Shares which represent 100.00% equity interest in Taghill free from encumbrances, for the Purchase Consideration to be fully satisfied via a combination of RM96,000,000 cash consideration and RM26,000,000 via issuance of 200,000,000 new Siab Shares at an issue price of RM0.13 each. The summary of the Purchase Consideration is as follow:

Vendors	No. of Sale Shares	Purchase Consideration			Total RM'000
		Cash RM'000	Consideration Shares RM'000*	Units	
Wong Yih Ming	666,668	32,006,400	8,668,400	66,680,000	40,674,800
Chu Yee Hong	666,666	31,996,800	8,665,800	66,660,000	40,662,600
Yap Kek Siung	666,666	31,996,800	8,665,800	66,660,000	40,662,600
Total	2,000,000	96,000,000	26,000,000	200,000,000	122,000,000

* Based on the Consideration Issue Price

Pursuant thereto, our Group intends to allocate RM84.00 million of the gross proceeds from the Rights Issue with Warrants to partly finance the cash portion of the total purchase consideration of approximately RM96.00 million in relation the Acquisition. The remaining cash portion of RM12.00 million will be financed by the proceeds raised from the Private Placement, which was completed on 28 December 2023. The remaining portion of the purchase consideration of approximately RM26.00 million will be funded via issuance of new Siab Shares, upon the completion of the Acquisition.

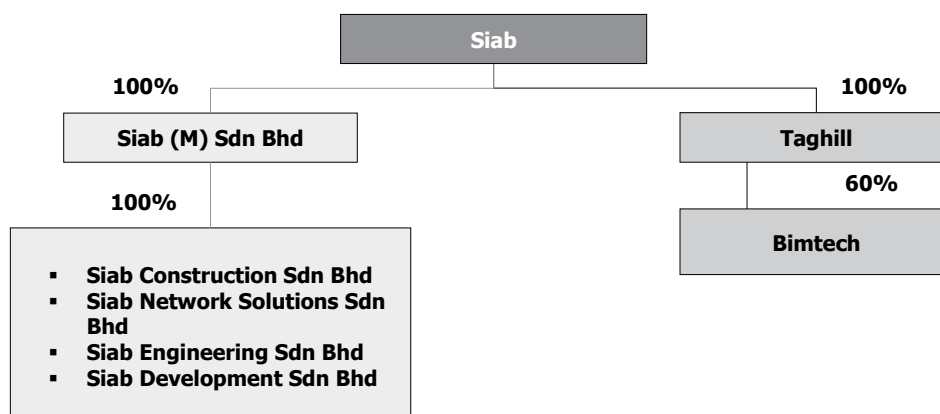
The Acquisition form parts of our Group's long-term business expansion and growth strategy. As both our Group and Taghill Group are currently involved in the building construction services, the Acquisition will enable both companies to leverage on their combined strengths and expertise in the construction industry as well as respective business relationship with various industry stakeholders. Siab and Taghill are currently serving different clients that are involved in the same type of project (i.e. residential, commercial and mixed development) based in Malaysia. As such, the combined strengths are expected to accelerate our Group's expansion plan and accrue our enlarged Group with a continuous growth to emerge as a key player in the construction industry in Malaysia.

The Acquisition represents a strategic opportunity for the Company to further strengthen its remaining orderbook to approximately RM1.62 billion post Acquisition, given that Siab's and Taghill's unbilled orderbook as at the LPD stood at RM314.48 million and RM1.31 billion, respectively. In addition, the Profit Guarantee has been put in place to mitigate any potential losses or uncertainties associated with the Acquisition.

The Acquisition is expected to enhance our Group's earning base over the PG Period. The achievement of the Profit Guarantee by Taghill is expected to improve the consolidated financial results post-acquisition, given that Siab registered a loss after tax of RM19.27 million during the FYE 2022 whereas Taghill recorded a PAT of RM4.37 million during the FYE 2022. Furthermore, Taghill's strong orderbook of RM1.31 billion as at the LPD, will ensure that Taghill will be able to meet its Profit Guarantee. The Acquisition is expected to be earning accretive and will continuously deliver sustainable value to Siab's shareholders in the medium and long term, given the established business and positive historical financial performance of Taghill.

In addition, Siab will not assume any liabilities of Taghill Group (including contingent liabilities and guarantees (if any)) under the Acquisition. The existing liabilities of the Taghill Group will be settled in the normal course of business by Taghill Group. There are no additional financial commitments required from our Group in respect of the Acquisition.

Upon completion of the Acquisition, the corporate structure of Siab will be as follows:



Further information on Taghill Group are set out in Appendix II of this Abridged Prospectus.

The Acquisition was approved by our Shareholders on 1 December 2023 at our EGM. However, the payment of the Purchase Consideration shall only take place upon completion of the Restated SSA. The completion includes, among other things, the fulfilment of all conditions precedent of the Restated SSA. Pursuant thereto, part of the proceeds from the Rights Issue with Warrants of RM84.00 million will be utilised to fund the cash consideration in respect of the Acquisition.

As at the LPD, the status of fulfilment of the conditions precedent of the Restated SSA ("**Conditions Precedent**") is summarised as follows:

Conditions Precedent	Status of Fulfilment
(a) Siab being satisfied with the legal, financial and/or business due diligence findings on Taghill.	Fulfilled on 26 April 2024.
(b) The approvals of Bursa Securities for the listing and quotation of the Placement Shares, the Rights Shares, Warrants and the Consideration Shares as well as the admission of Warrants on the ACE Market of Bursa Securities.	Fulfilled on 27 October 2023.
(c) The approval of Siab's shareholders for the Acquisition.	Fulfilled on 1 December 2023.
(d) The consent and/or approval from the existing financiers of Taghil in relation to the change in equity structure and directorship of Taghil arising from the Acquisition.	Fulfilled on 19 April 2024.
(e) The completion of the Private Placement and the Rights Issue with Warrants by Siab.	To be fulfilled. The Private Placement was completed on 28 December 2023. Rights Issue with Warrants is expected to be completed by 25 June 2024.
(f) The execution of an escrow agreement by Siab and the Vendors to appoint the Stakeholder to hold the Consideration Shares on trust for the Vendors while pending Taghil's attainment of the Profit Guarantee.	Fulfilled on 16 February 2024.

The timeframe for completion of the Acquisition is 30 days from the date of fulfilment of all the Conditions Precedent ("**Completion Period**"). The Cash Consideration shall be payable to the Vendors when the Vendors provide the duly executed share transfer form of the Sale Shares to Siab within the Completion Period, both to take place no later than 7 days upon fulfilment of all the following conditions for completion:

- (a) no event of default has occurred or would occur as a result of the completion of the Restated SSA;

- (b) there has been no material adverse change in the financial condition or operation of Taghill since the date of the Restated SSA;
- (c) all debts or advances owing by or to the Vendors, the directors of Taghill, their affiliated companies and/or affiliated persons had been settled, waived or forgiven (if applicable);
- (d) each of the representations and warranties set out in the Restated SSA remains accurate at the completion date as if given on that date by reference to the facts and circumstances then existing;
- (e) the Vendors have not breached any material undertakings, representations, warranties and covenants under the Restated SSA, unless waived by Siab; and
- (f) no governmental entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order, whether temporary, preliminary or permanent, which is in effect and which has or would have the effect of making the transactions contemplated by the Restated SSA illegal or restraining or prohibiting consummation of such transactions.
- (ii) Our Group intends to allocate proceeds of up to RM3.67 million from the Rights Issue with Warrants for working capital purposes in the following manner:

Description	RM'000
Defect rectification costs for completed projects ^(a)	2,000
Other operating and administrative expenses ^(b)	1,668
Total	3,668

Notes:

- (a) Our Group had completed several projects, namely Gravit8 Project, Amverton Cove Project, Chamber Residence Project and Cubic Botanical Tower A Project. These projects are currently within their defect liability period, where our Group as the main contractor of the project is bound to rectify defects identified and reported by the client. As such, the allocated working capital will be utilised to address and rectify any defects arising from weather elements and common wear and tear in these completed projects. Additionally, it will be utilised to enhance and restore the individual units and common areas for the purchasers of the projects.

Project Name/ Client	Description	Contract value RM'000	Commencement/ completion date	Commencement/ ending of defect liability period date
Gravit8 (Phase 2B) Project/ Vibrantline Sdn Bhd	Construction of 2 blocks of 34-storey with 605 units of serviced apartment building Phase 2B with carpark podium and recreation at level 8, in Kota Bayu Emas, Mukim Klang, Daerah Klang.	118,000	December 2018/ October 2021	October 2021/ January 2024
Amverton Cove Project/ T.G. Development Sdn Bhd	Construction of 1 block of 10-storey apartment building with 250 serviced apartment units, 1 penthouse, common facilities and amenities in Kuala Langat, Selangor.	50,150	August 2018/ August 2022	August 2022/ August 2024

Project Name/ Client	Description	Contract value RM'000	Commencement/ completion date	Commencement/ ending of defect liability period date
Chambers Residence Project/ Matrix Concepts (Central) Sdn Bhd	Construction of 1 block of 33-storey apartment building with 509 serviced apartment units, which includes 8-storey car park and common facilities and amenities in Jalan Ipoh, Kuala Lumpur.	102,500	April 2019/ April 2023	April 2023/ May 2025
Cubic Botanical Tower A Project/ Ancubic Capital Sdn Bhd	Construction of 1 block of 33-storey serviced apartment with 509 units in Bangsar South, Kuala Lumpur.	64,800	February 2021/ June 2023	June 2023/ June 2025

None of the projects above are owned by the directors, major shareholders of Siab or person connected to them.

- (b) Other operating and administrative expenses will be mainly utilised for tender expenses (such as travel cost related to site visits and meetings, professional fees for consultants involved in preparing a tender and other miscellaneous cost associated with preparing a tender), payroll (such as allowances, EPF, SOCSO and staff claims) and office running expenses (such as office utilities, office maintenance and upkeep, office security and office supplies), breakdown of which cannot be determined at this juncture.

In the event the actual expenses for the defect rectification costs is lower than the allocated amount, the excess will be utilised for the working capital for our Group as mentioned above in Section 4(ii), Note (b), the breakdown of which cannot be determined at this juncture. However, if the actual expenses for the defect rectification costs exceed the allocated amount, the shortfall will be funded via internally generated funds.

- (iii) The expenses in relation to the Proposals are estimated to be RM4.32 million, details of which are as follows:

Description	RM'000
Professional fees ^(a)	4,106
Fees to relevant authorities ^(b)	103
Miscellaneous charges (Printing, meeting expenses and advertising)	106
Total	4,315

Notes:

- (a) Comprises the professional fees of the Principal Adviser, Financial Adviser, Solicitors, Reporting Accountants, Share Registrar and Company Secretary as well as the estimated underwriting fees; and
- (b) Comprises fees to Bursa Securities and Companies Commission Malaysia.

In the event the actual expenses are higher than the allocated amount, the deficit will be funded out of the portion allocated for our Group's working capital. Conversely, if the actual expenses are lower than the allocated amount, the excess will be utilised for the working capital for our Group as mentioned above in Section 4(ii), Note (b), the breakdown of which has not been determined at this juncture.

Pending utilisation of proceeds for the abovementioned purposes, the proceeds arising from the Rights Issue with Warrants will be placed in deposits with licensed financial institutions or short-term money market instruments. Any interest and/or gain derived will be used for our Group's general working capital purposes as mentioned above in Section 4(ii), Note (b), the breakdown of which cannot be determined at this juncture.

In addition, the proceeds from the exercise of all the Warrants will raise proceeds of RM76.65 million.

Any proceeds arising from the exercise of the Warrants in the future shall be utilised for the working capital of our Group which includes but is not limited to salaries, rentals of equipment and machineries such as formwork, passenger hoist and scaffolds to tackle various construction needs, purchase of construction materials such as concrete, cement, steel bars and wiremesh, transportation costs for construction material and other related administrative expenses such as traveling cost for site visit and meetings, utilities charges, statutory payment such as EPF and SOCSO and office upkeep and maintenance for its ordinary course of business, the breakdown of which has yet to be determined. Barring any unforeseen circumstances, such proceeds are expected to be utilised within 24 months from the date of receipt of the funds. Pending utilisation of such proceeds, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional general working capital for the Company as mentioned above in Section 4(ii), Note (b), the breakdown of which cannot be determined at this juncture.

5. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants:

5.1 Risks relating to our Group's Business

(i) Dependence on key management and qualified personnel

Our Group's sustainability in the construction business will depend significantly on the abilities, skills and experience as well as continued efforts of our Directors and key management personnel. The loss of any Directors and/or key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, could adversely affect our Group's revenue and profitability.

There is no assurance that our Group will be able to identify, attract and retain skilled personnel from time to time in the future or that any loss of key personnel can be easily and quickly replaced without major disruption to our Group's operations.

(ii) Financial performance risks

Our Group has recorded PAT of RM11.04 million and RM5.38 million in FYE 2020 and FYE 2021, respectively. However, our Group recorded LAT of RM19.27 million and RM22.65 million for FYE 2022 and FYE 2023, respectively. The losses were mainly attributed to slow work progress in the construction works due to the impact of COVID-19 pandemic in addition to elevated cost of construction materials and rising labour cost. Further details of our Group's historical financial performance are set out in Section 7, Appendix I of this Abridged Prospectus.

Notwithstanding our Group's efforts, prospects and future plans, there is no assurance that strategies/plans are able to be implemented without further delays or are able to successfully turnaround the financial performance of our Group in the future. Even if the plans are successful in the near term, there is no assurance that our Group is able to sustain its earnings and maintain a profit making position.

(iii) Competition risk

The Malaysian construction industry is competitive, and our Group faces competition from various construction companies, including both existing competitors and/or new market entrants. Due to such competitive pressures, our Group's financial performance may be affected by competitive pricing in the process of securing a construction contract.

Some of these competitors and/or new market entrants may possess competitive advantage over our Group in terms of track records and team of skilled and qualified employees. We are exposed to the risk that we may be unable to compete effectively against our existing or future competitors and arising therefrom, our business, financial performance and financial condition may be adversely affected.

(iv) Risk of not achieving the Profit Guarantee

While the Board has taken reasonable steps to assess the achievability of the Profit Guarantee, there can be no assurance that the Profit Guarantee will be met. To mitigate this risk, the Consideration Shares shall be retained and deposited with the stakeholder where in the event Taghill Group's actual PAT is less than the Profit Guarantee, Siab shall be entitled to be reimbursed in cash by the Vendors to an amount equivalent to the shortfall. However, if the Vendors fail to fulfill their payment obligation on the shortfall, Siab has the rights to dispose of all the Consideration Shares in order to compensate for the financial shortfall.

(v) Fluctuation in the cost of raw materials

Our Group's profitability may be affected by increased in fluctuation of construction costs which are inherent risks in the industry. There is no assurance that the prices of raw materials will always remain at current levels moving forward. If there is a sharp increase in the prices of the raw materials, there is no assurance that our Group will be able to pass on such cost increases to its customers by increasing the prices of its building materials without running the risk of losing market share to its competitors.

(vi) Political, economic and regulatory considerations

With the participation of our Group in the construction industry, its business, prospects, financial condition and level of profitability are now subject, to a certain extent, the developments in the economic, political and regulatory environment of Malaysia. Such risks include, economic uncertainties, changes in rules and regulations, interest rate fluctuation, unfavourable monetary and fiscal policy, changes in political leadership and changes in tax laws. Notwithstanding that, our Group will constantly keep abreast with the political, economic and regulatory developments through various media, events and/or seminars, and shall continuously adopt prudent financial management and efficient operating procedures to limit the impact of the aforementioned risks. However, there can be no assurance that any adverse development in the economic, political and regulatory environment in Malaysia will not have any material adverse effect on the business operation and financial performance of Siab.

5.2 Risks relating to the Rights Issue with Warrants

(i) Capital market risks for the Rights Shares and the Warrants

The market price of our Shares is influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets as well as our financial performance. In view of this, there can be no assurance that our Shares will trade above the Rights Issue Price or the TERP of our Shares upon or subsequent to the listing of and quotation for the Rights Shares in the ACE Market of Bursa Securities.

The value of the Warrants depends on various factors, primarily the market price of our Shares, exercise price for the Warrants, remaining tenure of the Warrants, volatility of our share price and the perceived risk-free rates applicable in the relevant market. In view of this, there can be no assurance that the Warrants will be 'in-the-money' during the tenure of the Warrants. There can also be no assurance that an active market for the Warrants will develop upon or subsequent to the listing of the Warrants on Bursa Securities or if developed, that such market can be sustained.

Furthermore, you are reminded that should the outstanding Warrants expire at the end of its tenure, it will cease thereafter to be valid for any other purposes and hence, will no longer have any value.

(ii) Failure or delay in the completion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be terminated or delayed in the event of a material adverse change of events or circumstances (such as force majeure events including without limitation, acts of government, natural disasters including without limitation the occurrence of a tsunami and/or earthquakes, acts of terrorism, strikes, national disorder, declaration of a state of war or accidents, or any change in law, regulation, policy or ruling), which is beyond the control of our Group and the Principal Adviser, arising prior to the completion of the Rights Issue with Warrants. In this respect, pursuant to Section 243 of the CMSA, in the event the Rights Issue with Warrants is aborted, all monies raised in the Rights Issue with Warrants will be refunded free of interest within 14 days to the Entitled Shareholders. Monies not paid within 14 days will be returned with interest at the rate of 10.00% per annum or at such other rates as may be prescribed by the SC.

In the event the Rights Issue with Warrants is aborted/terminated, and the Rights Shares have been allotted to the Entitled Shareholders, a return of monies to all holders of Rights Shares could only be achieved by way of cancellation of the share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our Company's creditors (where applicable) and either the confirmation of the High Court of Malaya or a solvency statement by our Board. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

(iii) Potential dilution of existing shareholders' shareholdings

Entitled Shareholders who do not or are unable to subscribe fully for their entitlement pursuant to the Rights Issue with Warrants will have their proportionate percentage of shareholdings and voting interest in our Company reduced and the percentage of the enlarged issued share capital represented by their shareholdings in our Company will also be reduced accordingly. Consequently, their proportionate entitlement to any future distribution, rights and/or allotment that our Company may make after completion of the Rights Issue with Warrants will correspondingly be diluted.

(iv) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Company and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, among others, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

6. INDUSTRY OVERVIEW AND PROSPECTS

The Group is principally involved in the provision of building construction services and ICT solutions. As such, Protégé has prepared the IMR report covering the property development market and construction as well as the ICT industry in Malaysia.

The following industry overview and prospects are an extract from the IMR Report and relevantly publicly available economic reports. The profile of the IMR is as follows:

Profile of Protégé

Protégé is an independent market research and business consulting company. Its market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, industry trends and the outlook of the industry.

Profile of IMR Report signee, Seow Cheow Seng

Seow Cheow Seng is the Managing Director of Protégé. He has 24 years of experience in market research, having started his career in Frost & Sullivan where he spent 7 years. He has been involved in a multitude of industries covering Automotive, Construction, Electronics, Healthcare, Energy, information technology, Oil and Gas, etc. He has also provided his market research expertise to government agencies such as Malaysia Digital Economy Corporation Sdn Bhd, Malaysia Debt Ventures Berhad and Malaysia Technology Development Corporation Sdn Bhd.

6.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 3% in the fourth quarter of 2023 (third quarter 2023: 3.3%; second quarter 2023: 2.9%). Household spending remained supported by improving labour market conditions and easing cost pressures. The unemployment rate declined to the pre-pandemic level of 3.3% while the labour force participation rate was at a historic high in 2023. Meanwhile, growth in investment activity was underpinned by the progressive realisation of multi-year projects and capacity expansion by firms. Exports, however, remained subdued due to prolonged weakness in external demand amid stronger imports. On the supply side, there was a broad-based expansion. The commodities sector grew. This was supported by higher oil and gas production as well as expansion in the agriculture sector amid improved labour supply. The services and construction sectors continued to expand. The manufacturing sector remained soft from continued weakness in the electrical and electronics industry. In terms of monthly gross domestic product ("GDP"), December recorded a growth of 1.4%, lower than November (3.8%) and October (3.9%), attributed mainly to the shorter school

holiday period during the month and weaker export-oriented manufacturing sector. On a quarter-on-quarter seasonally-adjusted basis, the economy contracted by 2.1% (third quarter 2023: +2.6%).

Overall, the 2023 growth for the Malaysian economy normalised to 3.7%, following a strong growth registered in the previous year (2022: 8.7%). Growth moderated amid a challenging external environment. This was due mainly to slower global trade, the global tech downcycle, geopolitical tensions and tighter monetary policies. On the domestic front, despite the lapse of large policy support provided as the economy started to open up in 2022, the continued recovery in economic activity and labour market conditions supported growth in 2023. In addition, the solid growth performance of the economy is reinforced by a resilient external position. Despite the challenging external environment, the current account surplus for the year 2023 was sustained at 1.2% of GDP, supported by a diversified export structure across market and product. The strength in external position is also reflected in the external debt, which declined to 68.2% of GDP in 2023 (third quarter 2023: 69%), and a higher net international investment position at 6.6% of GDP in 2023 (third quarter 2023: 5.2%). Importantly, the external debt remains manageable given the favourable maturity and currency profiles. One-third of the external debt is denominated in ringgit, limiting currency risk, while around 70% of debt have medium and longer-term tenures. Foreign currency borrowings are also subject to Bank Negara Malaysia's prudential requirements and continue to consist mainly of concessionary intragroup loans.

The Malaysian economy is projected to grow between 4.0% to 5.0% in 2024. Growth in 2024 will be driven by resilient domestic expenditure and improvement in external demand. On the external front, the International Monetary Fund is projecting a rebound in global trade growth from 0.4% in 2023 to 3.3% in 2024. Together with the tech upcycle, the stronger external demand and continued improvement in the tourism sector will provide support to Malaysia's exports. On the domestic front, household spending will be supported by continued employment and wage growth. Investment activity will be underpinned by further progress of multi-year projects, by both the private and public sectors, as well as the implementation of catalytic initiatives under the various national master plans. Improvement in tourist arrivals and spending are expected to continue. The growth outlook remains subject to downside risks stemming from weaker-than-expected external demand and larger declines in commodity production. Nonetheless, there are upside risks to growth emanating from greater spillover from the tech upcycle, stronger-than-expected tourism activity and faster implementation of existing and new projects.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2023, Bank Negara Malaysia)

6.2 Overview and prospects of the property development market in Malaysia

Property development generally refers to activities involving the buying of building(s) and/or land with the intention to raise their value by making improvements to them, and subsequently, renting and/or selling the improved properties at the selling prices that exceed the investment outlay. In Malaysia, the performance of the property development industry is associated with the levels of real estate construction (the construction of residential and non-residential buildings) activities in the country.

In 2023, real estate construction activities in Malaysia expanded by 0.8% as the industry enjoyed a higher demand for properties despite a rising interest rate environment and high uncertainty in external environment. Total value of real estate construction activities in the country stood at RM24.45 billion in 2023, which was an increase from RM24.24 billion registered in 2022. The growth was largely attributed to the stronger performance in the residential building subsector.

In terms of project ownership, the construction of both residential and non-residential buildings in Malaysia is primarily led by the private sector. In 2023, the private sector accounted for 85.7% of the total value of real estate construction projects, while the remaining portion was attributed to the public sector, encompassing government and public corporations. Within the public sector, the category of public corporations encompasses both statutory and non-statutory bodies. These entities are established under laws enacted by the Parliament Act or the State Legislative Assembly, granting them a level of operational and managerial independence to oversee government programs.

Real estate construction activities typically exhibit a positive correlation with growth in the property market. A higher demand for properties can lead to higher level of construction activities for real estate. In 2023, the Malaysian property market registered a total transaction volume of 399,008, reflecting a 2.5% growth in total transaction volume as compared to 389,107 in 2022. The value of property transactions in Malaysia increased in tandem with a higher number of property transactions, registering a 9.9% increase from RM179.07 billion in 2022 to RM196.83 billion in 2023. The growth in the Malaysian property market was supported by positive performance in all sub-sectors except agriculture.

In 2023, residential sub-sector continued to dominate market activity in terms of volume, accounting for 62.8% of total transactions, followed by agriculture (19.0%), commercial (10.1%), development land and others (6.1%) and industrial (2.0%). In terms of value of transactions, residential sub-sector also dominated in 2023 by accounting for 51.3% of total transaction value, followed by commercial (19.5%), industrial (12.2%), agriculture (9.5%) as well as development land and others (7.5%).

Moving forward, the growth in the local property development industry (in terms of total value of real estate construction activities) is expected to register a faster pace in 2024 and keep expanding throughout the remaining forecast period until 2028 driven by factors including accommodative policies, ongoing economic expansion and the implementation of additional government-led housing and infrastructure projects, all contributing to the momentum for industry advancement. Nonetheless, a rising interest rate environment presents a potential challenge for property developers in Malaysia, as it could dampen the demand for properties. Total value of real estate construction activities in Malaysia is forecast to reach RM30.50 billion in 2028, registering a compound annual growth rate ("**CAGR**") of 4.5% for the forecast period of 2024 to 2028 (base year of 2023). In 2023, the Malaysian property market registered a total transaction volume of 399,008 and total value of property transactions of RM196.83 billion, reflecting a growth of 2.5% and 9.9% respectively as compared to the figures in 2022. The local property market is projected to register a total transaction volume of 421,751 and total value of property transactions of RM208.05 in 2024, representing projected increase of 5.7% in both transaction volume and total from the figures registered in 2023.

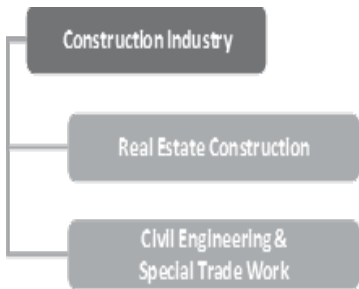
(Source: IMR Report prepared by Protégé)

[The rest of this page is intentionally left blank]

6.3 Overview and prospects of construction industry in Malaysia

The construction industry in Malaysia expanded by 6.3% from RM53.44 billion in 2022 to RM56.69 billion in 2023. Construction refers to the conversion of raw materials using labour into various forms of buildings and infrastructures. It typically covers new work, repair, additions and alterations, the erection of prefabricated buildings or structures on the site as well as construction of a temporary nature.

Segmentation in the Construction Industry

	
Real estate construction	Construction of structures and buildings for residential purpose (which are mainly used for dwelling purposes such as terraced houses, semi-detached houses and apartments) and non-residential purpose (which are non-residential buildings such as commercial, industrial and leisure properties)
Civil engineering	Construction of infrastructures such as roads and highways, utility structures and buildings, and public infrastructures like bridges, stadiums, ports, dams and railways
Special trade work	Construction of parts of buildings and civil engineering works without responsibility for the entire project such as metal works, electrical works, painting works and flooring works

Source: Department of Statistics Malaysia ("**DOSM**") and Protégé Associates

In Malaysia, the construction industry is largely domestic-oriented and it is an important component within the country's economy due to its strategic and extensive linkages with the rest of the economy. As such, the Malaysian Government's policies have been accommodative and supportive of the growth in the local construction industry which typically include proposed government projects as part of its development expenditure.

The growth in the local construction industry for 2023 was supported by expansion across most subsectors spurred by faster progress of multi-year civil engineering projects, further expansion in the special trade work subsector, and a rebound in the growth of the residential building subsector following improvement in housing demand amid better income and employment conditions.

In 2024, the construction industry in Malaysia is expected to expand by 6.8% to RM60.49 billion, supported by broad-based growth across all subsectors. As outlined in the Budget 2024 ("**2nd Belanjawan MADANI**"), the allocation for development expenditure stands at RM99.0 million (inclusive of RM2 billion as contingency savings) – the largest ever, is expected to drive growth in the local construction industry. The Malaysian Government's focus on home ownership remains evident in the 2nd Belanjawan MADANI with an allocation of RM2.47 billion allocated to implement housing projects for the rakyat in 2024. These include a special guarantee fund of RM1 billion to encourage reputable developers to revive identified abandoned projects, RM546 million to continue the implementation of 36 Program Perumahan Rakyat, including a new project in Kluang, Johor, RM358 million to continue 14 Program Rumah Mesra Rakyat programme, which involves the construction of 3,500 housing units RM460 million to aid approximately 65,000 impoverished rural residents for the construction of new homes or

the renovation of their existing dilapidated houses, and RM100 million for the maintenance of low- and medium-cost public and private strata housing projects nationwide. Besides that, the Malaysian Government is also providing guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan and intends to propose that property transfer documents involving beneficiaries relinquishing their rights to eligible beneficiaries based on will or faraid or the Distribution Act 1958 will only be subject to a stamp duty of RM10, instead of the previous ad-valorem (based on the value of a transaction that legal documents represent) rate. The Malaysian Government also intends to impose a flat rate stamp duty exemptions of 4.0% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in the country as a measure to control property prices. Other notable housing related announcements in the 2nd Belanjawan MADANI are the reduction in the residents' approval threshold for en-bloc sales from 100% to a level consistent with international practices to encourage urban renewal and promote the redevelopment of ageing buildings in the city, as well as the takeover of the development of Bandar Malaysia by the Malaysian Government.

Moving forward, the local construction industry is forecast to reach RM73.68 billion in 2028, registering a CAGR of 5.3% for the forecast period of 2024 to 2028 (base year of 2023). Growth within the industry is expected to be supported by broad-based growth across all subsectors. The industry is also expected to be further boosted by the additional RM15 billion in development expenditure for the 12MP period (2021-2025) announced in the Mid-Term Review of the 12MP. Growth in the residential buildings subsector is expected to be driven by new housing launches amid further improvement in housing demand. Besides that, the non-residential buildings subsector is expected to be boosted by the implementation of the New Industrial Master Plan ("NIMP") 2030 which provides a platform to attract more investments into the country. Meanwhile, strategic infrastructure and utilities projects including ongoing projects such as the Pan Borneo Sabah Highway, the Central Spine Road, and the acceleration of projects under the 12MP are expected to provide further impetus for the growth in the civil engineering subsector.

