NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF SIAB HOLDINGS BERHAD ("SIAB" OR THE "COMPANY") DATED 28 JANUARY 2022 ("ELECTRONIC PROSPECTUS")

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("**Bursa Securities**") website at www.bursamalaysia.com ("**Website**").

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, M&A Securities Sdn Bhd ("**M&A Securities**"), or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, M&A Securities and Siab take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 28 January 2022 and will close at 5.00 p.m. on 16 February 2022. In the event the Closing Date is extended, Siab will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

Save for the employees, the assets and properties shown above do not belong to the Group.

SIAB HOLDINGS BERHAD
Registration No.: 202001043548 (1399869-A)
(Incorporated in Malaysia under the Companies Act, 2006)

No. 82, Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong.
Tel : 03 - 8052 7117 | Fax : 03 - 8052 7227
Email : project@siabmy.com

SIAB HOLDINGS BERHAD

PROSPECTUS

PROSPECTUS

SIAB HOLDINGS BERHAD

Registration No.: 202001043548 (1399869-A)
(Incorporated in Malaysia under the Companies Act, 2016)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

(I) PUBLIC ISSUE OF 122,409,000 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:

- 24,481,800 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 12,240,900 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
- 61,204,500 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
- 24,481,800 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

(II) OFFER FOR SALE OF 48,963,600 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM0.30 PER SHARE, PAYABLE IN FULL UPON APPLICATION

Adviser, Sponsor, Underwriter and Placement Agent

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

THIS PROSPECTUS IS DATED 28 JANUARY 2022

This Prospectus has been registered by the SC. The registration of this Prospectus, should not be taken to indicate that the SC recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. The SC is not liable for any non-disclosure on the part of the company and takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 179.

THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

Our Directors, Promoters and Selling Shareholders (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

M&A Securities Sdn Bhd, being our Adviser, Sponsor, Underwriter and Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("**CMSA**") for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group (as defined herein).

Securities listed on Bursa Malaysia Securities Berhad ("**Bursa Securities**") are offered to the public premised on full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 8 October 2021. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus. The valuation utilised for the purpose of the Listing should not be construed as an endorsement by Bursa Securities, on the value of the subject assets.

The Securities Commission Malaysia ("**SC**") has on 29 November 2021 approved the resultant equity structure of our Company under the equity requirements for public listed companies pursuant to our Listing (as defined herein).

Our securities are classified as Shariah compliant by the Shariah Advisory Council of the SC based on the audited combined financial statements for the financial year ended 31 December 2020. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review is undertaken by the Shariah Advisory Council of the SC. The new status will be released in the updated list of Shariah compliant securities, on the last Friday of May and November.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in our Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected. We will further assume that you had accepted our IPO in Malaysia and will be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application (as defined herein) may be subject to the risks of problems occurring during the data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, the Adviser or Issuing House (as defined herein), a paper printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the electronic and the contents of the paper printed copy of this Prospectus for any reason whatsoever, the contents of the paper printed copy of this Prospectus which are identical to the copy of the Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "Third Party Internet Sites"), whether by way of hyperlinks or by way of description of the third party internet sites, you acknowledge and agree that:

(i) We and our Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the third party internet sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;

(ii) We and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and

(iii) Any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

(i) The Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and

(ii) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page vii.

The indicative timing of events leading to our Listing is set out below:

Events	Indicative date
Issuance of this Prospectus/Opening of Application	28 January 2022
Closing Date/Closing of Application	16 February 2022
Balloting of Application	18 February 2022
Allotment/Transfer of IPO Shares to successful applicants	25 February 2022
Date of Listing	28 February 2022

In the event there is any change to the timetable, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All terms used in this section are defined under "Definitions" commencing from page vii.

All references to "Siab" and "Company" in this Prospectus are to Siab Holdings Berhad [Registration No.: 202001043548 (1399869-A]). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or two decimal place (for percentages) or two sen (for currency). Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in the "Definitions" and "Technical Glossary" appearing after this section. Words denoting singular shall include plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the Independent Market Researcher. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. Third party projections, including the projections from the Independent Market Researcher, cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website, or any website directly or indirectly linked to such websites do not form part of this Prospectus.