(Source: IMR Report prepared by Protégé)

6.4 Outlook and prospects of the ICT industry in Malaysia

ICT refers to a diverse range of technological resources and tools (which include computers, the Internet, live broadcasting technologies, recorded broadcasting technologies and telephony) used to create, store, transmit, share or exchange information. The contribution of the local ICT industry to the Malaysian economy has continued to increase over the years. Based on the latest annual statistics released by DOSM in October 2023, ICT and e-commerce of other industries in Malaysia contributed RM412.30 billion to the economy in 2022, up 14.8% from RM359.28 billion registered in 2021, supported by broad-based growth across all segments.

On a closer look, e-commerce accounted for the most contribution to the economy among all the segments in 2022 with RM168.65 billion, an increase of 18.4% from RM142.46 billion registered in 2021. In 2022, ICT services and ICT manufacturing segments are also key contributors to the Malaysian economy with contribution of RM102.14 billion and RM93.53 billion respectively (2021: RM96.69 billion and RM77.08 billion respectively). Contribution from the remaining segments namely ICT trade as well as content and media stood at RM34.19 billion and RM13.80 billion respectively (2021: RM30.52 billion and RM12.53 billion respectively).

Moving forward, the outlook of the ICT industry in Malaysia is expected to remain positive. According to The ICT Development Index 2023 ("**IDI 2023**") released by the International Telecommunication Union (the United Nations specialised agency for ICTs), Malaysia scored 94.5 points out of the total score of 100, which surpassed the global average of 72.8 and putting the country in the 15th position globally and 3rd within The Association of Southeast Asian Nations ("**ASEAN**") region. Based on IDI 2023, there were robust access to digital

services and widespread digital engagement in Malaysia as the country achieved near-universal coverage of the 4th generation ("4G")/Long Term Evolution ("LTE") mobile network, a high level of mobile-broadband subscriptions, and low prices for mobile and fixed-broadband services. In addition, the country also achieved high rates of Internet usage, mobile phone ownership and Internet traffic per subscription. All these achievements demonstrate that the country is taking the right steps towards further growing its ICT industry in the coming years.

In 2023, the ICT industry in Malaysia is estimated to grow by 3.9% to reach RM253.15 billion, supported by the ongoing trend of digitalisation of business operations. This trend gained momentum during the COVID-19 pandemic, as social distancing measures necessitated the adoption of technology to facilitate remote work and addressing changes in supply chain management. Companies relied on technologies like remote access solutions and process automation to sustain their operations. Additionally, the proliferation of new digital technologies such as 5G and the emergence of tech-driven sectors like financial technology. This trend is expected to continue throughout the forecast period, with the local ICT industry projected to expand by 7.5% to reach RM272.14 billion in 2024. The industry is projected to expand at a CAGR of 8.4% for the 2024 to 2028 period to reach RM378.88 billion in 2028.

(Source: IMR Report prepared by Protégé)

6.5 Prospects of our Group

The completion of the Acquisition is expected to bolster the enlarged Siab Group, as it will enable both companies to leverage on their combined strengths and expertise in the construction industry as well as respective business relationship with various industry stakeholders. Upon the completion of the Acquisition, the enlarged Siab Group will continue to focus on provision of building construction services. As at the LPD, as Taghill Group still has unbilled orderbook of RM1.31 billion, both Siab and Taghill will continue to focus on completing these on-going projects within the expected completion date as set out in Section 11(i) of Appendix II of this Abridged Prospectus. There is no additional financial commitment required to finance Taghill Group's operations as Taghill Group is able to finance its on-going projects. Both Taghill and Siab, will also continue to tender and secure more construction projects to replenish their orderbook.

Based on the overview and prospects of the construction and property development market in Malaysia, the future prospects of the enlarged Siab Group post-acquisition are expected to be favourable and will contribute positively to the earnings of our Group. The Acquisition will serve to further strengthen the enlarged Group's profile and place the enlarged Group on a stronger financial footing in securing future projects thereby enhancing value for shareholders in the future.

(Source: The management of Siab)

[The rest of this page is intentionally left blank]

7. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

7.1 Share capital

The pro forma effects of the Rights Issue with Warrants on the issued share capital of our Company are set out below:

	No. of Shares	RM'000
Issued share capital as at LPD	589,634,083	84,036
Rights Shares to be issued	766,524,307	⁽ⁱ⁾ 89,124
Enlarged share capital after Rights Issue with Warrants	1,356,158,390	173,160
Consideration Shares to be issued	200,000,000	⁽ⁱⁱ⁾ 26,000
Enlarged share capital after the Acquisition	1,556,158,390	199,160
To be issued assuming full exercise of Warrants	383,262,153	⁽ⁱⁱⁱ⁾ 76,652
Enlarged share capital	1,939,420,543	275,812

Notes:

- (i) Based on the Rights Issue Price.
- (ii) After deducting the balance estimated expenses incidental to the Proposals amounting to RM3.06 million of which the expenses directly related to the issuance of the Placement Shares and Rights Shares amounting to RM2.86 million to be offset against the share capital.
- (iii) Based on the Consideration Issue Price.
- (iv) Based on the Warrant Exercise Price

[The rest of this page is intentionally left blank]

7.2 Losses and LPS

Barring any unforeseen circumstances and taking into consideration of the proceeds from the Private Placement and the Rights Issue with Warrants will be primarily utilised to finance the Acquisition, both the Private Placement and Rights Issue with Warrants, are expected to contribute positively to the long-term future earnings of the Company for the FYE 2024.

The pro forma effects of the Proposals on the consolidated losses and LPS of the Company for the FYE 2023 will depend on the level of returns generated from the utilisation of the proceeds to be raised from the Private Placement and Rights Issue with Warrants.

Assuming that the consolidated losses of the Company remain unchanged, the LPS of the Company will be diluted as a result of the increase in the number of Shares in issue following the issuance of the Rights Shares and any new Shares arising from the exercise of the Warrants.

For illustration purposes only, based on Siab's latest audited consolidated financial statements for the FYE 2023, the pro forma effects of the Proposals on the earnings and LPS of our Group, assuming that the Proposals had been completed at the beginning of FYE 2024, is as follows:

		(II)	(III)	(IV)
	Audited as at 31 December 2023 RM'000	After (I) and the Rights Issue with Warrants RM'000	After (II) and the Acquisition RM'000	After (III) and assuming full exercise of all Warrants RM'000
LAT for FYE 2023	(22,650)*	(22,650)	(22,650)	(22,650)
Add: audited PAT attributable to owners of Taghill Group	-	-	(iv)4,225	(iv)4,225
Less:	-	(196)	(196)	(196)
Estimated expenses incidental to the Proposals**	-	(196)	(196)	(196)
Pro forma LAT	(22,650)	(22,846)	(18,621)	(18,621)
Number of shares in issue	589,634,083	(i)1,356,158,390	(ii)1,556,158,390	(iii)1,939,420,543
LPS (RM)	0.04	0.02	0.01	0.01

Notes:

- * Expenses incidental to the Proposals amounting to RM1.26 million has already been incurred as at 31 December 2023, whereby RM0.30 million has been offset against share capital and RM0.96 million has been charged to the income statement.

- ** Balance expenses incidental to the Proposals amounting to RM3.06 million of which RM0.20 million being expenses not directly related to the issuance of the Placement Shares and Rights Shares to be charged to the income statement.
- (i) Issuance of 766,524,307 Rights Shares at the Right Issue Price.
 - (ii) After incorporating the effects of issuance of 200,000,000 Consideration Shares.
 - (iii) After exercise of all 383,262,153 Warrants at the Warrant Exercise Price.
 - (iv) Based on the audited PAT attributable to owners of Taghill Group for the FYE 2022.

In addition, Taghill had provided the Profit Guarantee to Siab. Upon completion of the Acquisition, Siab will be able to consolidate the profits of Taghill Group.

7.3 Convertible securities

As at LPD, Siab does not have any outstanding convertible securities in issue.

[The rest of this page is intentionally left blank]

7.4 NA and gearing

For illustrative purposes, the pro forma effects of the Proposals on the NA and gearing of our Group based on its audited consolidated financial statements as at 31 December 2023 are as follows:

		(I)	(II)	(III)	(IV)
	Audited as at 31 December 2023	After the Rights Issue with Warrants	After (I) and the Acquisition	After (II) and the utilisation of proceeds	After (III) and assuming full exercise of all Warrants
	RM	RM	RM	RM	RM
Share capital	84,035,818	⁽ⁱ⁾ 176,018,735	⁽ⁱⁱ⁾ 202,018,735	^(iv) 199,159,969	^(v) 275,812,400
Reserves	(35,722,508)	(35,722,508)	(35,722,508)	(35,722,508)	(35,722,508)
(Accumulated Loss)/ Retained earning	(4,823,978)	(4,823,978)	(4,823,978)	^(iv) (5,020,361)	(5,020,361)
Total equity	43,489,332	135,472,249	161,472,249	158,417,100	235,069,531
Number of Shares in issue	589,634,083	1,356,158,390	1,556,158,390	1,556,158,390	1,939,420,543
NA per Share (RM)	0.07	0.10	0.10	0.10	0.12
Borrowings (interest- bearing)	28,855,278	28,855,278	⁽ⁱⁱⁱ⁾ 156,840,044	156,840,044	156,840,044
Gearing ratio (times)	0.66	0.21	0.97	0.99	0.67

Notes:

- ⁽ⁱ⁾ Adjusted for the issuance of 766,524,307 Rights Shares at the Rights Issue Price.
- ⁽ⁱⁱ⁾ Adjusted for issuance of 200,000,000 Consideration Shares at the Consideration Price.
- ⁽ⁱⁱⁱ⁾ Adjusted for Taghill Group's borrowings of RM127.99 million unaudited as at 31 December 2023.
- ^(iv) After deducting the balance estimated expenses of RM3.06 million for the Proposals of which RM2.86 million to be offset against share capital and estimated expenses of RM0.20 million charged to the income statement.
- ^(v) Assuming the exercise of all 383,262,153 Warrants at the Warrant Exercise Price.

7.5 Substantial shareholders' shareholdings

The pro forma effects of the Proposals on the shareholding of the substantial shareholders is set out below:

Substantial shareholders	(i) As at LPD				(I) (ii) After the Rights Issue with Warrants*			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Wai Hoe	40,582,025	6.88	^(v) 63,652,316	10.80	93,338,657	6.88	^(v) 146,400,326	10.80
Makmur Baru Holdings Sdn Bhd	63,652,316	10.80	-	-	146,400,326	10.80	-	-
Lim Mei Hwee	62,428,217	10.59	-	-	143,584,899	10.59	-	-
Tan Sok Moi	46,515,163	7.89	-	-	106,984,874	7.89	-	-
Alam Kota Sdn Bhd	55,083,762	9.34	-	-	126,692,652	9.34	-	-
Dato' Dr Chang Lik Sean	-	-	^(vi) 55,083,762	9.34	-	-	^(vi) 126,692,652	9.34
Vendors (Collectively)	-	-	-	-	-	-	-	-
Substantial shareholders	(II) (iii) After (I) and the Acquisition				(III) (iv) After (II) and assuming full exercise of all Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Wai Hoe	93,338,657	6.00	^(v) 146,400,326	9.41	119,716,973	6.17	^(v) 187,774,331	9.68
Makmur Baru Holdings Sdn Bhd	146,400,326	9.41	-	-	187,774,331	9.68	-	-
Lim Mei Hwee	143,584,899	9.23	-	-	184,163,240	9.50	-	-
Tan Sok Moi	106,984,874	6.87	-	-	137,219,729	7.08	-	-
Alam Kota Sdn Bhd	126,692,652	8.14	-	-	162,497,097	8.38	-	-
Dato' Dr Chang Lik Sean	-	-	^(vi) 126,692,652	8.14	-	-	^(vi) 162,497,097	8.38
Vendors (Collectively)	200,000,000	12.85	-	-	200,000,000	10.31	-	-

Notes:

* Assuming all shareholders subscribe for their respective entitlement under the Rights Issue with Warrants.

(i) Based on the existing issued share capital of 589,634,083 Shares as at the LPD.

- (ii) Based on the issued share capital of 1,356,158,390 Shares after the Rights Issue with Warrants.
- (iii) Based on the issued share capital of 1,556,158,390 Shares after the Acquisition.
- (iv) Based on the issued share capital of 1,939,420,543 Shares assuming full exercise of the Warrants.
- (v) Deemed interested by virtue of Section 8 of the Act through his interest held in Makmur Baru Sdn Bhd.
- (vi) Deemed interested by virtue of Section 8 of the Act through his interest held in Alam Kota Sdn Bhd.

8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

8.1 Working capital and sources of liquidity

Our Group's working capital is funded through cash generated from operating activities, credit extended by suppliers, credit facilities from financial institutions as well as our Group's existing cash and bank balances. As at audited financial period of 31 December 2023, our Group has cash and bank balances of RM18.89 million and bank overdraft of RM1.18 million. Apart from cash and bank balances and bank overdraft, our Group does not have access to any other material unused sources of liquidity as at the LPD.

In addition to the above, our Group intends to allocate proceeds of approximately RM3.67 million from the Rights Issue with Warrants to finance working capital requirements of our Group. The proceeds allocated to finance our Group's working capital requirements will enable us to meet the short-term obligations of our Group such as defect rectification costs for completed projects and other expenses for ongoing projects as they fall due. Additionally, it will enhance our ability to bid for new projects, ultimately facilitating the expansion of our Group's construction portfolio.

Our Board is of the opinion that, our Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus, after taking into consideration the funds generated from our Group's operations, the banking facilities available to our Group as well as the the proceeds to be raised from the Rights Issue with Warrants.

8.2 Borrowings

As at LPD, our Group's total outstanding borrowings (all of which are interest bearing and denominated in RM) are set out below:

Borrowings	Amount RM'000
<u>Long terms borrowing</u>	
Hire purchase liabilities	2,529
<u>Short term borrowing</u>	
Bank overdrafts	1,249
Revolving credit	5,000
Recourse factoring	2,339
Term loans	17,804
Total borrowings	28,921

Our Group has not incurred any foreign borrowings/financing. There has not been any default on payments or either interest and/or principal sums on any borrowings throughout the past 1 financial year and subsequent financial period up to the LPD.

8.3 Material commitments

Save for the Acquisition, our Board confirms that there are no material capital commitments, incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group as at the LPD.

8.4 Contingent liabilities

As at LPD, our Board confirms that there are no contingent liabilities, incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position or business of our Group.

8.5 Material transactions

Our Board confirms that save for the Proposals, there are no other transactions which may have a material effect on our operations, financial position and results since the latest audited consolidated financial statements of our Group for FYE 2023.

9. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE OR TRANSFER AND EXCESS APPLICATION

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares with Warrants and the procedures to be followed should you and/or your renouncee(s) and/or your transferee(s) (if applicable) wish to sell or transfer all or any part of your Provisional Allotments as well as instructions to apply for Excess Rights Shares with Warrants are set out in this Abridged Prospectus and the accompanying RSF.

You and/or your renouncee(s) and/or your transferee(s) (if applicable) are advised to read this Abridged Prospectus, the accompanying RSF and the notes and instructions contained therein carefully. In accordance with the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

9.1 General

As you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such number of Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Provisional Allotments as well as to apply for the Excess Rights Shares with Warrants if you choose to do so.

This Abridged Prospectus and the RSF are also available at the registered office of our Company, the Share Registrar's website at <https://tiih.online> or on Bursa Securities website at <https://www.bursamalaysia.com>.

9.2 NPA

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s) and/or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications to subscribe for the Provisional Allotments or to apply for Excess Rights Shares with Warrants.

9.3 Last date and time of acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotments and the Excess Rights Shares with Warrants is **5.00 p.m. on Monday, 10 June 2024**.

Within 5 Market Days after the Closing Date, our Company will make the relevant announcement on Bursa Malaysia Berhad's website in relation to the subscription rate of the Rights Issue with Warrants and the outcome of the allocation of the Excess Rights Shares with Warrants, if any.

9.4 Methods of acceptance and application

You may subscribe for the Provisional Allotments as well as apply for Excess Rights Shares with Warrants, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-RSF	All Entitled Shareholders

9.5 Procedures for acceptance and payment

9.5.1 By way of RSF

Acceptance of and payment for the Provisional Allotment must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances and/or payments which do not conform to the terms of this Abridged Prospectus, the RSF and the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of the Board.

If you and/or your renouncee(s) and/or transferee(s) (if applicable) wishes to accept the Provisional Allotments, either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the reply envelope provided (at your own risk) by ordinary post, courier or delivery by hand at the following address:-

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

or

Tricor Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Jalan Kerinchi
59200 Kuala Lumpur

Telephone number: 03-2783 9299
Email : is.enquiry@my.tricorglobal.com

so as to arrive not later than **5.00 p.m. on Monday, 10 June 2024.**

If you, your renouncee(s) and/or transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you, your renouncee(s) and/or transferee(s) (if applicable) may obtain additional copies from your stock broker, our Share Registrar at the address stated above, at our registered office or the website of Bursa Securities at <https://www.bursamalaysia.com>.

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. If successful, the Rights Shares subscribed by you and/or your renouncee(s) and/or transferee(s) (if applicable) will be credited into the CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSF by the Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

You should take note that a trading board lot for the Rights Shares will comprise 100 Rights Shares. The minimum number of Provisional Allotments that can be subscribed for is 1 Rights Share. Fractions of Rights Shares if any, shall be disregarded and dealt with in such manner as our Board shall in their absolute discretion deem fit, expedient and in the best interest of our Company.

If acceptance and payment for the Provisional Allotments (whether in full or in part) is not received by our Share Registrar by **5.00 p.m. on Monday, 10 June 2024**, being the last time and date for acceptance and payment, you and/or your renouncee(s) and/or transferee(s) (if applicable) will be deemed to have declined the Provisional Allotments and it will be cancelled. Our Board will then have the right to allot such Rights Shares not taken up to applicants who have applied for Excess Rights Shares with Warrants in the manner set out in Section 9.8 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE PROVISIONAL ALLOTMENTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S) OR CASHIER'S ORDER(S) DRAWN ON A BANK IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY" AND MADE PAYABLE TO "SIAB RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN. APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED DIRECTLY TO YOUR BANK ACCOUNT IF YOU HAVE PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND / DISTRIBUTION. IF YOU HAVE NOT PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE).

Effective 1 January 2024, the Inland Revenue Board of Malaysia ("**IRBM**") has terminated the usage of revenue stamp as a stamping method at all IRBM stamping duty counters and district stamping offices.

In connection thereto, the application and payment of stamp duty for the RSF to be performed online via IRBM system namely Stamp Duty Assessment and Payment System ("**STAMPS**") at <https://stamps.hasil.gov.my> . The payment of stamp duty must be made via the FPX medium or Bill Payment (CIMB Bizz Channel/Public Bank) from the same link. The Stamp Certificate / Official Receipt will be issued via STAMPS as a proof of payment of stamp duty.

You and/or your renounees and/or transferees (if applicable) must attach a copy of the Stamp Certificate to the RSF before submitting the RSF to the Share Registrar.

Alternatively, you may submit the acceptance and payment for the Provisional Allotment together with the stamp duty electronically via TIIH Online. Please refer to the procedures for acceptance and payment via e-RSF as stated in 9.5.2 below

9.5.2 By way of electronic submission of the e-RSF

The electronic submission of the e-RSF is available to you, your renounee(s) and/or transferee(s) upon your login to the Share Registrar's Investor Portal at <https://tiah.online>. You are advised to read the instructions as well as the terms and conditions of the electronic submission of the e-RSF.

The electronic submission of the e-RSF is available to all Entitled Shareholders who are registered users of the Share Registrar's Investor Portal at <https://tiah.online>. You are no longer required to complete and lodge the physical RSF to Tricor Investor & Issuing House Services Sdn Bhd for the Rights Issue with Warrants, if you have successfully lodged the e-RSF on the acceptance for the Provisional Allotments and the application for Excess Rights Shares with Warrants by way of electronic submission of e-RSF.

Entitled Shareholders who wish to subscribe for the Rights Shares with Warrants and apply for the Excess Rights Shares with Warrants by way of electronic submission of the e-RSF, shall take note of the following:

- (i) the electronic submission of the e-RSF will be closed at **5.00 p.m on Monday, 10 June 2024**. All valid electronic submission of the e-RSF received by the Share Registrar is irrevocable and cannot be subsequently withdrawn.
- (ii) the electronic submission of the e-RSF must be made in accordance with the procedures and terms and conditions of the electronic submission of the e-RSF, this Abridged Prospectus and the notes and conditions contained in the RSF. Any incomplete or incorrectly completed e-RSF submitted via the Share Registrar's Investor Portal may or may not be accepted at the absolute discretion of the Board.
- (iii) your application for the Rights Shares and Excess Rights Shares with Warrants must be accompanied by the remittance in RM via online payment gateway or telegraphic transfer.
- (v) you are required to pay an additional fee of RM15.00 being the stamp duty and handling fee for each electronic submission of the e-RSF.
- (iv) All Entitled Shareholders who wish to submit by way of electronic submission of the e-RSF are required to follow the procedures and read the terms and conditions as stated below:

Sign up as a user of TIIH Online

- (a) Access TIIH Online at <https://tiih.online>.
- (b) Under e-Services, select "**Sign Up**" – "**Create *Individual Account***" (applicable for individual shareholders) or "**Create *Corporate Holder Account***" (applicable for corporation or institutional shareholders). You may refer to the tutorial guide posted on the homepage for assistance.
- (c) Registration will be verified and you will be notified by email within one to two working days.
- (d) Proceed to activate your account with the temporary password given in the email and re-set your own password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If you are already a user of TIIH Online, you are not required to sign up again. If you are signing up to represent a Corporate Holder Account(s), please contact our Share Registrar for further details and requirements.

Procedures for electronic submission of e-RSF

Individual Registered Entitled Shareholder

- (a) Login to TIIH Online at <https://tiih.online>.
- (b) Select the corporate exercise name: [**Siab Holdings Rights Issue with Warrants**].
- (c) Read and agree to the Terms & Conditions and confirm the Declaration.
- (d) Preview your CDS Account details and your Provisional Allotments.

- (e) Select the relevant CDS Account and insert the number of Rights Shares to subscribe and the number of excess Rights Shares to apply (if applicable) in the e-RSF.
- (f) Review and confirm the number of Rights Shares which you are subscribing and the number of excess Rights Shares you are applying (if applicable) and the total amount payable for the Rights Shares and excess Rights Shares (if applicable).
- (g) Review the payment of stamp duty at RM10.00 for each e-RSF and handling fee of RM5.00 for each e-RSF which is included in the total amount payable.
- (h) Proceed to pay via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account.
- (i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address.
- (j) Print the payment receipt and your e-RSF for your record.

Corporation or Institutional Registered Entitled Shareholder

- (a) Login to TIIH Online at <https://tiih.online>.
- (b) Select the corporate exercise name: **[Siab Holdings Rights Issue with Warrants]**.
- (c) Agree to the Terms & Conditions and Declaration.
- (d) Proceed to download the "e-RSF file of Provisional Allotments".
- (e) Preview the respective CDS Account details and its Provisional Allotments.
- (f) Arrange to pay for the subscription of Rights Shares and Excess Rights Shares with Warrants via telegraphic transfer into our designated bank account as follows:

Account Name:	Siab Rights Issue Account	Siab Excess Rights Issue Account
Bank:	Malayan Banking Berhad	Malayan Banking Berhad
Bank Account No:	514012483046	514012483053

- (g) Arrange to pay stamp duty at RM10.00 for each e-RSF and handling fee of RM2.00 for each e-RSF into Share Registrar's bank account as follows:

Account Name:	Tricor Investor & Issuing House Services Sdn Bhd
Bank:	Malayan Banking Berhad
Bank Account No.:	514012025081

- (h) Upon payments are completed, prepare the submission of your subscriptions by inserting the required information into the "e-RSF file on the Provisional Allotments".
- (i) Login to TIIH Online, select corporate exercise name: **[Siab Holdings Rights Issue with Warrants]** and proceed to upload the subscription file duly completed.
- (j) Select "Submit" to complete your submission.

Print the confirmation report of your submission for your record.

(v) Terms and conditions of the electronic submission of the e-RSF

By submitting your acceptance of the Rights Shares and application of the Excess Rights Shares with Warrants (if applicable) by way of electronic submission of the e-RSF:

(a) You acknowledge that your submission by way of electronic submission of the e-RSF is subject to the risks of electrical, electronic, technical, transmission, communication and computer related faults and breakdowns, fires and other events beyond our control or our Share Registrar and irrevocably agree that if:

(aa) our Company or our Share Registrar does not receive your electronic submission of the e-RSF; or

(bb) data on the e-RSF is wholly or partially lost, corrupted or inaccessible, or not transmitted, your electronic submission of the e-RSF will be deemed as failed and not to have been made.

Our Company and our Share Registrar will not be held liable for any delays, failures or inaccuracies in the processing of your electronic submission of the e-RSF due to the above reasons and you further agree that you may not make any claims whatsoever against us or our Share Registrar for any loss, compensation or damage in relation to the unsuccessful or failure of your electronic submission of the e-RSF.

(b) You will ensure that all information provided by you in the e-RSF is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from the records of Bursa Depository, your application by way of electronic submission of the e-RSF may be rejected at the absolute discretion of our Board without assigning any reason.

(c) You agree that your application shall not be deemed to have been accepted by reason of the remittance have been made.

(d) You agree that all the Rights Shares to be issued pursuant to the Rights Issue with Warrants will be allotted by way of crediting the Rights Shares into your CDS Account.

(e) You agree that our Company and our Share Registrar reserve the right to reject your application which does not conform to these terms and conditions.

(f) If your application is successful, a notice of allotment will be issued and despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date.

(g) Where your application is not accepted or accepted only in part, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest by banker's cheque within 15 Market Days from the Closing Date and will be despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk.

9.6 Procedures for part acceptance

You are entitled to accept part of your Provisional Allotments, provided always that the minimum number of Rights Shares that may be subscribed or accepted is 1 Rights Share. Fractions of Rights Shares, if any, shall be disregarded and dealt with in such manner as our Board shall in their absolute discretion deem fit, expedient and in the best interests of our Company.

You must complete both Part I (A) and II of the RSF by specifying the number of Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the same manner as set out in Section 9.5 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

9.7 Procedure for sale or transfer of the Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement in the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT (INCLUDING THE RSF) TO YOUR STOCKBROKER IN RESPECT OF THE PORTION OF THE PROVISIONAL ALLOTMENTS SOLD OR TRANSFERRED. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT THAT IS AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.

Renouncee(s) and transferee(s) of the Provisional Allotments may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers, our Share Registrar or at our registered office. This Abridged Prospectus and the RSF are also available on Bursa Malaysia Berhad's website at www.bursamalaysia.com.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the completed RSF together with the full amount payable on the balance of the Rights Shares with Warrants applied for to our Share Registrar. Please refer to Section 9.5 of this Abridged Prospectus for the procedures for acceptance and payment.

9.8 Procedure for application for the Excess Rights Shares with Warrants

9.8.1 By way of RSF

If you wish to apply for additional Rights Shares in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II). A combined remittance for the Excess Rights Shares with Warrants can be made together with your entitlements. The completed RSF together with the payment must be received by the Share Registrar no later than **5.00 p.m. on Monday, 10 June 2024**, being the last time and date for Excess Rights Shares with Warrants Applications and payment.

The payment must be made for the exact amount payable for the Provisional Allotments subscribed for and application for Excess Rights Shares with Warrants. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed in Section 9.5.1 of this Abridged Prospectus are not acceptable.

In the event you have sold all your Provisional Allotment, you are no longer eligible to accept the Provisional Allotment and to apply for any Excess Rights Shares with Warrants.

9.8.2 By way of electronic submission of the e-RSF

You may apply for the Excess Rights Shares with Warrants via the electronic submission of the e-RSF in addition to your Provisional Allotments. If you wish to do so, you may apply for the Excess Rights Shares with Warrants by following the steps as set out in Section 9.5.2 of this Abridged Prospectus. The electronic submission of the e-RSF for Excess Rights Shares with Warrants will be made on, and subject to, the same terms and conditions set out in Section 9.5.2 of this Abridged Prospectus.

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner to our Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who have applied for Excess Rights Shares with Warrants in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants, calculated based on the quantum of their respective Excess Rights Shares with Warrants Applications; and
- (iv) finally, on a pro-rata basis and in board lots, to the renouncee(s) and/or transferee(s) (if applicable) who have applied for Excess Rights Shares with Warrants, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for.

In the event there is any remaining balance of the Excess Rights Shares with Warrants after carrying out steps (i) to (iv) set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares with Warrants until such balance is fully allocated.

Nevertheless, the Board reserves the right to allocate any Excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as the Board deems fit, expedient and in the best interests of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in step (i) to (iv) above is achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Shares with Warrants, in full or in part, without assigning any reason thereto.

Within 5 Market Days after the Closing Date, our Company will make the relevant announcement on Bursa Malaysia Berhad's website in relation to the subscription rate of the Rights Issue with Warrants and the outcome of the allocation of the Excess Rights Shares with Warrants, if any.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS RIGHTS SHARES APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR RENOUNCEE(S) AND/OR YOUR TRANSFEREE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON BURSA DEPOSITORY'S RECORD AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS FOR EXCESS RIGHTS SHARES SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL APPLICATIONS FOR EXCESS RIGHTS SHARES, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED DIRECTLY TO YOUR BANK ACCOUNT IF YOU HAVE PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY FOR THE PURPOSE OF CASH DIVIDEND / DISTRIBUTION. IF YOU HAVE NOT PROVIDED SUCH BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY, THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED BY ORDINARY POST TO THE ADDRESS AS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

9.9 Procedures for acceptance by renouncee(s) and/or transferee(s)

As a transferee and/or renouncee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares with Warrants and/or payment is the same as that which is applicable to the Entitled Shareholders as described in Sections 9.3 to 9.8 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you can request the same from the registered office of our Company, the Share Registrar's website at <https://tiih.online> or Bursa Securities website at <https://www.bursamalaysia.com>.

TRANSFEREES AND/OR RENOUNCEES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.

9.10 Form of issuance

Bursa Securities has already prescribed the securities of our Company listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares shall signify your consent to receiving such Rights Shares as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued. All Excess Rights Shares with Warrants allotted shall be credited directly into the CDS Accounts of successful applicants.

9.11 Laws of foreign countries or jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any jurisdiction other than Malaysia. The Rights Issue with Warrants to which the Documents relate is only available to Entitled Shareholders receiving the Documents electronically or otherwise within Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed in any country or jurisdiction other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia.

Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so.

The Principal Adviser, our Company and our Directors and officers (collectively, the **"Parties"**) would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are solely responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject. The Parties do not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable), is or will become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, the Documents have not been (and will not be) sent to the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) may collect the Documents from our Share Registrar, in which event our Share Registrar will be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid Documents.

The Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we will be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. The Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing any of the forms in the Documents, the Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) the Parties that:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which

those Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are or may be subject to;

- (ii) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;
- (iii) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) are aware that the Provisional Allotments can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the Parties and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and
- (vi) Foreign Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving the Documents (including, without limitation, custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations.

No person in any territory outside of Malaysia receiving this Abridged Prospectus and/or its accompanying Documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of excess Rights Shares available for excess application by the other Entitled Shareholders.

You and/or your renouncee(s) and/or transferee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of your, and/or your renouncee(s)'s and/or transferee(s)'s entitlement under the Rights Issue with Warrants or to any net proceeds thereof.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM.

10. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the NPA and RSF enclosed herewith.

11. FURTHER INFORMATION

You are advised to refer to the ensuing appendices for further information.

Yours faithfully
For and on behalf of the Board
SIAB HOLDINGS BERHAD


TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN
Independent Non-Executive Chairman

INFORMATION ON OUR GROUP**1. SHARE CAPITAL**

As at LPD, our issued share capital is RM84,035,818 comprising 589,634,083 Siab Shares.

2. BOARD OF DIRECTORS

The details of our Board are set out below:

Name	Age	Designation	Residential address	Nationality
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	65	Independent Non-Executive Chairman	25, Jalan Mendapan 8/21, Seksyen 8 40000 Shah Alam	Malaysian
Ng Wai Hoe	51	Managing Director	16, Jalan Sierra 9/1 Bandar 16 Sierra 47120 Puchong	Malaysian
Lim Mei Hwee	50	Executive Director	25, Jalan Clover 1 Clover @ Garden Residence Cyber 3 63000 Cyberjaya	Malaysian
Tan Sok Moi	47	Executive Director	18, Jalan Mutiara 2/12 Taman Mutiara Indah 47100 Puchong	Malaysian
Dato' Sri Dr. Shahril Bin Mokhtar	52	Independent Non-Executive Director	32, Jalan K7 Amber Hill Taman Melawati 53100 Kuala Lumpur	Malaysian
Lee Kam Foo	48	Independent Non-Executive Director	No. 44, Jalan 6/100A Taman Gemilang Cheras 56000 Kuala Lumpur	Malaysian
Andrea Huong Jia Mei	42	Independent Non-Executive Director	546, Jalan 7 Taman Ampang Utama 68000 Ampang	Malaysian

INFORMATION ON OUR GROUP (Cont'd)**3. HISTORICAL SHARE PRICE PERFORMANCE**

The monthly highest and lowest market prices of Siab Shares traded on Bursa Securities for the past 12 months up to the LPD are as follows:

	High	Low
	RM	RM
<u>2023</u>		
May	0.1900	0.1250
June	0.1450	0.1250
July	0.1550	0.1300
August	0.1400	0.1150
September	0.1300	0.1150
October	0.1250	0.1050
November	0.1250	0.1100
December	0.1350	0.1150
<u>2024</u>		
January	0.1400	0.1150
February	0.1250	0.1150
March	0.1350	0.1150
April	0.1350	0.1200
Last transacted market price on the LTD		0.1350
Last transacted market price on the LPD		0.1350
The last transacted market price of Siab Shares on 20 May 2024, being the market day prior to ex-rights date on 21 May 2024		0.1400

(Source: M & A Securities)

4. OPTION TO SUBSCRIBE FOR SHARES

As at the date of this Abridged Prospectus, save for the Provisional Allotments as well as Excess Rights Shares with Warrants, no person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of our Company or our subsidiaries.

5. MATERIAL CONTRACTS

Save for the SSA, the Restated SSA, the Underwriting Agreement and the followings, to the best knowledge of our Board, neither Siab nor its subsidiaries have entered into any contracts which are or may be material, not being contracts entered into in the ordinary course of business, during the past 2 years preceding the date of this Abridged Prospectus:

- (i) A memorandum of understanding dated 7 March 2022 ("**MOU**") entered into between Siab Development Sdn Bhd ("**Siab Development**"), a wholly-owned subsidiary of Siab, and Koperasi Peserta-Peserta Felcra Malaysia Berhad ("**KPFB**") with the objective to establish and confirm their understanding and mutual intentions concerning a proposed joint development agreement to be entered between them, whereby KPFB shall grant the rights to Siab Development to undertake development on 3 pieces of freehold Malay Reserved lands owned by KPFB ("**Proposed Joint Development**"). Pursuant to the

INFORMATION ON OUR GROUP (Cont'd)

MOU, Siab Development, KPFB and any other relevant parties to be identified (if applicable) shall enter into a definitive agreement within 180 days following the date of the MOU or such other date as they may mutually agree upon. The parties later enter into a supplemental memorandum of understanding dated 18 May 2022 ("**Supplemental MOU**") which, among others, extended the deadline stipulated in the MOU for another 180 days. As there was no conclusion on the negotiation between the parties and no definitive agreement was entered into by the parties within 180 days from the date of the Supplemental MOU, the MOU lapsed and expired on 14 November 2022.

- (ii) A settlement agreement dated 17 June 2022 entered into between Siab (M) Sdn Bhd ("**Siab (M)**"), a wholly-owned subsidiary of Siab, and Apnov Construction Sdn Bhd ("**Apnov**") wherein the parties reached a mutual settlement for adjudication claim initiated by Apnov ("**Siab (M) Settlement Agreement**"). Pursuant to the Siab (M) Settlement Agreement, Siab (M) shall settle in favour of both parties a sum of RM30,000.00 as full and final settlement of all disputes and differences between them without admission of any liability ("**Siab (M) Settlement Sum**"). The Siab (M) Settlement Sum shall be inclusive of all monies payable for works done, backcharges, set-off, deduction, liquidated damages and/or retentions sums in relation to 2 project works. As at LPD, the Siab (M) Settlement Sum has been fully paid to Apnov.
- (iii) A settlement agreement dated 19 January 2023 ("**Siab Network Settlement Agreement**") entered into between Siab Network Solutions Sdn Bhd ("**Siab Network**"), a wholly-owned subsidiary of Siab, and Kerjaya Prospek (M) Sdn Bhd ("**Kerjaya**") wherein the parties reached a mutual settlement for adjudication claim initiated by Siab Network. Pursuant to the Siab Network Settlement Agreement, Kerjaya shall pay a sum of RM1,370,262.42 by way of instalments to Siab Network up to the quantity surveyor's valuation for interim certificate no. 37 dated 5 October 2022.

As of 16 March 2023, Kerjaya has paid RM770,262.42 to Siab Network and the parties have verbally agreed that the balance settlement sum of RM600,000.00 ("**Kerjaya Balance Sum**") will be settled in accordance with a settlement arrangement accepted by Siab (M) from YTB Development Sdn Bhd ("**YTB Development**"), a subsidiary of Yong Tai Berhad, on 19 April 2023 ("**Settlement Arrangement**") which involves, among others:

- (a) Kerjaya being the main contractor appointed by YTB Development for a construction works for a hotel in Melaka ("**Project Apple 99**") and Siab (M) being the subcontractor for Kerjaya;
- (b) A sum of RM818,681.00 payable by YTB Development to Kerjaya in relation to Project Apple 99 shall be paid by YTB Development directly to Siab (M) as settlement of the Kerjaya Balance Sum and other unbilled work done by Siab Network for Kerjaya; and
- (c) YTB Development shall settle the sum of RM818,681.00 due to Siab (M) under Project Apple 99 by way of contra with properties as more particularly described hereunder.
- (iv) The Settlement Arrangement accepted by Siab (M) from YTB Development on 19 April 2023 to settle the outstanding amount of RM3,367,579.76 ("**Outstanding Amount**") comprising of RM2,548,898.76 due from Impressions U-Thant Project and RM818,681.00 due from Project Apple 99, both owing by YTB Development to Siab Group. Pursuant to the Settlement Arrangement, a sum of RM2,981,200.00 ("**Contra Amount**") from the Outstanding Amount shall be offset with 3 properties comprising of 2 units of condominium known as Impressions U-Thant Project developed jointly by YTB

INFORMATION ON OUR GROUP (Cont'd)

Development and KOF Holdings Sdn Bhd located at Lot 169 and 170, Jalan U-Thant, Taman U Thant, Ampang Hilir, 55000 Kuala Lumpur ("**Impressions Units**") and 1 unit of service apartment known as Amber Cove developed by YTB Impression Sdn Bhd ("**YTB Impression**"), a subsidiary of Yong Tai Berhad, located at Lot 15001, Jalan KSB-Impression 3, Impression City 75200 Malacca ("**Amber Cove Unit**") whereas the balance Outstanding Amount of RM386,379.76 ("**Non-Contra Amount**") shall be settled within the subsequent 3 months together with the preparation of final accounts for Impressions U-Thant Project.

On 9 May 2023, Siab (M) requested YTB Impression to transfer the Amber Cove Unit directly to E-Van Machinery Services Sdn Bhd ("**E-Van Machinery**") as settlement of RM350,000.00 owing by Siab (M) to E-Van Machinery for supply of machinery. E-Van Machinery and YTB Impression accepted the settlement arrangement whereby a sale and purchase agreement relating to the Amber Cove Unit was executed between E-Van Machinery and YTB Impression on 5 July 2023.

On 17 August 2023, two sale and purchase agreements for Siab (M) to acquire the Impressions Units were executed between Siab (M), KOF Holdings Sdn Bhd (being the developer) and Rubber Industry Smallholders Development Authority (being the proprietor) whereupon the Contra Amount was deemed settled.

- (v) A settlement agreement dated 13 December 2023 entered into between Siab (M) and Yong Tai Berhad ("**YTB**") to finalise the Settlement Arrangement wherein the parties agreed, among others, that:
 - (a) the final accounts on work done by Siab (M) and/or its subsidiary as contractor for Project Apple 99, Impressions U-Thant Project and the Dawn project were RM4,126,183.86, RM35,395,617.93 and RM11,785,231.48 respectively;
 - (b) the Outstanding Amount owed to Siab (M) was revised to RM4,091,150.52 ("**Revised Outstanding Amount**") comprising of RM2,698,888.40 owed from Impressions U-Thant Project and RM1,392,262.12 owed from Project Apple 99;
 - (c) Siab (M) owed a sum of RM439,908.28 to YTB ("**Deductible Amount**") due to deduction on work done claimed by Siab (M) and/or its subsidiary for the projects;
 - (d) the Contra Amount remained unchanged at RM2,981,200.00 and was deemed settled through the sale and purchase of the Impression Units and the Amber Cove Unit hereinbefore described;
 - (e) the Non-Contra Amount owed to Siab (M) was revised to RM670,0342.24 ("**Revised Non-Contra Amount**") upon deducting the Contra Amount and the Deductible Amount from the Revised Outstanding Amount; and
 - (f) the Revised Non-Contra Amount shall be treated as compensation sum paid by Siab (M) to YTB for rectification work of any defects occurred or future defects arising from the work completed by Siab (M) and/or its subsidiary, and shall be deemed as full and final settlement of all disputes pertaining to Project Apple 99, Impressions U-Thant Project and the Dawn project.
- (vi) A settlement agreement dated 2 April 2024 ("**Pioneer Haven Settlement Agreement**") entered into between Siab (M) and Pioneer Haven Sdn Bhd ("**Pioneer Haven**") wherein Siab (M) accepted a proposal by Pioneer Haven to repay a sum of RM6,572,515.52 (comprising principal amount of RM6,172,515.52 and late payment interest of RM400,000.00) (collectively, "**Outstanding Debt**") owing by Pioneer Haven

INFORMATION ON OUR GROUP (Cont'd)

for building works carried out by Siab (M) in relation to a hotel project located at Bandar Bukit Jalil. Pursuant to the Pioneer Haven Settlement Agreement, a sum of RM2,066,472.00 ("**Contra Sum**") from the Outstanding Debt will be set off or contra against 4 properties (comprising 2 residential units and 2 commercial units) (collectively, "**Contra Units**") whereas the balance Outstanding Debt of RM4,506,043.52 ("**Non-Contra Sum**") will be settled in cash by way of 4 instalments between 2 April 2024 and 28 June 2024. On 6 April 2024, Siab (M) received a payment of RM1,300,000.00 from Pioneer Haven being the first instalment of the Non-Contra Sum whereas the transfer documents in relation to the Contra Units are expected to be completed by 30 September 2024. In addition, Pioneer Haven has issued the interim certificate on 30 April 2024 to certify another batch of work done by Siab (M) amounting to RM1,458,152.70 whereupon Pioneer Haven will make payment for the interim certificate by 31 July 2024.

6. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, our Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against our Group or any facts which are likely to give rise to any proceedings, which may adversely and materially affect the business or financial position of our Group.

7. KEY FINANCIAL INFORMATION**7.1 Historical financial performance**

	Audited				
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	242,888	273,388	165,983	141,741	203,051
Cost of sales	(229,093)	(253,399)	(150,612)	(149,384)	(210,404)
GP / (GL)	13,795	19,989	15,371	(7,643)	(7,353)
Other income	292	610	1,129	552	1,824
Administrative expenses	(4,334)	(4,521)	(7,069)	(9,623)	(7,967)
Net loss on impairment of financial instruments	(403)	(5)	(20)	(3,360)	(7,041)
Other expenses	(254)	(253)	(411)	(411)	(494)
Profit/(Loss) from operations	9,096	15,820	9,000	(20,485)	(21,031)
Finance income	275	211	190	495	895
Finance cost	(792)	(576)	(1,125)	(1,814)	(2,607)
PBT / (LBT)	8,579	15,455	8,065	(21,804)	(22,743)
Taxation	(1,629)	(4,412)	(2,689)	2,535	93
PAT / (LAT)	6,950	11,043	5,376	(19,269)	(22,650)
PAT / (LAT) attributable to :					
- owners of the Company	6,956	11,022	5,376	(19,269)	(22,650)
- non-controlling interests	(6)	21	-	-	-
	6,950	11,043	5,376	(19,269)	(22,650)

INFORMATION ON OUR GROUP (Cont'd)**Commentaries:****(i) FYE 2023 vs FYE 2022**

For FYE 2023, our Group recorded a revenue of RM203.05 million which is an increase of RM61.31 million or 43.25% from RM141.74 million for FYE 2022. The increase is due to higher revenue recognised from the following:

- (a) Arunya @ KL North Project which recorded an increase in revenue by RM39.89 million or 107.35% from RM37.16 million in FYE 2022 to RM77.05 million in FYE 2023. The increase is due to increase in structural works as the project is approaching its completion;
- (b) Warehouse @ Bukit Raja 1 Project which recorded an increase in revenue by RM50.04 million or 283.51% from RM17.65 million in FYE 2022 to RM67.69 million in FYE 2023. The increase in revenue is due to completion of the project in the fourth quarter of FYE 2023 and this is despite the provision of liquidated ascertained damages of RM4.23 million against the revenue of this project; and
- (c) new Living Quarter 1 Project which commenced in August 2023 and has contributed revenue of RM8.64 million for FYE 2023;

The increase in revenue was partially off-set by the decrease in revenue of the following projects:

- (a) Cubic Botanical Tower A Project which recorded a decrease in revenue by RM31.63 million or 90.68% from RM34.88 million in FYE 2022 to RM3.25 million in FYE 2023 following the project completion in June 2023; and
- (b) Chambers Residence Project which had a downward adjustment on the revenue of this project to RM4.32 million due to reduction of the scope of work done as compared to RM19.11 million of revenue contributed for FYE 2022.

Our Group's cost of sales increased by RM61.02 million or 40.85% from RM149.38 million for FYE 2022 to RM210.40 million for FYE 2023. The overall increase was mainly attributable to lower profitability from on-going projects due to elevated cost of construction materials, higher defect rectification cost incurred for completed projects and rising labour cost.

For FYE 2023, the Group incurred net loss on impairment of financial instruments of RM7.04 million as compared to RM3.36 million for FYE 2022. Of the RM7.04 million of impairment, RM5.63 million is in relation to the Impression U-Thant Project and Dawn Project, both of which were mutually terminated on 31 March 2023.

During FYE 2023, the Group recorded a one-off fair value gain of RM1.16 million on its investment in quoted shares, resulting from an increase in fair value as at 30 April 2023 (RM0.30 per share) compared to 31 December 2022 (RM0.20 per share). Subsequently, the Group partially disposed of the investment on 28 April 2023, realising a minor gain of disposal of RM0.04 million. The Group has fully disposed the investment in quoted shares in May 2023.

INFORMATION ON OUR GROUP (Cont'd)

For FYE 2023, our Group recorded LAT of RM22.65 million which is an increase of RM3.38 million or 17.54% as compared to the LAT of RM19.27 million recorded for FYE 2022. The increase in LAT was mainly due to higher loss on impairment (FYE 2023 RM7.00 million; FYE 2022 RM3.36 million) as a result of the impairment of receivables and contract assets balances related to Impression U-Thant Project and Dawn Project that was mutually terminated in year 2023. The projects was terminated as result of the escalated cost of the construction materials and prolonged project period, where the Group and the projects developers could not come to agreement on the revised cost plan and work programme on the completion date for these two projects. Correspondingly, the LAT margin for FYE 2023 has increased to 11.15% as compared to 13.59% for FYE 2022.

(ii) FYE 2022 vs FYE 2021

For FYE 2022, our Group has reported revenue of RM141.74 million which has decreased by RM24.24 million or 14.61% as compared to RM165.98 million in FYE 2021. This is mainly due to the completion of Gravit8 (Phase 2B) Project in October 2021 which had contributed revenue of RM39.20 million in FYE 2021 to nil revenue in FYE 2022. However, the revenue decrease was partially reduced by the contribution of RM17.65 million revenue by the new Warehouse @ Bukit Raja 1 Project that commenced in FYE 2022.

The Group reported GL of RM7.64 million for FYE 2022 representing a decrease of RM RM23.01 million or 149.72% as compared to GP of RM15.37 in FYE 2021 mainly due to the downward adjustments on revenue upon the finalisation of accounts for the two completed projects, namely Quayside Mall Project and F&N Intelligent Industrial Building Project amounting to RM4.82 million. Other factors include lower profitability from on-going projects due to elevated cost of construction materials and incurrence of higher defect rectification cost.

In FYE 2022, our Group has recognised a one-off fair value loss on investment in quoted shares of RM3.36 million (FYE 2021: Nil). In addition, the administrative expenses for FYE 2022 has increased by RM2.55 million or 36.07% from RM7.07 million in FYE 2021 mainly due to higher professional fees incurred, namely annual general meeting costs, printing of annual report costs, internal auditor fees, secretarial fees etc.

Our Group reported a LAT of RM19.27 million in FYE 2022, compared to a PAT of RM5.38 million in FYE 2021. This is mainly due to the higher administrative expenses and a one-off fair value loss on investments in quoted shares, resulting in LBT of RM21.80 million for FYE 2022. Consequently, our Group had further recognised net deferred tax assets of RM2.54 million.

(iii) FYE 2021 vs FYE 2020

During FYE 2021, our Group's total revenue had decreased by RM107.41 million or 39.29% from RM273.39 million in FYE 2020 to RM165.98 million in FYE 2021 mainly due to lower revenue recognised from construction and civil engineering segment. The decrease is mainly attributable to Quayside Mall Project and Apple 99 Project which recorded RM105.94 million revenue and RM0.63 million revenue, respectively in FYE 2020 to nil revenue in FYE 2021, due to the projects completion in FYE 2020.

The decrease in revenue of other four projects namely, Gravit8 (Phase 2B) Project, Amverton Greens Project, Amverton Cove Project, and F&N Intelligent Industrial Building Project by RM54.50 million was partially offset by revenue contribution of RM50.32 million from the five new projects that commenced in FYE 2021. This decline in revenue is attributed to the nearing completion and/or completion of these projects in FYE 2021.

INFORMATION ON OUR GROUP (Cont'd)

In tandem with the decrease of revenue, the cost of sales has decreased by RM102.79 million or 40.56% from RM253.40 million in FYE 2020 to RM150.61 million in FYE 2021. The overall decrease in cost of sales was mainly attributable to decrease in subcontractor cost from RM196.54 million in FYE 2020 to RM145.03 million in FYE 2021.

For FYE 2021, we recorded a PBT of RM8.07 million as compared to PBT of RM15.46 million in FYE 2020. The PBT margin decreased from 5.65% in FYE 2020 to 4.86% in FYE 2021. This is mainly due to our Group has incurred one-off professional fees (consultancy and advisory fees) amounting to RM1.80 million by in FYE 2021 for the initial public offering in conjunction with our Group's listing on the ACE Market of Bursa Securities. As a result, our Group reported a PAT of RM5.38 million in FYE 2021, a decrease of RM5.66 million or 51.32% as compared to PAT of RM11.04 million in FYE 2020.

(iv) FYE 2020 vs FYE 2019

Our Group's total revenue had increased by RM30.50 million or 12.56% from RM242.89 million in FYE 2019 to RM273.39 million in FYE 2020 mainly due higher revenue recognised from the following :

- (a) Quayside Mall Project which recorded an increase in revenue by RM59.36 million from RM46.58 million in FYE 2019 to RM105.94 million in FYE 2020. The increase in revenue is due to increase in M&E work as the project is approaching its completion in FYE 2020;
- (b) Amverton Cove Project which recorded an increase in revenue by RM8.28 million from RM14.45 million in FYE 2019 to RM22.73 million in FYE 2020 mainly due to increase in architectural work in FYE 2020; and
- (c) recognition of RM0.63 million revenue in FYE 2020 from the Apple 99 Project (FYE 2019: Nil) due to adjustment in its final accounts whereby the work done was confirmed.

The increase in revenue was partially offset by Amverton Greens Project which recorded a decrease in revenue by RM36.57 million from RM51.64 million in FYE 2019 to RM15.07 million in FYE 2020 mainly due to the project is near to completion. In addition, no revenue was recorded for the Bennington Residences @ Sky Arena Project in FYE 2020 as the project was completed in FYE 2019 and recorded a revenue of RM67.02 million.

Our Group's cost of sales increased by RM24.31 million or 10.61% from RM229.09 million in FYE 2019 to RM253.40 million in FYE 2020 following the increase of revenue by 12.56%. The overall increase was mainly attributable to the increase in the subcontractor cost by RM36.92 million or 23.13% from RM159.62 million in FYE 2019 to RM196.54 million in FYE 2020. This was mainly due to increase in work performed for Quayside Mall Project and Gravit8 (Phase 2B) Project.

The GP increased by RM6.19 million or 44.86% from RM13.80 million in FYE 2019 to RM19.99 million in FYE 2020, while our overall GP margin increased by 1.63% from 5.68% in FYE 2019 to 7.31% in FYE 2020. The increase in our GP margin in FYE 2020 was mainly attributable to Amverton Greens Project and Gravit8 (Phase 2B) Project which yielded higher GP margin as compared to the Bennington Residences @ Sky Arena Project which was completed in 2019 and yielded lower GP margin.

INFORMATION ON OUR GROUP (Cont'd)

For FYE 2020, our PBT margin improved to 5.65% from 3.53% in FYE 2019 mainly due to higher margin project in FYE 2020, namely Amverton Greens Project, Gravit8 (Phase 2B) Project and F&N Intelligent Industrial Building Project as well as the completion of Bennington Residences @ Sky Arena Project in 2019 which yielded lower margin. As a result, our Group reported a PAT of RM11.04 million in FYE 2020, an increase of RM4.09 million or 58.89% as compared to PAT of RM6.95 million in FYE 2019.

7.2 Historical financial position

	Audited				
	As at 31 December				
	2019	2020	2021	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Total non-current assets	15,169	13,268	12,380	21,930	25,048
Total current assets	120,172	152,871	130,204	157,214	135,272
Total assets	135,341	166,139	142,584	179,144	160,320
Share capital	-	#	36,723	72,336	84,036
Invested equity	1,000	1,000	-	-	-
Merger reserve	-	-	(35,723)	(35,723)	(35,723)
Retained earnings/ (Accumulated Losses)	27,638	35,719	37,095	17,826	(4,824)
Total equity attributable to owners of the Company	28,638	36,719	38,095	54,439	43,489
Non-controlling interests	62	-	-	-	-
Total equity/Net Assets	28,700	36,719	38,095	54,439	43,489
Total non-current liabilities	3,904	8,306	12,728	20,573	1,589
Total current liabilities	102,737	121,114	91,761	104,132	115,242
Total liabilities	106,641	129,420	104,489	124,705	116,831
Total equity and liabilities	135,341	166,139	142,584	179,144	160,320

Note:

Denotes RM3.

7.3 Historical cash flows

	Audited				
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash from/(used in)					
Operating activities	768	6,956	(10,418)	(25,470)	(8,400)
Investing activities	(5,072)	(185)	406	(3,870)	(323)
Financing activities	4,906	(2,320)	3,030	44,383	5,489
Net increase/(decrease) in cash and cash equivalents	602	4,451	(6,982)	15,043	(3,234)
Cash and cash equivalents at beginning of the year/period	(2,830)	(2,228)	2,223	(4,759)	10,284
Cash and cash equivalents at end of the year/period	(2,228)	2,223	(4,759)	10,284	7,050

INFORMATION ON OUR GROUP (Cont'd)**8. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

The pro forma effects of the Proposals on the substantial shareholders' shareholdings of Siab are as follows:

Substantial shareholders	(i) As at LPD				(I) (ii) After the Rights Issue with Warrants*			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Wai Hoe	40,582,025	6.88	^(v) 63,652,316	10.80	93,338,657	6.88	^(v) 146,400,326	10.80
Makmur Baru Holdings Sdn Bhd	63,652,316	10.80	-	-	146,400,326	10.80	-	-
Lim Mei Hwee	62,428,217	10.59	-	-	143,584,899	10.59	-	-
Tan Sok Moi	46,515,163	7.89	-	-	106,984,874	7.89	-	-
Alam Kota Sdn Bhd	55,083,762	9.34	-	-	126,692,652	9.34	-	-
Dato' Dr Chang Lik Sean	-	-	^(vi) 55,083,762	9.34	-	-	^(vi) 126,692,652	9.34
Substantial shareholders	(II) (iii) After (I) and the Acquisition				(III) (iv) After (II) and assuming full exercise of all Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Wai Hoe	93,338,657	6.00	^(v) 146,400,326	9.41	119,716,973	6.17	^(v) 187,774,331	9.68
Makmur Baru Holdings Sdn Bhd	146,400,326	9.41	-	-	187,774,331	9.68	-	-
Lim Mei Hwee	143,584,899	9.23	-	-	184,163,240	9.50	-	-
Tan Sok Moi	106,984,874	6.87	-	-	137,219,729	7.08	-	-
Alam Kota Sdn Bhd	126,692,652	8.14	-	-	162,497,097	8.38	-	-
Dato' Dr Chang Lik Sean	-	-	^(vi) 126,692,652	8.14	-	-	^(vi) 162,497,097	8.38

Notes:

* Assuming all shareholders subscribe for their respective entitlement under the Rights Issue with Warrants.

(i) Based on the existing issued share capital of 589,634,083 Shares as at the LPD.

(ii) Based on the issued share capital of 1,356,158,390 Shares after the Rights Issue with Warrants.

(iii) Based on the issued share capital of 1,556,158,390 Shares after the Acquisition.

INFORMATION ON OUR GROUP (Cont'd)

- (iv) Based on the issued share capital of 1,939,420,543 Shares assuming full exercise of the Warrants.
- (v) Deemed interested by virtue of Section 8 of the Act through his interest held in Makmur Baru Sdn Bhd.
- (vi) Deemed interested by virtue of Section 8 of the Act through his interest held in Alam Kota Sdn Bhd.