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FORWARD-LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page vii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

(i) Demand for our products and services;

(ii) Our business strategies;

(iii) Our future plans;

(iv) Our financial position;

(v) Our future earnings, cash flows and liquidity; and

(vi) Our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

(i) The ongoing COVID-19 pandemic and possible similar future outbreak;

(ii) The economic, political and investment environment in Malaysia; and

(iii) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

Siab or Company	:	Siab Holdings Berhad [Reg No.: 202001043548 (1399869-A)]
Siab Construction	:	Siab Construction Sdn Bhd [Reg No.: 201801015345 (1277361-W)]
Siab Development	:	Siab Development Sdn Bhd [Reg No.: 201701013371 (1227536-P)]
Siab Engineering	:	Siab Engineering Sdn Bhd [Reg No.: 201101033307 (961442-H)]
Siab Group or Group	:	Siab and its subsidiaries, collectively
Siab Network	:	Siab Network Solutions Sdn Bhd [Reg No.: 201301034985 (1064813-T)]
Siab (M)	:	Siab (M) Sdn Bhd [Reg No.: 198401015158 (127713-U)]

GENERAL:

ACE Market	:	ACE Market of Bursa Securities
Acquisition	:	Acquisition by Siab of the entire equity interest of Siab (M) for a purchase consideration of RM36,722,508 which was wholly satisfied by the issuance of 367,225,080 new Shares at an issue price of RM0.10 per share, which was completed on 14 December 2021
Act	:	Companies Act, 2016
ADA	:	Authorised Depository Agent
Adviser or Sponsor or Placement Agent or Underwriter	:	M&A Securities
Alam Kota	:	Alam Kota Sdn Bhd [Reg No.: 202001012827 (1369147-X)]
Application(s)	:	Application for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form	:	Printed application form for the application of our IPO Shares accompanying this Prospectus
ATM	:	Automated teller machine
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of Siab
Bursa Depository or Depository	:	Bursa Malaysia Depository Sdn Bhd [Reg No.: 198701006854 (165570-W)]

Bursa Securities	:	Bursa Malaysia Securities Berhad [Reg No.: 200301033577 (635998-W)]
CAGR	:	Compound annual growth rate
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account	:	Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
CIDB	:	Construction Industry Development Board of Malaysia
CIDB Act	:	Construction Industry Development Board Act, 1994
Closing Date	:	Date adopted in this Prospectus as the last date for acceptance and receipt of the Application
CMSA	:	Capital Markets and Services Act, 2007
CMCO	:	Conditional MCO imposed by the Malaysian Government from 4 May 2020 to 9 June 2020
Constitution	:	Our Company's constitution as registered under the Act and as amended from time to time
COVID-19	:	Coronavirus disease 2019
DDWG	:	Due diligence working group established for the purpose of our Listing
Depository Rules	:	Rules of Bursa Depository and any appendices thereto as they may be amended from time to time
Director(s)	:	An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
EBIT	:	Earnings before interest and tax
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
Electronic Prospectus	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
Electronic Share Application	:	Application for IPO Shares through a Participating Financial Institution's ATM
EOT	:	Extension of time
EPS	:	Earnings per share

FMCO	:	Full MCO being a nationwide "total lockdown" imposed on all social and economic sectors in Malaysia from 1 June to 28 June 2021. Under this FMCO, only essential economic and social services listed by the Malaysian National Security Council will be allowed to operate
FPE	:	Financial period ended/ending 31 July, as the case may be
FYE	:	Financial year(s) ended/ending 31 December, as the case may be
GP	:	Gross profit
ICT	:	Information and communication technology
IFRS	:	International Financial Reporting Standards
IMR or Protégé	:	Protégé Associates Sdn Bhd [Reg No.: 200401037256 (675767-H)], our Independent Market Researcher
IMR Report	:	Independent Market Research Report titled "Strategic Analysis of the Construction Industry in Malaysia" dated 3 January 2022
Internet Participating Financial Institution(s)	:	Participating financial institution(s) for Internet Share Application as listed in Section 16.6
Internet Share Application	:	Application for IPO Shares through an online share application service provided by Internet Participating Financial Institution
Initial Public Offering or IPO	:	Our initial public offering comprising the Public Issue and Offer for Sale
IPO Price	:	Issue/offer price of RM0.30 per Share under our Public Issue and Offer for Sale
IPO Share(s)	:	Issue Share(s) and Offer Share(s), collectively
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd [Reg No.: 197101000970 (11324-H)]
Issue Share(s)	:	New Share(s) to be issued under the Public Issue
ISO	:	International Organisation for Standardisation
IT	:	Information technology
Listing	:	Listing of and quotation for our entire enlarged share capital of RM73,445,211 comprising 489,634,083 Shares on the ACE Market
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities, as amended from time to time
Listing Scheme	:	Comprising the Public Issue, Offer for Sale and Listing, collectively
LPD	:	31 December 2021, being the latest practicable date for ascertaining certain information contained in this Prospectus