9. DIRECTORS' SHAREHOLDINGS

The pro forma effects of the Proposals on our Directors' shareholdings of Siab are as follows:

Directors	(i) As at LPD				(I) (ii) After the Rights Issue with Warrants*			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	300,000	0.05	-	-	690,000	0.05	-	-
Ng Wai Hoe	40,582,025	6.88	(v)63,652,316	10.80	93,338,657	6.88	(v)146,400,326	10.80
Lim Mei Hwee	62,428,217	10.59	-	-	143,584,899	10.59	-	-
Tan Sok Moi	46,515,163	7.89	-	-	106,984,874	7.89	-	-
Dato' Sri Dr Shahril Bin Mokhtar	-	-	-	-	-	-	-	-
Lee Kam Foo	-	-	-	-	-	-	-	-
Andrea Huong Jia Mei	-	-	-	-	-	-	-	-

Directors	(II) (iii) After (I) and the Acquisition				(III) (iv) After (II) and assuming full exercise of all Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	690,000	0.04	-	-	885,000	0.05	-	-
Ng Wai Hoe	93,338,657	6.00	(v)146,400,326	9.41	119,716,973	6.17	(v)187,774,331	9.68
Lim Mei Hwee	143,584,899	9.23	-	-	184,163,240	9.50	-	-
Tan Sok Moi	106,984,874	6.87	-	-	137,219,729	7.08	-	-
Dato' Sri Dr Shahril Bin Mokhtar	-	-	-	-	-	-	-	-
Lee Kam Foo	-	-	-	-	-	-	-	-
Andrea Huong Jia Mei	-	-	-	-	-	-	-	-

INFORMATION ON OUR GROUP (Cont'd)**Notes:**

- * Assuming all shareholders subscribe for their respective entitlement under the Rights Issue with Warrants.
- (i) Based on the existing issued share capital of 589,634,083 Shares as at the LPD.
- (ii) Based on the issued share capital of 1,356,158,390 Shares after the Rights Issue with Warrants.
- (iii) Based on the issued share capital of 1,556,158,390 Shares after the Acquisition.
- (iv) Based on the issued share capital of 1,939,420,543 Shares assuming full exercise of the Warrants.
- (v) Deemed interested by virtue of Section 8 of the Act through his interest held in Makmur Baru Sdn Bhd.

10. WRITTEN CONSENTS

The written consents of our Principal Adviser and Managing Underwriter, Company Secretaries, Share Registrar, Reporting Accountants, IMR, Joint Underwriters, Financial Adviser and Solicitors for the Rights Issue with Warrants for the inclusion in this Abridged Prospectus of their names and all references thereto, in the form and context in which they appear have been given before issuance of this Abridged Prospectus and have not subsequently been withdrawn.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:

- (i) Constitution of our Company and Taghill;
- (ii) IMR Report as prepared by Protégé ;
- (iii) letters of consent as referred to in Section 10 of this **Appendix I** of this Abridged Prospectus;
- (iv) the SSA and Restated SSA;
- (v) material contracts as referred to in Section 5 of **Appendix I** of this Abridged Prospectus;
- (vi) the latest unaudited consolidated financial statements of Taghill for FYE 2023;
- (vii) Pro forma consolidated statement of financial position of Siab Group as at 31 December 2023 together with the Reporting Accountants' report thereon, as set out in **Appendix III** of this Abridged Prospectus;
- (viii) Accountants Report on Taghill Group, as set out in **Appendix IV** of this Abridged Prospectus;
- (ix) Underwriting Agreement; and

INFORMATION ON OUR GROUP (Cont'd)

(x) Deed Poll.

12. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement herein false or misleading.

M & A Securities, being our Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue with Warrants.

[The rest of this page is intentionally left blank]

INFORMATION ON TAGHILL

1. INCORPORATION AND HISTORY

Taghill was incorporated in Malaysia on 3 November 2010 under the Companies Act, 1965 as a project and contract management consultancy company by one of the Vendors, Wong Yih Ming. Taghill commenced business in November 2010 and during the period between 2010 to 2013, Taghill was mainly involved in construction consultancy works, a service that Taghill Group still provides if client requires. Subsequently in 2014, the other Vendors, namely, Chu Yee Hong and Yap Kek Siung joined Taghill as director and shareholder. Together, with their previous experiences in the construction industry, the Vendors successfully registered Taghill with the Construction Industry Development Board of Malaysia as G7 contractor on 28 April 2014, which allowed Taghill to tender for projects with unlimited contract sum.

Thereafter, Taghill secured its first construction project, Expressionz Suites, which was completed in 2018. In 2019, in order to manage its construction projects more effectively, Taghill ventured into BIM by investing and incorporating Bimtech together with Liew Wai Leong. Taghill holds 60.00% equity interest in Bimtech whilst Liew Wai Leong holds the remaining 40.00%. Bimtech is principally involved in the provision of building construction services and BIM solutions for clients and project owners across various segments and fields such as building, infrastructure and civil engineering projects. BIM is a 3-dimensional ("**3D**") building information modelling based design process that provides contractors, engineers, architects and other construction professionals to efficiently plan, design and construct a structure or building within a 3D model.

In 15 May 2020, Taghill incorporated Techwall Resources Sdn Bhd ("**Techwall**") together with Tech Wall Sdn Bhd with the intention to produce precast concrete for infrastructure projects. Taghill holds 51.00% equity interest in Techwall whilst Tech Wall Sdn Bhd holds the remaining 49.00%. However, Techwall did not secure any orders or infrastructure projects since incorporation and as such Taghill and Tech Wall Sdn Bhd mutually decided to dissolve Techwall and Techwall was struck off and dissolved on 8 December 2021.

Under the management of the Vendors, Taghill has successfully completed 12 construction projects with a total contract value of RM1.58 billion. Presently, Taghill has 8 on-going projects, of which 4 in Kuala Lumpur, 2 in Penang, 1 in Melaka and 1 in Perak.

Among those completed projects, there are 2 notables projects completed by Taghill. The first project is the Expressionz Suites, located at Jalan Tun Razak, Kuala Lumpur, which received the Commendation Winner award in the Multiple Residential (High Rise) Category at the Pertubuhan Arkitek Malaysia ("**PAM**") Awards in 2019.

The second notable project completed by Taghill is the Ceylonz Suites, situated in Bukit Ceylon, Kuala Lumpur, which received the Gold Winner award at the PAM Awards in 2022 for its outstanding design and construction. Additionally, Ceylonz Suites also received recognition at the Asia Pacific Property Awards for year 2021-2022, further solidifying its status as an exceptional development.

As at LPD, Taghill Group is mainly involved in the provision of construction services for building projects. Taghill Group's construction projects are all located in Malaysia and its revenue are entirely derived locally. Taghill Group's construction materials are also mainly sourced and supplied by local suppliers. In addition, through its subsidiary, Bimtech, Taghill implements BIM to improve overall efficiency from the design stage to post-construction and building management phases. These technological advancements contribute to Taghill's ability to deliver exceptional results and maintain a high standard of construction excellence.

INFORMATION ON TAGHILL (Cont'd)

Throughout the years, Taghill has put in place quality management system ("QMS") to assist in its quality control and assurance measures. Its QMS was assessed and accredited with ISO 9001:2015 and ISO 45001:2018 in 2019, as well as ISO 14001:2015 in 2020, under the scope "project management for building construction and civil engineering works". Taghill has also obtained the following Quality Assessment System in Construction ("QLASSIC") and Safety and Health Assessment System in Construction ("SHASSIC") certificates scores:

Year	Development	Star	Score
<u>QLASSIC</u>			
2018	Expressionz Professional Suites	-	73%
2020	Ceylonz Suites	-	70%
	Nidoz Service Apartment	-	79%
2023	The Arcuz Service Apartment	-	86%
	PPAM (Perumahan Penjawat Awam Malaysia)	-	70%
	Affordable Service Apartment, Putrajaya	-	
	The Valley – Skysierra Service Apartment	-	86%
<u>SHASSIC</u>			
2019	Nidoz Service Apartment	4 stars	-
2021	PPAM (Perumahan Penjawat Awam Malaysia)	5 stars	-
	Affordable Service Apartment, Putrajaya)		
2022	The Arcuz Service Apartment	4 stars	-
	The Valley – Skysierra Service Apartment	5 stars	-
2023	UNO Promenade Sg Besi Service Apartment	5 stars	-
	Rosewoodz Service Apartment	5 stars	-

2. SHARE CAPITAL, SHAREHOLDER AND DIRECTORS

The share capital of Taghill as at the LPD is RM2,000,000 comprising of 2,000,000 ordinary shares. There is only 1 class of ordinary shares in Taghill and it does not have any convertible securities.

The directors of Taghill are Chu Yee Hong, Wong Yih Ming and Yap Kek Siung and their respective shareholdings are as follows:

Names	Nationality	Position held	No. of shares	Equity interest	
				Direct (%)	Indirect (%)
Wong Yih Ming	Malaysian	Director	666,668	33.34	-
Chu Yee Hong	Malaysian	Director	666,666	33.33	-
Yap Kek Siung	Malaysian	Director	666,666	33.33	-
Total			2,000,000	100.00	-

INFORMATION ON TAGHILL (Cont'd)**3. INFORMATION ON THE DIRECTORS OF TAGHILL****(i) Wong Yih Ming**

Wong Yih Ming, a Malaysian male aged 49, is the managing director of Taghill. He oversees and manages Taghill Group's overall activities, operational performance and profitability. He holds a Higher National Diploma in Quantity Surveying and a Bachelor of Science in Quantity Surveying (Honours), both awarded by the Nottingham Trent University, United Kingdom.

He began his career as a quantity surveyor in Juru Ukur Bahan Consult in 1999 where he was responsible for cost estimates, pre-tender estimates, preparation of tender documents, contract administration and preparation of final account. He left Juru Ukur Bahan Consult in 2000 and joined Gainvest Builders (M) Sdn Bhd as a quantity surveyor and was later promoted to contracts manager in 2005 where he gained various experience in undertaking feasibility study, elemental cost estimates and analysis, contract administration, cost planning and cost control, procurement management, value and risks management, and coordinating the construction phase of projects from their inception until completion.

In 2010, he left Gainvest Builders (M) Sdn Bhd to establish Taghill as a project and contract management company. In April 2014, he successfully led Taghill to register with the Construction Industry Development Board of Malaysia as G7 contractor which had since allowed Taghill to tender for projects with no limit to the contract sum.

(ii) Chu Yee Hong

Chu Yee Hong, a Malaysian male aged 53, is the deputy managing director of Taghill. He is jointly responsible with the executive director, Yap Kek Siung for Taghill's day-to-day project management of building construction works to ensure timely delivery, cost efficiency and high quality. He completed his secondary education at Maxwell Secondary School, Kuala Lumpur and obtained his Malaysian Certificate of Education in 1989.

He began his career at Gainvest Builders (M) Sdn Bhd in 1991 as site supervisor, and was promoted to site manager in 1999 and later became project manager in 2001.

In 2014, he joined Taghill as a director and shareholder. He has 28 years of hands-on working experience in all types of major building works which include residential terrace houses, commercial and retail shop lots, high rise-service apartments, condominiums, landed factories, roadworks and railway stations.

(iii) Yap Kek Siung

Yap Kek Siung, a Malaysian male aged 49, is the executive director of Taghill. He is jointly responsible with the deputy managing director, Chu Yee Hong for Taghill's day-to-day project management of building construction works to ensure timely delivery, cost efficiency and high quality. He holds a Bachelor of Science in Building Construction Management (Honours) from Sheffield Hallam University, United Kingdom.

He began his career at Khinhup Construction as a site manager in 1998. Later in 2004, he joined Gainvest Builders (M) Sdn Bhd as site manager and was promoted to project manager in 2007.

INFORMATION ON TAGHILL (Cont'd)

In 2014, he joined Taghill as director and shareholder. He has 20 years of working experience in project planning, project management and construction management. His involvement in construction projects includes factories, commercial buildings, workshop, service centres and high-rise service apartments.

4. SUBSIDIARY AND ASSOCIATED COMPANY

As at LPD, Taghill does not have any associated companies. Details of its subsidiary as at the LPD are summarised as follows:

Company	Date/ Place of incorporation	Principal place of business	Issued share capital RM	Effective equity interest %	Principal activities
<u>Existing subsidiary</u>					
Bimtech Solutions Sdn Bhd	20 December 2019/ Malaysia	Malaysia	100	60.00 *40.00% is held by Liew Wai Leong	Activities of consultants other than architecture, engineering and management consultants

5. FINANCIAL INFORMATION

The summary of the financial information of Taghill Group for the past FYE 2019 to FYE 2023 are set out below:

	Audited				Unaudited
	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000
Revenue	247,012	167,504	225,324	399,704	393,748
GP	28,042	13,205	12,314	8,161	8,609
PBT	27,800	11,983	10,608	4,322	2,009
PAT	21,841	8,141	7,453	4,372	1,522
PAT attributable to owners of the Taghill Group	21,841	8,134	7,342	4,225	1,422
GP margin (%)	11.35	7.88	5.47	2.04	2.19
PBT margin (%)	11.25	7.15	4.71	1.08	0.51
EPS (RM)	21.84	4.07	3.67	2.11	0.71
Paid-up capital	1,000	2,000	2,000	2,000	2,000
No. of Taghill Shares in issue ('000)	1,000	2,000	2,000	2,000	2,000
Shareholders' funds/ NA	34,852	43,992	51,445	55,817	57,340
Shareholders' funds/ NA attributable to owners of the Taghill Group	34,852	43,985	51,326	55,551	56,974
NA per share attributable to owners of the Taghill Group (RM)	34.85	21.99	25.66	27.78	28.49
Borrowings	58,654	51,367	83,306	114,767	127,984
Gearing ratio (times)	1.68	1.17	1.62	2.06	2.23
Current ratio (times)	1.05	1.27	1.12	1.13	1.15

INFORMATION ON TAGHILL (Cont'd)Commentary on past performance**Revenue**

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Construction projects	246,752	99.89	167,115	99.77	224,202	99.50
BIM solutions and construction consultancy	260	0.11	389	0.23	1,122	0.50
	247,012	100.00	167,504	100.00	225,324	100.00

	Audited		Unaudited			
	FYE 2022		FYE 2023			
	RM'000	%	RM'000	%		
Construction projects	397,337	99.41	390,926	99.28		
BIM solutions and construction consultancy	2,367	0.59	2,822	0.72		
	399,704	100.00	393,748	100.00		

Taghill Group's revenue for FYE 2019 to FYE 2023 was mainly derived from construction projects. Taghill Group's revenue decreased by RM79.51 million or 32.19% from RM247.01 million in FYE 2019 to RM167.50 million in FYE 2020. It then increased by RM57.82 million or 34.52% from RM167.50 million in FYE 2020 to RM225.32 million in FYE 2021. Taghill's revenue further increased by RM174.38 million or 77.39% from RM225.32 million in FYE 2021 to RM399.70 million in FYE 2022. Taghill Group reported RM393.75 million in revenue for FYE 2023.

The analysis of revenue by business activities and construction projects are as follows:

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Construction projects:					
PPAM @ Putrajaya	6,007	21,608	36,354	28,112	2,764
The Arcuz	20,255	23,968	48,901	84,464	37,902
The Valley, Skysierra	-	43,394	88,190	145,072	28,442
The Horizon @Fair Park Ipoh	-	8,588	24,117	17,656	69
Uno P2	-	577	6,851	12,667	18,579
Rosewoodz P2	-	-	10,556	25,837	66,479
Fiddlewoodz P2	-	-	7,587	33,295	2,979
Fiddlewoodz P3	-	-	-	16,571	35,808
Alaia	-	-	-	6,741	1,626
Macalisterz	-	-	-	12,792	24,359
Skyline KL	-	-	-	12,222	84,651
The Stallionz P1	-	-	-	1,911	8,742
The Stallionz P2	-	-	-	-	2,223
Cove Residence @ Melaka	-	-	-	-	12,181
D'Velada @ Bukit Jalil	-	-	-	-	11,967
Noordinz @ Penang	-	-	-	-	115
Rosewoodz P1	-	8,817	1,547	-	-
Permaisuri @ KL	-	-	-	-	52,004
Uno Sungai Besi P1	143	112	23	(32) ^(a)	-
Cezlonz Suites	74,615	19,634	-	-	-
Nidoz Residences	135,654	37,169	-	29	-
L House @ Damaisari, Bangsar	1,080	1,263	76	-	-
Expressionz Suites	1,609	215	-	-	-
Others ^(b)	7,389	1,770	-	-	36
Subtotal	246,752	167,115	224,202	397,337	390,926

INFORMATION ON TAGHILL (Cont'd)

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Construction projects:					
BIM solutions and construction consultancy	260	389	1,122	2,367	2,822
Total	247,012	167,504	225,324	399,704	393,748

Notes:

- (a) The negative revenue was mainly due to reversal of revenue over recognised in prior years, as a result of variation orders which reduced the work scope and total contract value upon completion of the project.
- (b) Comprise of mainly small projects where the construction period is less than 12 months and contract value less than RM2.00 million each.

FYE 2020 vs FYE 2019

Taghill Group's revenue decreased by RM79.51 million or 32.19% from RM247.01 million in FYE 2019 to RM167.50 million in FYE 2020. The decrease in revenue was mainly due to the Nidoz Residences project of RM98.48 million and Ceylonz Suites project of RM54.98 million.

The decreased in revenue for the above projects were mainly due to Movement Control Order that was imposed by the Malaysian Government on 18 March 2020 where most of the economic sectors and activities were suspended especially those operating in non-essential services, which included the construction industry. As a result, Taghill Group temporarily suspended all its operations at project sites for approximately 12 weeks, from 18 March 2020 to mid-June 2020, where the commencement date differs for each project site.

The above decreased was partially offset by increased in revenue from the following:

- (i) commencement of 4 new projects in FYE 2020, namely The Valley, Skysierra Project, The Horizon @ Fair Park Ipoh Project, Rosewoodz Project and Uno P2, which collectively increased the revenue by RM61.38 million; and
- (ii) Project PPAM @ Putrajaya of RM15.60 million as the percentage of completion increases from 11.44% in FYE 2019 to 33.42% in FYE 2020 as more construction works were performed in FYE 2020.

FYE 2021 vs FYE 2020

Taghill Group's revenue increased by RM57.82 million or 34.52% from RM167.50 million in FYE 2020 to RM225.32 million in FYE 2021. The increase in revenue was mainly contributed by the following projects:

- (i) The Valley, Skysierra Project of RM44.80 million;
- (ii) The Arcuz Project of RM24.93 million;
- (iii) The Horizon @ Fair Park Ipoh Project of RM15.53 million;
- (iv) Project PPAM @ Putrajaya of RM14.75 million; and
- (v) Rosewoodz P2 Project of RM10.56 million.

The revenue for the above projects increased mainly due to the higher level of construction activities performed in FYE 2021 as compared to FYE 2020, attributed to the reopening of the economic sectors and activities including the construction industry.

INFORMATION ON TAGHILL (Cont'd)

The above increased was partially offset by decreased in revenue from Nidoz Residences Project by RM37.17 million and Ceylonz Suites Project by RM19.63 million as both these projects were completed in FYE 2020.

FYE 2022 vs FYE 2021

Taghill Group's revenue increased by RM174.38 million or 77.39% from RM225.32 million in FYE 2021 to RM399.70 million in FYE 2022. The increase in revenue was mainly contributed by:

- (i) Commencement of 5 new projects in FYE 2022, namely Fiddlewoodz P3 Project, Alaia Project, Macalisterz Project, Skyline KL Project and The Stallionz P1 Project, which collectively increased the revenue by RM50.24 million;
- (ii) the Valley, Skysierra Project which increased by RM56.88 million, mainly due to increase in its percentage of completion from 40.00% in FYE 2021 to 91.00% in FYE 2022 as Taghill Group works towards completing this project by first half of 2023;
- (iii) The Arcuz Project which increased by RM35.56 million, mainly due to increase in its percentage of completion from 43.00% in FYE 2021 to 83.00% in FYE 2022 as Taghill Group work towards completing this project by first half of 2023; and
- (iv) Fiddlewoodz P2 Project which increased by RM25.71 million. This project commenced in FYE 2021 and higher level of construction activities involving structural works and mechanical & engineering works were performed in FYE 2022.

Unaudited FYE 2023 vs Audited FYE 2022

Taghill Group's revenue decreased slightly by RM5.95 million or 1.49% from RM399.70 million in FYE 2022 to RM393.75 million in FYE 2023. The decrease in revenue was mainly due to completion of 5 projects in FYE 2023, namely Project PPAM @ Putrajaya, The Arcuz Project, the Valley, Skysierra Project, The Horizon @ Fair Park Ipoh Project and Fiddlewoodz P2 Project, which collectively reduced the revenue by RM236.45 million.

The above decrease was partially offset by the increase in revenue from:

- (i) Commencement of 5 new projects in FYE 2023, namely The Stallionz P2 Project, Cove Residences @ Melaka, D'Velada @ Bukit Jalil, Noordinz @ Penang and Permaisuri @ KL, which collectively increased the revenue by RM78.49 million; and
- (ii) on-going projects mainly Skyline KL Project, Rosewoodz P2 Project, Fiddlewoodz P3 Project and Macalisterz Project, which collectively increased the revenue by RM143.88 million due to higher level of construction activities as Taghill Group work towards completing these projects.

GP and PAT

Taghill Group's construction projects are priced based on contract cost estimate which depends on amongst others, the complexity and scale of the construction project. The prices of certain construction contracts are fixed at the time Taghill submit the tender bid or during negotiations of the contract terms, with the exception of any approved variation orders. As such, the GP and GP margin are dependent on the accuracy of Taghill's pricing during the tender and/or negotiation stage. The GP and GP margin during the financial year are dependent on Taghill Group's overall project mix as each project has different project duration, profit margin, costs and construction stages involved. Taghill Group's GP and GP margin may fluctuate throughout

INFORMATION ON TAGHILL (Cont'd)

the construction period as and when there is a need to revise the cost estimates or update the cost estimate to reflect the actual cost of construction.

The analysis of GP and GP margin by business activities is as follows:

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	GP	GP Margin	GP	GP Margin	GP	GP Margin
	RM'000	RM'000	RM'000	%	RM'000	%
Construction projects	28,042	11.35	13,095	7.84	11,644	5.19
BIM solutions and construction consultancy	-	-	110	28.28	670	59.71
Total	28,042	11.35	13,205	7.88	12,314	5.47

	Audited		Unaudited	
	FYE 2022		FYE 2023	
	GP	GP Margin	GP	GP Margin
	RM'000	%	RM'000	%
Construction projects	6,999	1.76	7,136	1.83
BIM solutions and construction consultancy	1,162	49.09	1,473	52.20
Total	8,161	2.04	8,609	2.19

FYE 2020 vs FYE 2019

Taghill Group registered a decrease of 52.90% in GP by RM14.84 million from RM28.04 million in FYE 2019 to RM13.21 million in FYE 2020. The GP margin decreased from 11.35% in FYE 2019 to 7.88% in FYE 2020 mainly due to the Movement Control Order that was imposed by the Malaysian Government which resulted in Taghill Group suspending all its operations at project sites for approximately 12 weeks, from 18 March 2020 to mid-June 2020. Although operations were suspended, Taghill Group still had to incur all the project fixed costs such as rental and depreciation of machineries and labour costs, thereby reducing the profit margins of Taghill Group. In addition, due to the breakout of COVID-19 pandemic in 2020, Taghill Group had to revise upwards its costs estimates in FYE 2020 to reflect the actual cost of construction, resulting in lower profit margins for its projects.

Taghill Group's PAT decreased by RM13.70 million from RM21.84 million in FYE 2019 to RM8.14 million in FYE 2020 in line with the overall decrease in GP.

FYE 2021 vs FYE 2020

Despite the increased revenue in FYE 2021, it registered a drop in GP by RM0.90 million from RM13.21 million in FYE 2020 to RM12.31 million in FYE 2021. The GP margin decreased slightly from 7.88% in FYE 2020 to 5.47% in FYE 2021 mainly due to completion of Ceylonz Suites Project and Nidoz Residences Project in FYE 2020. Taghill Group managed to achieve higher actual GP margin for these 2 projects upon completion which resulted in Taghill Group recording a higher GP margin in FYE 2020.

Taghill Group's PAT decreased by RM0.69 million or 8.48% from RM8.14 million in FYE 2020 to RM7.45 million in FYE 2021 in line with the overall decrease in GP.

INFORMATION ON TAGHILL (Cont'd)**FYE 2022 vs FYE 2021**

Although Taghill Group's revenue increased in FYE 2022, it registered a drop in GP by RM4.15 million from RM12.31 million in FYE 2021 to RM8.16 million in FYE 2022. Taghill Group's GP margin also decreased from 5.47% in FYE 2021 to 2.04% in FYE 2022. The drop in GP margin was mainly due to the increased in material and labour costs for The Valley, Skysierra Project. Due to the shortage of labour in 2020 and 2021, Taghill Group increased labour wages to ensure continuous work progress. As such, Taghill Group's PAT decreased by RM3.08 million or 41.34% from RM7.45 million in FYE 2021 to RM4.37 million in FYE 2022.

Unaudited FYE 2023 vs Audited FYE 2022

Despite the decreased revenue in FYE 2023, Taghill Group recorded a slight increase in GP by RM0.45 million from RM8.16 million in FYE 2022 to RM8.61 million in FYE 2023. Taghill Group's GP margin remained consistent at 2.19% for FYE 2023 vis-à-vis 2.04% for FYE 2022. The low GP margin as compared to audited FYE 2019 to FYE 2021 was mainly due to the increases in material and labour costs which adversely impacted the profit margins of Taghill Group.

Taghill Group's PAT decreased by RM2.85 million from RM4.37 million in FYE 2022 to RM1.52 million in FYE 2023 mainly due to higher finance costs incurred in FYE 2023 of RM1.74 million as compared to RM0.76 million in FYE 2022 as a result of increased utilisation of banking facilities to fund Taghill Group's working capital.

6. ACCOUNTING POLICIES

The audited financial statements of Taghill Group for the FYE 2020 to FYE 2022 have been prepared based on approved Malaysian accounting standards and there was no audit qualification for the audited financial statements of Taghill Group for the respective years under review. Taghill Group has not adopted any accounting policies which are peculiar to its operations for the respective years under review.

7. MATERIAL CONTRACTS

Taghill Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the LPD.

8. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, there is no material commitment incurred or known to be incurred by Taghill Group, which upon becoming enforceable may have a material effect on the profits or NA of Taghill Group:

- (i) An undertaking given by Taghill Group to the Inland Revenue Board of Malaysia on 19 October 2022 wherein Taghill Group shall settle the additional tax liabilities (comprising of increased tax payable and penalties) for assessment years 2019 and 2020 amounting to RM2,742,013.50 by way of 24 monthly instalments commencing 31 October 2022 with the last payment to be settled on or before 30 September 2024. As of 30 April 2024, Taghill has duly settled 19 monthly instalments totalling RM2,170,760.70 with the outstanding amount being RM571,252.80.

INFORMATION ON TAGHILL (Cont'd)

9. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, there is no contingent liabilities incurred or known to be incurred by Taghill Group, which upon becoming enforceable may have a material effect on the profits or NA of Taghill Group:

- (i) A guarantee and indemnity for a sum of up to RM6,000,000.00 given by Taghill Group in favour of Moneysave (M) Sdn Bhd ("**Moneysave**") on 26 June 2023 as security for the financing facilities granted by Moneysave to Precise Facade Sdn Bhd ("**Precise Facade**"). As the Vendors are also directors and shareholders of Precise Facade, the guarantee was given so that Precise Facade can obtain the financing facilities. This guarantee will be discharged prior to the completion of the Acquisition.

10. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, Taghill Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against Taghill Group or any facts which are likely to give rise to any proceedings, which may adversely and materially affect the business or financial position of Taghill Group.

[The rest of this page is intentionally left blank]

INFORMATION ON TAGHILL (Cont'd)**11. PROJECTS UNDERTAKEN BY TAGHILL****(i) Ongoing Projects**

As at LPD, none of Taghill Group's ongoing projects are owned by directors and/or substantial shareholders of Taghill or persons connected with them. Taghill Group's ongoing projects as at LPD are set out below:

No	Project name/ Client	Description / Location	Contract Value RM'000	Unbilled value RM'000	Defect Liability Period	Date of Award/ Commencement date/ Expected completion date	Stage of completion (% as at LPD)
1.	Alaia @ Titiwangsa, KL / Black Lotus Development Sdn Bhd	Construction of 1 block of 40-storeys apartment building with 436 units of serviced apartments, 18 units of shops, car parks and related amenities at Mukim Setapak, Kuala Lumpur ("KL") / Taman Tiara Titiwangsa, KL	131,075	117,391	36 months	4 January 2022 / 17 January 2022 / August 2026	10.44
2.	Fiddlewoodz P3 @ KL Metropolis / Ivory Interpoint Sdn Bhd	Main building works and infrastructure works (Package 3) for 2 blocks of serviced apartments comprising 1 block of 43-storeys apartment building with 386 units apartments and 1 block of 42-storeys apartment building with 293 units apartments, car parks and related amenities at Mukim Batu, KL / KL Metropolis, KL	317,500	235,395	27 months	28 January 2022 / 1 April 2022 / September 2025	25.86
3.	Macalisterz @ Georgetown, Penang / Exsim Macalister Sdn Bhd	Construction of 1 block of 36-storeys apartment building with 418 units of serviced apartments, 3 units of retail lots, car parks and related amenities at Bandar George Town, Pulau Penang / George Town, Pulau Penang	95,000	50,436	27 months	28 February 2022 / 1 April 2022 / January 2025	46.91
4.	Skyline KL @ Jalan San Peng, KL / LTS Skyline Sdn Bhd	Construction of 4 blocks of apartment buildings comprising Block A of 51-storeys with 518 units apartment suites, Block B of 49-storeys with 591 units apartment suites, Block C of 49-storeys with 591 units apartment suites and Block D of 51-storeys with 518 units apartment suites, retail lots,	425,000	355,300	27 months	29 April 2022/ 2 July 2022 / October 2025	16.40

INFORMATION ON TAGHILL (Cont'd)

No	Project name/ Client	Description / Location	Contract Value RM'000	Unbilled value RM'000	Defect Liability Period	Date of Award/ Commencement date/ Expected completion date	Stage of completion (% as at LPD)
		car parks and related amenities at Mukim Bandar KL, KL / Jalan San Peng, KL					
5.	D'Velada @ Bukit Jalil, KL / Binastra Builders Sdn Bhd	Construction of 1 block of 42-storeys apartment building with 508 units serviced apartments, 3 units shops, car parks and related amenities at Mukim Petaling, KL / Bukit Jalil, KL	150,000	139,590	27 months	3 April 2023 / 10 April 2023 / January 2026	6.94
6.	The Cove @ Melaka / KEB Utama Sdn Bhd	Construction of 3 blocks apartment buildings comprising Block A of 649 units serviced apartments, Block B of 649 units serviced apartments and Block C of 649 units serviced apartments, 3 units retail lots, car parks and related amenities at Kawasan Bandar VI, Daerah Melaka Tengah, Melaka / Melaka	317,500	309,404	24 months	1 June 2023 / 1 June 2023 / April 2026	2.55
7.	The Stallionz P2 @ Ipoh White Times Square / Exsim Caldwell (Ipoh) Sdn Bhd	Main building and infrastructure works (Package 2) for 1 block of 11-storeys small office home office ("SOHO") comprising 424 units SOHO, 6 units of shops, car parks and related amenities at Bandar Ipoh(S), Daerah Kinta, Perak / Ipoh, Perak	104,567	91,883	27 months	6 October 2023 / 15 January 2024 / May 2025	12.13
8.	Noordinz Suites @ Georgetown / Exsim Noordin Sdn Bhd	Main building works for: (i) alteration and addition 7 units of existing 2-storey heritage building; (ii) conversion of upper level of 2 units existing 2-storey heritage building from residential to commercial; and (iii) Construction of 1 block of 29-storey with 603 units of serviced apartment,	19,397	14,978	27 months	17 October 2023/ 16 November 2023/ August 2024	22.78

INFORMATION ON TAGHILL (Cont'd)

No	Project name/ Client	Description / Location	Contract Value RM'000	Unbilled value RM'000	Defect Liability Period	Date of Award/ Commencement date/ Expected completion date	Stage of completion (% as at LPD)
		on Lot 10, 105, 107, 315 and 316, Lebuhr Noordin, Seksyen 11E, Bandar Georgetown, Daerah Timur Laut, Penang / Georgetown, Penang					
Total			1,560,039	1,314,377			

[The rest of this page is intentionally left blank]

INFORMATION ON TAGHILL (Cont'd)**(ii) Completed Projects**

None of Taghill Group's completed projects are owned by directors and/or substantial shareholders of Taghill or persons connected with them. Taghill Group's notable completed construction projects are as follows:

No	Project name/Client	Description / Location	Contract value (RM'000)	Commencement/ Completion date
1.	Expressionz Suites @ Jalan Tun Razak, KL / One One Eight Housing Development Sdn Bhd	Main building works and infrastructure works for 2 blocks of serviced apartments comprising Block A of 53-storeys and Block B of 45-storeys with total 447 units serviced apartments, car parks and related amenities at Jalan Tun Razak, KL / Jalan Tun Razak, KL	220,000	12 November 2015 / 23 April 2018
2.	Nidoz Residence @ Desa Petaling, KL / Aspire Causeway Sdn Bhd	Main building works for: Phase 1 – 2 blocks of 41-storeys apartments with 651 units apartments, car parks and related amenities; and Phase 2 – 2 blocks of 41-storeys with 654 units apartments and related amenities, at Mukim Petaling, KL / Desa Petaling, KL	260,000	15 July 2017 / 18 June 2020
3.	Ceylonz Suites @ Bukit Ceylon, KL / Paragon Ceylon Development Sdn Bhd	Main building works and infrastructure works for 1 block of 39-storeys office building with 442 units, car parks and related amenities at Mukim Kuala Lumpur, KL / Bukit Ceylon, KL	108,000	1 June 2017 / 15 June 2020
4.	The Horizon @ Fair Park Ipoh/ Dreamlike Development Sdn Bhd	Main building works and infrastructure works for 1 block of 22-storeys apartment buildings with 253 units serviced apartments, car parks and related amenities at Bandar Ipoh, Daerah Kinta, Perak / Ipoh, Perak	48,400	28 December 2019 / 31 March 2023
5.	PPAM Affordable Service Apartment @ Putrajaya/ Trans Resources Corporation Sdn Bhd	Sub-contract for main builders works for 1 block of 33-storey apartments with 500 units affordable apartments, 3 units shop and related amenities at Presint 18, Putrajaya / Putrajaya, KL	81,000	1 August 2018 / 10 June 2023
6.	The Arcuz @ Kelana Jaya, Selangor / Mahsuri Kelana Sdn Bhd	Main building works and infrastructure works for 1 block of 35-storeys apartments with 685 units serviced apartments, car parks and related amenities at Mukim Damansara, Selangor / Kelana Jaya, Petaling Jaya, Selangor	230,000	15 November 2018 / 14 July 2023

INFORMATION ON TAGHILL (Cont'd)

No	Project name/Client	Description / Location	Contract value (RM'000)	Commencement/ Completion date
7.	The Valley, Skysierra @ Setiawangsa, KL / Skysierra Development Sdn Bhd	Main building works for: Phase 1 - 2 blocks of apartments with a total 1,309 units of apartments, car parks and related amenities; and Phase 2 – 1 block of apartments with a total 489 units of apartments with related amenities, at Mukim Hulu Klang, KL / Setiawangsa, KL	332,334	16 January 2018 / 21 July 2023
8.	Fiddlewoodz P2 @ KL Metropolis / Ivory Interpoint Sdn Bhd	Earthworks, foundation works and basement carpark works (Package 2) for 2 blocks of serviced apartments comprising 1 block of 43-storeys apartment building with 386 units apartments and 1 block of 43-storeys apartment building with 293 units apartments, car parks and related amenities at Mukim Batu, KL / Taman Tiara Titiwangsa, KL / KL Metropolis, KL	61,250	1 March 2021 / 29 September 2023
9.	The Stallionz P1 @ Ipoh White Times Square / Exsim Caldwell (Ipoh) Sdn Bhd	Earthworks, piling, pile cap and sub-structure works (Package 1) for 1 block of 11-storeys small office home office ("SOHO") comprising 424 units SOHO, 6 units of shops, car parks and related amenities at Bandar Ipoh(S), Daerah Kinta, Perak / Ipoh, Perak	14,550	11 November 2022 / 19 November 2023
10.	Permaisuri @ KL / Sri Tinggi Hartanah Sdn Bhd	Site preparation, earthworks and other general works Lot 481548, Jalan Sri Permaisuri, Mukim Kuala Lumpur / Bandar Sri Permaisuri, KL	52,004	1 August 2023 / 31 December 2023
11.	UNO Promenade @ Sungai Besi, KL / Promenade Development Sdn Bhd	Main building works for 1 block of 27-storeys apartment building with 137 units service apartments, 1 roof terrace and car parks at Mukim Petaling, KL / Sungai Besi, KL	45,000	15 October 2020 / (¹)30 April 2024
12.	Rosewoodz @ KL / Jalilmax (OUG) Sdn Bhd	Main building works and infrastructure works for 1 block of 31-storeys apartment building with 329 units apartments, car parks and related amenities at Mukim Petaling, KL / Bukit Jalil, KL	125,048	2 November 2020 / 30 April 2024
Total			<u>1,577,586</u>	

Note:

- (i) Pending receipt of Certificate of Practical Completion.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON


3 May 2024

The Board of Directors
Siab Holdings Berhad
 No. 82, Jalan BP 7/8
 Bandar Bukit Puchong
 47120 Puchong
 Selangor Darul Ehsan

Baker Tilly Monteiro Heng PLT
 201906000600 (LLP0019411-LCA)
 Chartered Accountants (AF 0117)
 Baker Tilly Tower
 Level 10, Tower 1, Avenue 5
 Bangsar South City
 59200 Kuala Lumpur, Malaysia

T : +603 2297 1000
 F : +603 2282 9980

info@bakertilly.my
 www.bakertilly.my

Dear Sirs,

SIAB HOLDINGS BERHAD ("Siab" or the "Company")
REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 INCLUDED IN A ABRIDGED PROSPECTUS

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of Siab and its subsidiaries (the "Group") for which the directors of Siab are solely responsible. The pro forma consolidated statements of financial position consists of the pro forma consolidated statements of financial position as at 31 December 2023 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the directors of Siab have compiled the pro forma consolidated statements of financial position are as described in Note 2 to the pro forma consolidated statements of financial position and in accordance with the ACE Market Listing Requirements and Prospectus Guidelines (Division 5 - Abridged Prospectus) issued by Bursa Securities Malaysia and the Securities Commission Malaysia, respectively ("Applicable Criteria").

The pro forma consolidated statements of financial position of the Group has been compiled by the directors of Siab, for illustrative purposes only, for inclusion in the Abridged Prospectus of Siab ("Abridged Prospectus") in connection with the rights issue with warrants and the acquisition ("Proposals"), after making certain assumptions and such adjustments to show the effects on the pro forma consolidated financial position of the Group as at 31 December 2023 adjusted for the Proposals and utilisation of proceeds as described in Notes 1.2 and 3.2.2 respectively.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

SIAB HOLDINGS BERHAD

Reporting Accountants' Report on the Compilation of the
Pro Forma Consolidated Statements of Financial Position
as at 31 December 2023 Included in a Abridged Prospectus

As part of this process, information about the Group's pro forma consolidated statements of financial position has been extracted by the directors of Siab from the audited financial statements of the Group.

The audited consolidated financial statements of the Group for the financial year ended ("FYE") 31 December 2023 were reported by the auditors to its members without any modifications.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The directors of Siab are responsible for compiling the pro forma consolidated statements of financial position based on the Applicable Criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Control 1 (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the directors of Siab based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the directors of Siab have compiled, in all material respects, the pro forma consolidated statements of financial position based on the Applicable Criteria.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



SIAB HOLDINGS BERHAD

Reporting Accountants' Report on the Compilation of the
Pro Forma Consolidated Statements of Financial Position
as at 31 December 2023 Included in a Abridged Prospectus

Reporting Accountants' Responsibilities (Continued)

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position included in a Abridged Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of Siab in the compilation of the pro forma consolidated statements of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the Proposals as described in Note 1.2 to the pro forma consolidated statements of financial position, and to obtain sufficient appropriate evidence about whether:

- (a) The pro forma consolidated statements of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma consolidated statements of financial position, based on the audited consolidated financial statements of the Group for the FYE 31 December 2023, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited financial statements for the FYE 31 December 2023; and
- (b) Each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position of the Group is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



SIAB HOLDINGS BERHAD

Reporting Accountants' Report on the Compilation of the
Pro Forma Consolidated Statements of Financial Position
as at 31 December 2023 Included in a Abridged Prospectus

Opinion

In our opinion:

- (a) the pro forma consolidated statements of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma consolidated statements of financial position, based on the audited financial statements of the Group for the FYE 31 December 2023 and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its financial statements for the FYE 31 December 2023; and
- (b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position of the Group is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

Other matter

This report has been prepared for inclusion in an Abridged Prospectus of Siab in connection with the Proposals. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2025 J
Chartered Accountant

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)
SIAB HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
1. INTRODUCTION

The pro forma consolidated statements of financial position of Siab Holdings Berhad ("Siab" or the "Company") and its subsidiaries (the "Group") has been compiled by the directors of Siab, for illustrative purposes only, for inclusion in a Abridged Prospectus of Siab in connection with the rights issue with warrants and the acquisition ("Proposals").

1.1 In connection with the Proposals, Siab had undertaken the following transactions:

1.2 Proposals
1.2.1 Rights Issue with Warrants

The Rights Issue with Warrants entails the issuance of 766.52 million Rights Shares together with 383.26 million Warrants on the basis of 13 Rights Shares for every 10 existing Siab Shares held on the Entitlement Date at RM0.12 per Rights Share together with 1 Warrant for every 2 Rights Shares subscribed based on the enlarged issued share capital of Siab of RM84.04 million comprising 589.63 million Siab Shares after taking into consideration of the following:

- (a) existing issued share capital of Siab of RM84.04 million comprising 589.63 million shares; and
- (b) adjusted for RM0.30 million expenses capitalised against share capital, being directly related to the issuance of Placement Shares and Rights Shares.

(Collectively hereinafter referred to as "Rights Issue with Warrants")

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**SIAB HOLDINGS BERHAD****PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

1. (Continued)

1.1 (Continued)

1.2 (Continued)

1.2.1 (Continued)

The Rights Shares and Warrants will be provisionally allotted and issued to the Entitled Shareholders. For the avoidance of doubt, the Warrants are attached to the Rights Shares without any cost, and shall only be issued to the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) (if applicable) who subscribe for the Rights Shares. The Warrants are exercisable into new Siab Shares and each Warrant will entitle the Warrant holder to subscribe for 1 new Siab Share at the Warrants Exercise Price. The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. However, the Rights Shares and Warrants cannot be renounced separately. As such, the Entitled Shareholders who renounce all their Rights Shares entitlement will not be entitled to the Warrants attached thereto. If the Entitled Shareholders accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in proportion of their acceptance to the Rights Shares entitlements. The Rights Shares and Warrants which are not taken up or invalidly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s).

Salient terms of the Warrants

The salient terms of the Warrants are set out below:

- Issuer : Siab
- Issue size : 383,262,153 Warrants
- Form and denomination : The Warrants will be issued in registered form and constituted by a Deed Poll.
- Tenure : 5 years commencing from and inclusive of the date of the issuance of the Warrants ("Issue Date").
- Exercise Period : The Warrants may be exercised at any time within the Tenure of the Warrants including and commencing from the Issue Date and ending at 5.00 p.m. (Malaysia time) on the Expiry Date. Any Warrant which is not exercised at the close of business of the Expiry Date will thereafter lapse and cease to be valid.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)
SIAB HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. (Continued)

1.1 (Continued)

1.2 (Continued)

1.2.1 (Continued)

The salient terms of the Warrants are set out below: (continued)

Exercise Price : The exercise price of the Warrants has been fixed at RM0.20 per Warrant.

Exercise Rights : Each Warrant shall entitle Warrant Holders to subscribe for 1 new Siab Share at any time during the Exercise Period and at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.

Expiry Date : The close of business at 5.00 p.m. in Malaysia on the day immediately preceding the 5th anniversary of the Issue Date. If such day is not a market day, then it shall be on the immediately preceding market day.

Board lot : For the purpose of trading on Bursa Securities, and subject to such conditions which Bursa Securities may impose from time to time, a board lot of Warrants shall be 100 Warrants carrying the right to subscribe for 100 new Siab Shares at any time during the Exercise Period, or such other denomination as determined by Bursa Securities.

Mode of exercise : The Warrant Holders are required to lodge an exercise form with the Company's registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the exercise price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.

Adjustment in the Exercise Price and/or the number of Warrants : The Warrants Exercise Price and/or the number of Warrants held by each Warrant holder may from time to time be adjusted in the event of any alteration to the share capital of the Company in accordance with the provisions as set out in the Deed Poll. Any adjustments to the exercise price and/or number of Warrants must be done in full compliance with Rule 6.55(3)(b) of the ACE Market Listing Requirements of Bursa Securities ("Listing Requirements").



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)
SIAB HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. (Continued)

1.1 (Continued)

1.2 (Continued)

1.2.1 (Continued)

The salient terms of the Warrants are set out below: (continued)

Status of the new Siab Shares to be issued pursuant to the exercise of the Warrants : The new Siab Shares to be issued upon the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Siab shares, save an except that they shall not be entitled to participate in any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new Siab Shares.

Modification of rights of Warrant Holder : Subject to the approval of any relevant authority as required under law, any modification, amendment or addition to the Deed Poll must be: -

- (a) approved by the Warrant Holders sanctioned by special resolution;
- (b) effected by a supplemental deed poll;
- (c) executed by the Company and expressed to be supplemental; and
- (d) comply with the requirements of the Deed Poll.

The Company may without the consent of the Warrant Holders but in accordance with the terms of the Deed Poll, effect: -

- (a) any modification to the Warrant or the Deed Poll which, in the opinion of the Company, is not materially prejudicial to the interest of the Warrant Holders; or
- (b) any modification to the Warrant or the Deed Poll, which in the opinion of the Company, is to correct a manifest error or to comply with mandatory provisions of Malaysian law, Rules of the Bursa Malaysia Depository Sdn. Bhd., and/or Listing Requirements.

Notice of every modification, amendment or addition to the Deed Poll is to be given to the Warrant Holders within twenty-one (21) days from the date of such modification, amendment or addition in accordance with the Deed Poll.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)
SIAB HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. (Continued)

1.1 (Continued)

1.2 (Continued)

1.2.1 (Continued)

The salient terms of the Warrants are set out below: (continued)

Rights of Warrants Holders : The Warrants do not entitle the Warrant Holders to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of further securities in the Company until and unless such Warrant Holders become shareholders of the Company by exercising their Warrant for new Siab Shares.

Rights in the event of winding-up, liquidation or an event of default : As long as any of the Exercise Rights remain exercisable, where a resolution has been passed for a members' voluntary winding-up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for reconstruction of the Company or the amalgamation of the Company with one or more companies, then: -

- (a) if such winding-up, compromise or scheme of arrangement is one in which the Warrant Holders, or some persons designated by them for such purpose by a special resolution shall be a party, the terms of such winding-up, compromise or scheme of arrangement shall be binding on all the Warrant Holders; or
- (b) in any other case and to the extent permitted by law, every Warrant Holder shall be entitled, upon and subject to the terms and conditions of the Warrants at any time, within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or 6 weeks after (whichever is later) from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/her Warrants together with the duly completed exercise form and payment of the relevant Exercise Price, to elect to be treated as if he/she had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the Exercise Rights represented by such Warrant to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares arising from the exercise of the Warrant, to which he/she would have become entitled to receive out of the assets of the Company which would be available in liquidation, and the liquidator of the Company shall give effect to such election accordingly.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)
SIAB HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. (Continued)

1.1 (Continued)

1.2 (Continued)

1.2.1 (Continued)

The salient terms of the Warrants are set out below: (continued)

- (b) All Exercise Rights, which have not been exercised within the above 6 weeks of either passing of such resolution for the winding-up or the granting of the court order for the approval of such compromise or arrangement, as the case may be, shall lapse and the Warrant will cease to be valid for any purpose.

Subject to the foregoing, if the Company is wound up (other than by way of a members' voluntary winding-up), all Exercise Rights which have not been exercised prior to the date of commencement of the winding-up shall lapse and the Warrants will cease to be valid for any purpose.

- Listing status : The Warrants will be listed and quoted on the ACE Market of Bursa Securities.
- Transferability : The Warrants shall be transferable in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd.
- Governing law : The Warrants and the Deed Poll shall be governed by the applicable laws and regulations of Malaysia.

1.2.2 Acquisition

On 18 July 2023, the Company had entered into a share sale agreement ("SSA") and a restated SSA on 15 September 2023, with Chu Yee Hong, Wong Yih Ming and Yap Kek Siung (collectively the "Vendors") for the acquisition of 100% equity interest in Taghill Projects Sdn. Bhd. ("Taghill") for a total purchase consideration of RM122.00 million to be satisfied via a combination of RM96.00 million cash consideration ("Cash Consideration") and RM26.00 million through the issuance of 200.00 million new ordinary shares in Siab at the issue price of RM0.13 per ordinary share ("Consideration Shares").

Profit Guarantee

In consideration of Siab acquiring Taghill Shares, the Vendors have jointly and severally provided a Profit Guarantee of attaining a consolidated profit after tax and minority interest of not less than RM24.00 million for financial years ending ("FYE") 2024 and FYE 2025 on a cumulative basis.

Pro Forma Consolidated Statements of Financial Position


PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)
SIAB HOLDINGS BERHAD
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(CONTINUED)**
**2. BASIS OF PREPARATION OF THE PRO FORMA CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION**

- 2.1 The pro forma consolidated statements of financial position have been prepared to illustrate the pro forma consolidated financial position of the Group as at 31 December 2023, adjusted for the Proposals and utilisation of proceeds as described in Notes 1.2 and 3.2.2 respectively.
- 2.2 The pro forma consolidated statements of financial position have been prepared based on the audited consolidated financial statements of the Group for the FYE 31 December 2023.
- 2.3 The audited consolidated financial statements of the Group for the FYE 31 December 2023 were reported by the auditors to its members without any modifications.
- 2.4 The pro forma consolidated statements of financial position of the Group have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.
- 2.5 The pro forma consolidated statements of financial position of the Group have been properly prepared on the basis set out in the accompanying notes to the pro forma consolidated statements of financial position based on the audited consolidated financial statements of the Group for the FYE 31 December 2023, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**SIAB HOLDINGS BERHAD****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP**

- 3.1 The pro forma consolidated statements of financial position of the Group as set out below, for which the directors of Siab are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 31 December 2023, adjusted for the Proposals as described in Note 1.2 and utilisation of proceeds as described in Note 3.2.2 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

	Consolidated Statements of Financial Position as at 31 December 2023 RM'000	Pro Forma I After the Rights Issue with Warrants RM'000	Pro Forma II After Pro Forma I and the Acquisition RM'000	Pro Forma III After Pro Forma II and the Utilisation of Proceeds RM'000	Pro Forma IV After Pro Forma III and assuming Full Exercise of Warrants RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10,680	10,680	31,016	31,016	31,016
Right-of-use assets	4,479	4,479	19,192	19,192	19,192
Investment properties	6,351	6,351	7,054	7,054	7,054
Deferred tax assets	3,538	3,538	3,538	3,538	3,538
Goodwill	-	-	65,026	65,026	65,026
Total non-current assets	25,048	25,048	125,826	125,826	125,826
Current assets					
Trade and other receivables	71,364	71,364	278,196	278,196	278,196
Contract assets	43,422	43,422	124,186	124,186	124,186
Current tax assets	1,592	1,592	3,443	3,443	3,443
Cash and cash equivalents	18,894	110,877	53,068	50,013	126,665
Total current assets	135,272	227,255	458,893	455,838	532,490
TOTAL ASSETS	160,320	252,303	584,719	581,664	658,316



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**SIAB HOLDINGS BERHAD****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)****3.1 (Continued)**

	Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV
Consolidated Statements of Financial Position as at 31 December 2023 RM'000	After the Rights Issue with Warrants RM'000	After Pro Forma I and the Acquisition RM'000	After Pro Forma II and the Utilisation of Proceeds RM'000	After Pro Forma III and assuming Full Exercise of Warrants RM'000
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	84,036	176,019	202,019	199,160
Merger reserve	(35,723)	(35,723)	(35,723)	(35,723)
Retained earnings	(4,824)	(4,824)	(4,824)	(5,020)
	43,489	135,472	161,472	158,417
Non-controlling interests	-	-	366	366
TOTAL EQUITY	43,489	135,472	161,838	235,435
Non-current liabilities				
Loans and borrowings	1,319	1,319	19,394	19,394
Lease liabilities	-	-	744	744
Deferred tax liabilities	270	270	3,157	3,157
Total non-current liabilities	1,589	1,589	23,295	23,295
Current liabilities				
Loans and borrowings	27,536	27,536	132,382	132,382
Lease liabilities	-	-	4,319	4,319
Trade and other payables	86,003	86,003	246,364	246,364
Contract liabilities	1,703	1,703	16,497	16,497
Current tax liabilities	-	-	24	24
Total current liabilities	115,242	115,242	399,586	399,586
TOTAL LIABILITIES	116,831	116,831	422,881	422,881
TOTAL EQUITY AND LIABILITIES	160,320	252,303	584,719	658,316

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)
SIAB HOLDINGS BERHAD
3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)
3.1 (Continued)

	Consolidated Statements of Financial Position as at 31 December 2023	Pro Forma I After the Rights Issue with Warrants	Pro Forma II After Pro Forma I and the Acquisition	Pro Forma III After Pro Forma II and the Utilisation of Proceeds	Pro Forma IV After Pro Forma III and assuming Full Exercise of Warrants
Number of ordinary shares assumed to be in issue ('000)	589,634	1,356,158	1,556,158	1,556,158	1,939,421
Net assets ("NA")^ (RM'000)	43,489	135,472	161,472	158,417	235,069
NA per ordinary share (RM)	0.07	0.10	0.10	0.10	0.12
^ attributable to owners of the Company					

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**SIAB HOLDINGS BERHAD****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 Notes to the pro forma consolidated statements of financial position are as follows:

3.2.1 The pro forma consolidated statements of financial position of the Group, for which the directors of Siab are solely responsible, have been prepared for illustrative purposes only, to show the effects on the consolidated audited statements of financial position of the Group as at 31 December 2023, adjusted for the Proposals as described in Note 1.2 and utilisation of proceeds as described in Note 3.2.2 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

3.2.2 The proceeds from the Proposals would be used in the following manner:

	RM'000	%
Cash consideration of the Acquisition	96,000	92.32%
Working capital	3,668	3.53%
Estimated expenses for Proposals	4,315	4.15%
	<u>103,983</u>	<u>100.00%</u>

3.2.3 The pro forma consolidated statements of financial position should be read in conjunction with the notes below:

(a) Pro Forma I

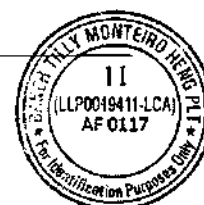
Pro Forma I incorporates the effects of the Rights Issue with Warrants as described in Note 1.2.1.

The Rights Issue with Warrants will have the following impact on the pro forma consolidated statements of financial position of the Group as at 31 December 2023:

	Effects on Total Assets RM'000	Increase Effects on Total Equity RM'000
Cash and short-term deposits	91,983	-
Share capital	-	91,983
	<u>91,983</u>	<u>91,983</u>

(b) Pro Forma II

Pro Forma II incorporates the cumulative effects of Pro Forma I and the effects of the Acquisition as described in Note 1.2.2.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**SLAB HOLDINGS BERHAD****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)****3.2 (Continued)****3.2.3 (Continued)****(b) Pro Forma II (Continued)**

The Acquisition, based on the unaudited consolidated financial statements of Taghill as at 31 December 2023, will have the following impact on the pro forma consolidated financial statements of the Group as at 31 December 2023:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity/ Liabilities RM'000
Property, plant and equipment	20,336	-
Right-of-use assets	14,713	-
Investment properties	703	-
Goodwill *	65,026	-
Trade and other receivables	206,832	-
Contract assets	80,764	-
Current tax assets	1,851	-
Cash and short-term deposits	-	57,809
Share capital	-	26,000
Non-controlling interests	-	366
<u>Non-current liabilities</u>		
Loans and borrowings	-	18,075
Lease liabilities	-	744
Deferred tax liabilities	-	2,887
<u>Current liabilities</u>		
Loans and borrowings	-	104,846
Lease liabilities	-	4,319
Trade and other payables	-	160,361
Contract liabilities	-	14,794
Current tax liabilities	-	24
	390,225	390,225

* In accordance with MFRS 3 *Business Combinations* paragraph 45, the Group is allowed a measurement period of not exceeding one year from the acquisition date for its goodwill computation. In the absence of a purchase price allocation exercise, it is assumed that the excess of the purchase consideration over the fair value of the net identifiable assets acquired is made up entirely of goodwill.

Pro Forma Consolidated Statements of Financial Position



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**SIAB HOLDINGS BERHAD****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)****3.2 (Continued)****3.2.3 (Continued)****(c) Pro Forma III**

Pro Forma III incorporates the cumulative effects of Pro Forma II and the utilisation of proceeds from the Proposals of RM103.98 million after netting off RM4.32 million of estimated expenses.

The remaining proceeds expected from the Proposals of RM99.67 million will be used in the manner as described in Note 3.2.2.

The proceeds arising from the Rights Issue with Warrants earmarked for the working capital of RM3.67 million will be included in the Cash and Short-Term Deposits Account.

As at 31 December 2023, out of the RM4.32 million estimated expenses, RM1.26 million has already been incurred of which RM0.96 million has been charged to the Retained Earnings Account and RM0.30 million has been capitalised under Share Capital Account as these are directly attributable expenses relating to the new issuance of shares.

Out of the remaining estimated expenses to be incurred of RM3.06 million, RM0.20 million will be charged to the Retained Earnings Account and RM2.86 million will be charged to the Share Capital Account as this is directly attributable expenses relating to the issuance of shares for the Proposals.

The utilisation of proceeds will have the following impact on the pro forma consolidated statements of financial position of the Group as at 31 December 2023:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity/ Liabilities RM'000
Share capital	2,859	-
Retained earnings	196	-
Cash and short-term deposits	-	3,055
	<u>3,055</u>	<u>3,055</u>



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)**SIAB HOLDINGS BERHAD****3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)****3.2 (Continued)****3.2.3 (Continued)****(d) Pro Forma IV**

Pro Forma IV incorporates the cumulative effects of Pro Forma III and full exercise of Warrants as described in Note 1.2.1.

Assuming full exercise of Warrants will have the following impact on the pro forma consolidated statements of financial position of the Group as at 31 December 2023:

	Increase	
	Effects on	Effects on
	Total Assets	Total Equity
	RM'000	RM'000
Cash and short-term deposits	76,652	-
Share capital	-	76,652
	<u>76,652</u>	<u>76,652</u>

3.2.4 Movements in share capital and reserves are as follows:

	Share capital	Merger	Retained
	RM'000	reserve	earnings
	RM'000	RM'000	RM'000
Consolidated statements of financial position of the Group as at 31 December 2023	84,036	(35,723)	(4,824)
Arising from the Rights Issue with Warrants	91,983	-	-
As per Pro Forma I	176,019	(35,723)	(4,824)
Arising from the Acquisition	26,000	-	-
As per Pro Forma II	202,019	(35,723)	(4,824)
Arising from the defrayment of estimated expenses for the Proposals	(2,859)	-	(196)
As per Pro Forma III	199,160	(35,723)	(5,020)
Arising from full exercise of Warrants	76,652	-	-
As per Pro Forma IV	<u>275,812</u>	<u>(35,723)</u>	<u>(5,020)</u>

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)
SIAB HOLDINGS BERHAD
3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)
3.2 (Continued)
3.2.5 Movements in cash and short-term deposits are as follows:

	RM'000
Consolidated statements of financial position of the Group as at 31 December 2023	18,894
Arising from the Rights Issue with Warrants	91,983
As per Pro Forma I	110,877
Arising from the Acquisition	(57,809)
As per Pro Forma II	53,068
Arising from the use of proceeds:	
- Estimated expenses for the Proposals	(3,055)
As per Pro Forma III	50,013
Arising from full exercise of Warrants	76,652
As per Pro Forma IV	126,665

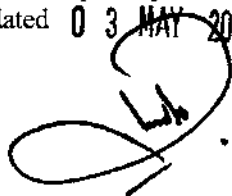


PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

SIAB HOLDINGS BERHAD

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Siab Holdings Berhad in accordance with a resolution dated 03 MAY 2024



.....
Ng Wai Hoe
Director



.....
Lim Mei Hwee
Director

ACCOUNTANT'S REPORT ON TAGHILL

3 May 2024

The Board of Directors
Siab Holdings Berhad
 No.82, Jalan BP 7/8,
 Bandar Bukit Puchong,
 47120 Puchong,
 Selangor Darul Ehsan

Baker Tilly Monteiro Heng PLT
 201906000600 (LLP0019411-LCA)
 Chartered Accountants (AF 0117)
 Baker Tilly Tower
 Level 10, Tower 1, Avenue 5
 Bangsar South City
 59200 Kuala Lumpur, Malaysia

T: +603 2297 1000
 F: +603 2282 9980

info@bakertilly.my
 www.bakertilly.my

Dear Sirs,

Reporting Accountants' opinion on the Consolidated Financial Statements contained in the Accountants' Report of Taghill Projects Sdn. Bhd. ("Taghill" or the "Company")

Opinion

We have audited the accompanying consolidated financial statements of the Company and its subsidiary as defined in Note 2 to the consolidated financial statements (collectively known as the "Group"), which comprise of the consolidated statements of financial position as at 31 December 2020, 31 December 2021 and 31 December 2022, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the financial years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages 6 to 89.

In our opinion, the accompanying consolidated financial statements contained in the Accountants' Report give a true and fair view of the consolidated financial positions of the Group as at 31 December 2020, 31 December 2021 and 31 December 2022, and of its financial performance and cash flows for the financial years then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and Chapter 10 of the *Circular Guidelines - Equity* issued by the Securities Commission 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 *Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)

TAGHILL PROJECTS SDN. BHD.
(Incorporated in Malaysia)

Basis for Opinion (continued)*Independence and Other Ethical Responsibilities*

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors of the Group are responsible for the preparation of the consolidated financial statements contained in the Accountants' Report, so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards. The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of the Group, the directors are responsible for assessing 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 Group or to cease operations, or have no realistic alternative but to do so.

The directors of the Group are responsible for overseeing the Group's financial reporting process.

Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a Reporting Accountants' 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 consolidated financial statements.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)

TAGHILL PROJECTS SDN. BHD.
(Incorporated in Malaysia)

Reporting Accountants' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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 consolidated financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Reporting Accountants' report to the related disclosures in the consolidated financial statements of the Group 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 Reporting Accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements of the Group, including the disclosures, and whether the consolidated financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)



TAGHILL PROJECTS SDN. BHD.
(Incorporated in Malaysia)

Other Matters

This report is made solely to the board of directors of Siab Holdings Berhad for inclusion in the Abridged Prospectus to the shareholders of Siab Holdings Berhad in connection with the rights issue with free warrants and should not be relied upon any other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng PLT
LLP0019411-LCA & AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Paul Tan Hong".

Paul Tan Hong
No. 03459/11/2023 J
Chartered Accountant

Kuala Lumpur

Date: 3 May 2024

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)

TAGHILL PROJECTS SDN. BHD.
Accountants' Report

STATEMENT BY DIRECTORS

We, **WONG YIH MING** and **CHU YEE HONG**, being two of the directors of TAGHILL PROJECTS SDN. BHD., do hereby state that in the opinion of the directors, the accompanying consolidated financial statements are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial positions of the Group as at 31 December 2020, 31 December 2021 and 31 December 2022 and of its financial performance and cash flows for the financial years then ended.

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



.....
WONG YIH MING
Director



.....
CHU YEE HONG
Director

Kuala Lumpur

Date: 03 MAY 2024

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		← As at 31 December →		
	Note	2020 RM'000	2021 RM'000	2022 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	26,283	43,652	37,511
Investment properties	6	2,574	2,532	718
Total non-current assets		28,857	46,184	38,229
Current assets				
Trade and other receivables	7	101,570	129,098	184,967
Current tax assets		-	-	388
Contract assets	8	25,705	68,590	87,071
Cash and short-term deposits	9	12,501	37,676	52,399
		139,776	235,364	324,825
Assets of a disposal group classified as held for sale	10	1,971	-	-
Total current assets		141,747	235,364	324,825
TOTAL ASSETS		170,604	281,548	363,054
EQUITY AND LIABILITIES				
Equity attributable to owners of the Group				
Share capital	11	2,000	2,000	2,000
Retained earnings		41,985	49,326	53,551
		43,985	51,326	55,551
Non-controlling interests		7	119	266
TOTAL EQUITY		43,992	51,445	55,817

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

	Note	← As at 31 December →		
		2020 RM'000	2021 RM'000	2022 RM'000
Non-current liabilities				
Deferred tax liabilities	12	719	1,795	2,887
Loans and borrowings	13	14,020	18,091	16,307
Total non-current liabilities		14,739	19,886	19,194
Current liabilities				
Loans and borrowings	13	37,347	65,215	98,460
Trade and other payables	14	61,176	108,654	162,854
Contract liabilities	8	7,444	32,986	26,697
Current tax liabilities		3,867	3,362	32
		109,834	210,217	288,043
Liabilities of a disposal group classified as held for sale	10	2,039	-	-
Total current liabilities		111,873	210,217	288,043
TOTAL LIABILITIES		126,612	230,103	307,237
TOTAL EQUITY AND LIABILITIES		170,604	281,548	363,054

The accompanying notes form an integral part of these consolidated financial statements.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

		← FYE 31 December →		
	Note	2020 RM '000	2021 RM '000	2022 RM '000
Revenue	15	167,504	225,324	399,704
Cost of sales		(154,299)	(213,010)	(391,543)
Gross profit		13,205	12,314	8,161
Other income	16	576	687	412
Administrative expenses		(1,535)	(1,835)	(3,490)
Operating profit		12,246	11,166	5,083
Finance costs	17	(263)	(558)	(761)
Profit before tax	18	11,983	10,608	4,322
Income tax (expense)/benefit	20	(3,842)	(3,155)	50
Profit for the financial year, representing total comprehensive income for the financial year		8,141	7,453	4,372
Profit attributable to:				
Owners of the Group		8,134	7,342	4,225
Non-controlling interests		7	111	147
		8,141	7,453	4,372
Profit attributable to:				
Owners of the Group		8,134	7,342	4,225
Non-controlling interests		7	111	147
		8,141	7,453	4,372

The accompanying notes form an integral part of these consolidated financial statements.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Note	Attributable to owners of the Group Share capital RM'000	Retained Earnings RM'000	Subtotal RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2020		1,000	33,851	34,851	*	34,851
Profit for the financial year, representing total comprehensive income for the financial year		-	8,134	8,134	7	8,141
Transaction with owners						
Incorporation of a subsidiary		-	-	-	*	*
Issuance of ordinary shares	11	1,000	-	1,000	-	1,000
At 31 December 2020		2,000	41,985	43,985	7	43,992
Profit for the financial year, representing total comprehensive income for the financial year		-	7,342	7,342	111	7,453
Transaction with owners						
Strike off of a subsidiary		-	(1)	(1)	1	-
At 31 December 2021		2,000	49,326	51,326	119	51,445
Profit for the financial year, representing total comprehensive income for the financial year		-	4,225	4,225	147	4,372
At 31 December 2022		2,000	53,551	55,551	266	55,817

* Less than RM1,000

The accompanying notes form an integral part of these consolidated financial statements.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****CONSOLIDATED STATEMENTS OF CASH FLOWS**

		← FYE 31 December →		
	Note	2020 RM '000	2021 RM '000	2022 RM '000
Cash flows from operating activities				
Profit before tax:		11,983	10,608	4,322
Adjustments for:				
Depreciation of property, plant and equipment		7,259	10,430	12,541
Depreciation of investment properties		62	42	26
(Gain)/loss on disposal of property, plant and equipment		(7)	*	(10)
Gain on disposal of investment property		-	-	(136)
Gain on disposal of asset held for sale		-	(256)	-
Remeasurement of leases		(3)	(54)	-
Interest expenses		263	558	761
Interest income		(228)	(123)	(60)
Operating profit before changes in working capital		19,329	21,205	17,444
Changes in working capital:				
Trade and other receivables		39,470	(31,370)	(55,148)
Contract assets		(13,240)	(42,885)	(18,481)
Trade and other payables		(15,063)	42,424	54,304
Contract liabilities		(15,124)	25,542	(6,289)
Net cash generated from/(used in) operations		15,372	14,916	(8,170)
Income tax paid		(2,951)	(2,584)	(2,483)
Real property gain tax paid		-	-	(16)
Real property gain tax refunded		-	-	87
Interest received		228	123	60
Interest paid		-	(315)	(347)
Net cash from/(used in) operating activities		12,649	12,140	(10,869)
Cash flows from investing activities				
Purchase of property, plant and equipment	9	(6,720)	(11,432)	(2,686)
Proceeds from disposal of property, plant and equipment		103	1	29
Proceeds from disposal of investment property		-	-	125
Proceeds from assets held for sale		-	197	-
Change in pledged deposits		(5,180)	(4,469)	(11,321)
Net cash used in investing activities		(11,797)	(15,703)	(13,853)

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

	Note	FYE 31 December		
		2020 RM '000	2021 RM '000	2022 RM '000
Cash flows from financing activities	9			
Proceeds from issuance of ordinary shares		1,000	-	-
Capital contribution from minority interests		*	-	-
Drawdown of term loans		1,985	793	10,667
Repayment of term loans		(585)	(623)	(1,764)
Drawdown of banker's acceptance		2,287	3,182	7,923
Repayment of banker's acceptance		(1,969)	(4,040)	(4,307)
Drawdown of contract financing		63,031	140,970	256,474
Repayment of contract financing		(83,697)	(117,136)	(265,873)
Repayment of lease liabilities		(855)	(6,401)	(7,985)
Net changes in amount owing by/to related parties		2,145	6,379	(458)
Net change in amount owing by/to directors		1,108	610	(530)
Interest paid		(263)	(243)	(414)
Net cash (used in)/ from financing activities		(15,813)	23,491	(6,267)
Net (decrease)/increase in cash and cash equivalents		(14,961)	19,928	(30,990)
Cash and cash equivalents at the beginning of the financial year		13,561	(1,400)	18,528
Cash and cash equivalents at the end of the financial year	9	(1,400)	18,528	(12,462)

* Less than RM1,000

The accompanying notes form an integral part of these consolidated financial statements.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

Taghill Projects Sdn. Bhd. (the "Company") is a private limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business of the Company is located at D-21-0, Kinrara Niaga, Jalan BK 5A/2B, Bandar Kinrara, 47180 Puchong, Selangor Darul Ehsan, Malaysia.

The principal activities of the Company are to undertake the management of building and construction projects. The details of the subsidiaries are as follows:

Subsidiaries	Principal place of business/ country of incorporation	Ownership interest			Principal activities
		2020 %	2021 %	2022 %	
Bimtech Solutions Sdn. Bhd. ("Bimtech Solutions")	Malaysia	60	60	60	Provision of construction technology consultancy and solutions
Techwall Resources Sdn. Bhd. ("Techwall Resources")	Malaysia	51	-	-	Carry on business of civil engineering works including road, drainage, design and build rewall, etc

There have been no significant changes in the nature of these principal activities during the financial years under review.

The consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 3 May 2024.

(a) Strike off of Techwall Resources

The Company had on 8 November 2021 submitted an application to the Companies Commission of Malaysia ("CCM") to strike off its dormant subsidiary, namely Techwall Resources from the register pursuant to Section 550 of the Companies Act 2016 in Malaysia. Techwall Resources has been officially struck off and dissolved following the publication of the notice of strike off pursuant to Section 551(3) of the Companies Act 2016 in Malaysia, dated 8 December 2021 by the CCM.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****1. GENERAL INFORMATION (CONTINUED)****(b) Non-controlling interests in subsidiaries**

The financial information of the Group's subsidiaries that have non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of company	Ownership interest		
	2020 (%)	2021 (%)	2022 (%)
Bimtech Solutions	40	40	40
Techwall Resources	49	-	-

(c) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group that have non-controlling interest are as follows:

	Bimtech Solutions RM '000	Techwall Resources RM '000
Summarised statement of financial position		
As at 31 December 2020		
Assets and liabilities:		
Non-current assets	187	-
Current assets	76	*
Non-current liabilities	(2)	-
Current liabilities	(240)	(3)
Net assets/(liabilities)	21	(3)
Summarised statement of comprehensive income		
FYE 31 December 2020		
Revenue	335	-
Profit/(Loss) for the financial year	21	(3)
Summarised cash flow information		
FYE 31 December 2020		
Assets and liabilities:		
Cash flows from/(used in) operating activities	-	(3)
Cash flows used in investing activities	(186)	-
Cash flows from financing activities	188	3
Net increase in cash and cash equivalents	2	-

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****1. GENERAL INFORMATION (CONTINUED)****(c) Summarised financial information of material non-controlling interests (continued)**

The summarised financial information (before intra-group elimination) of the Group that have non-controlling interest are as follows: (continued)

	Bimtech Solutions RM '000
Summarised statement of financial position	
As at 31 December 2021	
Assets and liabilities:	
Non-current assets	128
Current assets	632
Non-current liabilities	(13)
Current liabilities	(450)
Net assets	<u>297</u>
Summarised statement of comprehensive Income	
FYE 31 December 2021	
Revenue	1,260
Profit for the financial year	<u>275</u>
Summarised cash flow information	
FYE 31 December 2021	
Assets and liabilities:	
Cash flows from operating activities	128
Cash flows from financing activities	74
Net increase in cash and cash equivalents	<u>202</u>

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****1. GENERAL INFORMATION (CONTINUED)****(c) Summarised financial information of material non-controlling interests (continued)**

The summarised financial information (before intra-group elimination) of the Group that have non-controlling interest are as follows: (continued)

	Bimtech Solutions RM '000
Summarised statement of financial position	
As at 31 December 2022	
Assets and liabilities:	
Non-current assets	326
Current assets	1,197
Non-current liabilities	(124)
Current liabilities	(735)
Net assets	<u>664</u>
Summarised statement of comprehensive income	
FYE 31 December 2022	
Revenue	2,588
Profit for the financial year	<u>368</u>
Summarised cash flow information	
FYE 31 December 2022	
Assets and liabilities:	
Cash flows from operating activities	78
Cash flows used in investing activities	(46)
Cash flows used in financing activities	(168)
Net decrease in cash and cash equivalents	<u>(136)</u>

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****2. BASIS OF PREPARATION**

The consolidated financial statements are prepared under the historical cost convention except otherwise indicated in the summary of significant accounting policies.

The accounting policies applied by the Group are consistently applied for all the financial years presented in these consolidated financial statements.

2.1 Statement of compliance

The consolidated financial statements of the Group has been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and the International Financial Reporting Standards ("IFRSs").

2.2 Adoption of amendments/improvements to MFRSs

The adoption of amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group's existing accounting policies.

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

- (a) The Group have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of MFRSs	1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2023 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operation	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2024

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.**

Accountants' Report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)**

- (a) The Group have not adopted the following new MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective: (continued)

		Effective for financial periods beginning on or after
<i>Amendments/improvements to MFRSs (continued)</i>		
MFRS 108	Accounting policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]

[#] Consequential amendments as a result of MFRS 17 Insurance Contracts

- (b) The Group plans to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group are summarised below.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)**

- (b) The Group plans to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group are summarised below. (continued)

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period ; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

In another amendments, an entity is required to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)**

- (b) The Group plans to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group are summarised below. (continued)

Amendments to MFRS 101 Presentation of Financial Statements (continued)

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

- (c) The initial application of the above applicable new MFRS and amendments/improvements to MFRSs are not expected to have any material impact on the prior year and current periods of financial statements.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****2. BASIS OF PREPARATION (CONTINUED)****2.4 Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's functional currency, has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The consolidated financial statements of the Group have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the consolidated financial statements of the Group.

3.1 Basis of combination

The consolidated financial statements comprise the financial statements of Taghill Projects Sdn. Bhd. and Bimtech Solutions Sdn. Bhd.. The financial statements used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the reorganisation scheme to account for business combinations.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****3.1 Basis of combination (continued)****(a) Subsidiaries and business combination (continued)**

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any 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 (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

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

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.1 Basis of combination (continued)****(a) Subsidiaries and business combination (continued)**

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

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 gain or loss 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 associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Transactions eliminated on combination

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

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Financial instruments**

Financial instruments are recognised in the consolidated statement of financial position when, and only when, the Group becomes a party to the contract provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as FVPL. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVPL.

(a) Subsequent measurement

The Group categorises the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at FVPL

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Financial instruments (continued)****(a) Subsequent measurement (continued)****(i) Financial assets (continued)**

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment in accordance with Note 3.8(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income (FVOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.8(a). Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Financial instruments (continued)****(a) Subsequent measurement (continued)****(i) Financial assets (continued)**Debt instruments (continued)

- FVPL**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Upon initial recognition, the Group can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Financial instruments (continued)****(a) Subsequent measurement (continued)****(ii) Financial liabilities**

The Group classifies its financial liabilities in the following measurement categories:

- Financial liabilities at FVPL
- Financial liabilities at amortised cost

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at FVPL are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied. The Group has not designated any financial liability as at FVPL.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) 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 guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Financial instruments (continued)****(c) Regular way purchase or sale of financial assets**

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group commits itself to purchase or sell an asset).

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive cash flows from the financial asset expire; or
- (ii) the Group has transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either
 - (a) the Group has transferred substantially all the risks and rewards of the asset; or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Financial instruments (continued)****(d) Derecognition (continued)**

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the 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 expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.3 Property, plant and equipment**(a) Recognition and measurement**

Land and buildings are measured using the revaluation approach. The revaluation is done on a yearly basis. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are 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 cost of materials, direct labour, and any other direct attributable costs but excludes internal profits.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.3 Property, plant and equipment (continued)****(a) Recognition and measurement (continued)**

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 of property, plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land has unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Computer	5
Office equipment	5
Furniture and fittings	10
Motor vehicles	5
Renovation	10
Signboard	10
Plant and machinery	5
Site equipment	5
Scaffolding and accessories	5
Freehold building	50
Right-of-use assets	2-5

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

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.3 Property, plant and equipment (continued)****(d) Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.4 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment loss.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing cost.

Freehold land has unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the useful lives of the assets as follow:

	Useful lives (years)
Freehold building	50
Office suites	50

An investment property is derecognised on their disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property at fair value to owner-occupied property, the deemed cost from subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.5 Contract assets/(liabilities)**

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group and the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(a).

Contract liability is the obligation to transfer goods or services to customer for which the Group and the Company have received the consideration or has billed the customer.

3.6 Leases**(a) Definition of lease**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the 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;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

Right-of-use asset

The right-of-use asset is initially recognised 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.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.6 Leases (continued)****(b) Lessee accounting (continued)**Right-of-use asset (continued)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use asset is 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. If the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.8(b).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.6 Leases (continued)****(b) Lessee accounting (continued)**Lease liability (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "administrative expenses" in the statements of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.6 Leases (continued)****(c) Lessor accounting**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.6(b), then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a leases receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

3.7 Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash in hand, short-term fixed deposits and bank balance that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value. Cash and cash equivalents are presented net of bank overdrafts.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.8 Impairment of assets****(a) Impairment of financial assets**

Financial assets measured at amortised cost, financial assets measured at FVOCI, lease receivables, a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group measures loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers 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 historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than credit term.

The Group considers a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than credit term unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.8 Impairment of assets (continued)****(a) Impairment of financial assets (continued)**

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument 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 is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI 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 that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.8 Impairment of assets (continued)****(a) Impairment of financial assets (continued)**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or source 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 procedures for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

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 non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. 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 CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.8 Impairment of assets (continued)****(b) Impairment of non-financial assets (continued)**

For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.9 Share capital**Ordinary shares**

Ordinary shares are equity instruments. An equity instrument is a contract that evidence a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.10 Employee benefits**(a) Short-term employee benefits**

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, the Group contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.11 Revenue and other income**

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognition of the Group is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group reasonably expect that the effects on the consolidated financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group measures revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as sales and services tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group uses the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group expects to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Company estimates it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the goods or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group has assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.11 Revenue and other income (continued)**Financing component

The Group has applied the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Construction contracts

The Group constructs properties under long-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the properties is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date against the estimated total construction costs (an input method).

Sales are made with a credit term ranging between 30 to 120 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

(b) Consultancy fees

Revenue from consultancy fees is recognised at a point in time when the service is rendered to the customer, which is when the performance obligation in the contract with the customer is satisfied.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.11 Revenue and other income (continued)****(b) Consultancy fees (continued)**

Sales are made with a credit term ranging between 30 to 120 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the services rendered as the consideration is unconditional other than the passage of time before the payment is due.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

3.12 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

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.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.13 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, it is recognised as deferred income in the statements of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of "other income", on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.13 Government grants (continued)**

The benefit derived from a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.14 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the statement of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.14 Income tax (continued)****(b) Deferred tax (continued)**

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group and the Company are able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.15 Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

3.16 Fair value measurements

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

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value 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 can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

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

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Determination of lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether they are reasonably certain to exercise the option to renew or terminate the lease. The Group considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(b) Depreciation and useful lives of property, plant and equipment

As disclosed in Note 3.3(c), the Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amount of the Group's property, plant and equipment are disclosed in Note 5.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)****(c) Impairment of financial assets and contract assets**

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group uses a provision matrix to calculate expected credit losses for trade receivables and contract assets. The provision rates are depending on the number of days that a trade receivable is past due. The Group uses the grouping according to the customer segments that have similar loss patterns. The criteria include geographical region, product type, customer type and rating, collateral or trade credit insurance.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's financial assets and contract assets are disclosed in Note 21(b).

(d) Measurement of income taxes

Significant judgement is required in determining the Group's estimation for current and deferred taxes. When the final outcome of the tax payable is determined with the tax authorities, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expenses of the Group is disclosed in Note 20.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)****(e) Impairment of non-financial assets**

The Group assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may be irrecoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. The Group uses fair value less cost to sell as the recoverable amount. Fair values are determined at using comparison method and valuation technique method to suit the assets characteristic.

The carrying amounts of the non-financial assets are disclosed in Notes 5 and 6.

(f) Construction revenue and expenses

The Group recognised construction revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date against the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experiences and by relying on the work of specialists.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 8.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.**

Accountants' Report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**5. PROPERTY, PLANT AND EQUIPMENT**

	Note	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Signboard RM'000	Plant and machinery RM'000	Site equipment RM'000	Scaffolding and accessories RM'000	Freehold building RM'000	Freehold land RM'000	Building under construction RM'000	Right-of-use assets RM'000	Total RM'000
Cost															
At 1 January 2020		197	349	144	313	66	20	5,491	1,046	7,774	1,933	967	532	13,926	32,758
Additions		291	59	78	119	40	*	573	668	5,648	-	-	225	8,399	16,100
Disposal/ written off		-	-	-	(128)	-	-	(23)	-	-	-	-	-	(165)	(316)
Transfer to right-of-use asset		-	-	-	(113)	-	-	(1,485)	-	(32)	-	-	-	1,630	-
Transfer from right-of-use asset		-	-	-	-	-	-	1,859	-	-	-	-	-	(1,859)	-
Transfer to investment property		-	-	-	-	-	-	-	-	-	-	-	(757)	-	(757)
At 31 December 2020		488	408	222	191	106	20	6,415	1,714	13,390	1,933	967	-	21,931	47,785

* Less than RM1,000

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.**

Accountants' Report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Note	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Signboard RM'000	Plant and machinery RM'000	Site equipment RM'000	Scaffolding and accessories RM'000	Freehold building RM'000	Freehold land RM'000	Building under construction RM'000	Right-of-use assets RM'000	Total RM'000
Accumulated depreciation															
At 1 January 2020		105	182	57	81	35	6	3,298	496	4,595	155	-	-	5,389	14,399
Depreciation charge for the financial year	18	63	60	19	38	8	2	435	264	2,174	39	-	-	4,137	7,259
Disposals/ written off		-	-	-	(38)	-	-	(17)	-	-	-	-	-	(101)	(156)
Transfer to right-of- use asset		-	-	-	-	-	-	1,487	-	-	-	-	-	(1,487)	-
Transfer from right-of- use asset		-	-	-	(2)	-	-	(64)	-	(7)	-	-	-	73	-
At 31 December 2020		168	242	76	79	43	8	5,139	760	6,762	194	-	-	8,011	21,502
Carrying amount															
At 1 January 2020		92	167	87	232	31	14	2,193	550	3,179	1,778	967	532	8,537	18,359
At 31 December 2020		320	166	146	112	63	12	1,276	934	6,628	1,739	967	-	13,920	26,283

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Note	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Signboard RM'000	Plant and machinery RM'000	Site equipment RM'000	Scaffolding and accessories RM'000	Freehold building RM'000	Freehold land RM'000	Building under construction RM'000	Right-of-use assets RM'000	Total RM'000
Cost															
At 1 January 2021		488	408	222	191	106	20	6,415	1,714	13,390	1,933	967	-	21,931	47,785
Additions		469	24	8	-	13	-	521	881	5,175	-	-	-	20,757	27,848
Disposal/ written off		(2)	(34)	-	-	-	-	-	-	-	-	-	-	(83)	(119)
Transfer from right-of-use asset		-	-	-	-	-	-	2,536	-	5,069	-	-	-	(7,605)	-
At 31 December 2021		955	398	230	191	119	20	9,472	2,595	23,634	1,933	967	-	35,000	75,514
Accumulated depreciation															
At 1 January 2021		168	242	76	79	43	8	5,139	780	6,762	194	-	-	8,011	21,502
Depreciation charge for the financial year	18	126	63	23	38	12	2	1,133	391	3,439	39	-	-	5,164	10,430
Disposals/ written off		(2)	(33)	-	-	-	-	-	-	-	-	-	-	(35)	(70)
Transfer from right-of-use asset		-	-	-	-	-	-	2,195	-	2,345	-	-	-	(4,540)	-
At 31 December 2021		292	272	99	117	55	10	8,467	1,171	12,546	233	-	-	8,600	31,962
Carrying amount															
At 1 January 2021		320	166	146	112	63	12	1,276	934	6,628	1,739	967	-	13,920	26,283
At 31 December 2021		663	126	131	74	64	10	1,005	1,424	11,088	1,700	967	-	26,400	43,652

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.**

Accountants' Report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Note	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Signboard RM'000	Plant and machinery RM'000	Site equipment RM'000	Scaffolding and accessories RM'000	Freehold building RM'000	Freehold land RM'000	Building under construction RM'000	Right-of-use assets RM'000	Total RM'000
Cost															
At 1 January 2022		955	398	230	191	119	20	9,472	2,595	23,634	1,933	967	-	35,000	75,514
Additions		232	24	20	68	-	-	198	771	4,225	-	-	-	935	6,473
Disposal/ written off		-	-	(5)	(10)	-	-	-	(9)	-	-	-	-	-	(24)
Derecognised due to early termination		-	-	-	-	-	-	-	-	-	-	-	-	(145)	(145)
Derecognised due to end of lease term		-	-	-	-	-	-	-	-	-	-	-	-	(86)	(86)
Transfer from/ (to) right-of-use assets		-	-	-	387	-	-	-	-	(2,784)	-	-	-	2,387	-
At 31 December 2022		1,187	422	245	646	119	20	9,670	3,357	25,075	1,933	967	-	38,091	81,732

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.**
Accountants' Report**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	Note	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Signboard RM'000	Plant and machinery RM'000	Site equipment RM'000	Scaffolding and accessories RM'000	Freehold building RM'000	Freehold land RM'000	Building under construction RM'000	Right-of-use assets RM'000	Total RM'000
Accumulated depreciation															
At 1 January 2022		292	272	99	117	55	10	8,467	1,171	12,546	233	-	-	8,600	31,662
Depreciation charge for the financial year	18	191	45	22	28	10	2	351	479	4,119	38	-	-	7,256	12,541
Disposals/ written off		-	-	(1)	(4)	-	-	-	-	-	-	-	-	-	(5)
Derecognised due to early termination		-	-	-	-	-	-	-	-	-	-	-	-	(91)	(91)
Derecognised due to end of lease term		-	-	-	-	-	-	-	-	-	-	-	-	(86)	(86)
Transfer from/ (to) right-of-use assets		-	-	-	315	-	-	-	-	(293)	-	-	-	(22)	-
At 31 December 2022		483	317	120	456	65	12	8,818	1,650	16,372	271	-	-	15,657	44,221
Carrying amount															
At 1 January 2022		663	126	131	74	64	10	1,005	1,424	11,088	1,700	967	-	26,400	43,652
At 31 December 2022		704	105	125	190	54	8	852	1,707	8,703	1,662	967	-	22,434	37,511

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)****(a) Assets pledged as security**

Freehold land and building with a carrying amount of RM2,629,332 (2021: RM2,667,999 and 2020: RM2,706,666) have been pledged as security to secure term loans of the Group as disclosed in Note 13.

Leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 13.

(b) Right-of-use assets

The Group leases several assets including office building, workers quarters, motor vehicles, plant and machineries, and scaffolding and accessories.

Information about leases for which the Group is a lessee is presented below:

	Office equipment RM'000	Workers quarters RM'000	Tenanted land RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Scaffolding and accessories RM'000	Total RM'000
Carrying amount							
At 1 January 2020	-	166	-	208	1,986	6,177	8,537
Additions	86	143	-	-	4,149	4,021	8,399
Depreciation charge for the financial year	(38)	(147)	-	(79)	(1,739)	(2,134)	(4,137)
Derecognition due to end of lease term	-	(64)	-	-	-	-	(64)
Transfer	-	-	-	111	1,049	25	1,185
At 31 December 2020	48	98	-	240	5,445	8,089	13,920
Additions	-	54	-	-	1,260	19,443	20,757
Depreciation charge for the financial year	(43)	(64)	-	(79)	(1,475)	(3,503)	(5,164)
Derecognition due to end of lease term	-	(48)	-	-	-	-	(48)
Transfer	-	-	-	-	(341)	(2,724)	(3,065)
At 31 December 2021	5	40	-	161	4,889	21,305	26,400
Additions	290	30	615	-	-	-	935
Depreciation charge for the financial year	(85)	(16)	(205)	(79)	(1,489)	(5,382)	(7,256)
Derecognition due to end of lease term	-	(54)	-	-	-	-	(54)
Transfer	-	-	-	(82)	-	2,491	2,409
At 31 December 2022	210	-	410	-	3,400	18,414	22,434

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)****(b) Right-of-use assets (continued)**

The Group leases office building, workers quarters and land with lease term of 2 years.

The Group also leases plant and machineries and scaffolding and accessories with lease term of 3 to 5 years.

6. INVESTMENT PROPERTIES

	Note	Freehold land RM'000	Freehold building RM'000	Office suite RM'000	Total RM'000
Cost					
At 1 January 2020		1,337	2,673	-	4,010
Transfer from property, plant and equipment		-	-	757	757
Transfer to asset held for sale		(690)	(1,380)	-	(2,070)
At 31 December 2020		647	1,293	757	2,697
Accumulated depreciation					
At 1 January 2020		-	160	-	160
Depreciation charge for the financial year	18	-	53	9	62
Transfer to asset held for sale		-	(99)	-	(99)
At 31 December 2020		-	114	9	123
Carrying amount					
At 1 January 2020		1,337	2,513	-	3,850
At 31 December 2020		647	1,179	748	2,574

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****6. INVESTMENT PROPERTIES (CONTINUED)**

	Note	Freehold land RM'000	Freehold building RM'000	Office suite RM'000	Total RM'000
Cost					
At 1 January 2021/					
31 December 2021		647	1,293	757	2,697
Accumulated depreciation					
At 1 January 2021		-	114	-	123
Depreciation charge for the financial year	18	-	27	15	42
At 31 December 2021		-	141	15	165
Carrying amount					
At 1 January 2021		647	1,179	757	2,574
At 31 December 2021		647	1,152	742	2,532
	Note	Freehold land RM'000	Freehold building RM'000	Office suite RM'000	Total RM'000
Cost					
At 1 January 2022		647	1,293	757	2,697
Disposal		(647)	(1,293)	-	(1,940)
At 31 December 2022		-	-	757	757
Accumulated depreciation					
At 1 January 2022		-	141	15	165
Depreciation charge for the financial year	18	-	11	15	26
Disposal		-	(152)	-	(152)
At 31 December 2022		-	-	30	39
Carrying amount					
At 1 January 2022		647	1,152	742	2,532
At 31 December 2022		-	-	727	718

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****6. INVESTMENT PROPERTIES (CONTINUED)**

Investment properties with a carrying amount of RM718,278 (2021: RM2,531,655 and 2020: RM2,574,265) has been pledged as security to secure credit facilities of the Group as disclosed in Note 13.

The following are recognised in profit or loss in respect of investment properties:

	← As at 31 December →		
	2020 RM '000	2021 RM '000	2022 RM '000
Rental income	42	54	-
Direct operating expenses:			
- income generating investment properties	*	3	-

* Less than RM1,000

Fair value information

Fair values of investment properties are categorised as follows:

	Level 2 RM '000	Level 3 RM '000	Total RM '000
At 31 December 2020			
Freehold land	833	-	833
Freehold building	1,667	-	1,667
Office suite	-	980	980
At 31 December 2021			
Freehold land	-	833	833
Freehold building	-	1,667	1,667
Office suite	-	700	700
At 31 December 2022			
Office suite	-	700	700

There are no Level 1 and Level 2 investment properties or transfers between Level 1 and Level 2 during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.**
Accountants' Report**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****6. INVESTMENT PROPERTIES (CONTINUED)****Level 3 fair value**

The following table shows a reconciliation of Level 3 fair values:

	2020 RM '000	2021 RM '000	2022 RM '000
At 1 January	-	980	3,200
Transfer from property, plant and equipment	980	-	-
Transfer into Level 3	-	2,500	-
Disposals	-	-	(2,500)
Losses	-	(280)	-
At 31 December	980	3,200	700

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

Description	Valuation Technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Office suite	Sales comparison approach	Price per square feet	The higher the price per square foot, the higher the value

Valuation process applied by the Group

The Group's finance department includes a team that performs valuation analysis of land and buildings required for financial reporting purposes, including Level 3 fair values. The team report directly to the directors.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****7. TRADE AND OTHER RECEIVABLES**

	Note	As at 31 December		
		2020 RM '000	2021 RM '000	2022 RM '000
Trade	(a)			
Trade receivables		58,461	82,427	117,589
Retention sum		27,307	38,296	47,349
		<u>85,768</u>	<u>120,723</u>	<u>164,938</u>
Non-trade				
Other receivables		1,971	1,397	2,065
Deposits		2,511	2,399	4,301
Prepayments		7,361	4,462	12,804
Amount owing by related parties	(b)	3,891	16	646
Amount owing by director	(b)	68	101	213
		<u>15,802</u>	<u>8,375</u>	<u>20,029</u>
Total trade and other receivables		<u>101,570</u>	<u>129,098</u>	<u>184,967</u>

(a) Trade receivables/Retention sum

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 120 days from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

Whereas retention sum is receivables upon the expiry of the defect liability periods of the respective construction contracts. The defect liability period of the construction contracts is between 24 to 30 months.

(b) Amount owing by related parties and directors

Amount owing by related parties and directors are unsecured, non-trade in nature, repayable on demand and is expected to be settled net in cash.

The information about the credit exposures are disclosed in Note 21(b).

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****8. CONTRACT ASSETS/(LIABILITIES)**

	← FYE 31 December →		
	2020 RM'000	2021 RM'000	2022 RM'000
Contract assets relating to construction service contracts	25,705	68,590	87,071
Contract liabilities relating to construction service contracts	(7,444)	(32,986)	(26,697)

(a) Significant changes in contract balances

	← FYE 31 December →					
	2020		2021		2022	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	22,568	-	7,444	-	32,986
Increase due to progress billings, but revenue not recognised	-	(7,444)	-	(32,986)	-	(26,697)
Increases as a result of changes in the measure of progress	25,705	-	68,590	-	87,071	-
Transfers from contract assets recognised at the beginning of the period to receivables	(12,465)	-	(25,705)	-	(68,590)	-

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****8. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)****(b) Revenue recognised in relation to contract balances**

	FYE 31 December		
	2020	2021	2022
	RM'000	RM'000	RM'000
Revenue recognised that was included in contract liabilities at the beginning of the financial year	22,568	7,444	32,986

9. CASH AND SHORT-TERM DEPOSITS

	As at 31 December		
	2020	2021	2022
	RM '000	RM '000	RM '000
Cash and bank balances	4,825	25,531	28,933
Short-term deposits	7,676	12,145	23,466
	12,501	37,676	52,399

- (i) For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise of the following:

	As at 31 December		
	2020	2021	2022
	RM '000	RM '000	RM '000
Short-term deposits	7,676	12,145	23,466
Less: Pledged deposits	(7,676)	(12,145)	(23,466)
	-	-	-
Cash and bank balances	4,825	25,531	28,933
Bank overdraft	(6,225)	(7,003)	(41,395)
	(1,400)	18,528	(12,462)

Included in the deposits placed with licensed banks of the Group, RM23,465,863 (2021: RM12,145,420 and 2020: RM7,675,658) are pledged to licensed banks as securities as disclosed in Note 13.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****9. CASH AND SHORT-TERM DEPOSITS (CONTINUED)**

(ii) Purchase of property, plant and equipment:

	Note	← FYE 31 December →		
		2020 RM '000	2021 RM '000	2022 RM '000
Purchase of property, plant and equipment	5	16,100	27,848	6,473
Financed by way of finance lease arrangements		(8,399)	(14,509)	(3,787)
Financed by way of other payables		(981)	(1,907)	-
Cash payments on purchase of property, plant and equipment		6,720	11,432	2,686

(iii) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1.1.2020 RM'000	Cash flow RM'000	Non-cash RM'000	31.12.2020 RM'000
Terms loans	8,137	1,400	(2,039)	7,498
Liability classified as held for sale	-	-	2,039	2,039
Bankers' acceptance	1,682	318	-	2,000
Contract financing	43,556	(20,666)	-	22,889
Lease liabilities	5,279	(855)	8,331	12,755
Net changes in amount owing (by)/to related parties	(5,238)	2,145	-	(3,093)
Net changes in amount owing (by)/to directors	(842)	1,108	-	267
	52,574	(16,550)	8,331	44,355
	1.1.2021 RM'000	Cash flow RM'000	Non-cash RM'000	31.12.2021 RM'000
Terms loans	7,498	179	-	7,677
Liability classified as held for sale	2,039	(2,039)	-	-
Bankers' acceptance	2,000	(858)	-	1,142
Contract financing	22,889	23,834	-	46,723
Lease liabilities	12,755	(6,401)	14,407	20,761
Net changes in amount owing (by)/to related parties	(3,093)	6,379	-	3,286
Net changes in amount owing to/(by) directors	267	610	-	877
	44,355	21,704	14,407	80,466

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****9. CASH AND SHORT-TERM DEPOSITS (CONTINUED)**

- (iii) Reconciliation of changes in liabilities arising from financing activities are as follows:
(continued)

	1.1.2022 RM'000	Cash flow RM'000	Non-cash RM'000	31.12.2022 RM'000
Terms loans	7,677	7,103	-	14,780
Banker's acceptance	1,142	3,616	-	4,758
Contract financing	46,723	(9,399)	-	37,324
Lease liabilities	20,761	(5,133)	882	16,510
Net changes in amount owing to/(by) related parties	3,286	(458)	(21)	2,807
Net changes in amount owing to/(by) directors	877	(530)	-	347
	<u>80,465</u>	<u>(4,801)</u>	<u>860</u>	<u>76,525</u>

10. ASSETS/(LIABILITIES) OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As at the financial year ended 31 December 2020, the Group classified its investment property and associated term loan as asset and liability of a disposal group classified as held for sale due to a sale and purchase agreement entered on 24 December 2020 by the Company to dispose the said asset for a total consideration of RM2,850,000. The sale of the said investment property was completed in April 2021.

The assets/liabilities classified as held for sale on the Group's statements of financial position as at 31 December 2020 are as follows:

Assets of a disposal group classified as held for sale

	FYE 31 December		
	2020 RM'000	2021 RM'000	2022 RM'000
Investment property	<u>1,971</u>	<u>-</u>	<u>-</u>

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****10. ASSETS/(LIABILITIES) OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)**Liabilities of a disposal group classified as held for sale

	FYE 31 December		
	2020	2021	2022
	RM'000	RM'000	RM'000
Term loan	2,039	-	-

The investment property classified as held for sale have been pledged as security to secure term loan facility of the company.

11. SHARE CAPITAL

	Number of ordinary shares			Amount		
	2020	2021	2022	2020	2021	2022
	Unit	Unit	Unit	RM'000	RM'000	RM'000
Issued and fully paid-up:						
At 1 January	1,000	2,000	2,000	1,000	2,000	2,000
Issued during the financial year	1,000	-	-	1,000	-	-
At 31 December	2,000	2,000	2,000	2,000	2,000	2,000

On 6 June 2020, the Company issued 1,000,000 new ordinary shares at a price of RM1 per ordinary share for working capital purposes.

The new existing ordinary shares issued during the financial years rank pari passu in all respects with the existing ordinary shares of the Company.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.**

Accountants' Report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**12. DEFERRED TAX LIABILITIES**

	At 1 January 2020	Recognised in profit or loss (Note 20)	At 31 December 2020	Recognised in profit or loss (Note 20)	At 31 December 2021	Recognised in profit or loss (Note 20)	At 31 December 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities:							
Property, plant and equipment	372	(1,092)	(719)	(1,076)	(1,795)	(1,092)	(2,887)

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****13. LOANS AND BORROWINGS**

	Note	As at 31 December		
		2020 RM '000	2021 RM '000	2022 RM '000
Non-current:				
Term loans	(a)	6,833	7,042	11,985
Lease liabilities	(b)	7,187	11,049	4,322
		<u>14,020</u>	<u>18,091</u>	<u>16,307</u>
Current:				
Term loans	(a)	665	635	2,795
Lease liabilities	(b)	5,568	9,712	12,188
Bankers' acceptance	(c)	2,000	1,142	4,758
Contract financing	(d)	22,889	46,723	37,324
Bank overdraft	(e)	6,225	7,003	41,395
		<u>37,347</u>	<u>65,215</u>	<u>98,460</u>
Total loans and borrowings:				
Term loans	(a)	7,498	7,677	14,780
Lease liabilities	(b)	12,755	20,761	16,510
Bankers' acceptance	(c)	2,000	1,142	4,758
Contract financing	(d)	22,889	46,723	37,324
Bank overdraft	(e)	6,225	7,003	41,395
		<u>51,367</u>	<u>83,306</u>	<u>114,767</u>

(a) Term loans

Term loan 1 of the Group of RM2,170,040 (2021: RM2,203,334 and 2020: RM2,222,657) bears interest at Base Lending Rate ("BLR") minus 2.2% per annum and is repayable by monthly instalments of RM14,220 (2021: RM15,662) over 20 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Facilities agreement;
- (ii) First party open charge;
- (iii) Joint and severally guaranteed by the directors of the Company; and
- (iv) Legal charge over an office building of the Group.

Term loan 2 of the Group of RM Nil (2021: RM1,820,256 and 2020: RM1,822,699) bears interest at BLR minus 1.80% per annum and is repayable by monthly instalments of RM12,746 over 20 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Facilities agreement;
- (ii) First party open charge;
- (iii) Joint and severally guaranteed by the directors of the Company; and
- (iv) Legal charge over an investment property of the Group.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****13. LOANS AND BORROWINGS (CONTINUED)****(a) Term loans (continued)**

Term loan 3 of the Group of RM888,465 (2021: RM918,528 and 2020: RM913,551) bears interest at BLR minus 2.10% per annum and is repayable by monthly instalments of RM5,013 over 25 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Facilities agreement;
- (ii) First party open charge;
- (iii) Joint and severally guaranteed by the directors of the Company; and
- (iv) Legal charge over an investment property of the Group.

Term loan 4 of the Group of RM851,982 (2021: RM912,075 and 2020: RM952,645) bears interest at Base Financing Rate ("BFR") minus 1.00% per annum and is repayable by monthly instalments of RM10,393 over 10 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Facilities agreement;
- (ii) First party open charge; and
- (iii) Joint and severally guaranteed by the directors of the Company.

Term loan 5 of the Group of RM747,520 (2021: RM835,677 and 2020: RM426,360) bears interest at BLR plus 0.50% per annum and is repayable by monthly instalments of RM14,783 over 7 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Facilities agreement;
- (ii) First party open charge over short-term deposits of the Group;
- (iii) Joint and severally guaranteed by the directors of the Company; and
- (iv) Legal assignment over proceeds under contract between borrower and bank.

Term loan 6 of the Group of RM630,192 (2021: RM826,400 and 2020: RM1,000,000) bears interest at 3.5% per annum and is repayable by monthly instalments of RM18,500 over 5 years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Guaranteed by Credit Guarantee Corporation Malaysia; and
- (ii) Joint and severally guaranteed by the directors of the Company.

Term loan 7 of the Group of RM135,663 (2021: RM150,477 and 2020: RM160,173) bears interest at BFR minus 1% per annum and is repayable by monthly instalments of RM2,097.93 over 119 months commencing from the day of first drawdown and is secured and supported as follows:

- (i) Assignment of Takaful Policy; and
- (ii) Joint and severally guaranteed by the directors of the Company.

Term loan 8 of the Group of RM8,870,448 (2021 and 2020: NIL) bears interest at Effective Cost of Funds ("ECOF") plus 1.5% per annum and is repayable by monthly instalments of RM166,670 over 60 months commencing from the day of first drawdown and is secured and supported as follows:

- (i) Guaranteed by SJPP under the Danajamin PRIHATIN Guarantee Scheme; and
- (ii) Joint and severally guaranteed by the directors of the Company.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****13. LOANS AND BORROWINGS (CONTINUED)****(a) Term loans (continued)**

Term loan 9 of the Group of RM485,980 (2021 and 2020: NIL) bears interest at BFR per annum and is repayable by monthly instalments of RM9,632 over 60 months commencing from the day of first drawdown and is secured and supported as follows:

- (i) Assignment of Life Takaful Policy; and
- (ii) Joint and severally guaranteed by the directors of the Company.

(b) Lease liabilities

Future minimum lease payments under lease liabilities together with the present value of net minimum lease payments are as follows:

	← As at 31 December →		
	2020 RM '000	2021 RM '000	2022 RM '000
Minimum lease payment:			
- Not later than one year	6,221	10,727	12,227
- Later than one year and not later than five years	7,600	11,589	5,198
	13,820	22,315	17,425
Less: Future finance charges	(1,065)	(1,553)	(915)
Present value of minimum lease payments	12,755	20,761	16,510
Present value of minimum lease payment payable:			
- Not later than one year	5,568	9,712	12,188
- Later than one year and not later than five years	7,187	11,049	4,322
	12,755	20,761	16,510
Less: Amount due within twelve months	(5,568)	(9,712)	(12,188)
Amount due after twelve months	7,187	11,049	4,322

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****13. LOANS AND BORROWINGS (CONTINUED)****(c) Bankers' acceptance**

Bankers' acceptance bears interest from 3.85% to 5.44% (2021: 3.83% to 3.84% and 2020: 3.85% to 3.94%) and are secured and supported as follows:

- (i) Facilities agreement;
- (ii) Joint and severally guaranteed by the directors of the Company;
- (iii) Legal charge over an office building of the Group; and
- (iv) Legal charge over short-term deposits of the Group.

(d) Contract financing

Banker's acceptance bears interest from 6.51% to 7.51% (2021: 6.01% to 7.01% and 2020: 6.01% to 7.60%) and are secured and supported as follows:

- (i) Facilities agreement;
- (ii) First party charge over fixed deposit, receivables, Designated Collection Accounts, Sinking Fund Accounts;
- (iii) Joint and severally guaranteed by the directors of the Company;
- (iv) Legal charge over construction project of the Group;
- (v) Deed of assignment over contract proceeds between the Borrower and the Bank; and
- (vi) Corporate guarantee from a related party.

(e) Bank overdrafts

Bank overdrafts of the Group bears interest of base lending rate ("BLR") plus 1.00% to 1.50% per annum and is secured and supported as follows:

- (i) Facilities agreement;
- (ii) First party charge over short-term deposit, receivables, Designated Collection Accounts, Sinking Fund Accounts;
- (iii) First party pledge fixed deposit;
- (iv) Joint and severally guaranteed by the directors of the Company;
- (v) Legal charge over property of the Group;
- (vi) Deduction of 2% from sinking fund of each contract proceeds received and placed in first party short-term deposits; and
- (vii) Legal charge over an office building of the Group.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****14. TRADE AND OTHER PAYABLES (CONTINUED)**

	Note	← As at 31 December →		
		2020 RM '000	2021 RM '000	2022 RM '000
Trade				
Trade payables	(a)			
- Third parties		42,576	69,805	103,451
- Related parties		1,916	6,614	17,499
Retention sum	(b)			
- Third parties		7,243	12,069	22,422
- Related parties		633	116	1,409
		<u>52,368</u>	<u>88,604</u>	<u>144,781</u>
Non-trade				
Other payables		1,508	9,621	13,064
Accruals		6,167	6,149	996
Amount owing to directors	(c)	335	978	560
Amount owing to related parties	(c)	798	3,302	3,453
		<u>8,808</u>	<u>20,050</u>	<u>18,073</u>
Total trade and other payables		<u>61,176</u>	<u>108,654</u>	<u>162,854</u>

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranges from 30 to 120 days.

(b) Retention sums

Retention sums are payable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability period of the construction contracts is between 24 to 30 months.

(c) Amount owing to directors and related parties

Amount owing to directors and related parties are unsecured, non-trade in nature, repayable on demand and is expected to be settled in cash.

Amount owing to directors and related parties are non-interest bearing, other than the amount owing to a related party of NIL (2021: RM2,000,000 and 2020: NIL) bearing interest rate of NIL (2021: 4% and 2020: NIL).

For explanation on the Group's liquidity risk management processes, refer to Note 21(b)(ii).

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****15. REVENUE**

	← FYE 31 December →		
	2020 RM '000	2021 RM '000	2022 RM '000
Revenue from contract customers:			
Consultancy fees	389	1,122	2,367
Construction services	167,115	224,202	397,337
	<u>167,504</u>	<u>225,324</u>	<u>399,704</u>
Timing of revenue recognition:			
At a point in time	389	1,122	2,367
Over time	167,115	224,202	397,337
	<u>167,504</u>	<u>225,324</u>	<u>399,704</u>

16. OTHER INCOME

	← FYE 31 December →		
	2020 RM '000	2021 RM '000	2022 RM '000
Rental income	60	86	53
Interest income	228	123	60
Non-contract income	125	66	140
Gain on disposal of property, plant and equipment	7	-	10
Gain on disposal of assets held for sale	-	256	-
Gain on disposal of investment property	-	-	136
Wage subsidy	156	156	13
	<u>576</u>	<u>687</u>	<u>412</u>

17. FINANCE COSTS

	← FYE 31 December →		
	2020 RM '000	2021 RM '000	2022 RM '000
Interest expense on:			
- Term loans	259	241	335
- Lease liabilities	4	2	80
- Bank overdrafts	-	315	346
	<u>263</u>	<u>558</u>	<u>761</u>

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****18. PROFIT BEFORE TAX**

Other than as disclosed elsewhere in the consolidated financial statements, the following items have been charged in arriving at profit before tax:

		FYE 31 December		
	Note	2020 RM '000	2021 RM '000	2022 RM '000
Auditors' remuneration				
- Current year		64	71	88
Loss on disposal of property, plant and equipment		-	*	-
Depreciation of property, plant and equipment	5	7,259	10,430	12,541
Depreciation of investment properties	6	62	42	26
Expenses relating to short- term lease		4,869	7,313	7,214
Net realised foreign exchange loss		-	-	*
Employee benefits expense	19	15,166	19,271	22,554

* Less than RM1,000

19. EMPLOYEE BENEFITS EXPENSE

	FYE 31 December		
	2020 RM '000	2021 RM '000	2022 RM '000
Salaries, wages, allowances and bonuses	14,276	18,046	20,996
Defined contribution plans	824	1,129	1,426
Other staff related benefits	66	96	132
	15,166	19,271	22,554

Included in employee benefits expense are:

Directors' remuneration			
- Director fee	50	60	25
- Salaries, allowances and bonuses	1,560	1,890	2,943
- Defined contribution plans	187	227	353
- Other staff related benefits	3	3	4
	1,800	2,180	3,325

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****20. INCOME TAX EXPENSE**

The major components of income tax expense for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 are as follows:

	FYE 31 December		
	2020	2021	2022
	RM '000	RM '000	RM '000
Consolidated statements of comprehensive income			
Current income tax:			
- Current income tax charge	2,750	1,995	983
- Adjustment in respect of prior years	-	-	(2,218)
- Real property gain tax	-	84	93
	<u>2,750</u>	<u>2,079</u>	<u>(1,142)</u>
Deferred tax (Note 12):			
- Origination of temporary difference	808	1,193	594
- Adjustment in respect of prior years	284	(117)	498
	<u>1,092</u>	<u>1,076</u>	<u>1,092</u>
Income tax expense/(benefit) recognised in profit or loss	<u>3,842</u>	<u>3,155</u>	<u>(50)</u>

The income tax rate applicable to small and medium scale enterprise ("SME") incorporated in Malaysia with paid-up capital of RM2,500,000 and below is subject to the statutory tax rate of 17% on chargeable income up to RM600,000. For chargeable income in excess of RM600,000, statutory rate of 24% is still applicable.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****20. INCOME TAX EXPENSE (CONTINUED)**

The reconciliations from the tax amount at the statutory income tax rate to the Group's tax expense are as follows:

	← FYE 31 December →		
	2020 RM '000	2021 RM '000	2022 RM '000
Profit before tax	11,983	10,608	4,322
Tax at Malaysian statutory income tax rate of 24%	2,876	2,546	1,037
SME tax savings	(42)	(64)	(74)
Adjustments:			
Non-deductible expenses	722	706	614
Utilisation of unrecognised deferred tax asset	-	(2)	-
Deferred tax not recognised	2	-	-
Adjustment in respect of current income tax of prior years	-	-	(2,218)
Adjustment in respect deferred tax of prior years	284	(115)	498
Real property gain tax	-	84	93
Income tax expense/ (benefits)	3,842	3,155	(50)

Unrecognised deferred tax assets

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

	← FYE 31 December →		
	2020 RM'000	2021 RM'000	2022 RM'000
Temporary differences arising from property, plant and equipment	(67)	-	-
Unabsorbed capital allowance	76	-	-
	9	-	-

The availability of unused tax losses for offsetting against future taxable profits in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of the above items as there is no probable future taxable profits will be available against which the unused tax losses can be utilised.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.**

Accountants' Report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**20. INCOME TAX EXPENSE (CONTINUED)**Unrecognised deferred tax assets (continued)

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendment to Section 44(5F) of Income Tax Act 1967, the time limit on the carried forward unused tax losses has been extended to maximum 10 consecutive years. This amendment is deemed to have effect for the year of assessment 2019 and subsequent year of assessment.

Any unused tax losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

21. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

The following table analyses the financial instruments in the consolidated statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM '000	Amortised cost RM '000
At 31 December 2020		
Financial assets		
Trade and other receivables,		
less prepayments	94,209	94,209
Cash and short-term deposits	12,501	12,501
	<u>106,710</u>	<u>106,710</u>
Financial liabilities		
Loans and borrowings	(51,367)	(51,367)
Trade and other payables	(61,176)	(61,176)
	<u>(112,543)</u>	<u>(112,543)</u>
At 31 December 2021		
Financial assets		
Trade and other receivables,		
less prepayments	124,636	124,636
Cash and short-term deposits	37,676	37,676
	<u>162,312</u>	<u>162,312</u>
Financial liabilities		
Loans and borrowings	(83,306)	(83,306)
Trade and other payables	(108,654)	(108,654)
	<u>(191,960)</u>	<u>(191,960)</u>

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****21. FINANCIAL INSTRUMENTS (CONTINUED)****(a) Categories of financial instruments (continued)**

	Carrying amount RM '000	Amortised cost RM '000
At 31 December 2022		
Financial assets		
Trade and other receivables, less prepayments	172,163	172,163
Cash and short-term deposits	52,399	52,399
	<u>224,562</u>	<u>224,562</u>
Financial liabilities		
Loans and borrowings	(114,767)	(114,767)
Trade and other payables	(162,854)	(162,854)
	<u>(277,621)</u>	<u>(277,621)</u>

(b) Financial risk management

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****21. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management****(i) Credit risk (continued)****Trade receivables and contract assets**

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

The carrying amounts of trade and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group has no significant concentration of credit risk from its receivables.

The Group applies the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix are as follows:

	Contract assets RM'000	Retention sum RM'000	Current RM'000	Trade receivables					Total RM'000
				1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	> 120 days	
				past due RM'000	past due RM'000	past due RM'000	past due RM'000	past due RM'000	
At 31 December 2020									
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	25,705	27,307	27,985	14,358	5,728	7,534	496	2,363	58,464
Impairment losses	-	-	-	-	-	-	-	-	-

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****21. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Trade receivables (continued)****Credit risk concentration profile (continued)**

	Contract assets	Retention sum	Trade receivables					Total
			Current	1 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	
				past due	past due	past due	past due	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2021								
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	68,590	38,296	39,374	16,529	10,955	3,864	1,135	10,770
Impairment losses	-	-	-	-	-	-	-	-
At 31 December 2022								
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	87,071	47,349	81,587	16,338	10,021	1,160	316	8,167
Impairment losses	-	-	-	-	-	-	-	-

Other receivables and other financial assets

For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the consolidated statements of financial position.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****21. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Other receivables and other financial assets (continued)**

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- * internal credit rating
- * external credit rating (as far as available)
- * actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- * actual or expected significant changes in the operating results of the borrower
- * significant increases in credit risk on other financial instruments of the same borrower
- * significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- * significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 120 days past due in making a contractual payment.

Some intercompany loans between related entities are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.8(a) for the Group's other accounting policies for impairment of financial assets.

As at the end of the reporting date, the Group did not recognise any loss allowance for impairment for other receivables and other financial assets.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****21. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Financial guarantee contracts**

The Group is exposed to credit risk in relation to financial guarantees given to banks in respect of a loan granted to a related party. The Group monitors the result of the related party and their repayment on an on-going basis. The maximum exposure to credit risk amounting to RM15,477,102 (2021 and 2020: RM5,227,102) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 21(b)(ii). At the reporting date, there was no loss allowance for impairment as determined by the Group for the financial guarantee.

The financial guarantee has not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to related party's secured borrowing.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arises principally from trade and other payables and loans and borrowings.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's treasury department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****21. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(ii) Liquidity risk (continued)****Maturity analysis**

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows				
	Carrying amount RM '000	On demand or within one year RM '000	Between one and five years RM '000	More than five years RM '000	Total RM '000	
At 31 December 2020						
Trade and other payables	61,176	61,176	-	-	61,176	
Term loans	7,498	933	3,276	5,359	9,568	
Lease liabilities	12,755	6,221	7,600	-	13,821	
Bankers' acceptance	2,000	2,000	-	-	2,000	
Contract financing	22,889	22,889	-	-	22,889	
Bank overdraft	6,225	6,225	-	-	6,225	
Financial guarantee contract	-	5,227	-	-	5,227	
	112,543	104,671	10,876	5,359	120,906	
At 31 December 2021						
Trade and other payables	108,654	108,654	-	-	108,654	
Term loans	7,677	933	2,887	5,254	9,074	
Lease liabilities	20,761	10,727	11,589	-	22,316	
Bankers' acceptance	1,142	1,142	-	-	1,142	
Contract financing	46,723	46,723	-	-	46,723	
Bank overdraft	7,003	7,003	-	-	7,003	
Financial guarantee contract	-	5,227	-	-	5,227	
	191,960	180,409	14,476	5,254	200,139	
At 31 December 2022						
Trade and other payables	162,854	162,854	-	-	162,854	
Term loans	14,780	3,302	10,542	3,860	17,704	
Lease liabilities	16,510	12,227	5,198	-	17,425	
Bankers' acceptance	4,758	4,758	-	-	4,758	
Contract financing	37,324	37,324	-	-	37,324	
Bank overdraft	41,395	41,395	-	-	41,395	
Financial guarantee contract	-	15,477	-	-	15,477	
	277,621	277,337	15,740	3,860	296,937	

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****21. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iii) Interest rate risk**

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their long-term and short-term loans and borrowings with floating interest rates. The Group's policy is to obtain the most favorable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial years.

	Carrying amount RM '000	Change in basis point	Effect on profit for the financial year/equity RM '000
31 December 2020			
Term loans	7,498	+ 50	28
		- 50	(28)
Bankers' acceptance	2,000	+ 50	8
		- 50	(8)
Contract financing	22,889	+ 50	87
		- 50	(87)
Bank overdraft	6,225	+ 50	24
		- 50	(24)
31 December 2021			
Term loans	7,677	+ 50	29
		- 50	(29)
Bankers' acceptance	1,142	+ 50	4
		- 50	(4)
Contract financing	46,723	+ 50	178
		- 50	(178)
Bank overdraft	7,003	+ 50	27
		- 50	(27)

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****21. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iii) Interest rate risk (continued)**Sensitivity analysis for interest rate risk (continued)

	Carrying amount RM '000	Change in basis point	Effect on profit for the financial year/equity RM '000
31 December 2022			
Term loans	14,780	+ 50	56
		- 50	(56)
Bankers' acceptance	4,758	+ 50	18
		- 50	(18)
Contract financing	37,324	+ 50	142
		- 50	(142)
Bank overdraft	41,395	+ 50	157
		- 50	(157)

(c) Fair value measurement

The carrying amount 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.

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years.

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Fair value of financial instruments not carried at fair value			
	Fair value			
	Level 1	Level 2	Level 3	Total
Carrying amount RM '000	RM '000	RM '000	RM '000	RM '000
At 31 December 2020				
Financial liabilities				
Term loans	6,833	-	5,728	5,728
At 31 December 2021				
Financial liabilities				
Term loans	7,042	-	5,076	5,076

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****21. FINANCIAL INSTRUMENTS (CONTINUED)****(c) Fair value measurement**

	Carrying amount RM '000	Fair value of financial instruments not carried at fair value			
		Fair value			Total RM '000
		Level 1 RM '000	Level 2 RM '000	Level 3 RM '000	
At 31 December 2022					
Financial liabilities					
Term loans	11,985	-	-	10,521	10,521

Level 3 fair valueFair value of financial instruments not carried at fair value

The fair value of liability component of term loans are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

22. RELATED PARTIES**(a) Identification of related parties**

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Entities which directors have substantial financial interest; and
- (ii) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly and indirectly.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****22. RELATED PARTIES (CONTINUED)****(b) Significant related party transactions**

Significant related party transactions other than disclosed elsewhere in the financial statements are as follow:

	FYE 31 December		
	2020	2021	2022
	RM'000	RM'000	RM'000
Sale of goods to			
-Entity in which directors have substantial financial interests	1	-	-
Purchase of material from			
-Entity in which directors have substantial financial interests	5,334	9,844	29,020
Purchase of property, plant and equipment			
-Entity in which directors have substantial financial interests	27	-	-
Interest income received from			
-Entity in which directors have substantial financial interests	19	-	-
Rental income received from			
-Entity in which directors have substantial financial interests	18	18	18
Non-construction services income			
-Entity in which directors have substantial financial interests	347	-	-
Payment on behalf of			
-Entity in which directors have substantial financial interests	412	15	305

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.**

Accountants' Report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**22. RELATED PARTIES (CONTINUED)****(c) Compensation of key management personnel**

	← FYE 31 December →		
	2020	2021	2022
	RM '000	RM '000	RM '000
Directors' fees	50	60	25
Salaries, allowances and bonuses	1,560	1,890	2,943
Defined contribution plans	187	227	353
Other staff related benefits	3	3	4
	<u>1,800</u>	<u>2,180</u>	<u>3,325</u>

23. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies and processes during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

The Group monitors capital using net gearing ratio. The net gearing ratio is calculated as net debts divided by total equity attributable to the owners of the Group. The net gearing ratio as at 31 December 2020, 31 December 2021 and 31 December 2022 are as follows:

		← FYE 31 December →		
	Note	2020	2021	2022
		RM '000	RM '000	RM '000
Loans and borrowings/net debts	13	<u>51,367</u>	<u>83,306</u>	<u>114,767</u>
Total equity		<u>43,992</u>	<u>51,445</u>	<u>55,817</u>
Gearing ratio (times)		<u>1.17</u>	<u>1.62</u>	<u>2.06</u>

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

The Group is not subject to externally imposed capital requirements.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****24. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS****(a) Coronavirus Disease ("COVID-19") pandemic**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. Many countries including the Malaysian Government imposed the Movement Control Order ("MCO") to curb the spread of the COVID-19 pandemic. The COVID-19 pandemic also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 pandemic since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

The Group has performed assessments on the overall impact of the situation on the Group's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the consolidated financial statements for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

(b) Purchase of agriculture land

On 4 November 2022, the Group has entered into a sale and purchase agreement to acquire an agriculture leasehold vacant land for a total consideration of RM3,330,000. The acquisition has not been completed as at the end of the financial year.

25. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	Product and services
Construction contracts	Management of buildings and construction projects
Consultancy services	Providing construction technology consultancy and solutions

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as the Group's Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****25. SEGMENT INFORMATION (CONTINUED)**Segment assets and liabilities

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

	Note	Construction contracts RM '000	Consultancy services RM '000	Adjustments and eliminations RM '000	Total RM '000
31 December 2020					
Revenue:					
Revenue from external customers		167,115	389	-	167,504
Inter-segment revenue	A	-	240	(240)	-
		<u>167,115</u>	<u>629</u>	<u>(240)</u>	<u>167,504</u>
Segment profit		13,095	110	-	13,205
Other income					576
Unallocated expenses					(1,535)
Finance costs					(263)
Income tax expense					(3,842)
Profit for the financial year					<u>8,141</u>
Results:					
<i>Included in the measure of segments profit are:</i>					
Employee benefits expense					15,166
Depreciation of property, plant and equipment					7,259
Depreciation of investment properties					<u>62</u>

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****25. SEGMENT INFORMATION (CONTINUED)**

	Note	Construction contracts RM '000	Consultancy services RM '000	Adjustments and eliminations RM '000	Total RM '000
31 December 2021					
Revenue:					
Revenue from external customers		224,202	1,122	-	225,324
Inter-segment revenue	A	-	141	(141)	-
		<u>224,202</u>	<u>1,263</u>	<u>(141)</u>	<u>225,324</u>
Segment profit		11,644	670	-	12,314
Other income					687
Unallocated expenses					(1,835)
Finance costs					(558)
Income tax expense					(3,155)
Profit for the financial year					<u>7,453</u>
Results:					
<i>Included in the measure of segments profit are:</i>					
Employee benefits expense					19,271
Depreciation of property, plant and equipment					10,430
Depreciation of investment properties					<u>42</u>

ACCOUNTANT'S REPORT ON TAGHILL (Cont'd)**TAGHILL PROJECTS SDN. BHD.****Accountants' Report****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****25. SEGMENT INFORMATION (CONTINUED)**

	Note	Construction contracts RM '000	Consultancy services RM '000	Adjustments and eliminations RM '000	Total RM '000
31 December 2022					
Revenue:					
Revenue from external customers		397,337	2,367	-	399,704
Inter-segment revenue	A	-	221	(221)	-
		<u>397,337</u>	<u>2,588</u>	<u>(221)</u>	<u>399,704</u>
Segment profit		6,999	1,162	-	8,161
Other income					412
Unallocated expenses					(3,490)
Finance costs					(761)
Income tax expense					50
Profit for the financial year					<u>4,372</u>
Results:					
<i>Included in the measure of segments profit are:</i>					
Employee benefits expense					22,554
Depreciation of property, plant and equipment					12,541
Depreciation of investment properties					<u>26</u>

A. Inter-segment revenue

Inter-segment revenue is eliminated on consolidation.

Geographical information

The Group operates solely in Malaysia, hence no geographical segment is presented.

NOTICE OF PROVISIONAL ALLOTMENT

TERMS DEFINED IN THE ABRIDGED PROSPECTUS DATED 23 MAY 2024 ("ABRIDGED PROSPECTUS") ISSUED BY SIAB HOLDINGS BERHAD ("SIAB" OR THE "COMPANY") SHALL HAVE THE SAME MEANING WHEN USED IN THIS NOTICE OF PROVISIONAL ALLOTMENT ("NPA"), UNLESS STATED OTHERWISE. THE PROVISIONAL ALLOTMENTS AS CONTAINED IN THIS NPA ARE PRESCRIBED SECURITIES PURSUANT TO SECTION 14(5) OF SICDA AS AMENDED FROM TIME TO TIME AND THEREFORE, ALL DEALINGS IN THE PROVISIONAL ALLOTMENTS WILL BE GOVERNED BY SICDA AND THE RULES OF BURSA DEPOSITORY.



SIAB HOLDINGS BERHAD
Registration No. 202001043548 (1399869-A)
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF 766,524,307 NEW ORDINARY SHARES IN SIAB HOLDINGS BERHAD ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.1200 PER RIGHTS SHARE TOGETHER WITH 383,262,153 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 13 RIGHTS SHARES FOR EVERY 10 EXISTING ORDINARY SHARES IN SIAB HOLDINGS BERHAD HELD AS AT 5.00 P.M. ON THURSDAY, 23 MAY 2024 TOGETHER WITH 1 WARRANT FOR EVERY 2 RIGHTS SHARES SUBSCRIBED ("RIGHTS ISSUE WITH WARRANTS")

*Principal Adviser, Managing Underwriter
and Joint Underwriter*



M & A SECURITIES SDN BHD
Registration No. 197301001503 (15017-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriter



NEWPARADIGM SECURITIES SDN BHD
(formerly known as PM Securities Sdn Bhd)
Registration No. 198101000194 (66299-A)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Financial Adviser



ECO ASIA CAPITAL ADVISORY SDN BHD
Registration No. 201801022562 (1284581-H)

To: The Entitled Shareholders of Siab

Dear Sir / Madam,

The Board has provisionally allotted to you, in accordance with the approval of Bursa Securities via its letter dated 27 October 2023 and by the shareholders of the Company at the EGM held on 1 December 2023, the number of Rights Shares with Warrants as indicated below.

We wish to advise you that the following number of Provisional Allotments in respect of the Rights Issue with Warrants have been confirmed by Bursa Depository and upon acceptance will be credited into your CDS Account(s) subject to the terms and conditions stated in the Abridged Prospectus and the Rights Subscription Form ("RSF") issued by the Company.

The Provisional Allotments are made subject to the terms and conditions in the Abridged Prospectus. Bursa Securities has prescribed the securities of Siab listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Allotments are prescribed securities and as such, all dealings in the Provisional Allotments will be by book entry through CDS Accounts and will be governed by SICDA and the Rules of Bursa Depository.

ALL RIGHTS SHARES AND WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES AND WARRANTS INTO THE CDS ACCOUNTS OF ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEES/TRANSFEREES (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATE OR WARRANT CERTIFICATE WILL BE ISSUED.

It is the intention of our Board to allot the Excess Rights Shares with Warrants in the following priority, in the event that the Rights Issue with Warrants are oversubscribed:

- firstly, to minimise the incidence of odd lots;
- secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as per their CDS accounts as at the Entitlement Date;
- thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and
- fourthly, for allocation to transferee(s); and/or renounee(s) who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

The Excess Rights Shares with Warrants will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants. Thereafter, the Excess Rights Shares with Warrants will be allocated in the order of (ii) to (iv), and any balance thereafter will be allocated in the same sequence of allocation, i.e. items (ii) to (iv) until all Excess Rights Shares with Warrants are allotted. Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the priority set out in (i) to (iv) are achieved. Our Board also reserves the right not to accept or to accept any application for Excess Rights Shares with Warrants, in full or in part, without assigning any reason.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

NUMBER OF SIAB SHARES HELD 5.00 P.M. ON 23 MAY 2024	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.1200 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	:	Thursday, 23 May 2024 at 5.00 p.m.
Last date and time for:		
Sale of Provisional Allotments	:	Thursday, 30 May 2024 at 5.00 p.m.
Transfer of Provisional Allotments	:	Tuesday, 4 June 2024 at 4.30 p.m.
Acceptance and payment	:	Monday, 10 June 2024 at 5.00 p.m.
Excess Rights Shares with Warrants application and payment	:	Monday, 10 June 2024 at 5.00 p.m.

By Order of the Board

LAU YEN HOON (MAICSA 7061368) (SSM PRACTICING CERTIFICATE NO. 202008002143)
LIEW SHU NING (MAICSA 7074561) (SSM PRACTICING CERTIFICATE NO. 202408000033)

Company Secretaries

Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)
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

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 23 MAY 2024

RIGHTS SUBSCRIPTION FORM

TERMS DEFINED IN THE ABRIDGED PROSPECTUS DATED 23 MAY 2024 ("ABRIDGED PROSPECTUS") ISSUED BY SIAB HOLDINGS BERHAD ("SIAB" OR THE "COMPANY") SHALL HAVE THE SAME MEANING WHEN USED IN THIS RSF, AND THE NOTES AND INSTRUCTIONS FOR COMPLETING THIS RSF, UNLESS STATED OTHERWISE. THIS RSF IS ISSUED FOR THE PURPOSE OF ACCEPTING THE PROVISIONAL ALLOTMENTS AND APPLYING FOR EXCESS RIGHTS SHARES WITH WARRANTS PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS. THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF HIS / HER / THEIR CDS ACCOUNT.

**SIAB HOLDINGS BERHAD**

Registration No. 202001043548 (1399869-A)
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF 766,524,307 NEW ORDINARY SHARES IN SIAB HOLDINGS BERHAD ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.1200 PER RIGHTS SHARE TOGETHER WITH 383,262,153 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 13 RIGHTS SHARES FOR EVERY 10 EXISTING ORDINARY SHARES IN SIAB HOLDINGS BERHAD HELD AS AT 5.00 P.M. ON THURSDAY, 23 MAY 2024 TOGETHER WITH 1 WARRANT FOR EVERY 2 RIGHTS SHARES SUBSCRIBED ("RIGHTS ISSUE WITH WARRANTS")

**NAME AND ADDRESS
OF APPLICANT**
(in block letters as per the
record of Bursa Depository)

--

NRIC NO./ PASSPORT NO.
(STATE COUNTRY)/
COMPANY REGISTRATION NO.*

CDS ACCOUNT NO.

[illegible]

NUMBER OF SIAB SHARES HELD AT 5.00 P.M. ON 23 MAY 2024	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.1200 PER RIGHTS SHARE (RM)

Note: If you have subsequently purchased additional Provisional Allotments from the open market, you should indicate your acceptance of the total Provisional Allotments that you have standing to the credit in your CDS Account under Part I(A) of this RSF.

To: The Board of Siab

PART I - ACCEPTANCE OF PROVISIONAL ALLOTMENTS AND APPLICATION FOR EXCESS RIGHTS SHARES WITH WARRANTS

In accordance with the terms of this RSF and the Abridged Prospectus, I / we* hereby irrevocably:

- (a) accept the number of Rights Shares with Warrants as stated below, which were provisionally allotted / transferred / renounced to me / us;
- (b) apply for the number of Rights Shares with Warrants as stated below;
- in accordance with and subject to the Constitution of Siab.

in accordance with and subject to the Constitution of Siab.

I / We* enclose the appropriate remittance(s) in favour of the respective account(s) stated below and crossed "**ACCOUNT PAYEE ONLY**", being the full amount payable for the said number of Rights Shares with Warrants accepted / applied for, and hereby request for the said Rights Shares with Warrants and Excess Rights Shares with Warrants to be credited into my / our* valid and subsisting CDS Account as stated above:

NUMBER OF RIGHTS SHARES WITH WARRANTS ACCEPTED / EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR		AMOUNT PAYABLE BASED ON RM0.1200 PER RIGHTS SHARE (RM)	BANKER'S DRAFT / CASHIER'S ORDER / MONEY ORDER / POSTAL ORDER NO.	PAYABLE TO
(A) ACCEPTANCE				SIAB RIGHTS ISSUE ACCOUNT
(B) EXCESS				SIAB EXCESS RIGHTS ISSUE ACCOUNT

I / We* authorise you to refund without interest, the full or the balance (as the case may be) amount of my / our* application money for the Rights Shares with Warrants and Excess Rights Shares with Warrants* if such application is unsuccessful or partially accepted applications (as the case may be) to me / us* at my / our* address in Malaysia as shown in the Record of Depositors by ordinary post at my / our* own risk. I/We hereby give consent to Bursa Depository to release my/our eDividend bank account details registered with Bursa Depository to the Company and Tricor Investor & Issuing House Services Sdn Bhd ("**Share Registrar**") to facilitate the refund above.

PART II – DECLARATION

I / We* hereby confirm and declare that:

- (ii) all information is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my / our* rights may be rejected; and
- * I am 18 years of age or over.
 - * I am / We are* resident(s) of Malaysia.
 - * I am / We are* resident(s) of (country) and having citizenship.
 - * I am / We are* nominee(s) of a person who is a "Bumiputera" / "Non-Bumiputera" / "Non Citizen resident in (country) and having citizenship.

I / We* consent to the Company and the Share Registrar collecting the information and personal data (collectively, **"Data"**) required herein, to process and disclose such Data to any person for the purposes of implementing the Rights Issue with Warrants and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations.

I / We* have read and understood and hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus and further confirm compliance with all requirements for acceptance and payment as set out therein.

**PLEASE ATTACH A COPY OF THE STAMP
CERTIFICATE WITH THIS RSF***

* Please refer to the item V(b) of the notes and instructions of this RSF for further details

Date _____

Signature/Authorised Signatory(ies)
(Corporate Bodies must affix their Common Seal)

Contact telephone number during office hours

LAST DATE AND TIME FOR:

Acceptance and payment for Provisional Allotments
Excess Rights Shares with Warrants application and payment

: Monday, 10 June 2024 at 5.00 p.m.
: Monday, 10 June 2024 at 5.00 p.m.

* Please delete whichever is not applicable

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IN ACCORDANCE WITH THE CAPITAL MARKETS AND SERVICES ACT, 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS DATED 23 MAY 2024 ("ABRIDGED PROSPECTUS").

IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. ALL ENQUIRIES CONCERNING THE RIGHTS ISSUE WITH WARRANTS SHOULD BE ADDRESSED TO THE SHARE REGISTRAR OF SIAB, TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD [REGISTRATION NO.197101000970 (11324-H)] AT 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). YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF.

The Abridged Prospectus is issued in compliance with the laws of Malaysia only. This RSF, together with the Abridged Prospectus and the NPA (collectively, the "Documents") are not intended to be (and will not be) issued, circulated or distributed, and the Rights Shares with Warrants will not be made or offered or deemed to be made or offered for purchase or subscription, in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. No action has been or will be taken to ensure that the Rights Shares with Warrants and the Documents comply with the laws of any countries or jurisdiction other than the laws of Malaysia. It shall be the sole responsibility of the Entitled Shareholders and/or their renounee(s) (if applicable) who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia to consult their legal or other professional advisers as to whether the acceptance or renunciation of all or any part of the Rights Shares with Warrants to be issued would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounee(s) (if applicable) should note the additional terms and restrictions as set out in Section 9 of the Abridged Prospectus. Neither Siab, M&A Securities Sdn Bhd nor any other professional advisers shall accept any responsibility or liability whatsoever to any party in the event that any acceptance and/or renunciation (as the case may be) of the Rights Shares with Warrants made by any of foreign Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) are resident.

The Abridged Prospectus has been registered by Bursa Malaysia Securities Berhad ("Bursa Securities"). The registration of the Abridged Prospectus should not be taken to indicate that the Bursa Securities recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Abridged Prospectus. Bursa Securities has not, in any way, considered the merits of the Rights Issue with Warrants. The Documents has been lodged with the Registrar of Companies who takes no responsibility for its contents.

The shareholders of Siab have approved the Rights Issue with Warrants at EGM held on 1 December 2023. Bursa Securities has also granted its approval for the admission of the Warrants to the Official List as well as the listing and quotation of the Rights Shares, Warrants and the new Shares to be issued upon exercise of the Warrants on the ACE Market of Bursa Securities (subject to the conditions specified in the said letters) on 27 October 2023. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants.

The Board of Siab has seen and approved all the documentation relating to the Rights Issue with Warrants (including the Documents). The Board collectively and individually accepts full responsibility for the accuracy of the information given. Having made all reasonable enquiries, and to the best of its knowledge and belief, the Board confirm there is no false or misleading statements or other facts which, if omitted, would make any statement in the Documents false or misleading.

Unless otherwise stated, the unit of currency used in this RSF is RM and Sen.

INSTRUCTIONS:

ACCEPTANCE FOR THE PROVISIONAL ALLOTMENT AND EXCESS APPLICATIONS ARE TO BE MADE BY WAY OF RSF OR BY WAY OF ELECTRONIC SUBSCRIPTION VIA TIH ONLINE ("e-SUBSCRIPTION") IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ABRIDGED PROSPECTUS.

(I) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until **5.00 p.m. on Monday, 10 June 2024 at 5.00 p.m.** ("Closing Date").

If acceptance of and payment for the Provisional Allotments (whether in full or in part) are not received by our Share Registrar by the Closing Date, such Provisional Allotments will be deemed to have been declined and will be cancelled. The Board will then have the right to allot such Rights Shares with Warrants not taken up, to applicants applying for Excess Rights Shares with Warrants in the manner as set out in item (III) below.

FOR DELIVERY BY HAND AND/OR COURIER AND/OR ORDINARY POST:

Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)
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

Or alternatively at

Tricor Customer Service Centre
Unit G-3, Ground Floor
Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(II) FULL OR PART ACCEPTANCE

The Rights Issue with Warrants are renounceable in full or in part. If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of this RSF in accordance with the notes and instructions contained herein and submit this RSF together with the appropriate remittance in RM for the full amount payable for the Rights Shares with Warrants accepted in the form of Banker's Draft / Cashier's Order / Money Order / Postal Order drawn on a bank or post office in Malaysia and made payable to "**SIAB RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by the Share Registrar at the address set out above, by the Closing Date. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

The payment must be made for the exact amount payable for the Rights Shares with Warrants accepted. Any applications accompanied by payment other than in the manner stated above or with excess or insufficient remittances may or may not be accepted at the absolute discretion of our Board. No acknowledgment will be issued for the receipt of this RSF or application monies in respect of the Rights Shares with Warrants. If your application is successful, a notice of allotment will be despatched to you and/or your transferees and/or your renounees by ordinary post to the address as shown on our Record of Depositors at your own risk within eight Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities.

In respect of unsuccessful or partially accepted applications, the full amount or the surplus application monies, as the case may be, will be refunded without interest. The refund will be credited directly into your bank account if you have provided such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not provided such bank account information to Bursa Depository, the refund will be by issuance of cheque and shall be despatched to you by ordinary post to the address as shown on our Record of Depositors at your own risk within 15 Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities.

(III) EXCESS RIGHTS SHARES WITH WARRANTS

If you wish to apply for additional Rights Shares with Warrants in excess of those provisionally allotted to you, please complete Part I(B) of this RSF (in addition to Parts I(A) and II) and forward the completed RSF with a separate remittance in RM for the full amount payable for the Excess Rights Shares with Warrants applied for in the form of Banker's Draft/ Cashier's Order/ Money Order/ Postal Order drawn on a bank or post office in Malaysia and made payable to "**SIAB EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by the Share Registrar at the address set out above, by the Closing Date. Cheques or other mode(s) of payment not prescribed herein are not acceptable. In the event you have sold all your Provisional Allotment, you no longer have any rights to accept the Provision Allotment sold, as such you are not eligible to apply for any Excess Rights Shares

The payment must be made for the exact amount payable for the Excess Rights Shares with Warrants applied for. Any applications accompanied by payment other than in the manner stated above or with excess or insufficient remittances may or may not be accepted at the absolute discretion of our Board. No acknowledgment will be issued for the receipt of the Excess Rights Shares with Warrants application or application monies in respect thereof. If your application is successful, a notice of allotment will be despatched to you and/or your transferees and/or your renounees by ordinary post to the address as shown on our Record of Depositors at your own risk within eight Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities. In the event you have sold all your Provisional Allotment, you no longer have any rights to accept the Provisional Allotment sold, as such you are not eligible to apply for any excess Rights Shares.

In respect of unsuccessful or partially successful Excess Rights Shares with Warrants applications, the full amount or the surplus application monies, as the case may be, will be refunded without interest. The refund will be credited directly into your bank account if you have provided such bank account information to Bursa Depository for the purposes of cash dividend/distribution. If you have not provided such bank account information to Bursa Depository, the refund will be by issuance of cheque and shall be despatched to you by ordinary post to the address as shown on our Record of Depositors at your own risk within 15 Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities. In the event you have sold all your Provisional Allotment, you no longer have any rights to accept the Provisional Allotment sold, as such you are not eligible to apply for any excess Rights Shares.

It is the intention of our Board to allot the Excess Rights Shares with Warrants in the following priority, in the event that the Rights Issue with Warrants are oversubscribed:

- firstly, to minimise the incidence of odd lots;
- secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as per their CDS accounts as at the Entitlement Date;
- thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and
- fourthly, for allocation to transferee(s); and/or renounee(s) who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

The Excess Rights Shares with Warrants will firstly be allocated to minimise the odd lots (if any) held by each applicant of Excess Rights Shares with Warrants. Thereafter, the Excess Rights Shares with Warrants will be allocated in the order of (i) to (iv), and any balance thereafter will be allocated in the same sequence of allocation, i.e. items (i) to (iv) until all Excess Rights Shares with Warrants are allotted. Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the priority set out in (i) to (iv) are achieved. Our Board also reserves the right not to accept or to accept any application for Excess Rights Shares with Warrants, in full or in part, without assigning any reason.

(IV) SALE OR TRANSFER OF PROVISIONAL ALLOTMENTS

Should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to one or more persons, you may do so through your stockbroker from Thursday, 23 May 2024 up to 5.00 p.m. on Thursday, 30 May 2024 being the last date and time for sale of the Provisional Allotments or 4.30 p.m. on Tuesday, 4 June 2024 being the last date and time for transfer of the Provisional Allotments (in accordance with Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository for the period up to the last date and time for sales and transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

In selling or transferring all or part of your Provisional Allotments, you are not required to deliver any document to your stockbroker. However, you are advised to ensure that you have sufficient number of Provisional Allotments standing to the credit of your CDS Account before selling or transferring.

Renounees and/or transferees may obtain a copy of the Abridged Prospectus and/or this RSF from Siab's registered office, Siab's Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotment by completing Parts I(A) and II of this RSF and delivering the RSF together with the full amount payable on the balance of the Rights Shares with Warrants to the Share Registrar.

(V) GENERAL INSTRUCTIONS

- All applicants must sign on the front page of this RSF. All corporate bodies must affix their respective Common Seals.
- Stamp duty of RM10.00 is required for every application made by way of RSF or by way of e-Subscription. The application and payment of the stamp duty for the RSF is to be performed online via Inland Revenue Board of Malaysia system, namely the Stamp Duty Assessment and Payment System ("STAMPS") at <https://stamps.hasil.gov.my/>. The payment of stamp duty must be made via Financial Process Exchange (FPX) medium or Bill Payment (for CIMB Biz Channel/Public Bank Berhad) via the same link. Thereafter, the Stamp Certificate will be issued via STAMPS as proof of payment of stamp duty. **PLEASE ATTACH A COPY OF THE STAMP CERTIFICATE WITH THIS RSF.**
- The Provisional Allotments subscribed by the Entitled Shareholders and/or their transferees and/or their renounees (if applicable) will be credited into their respective CDS Accounts as stated in this RSF.
- Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
- The contract arising from the acceptance of the Provisional Allotments by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
- Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of the Abridged Prospectus, this RSF or the notes and instructions herein or which are illegible may be rejected at the absolute discretion of our Board.
- The Entitled Shareholders and/or their transferees and/or their renounees should note that any RSF and remittance lodged with the Share Registrar will be irrevocable and cannot subsequently be withdrawn.

(VI) E-SUBSCRIPTION VIA TIH ONLINE

e-Subscription is available to Entitled Shareholders who are registered users of TIH Online. You are no longer required to complete and lodge the physical RSF to the Share Registrar office if you have successfully lodged the e-RSF on the acceptance for the Rights Shares with Warrants provisionally allotted and the application for Excess Rights Shares with Warrants by way of e-Subscription. Please refer to Section 9 of the Abridged Prospectus for further details on instruction on acceptance, payment, sale/transfer and excess application for the Rights Issue with Warrants by way of RSF and e-Subscription.