M&A Securities	:	M&A Securities Sdn Bhd [Reg No.: 197301001503 (15017-H)]
Makmur Baru	:	Makmur Baru Holdings Sdn Bhd [Reg No.: 202001010873 (1367193-V)]
Malaysian Public	:	Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day(s)	:	Any day(s) between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities
MCO	:	Movement Control Order
MCO 1.0	:	A MCO implemented as preventive measure by the Malaysian Government to curb the outbreak of COVID-19 which took effect from 18 March 2020 to 3 May 2020
MCO 2.0	:	The re-imposition of MCO on 13 January 2021 to 5 March 2021 by the Malaysian Government on selected states in West Malaysia, which included Melaka, Johor, Penang, Selangor, Sabah and the Federal Territories of Kuala Lumpur, Putrajaya and Labuan
MCO 3.0	:	The re-imposition of MCO on 3 May 2021 to 31 May 2021
MFRS	:	Malaysian Financial Reporting Standards
MITI	:	Ministry of International Trade and Industry Malaysia
MoH	:	Ministry of Health of Malaysia
MyIPO	:	Intellectual Property Corporation of Malaysia
NA	:	Net assets
NBV	:	Net book value
NRP	:	National Recovery Plan, a phased exit strategy from the COVID-19 pandemic introduced by the Government of Malaysia on 15 June 2021 which consists of four phases
NRP Phase 1	:	Phase 1 of NRP which commenced with the implementation of the FMCO
NRP Phase 2	:	Phase 2 of the NRP which will be implemented if Phase 1 of the NRP succeeds in reducing the number of daily COVID-19 cases, which will allow the reopening of some economic sectors
NRP Phase 3	:	Phase 3 of the NRP whereby nearly all economic sectors will be allowed to operate subject to strict standard operating procedures and restrictions on the number of people allowed to be physically present at workplaces
NRP Phase 4	:	Phase 4 of the NRP which will see a full reopening of the economy, where interstate travel and domestic tourism will be allowed

Offer for Sale	:	Offer for sale of 48,963,600 Offer Shares by our Selling Shareholders at our IPO Price
Offer Share(s)	:	Existing Share(s) to be offered under our Offer for Sale
Official List	:	The official list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Participating Financial Institution(s)	:	Participating financial institution(s) for Electronic Share Application as listed in Section 16.5
PAT	:	Profit after tax
PBT	:	Profit before tax
PE Multiple	:	Price-to-earnings multiple
Pink Form Allocations	:	Allocation of 12,240,900 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group, which forms part of our Public Issue
Promoters	:	Ng Wai Hoe, Lim Mei Hwee, Tan Sok Moi and Makmur Baru, collectively
Prospectus	:	This prospectus dated 28 January 2022 in relation to our IPO
Public Issue	:	Public issue of 122,409,000 Issue Shares at our IPO Price
RMCO	:	Recovery MCO imposed by the Malaysian Government from 10 June 2020 to 31 March 2021
ROC	:	Registrar of Companies
SC	:	Securities Commission Malaysia
Selling Shareholders	:	Ng Wai Hoe, Lim Mei Hwee, Tan Sok Moi and Makmur Baru who are undertaking the Offer for Sale, collectively
Share(s)	:	Ordinary share(s) in Siab
SICDA or Depository Act	:	Securities Industry (Central Depositories) Act, 1991
sq ft	:	Square foot
sq m	:	Square metre
Underwriting Agreement	:	Underwriting agreement dated 22 December 2021 entered into between Siab and M&A Securities for the purpose of our IPO
Vendor(s)	:	Ng Wai Hoe, Lim Mei Hwee, Tan Sok Moi, Makmur Baru and Alam Kota, collectively

CURRENCY:

RM or sen	:	Ringgit Malaysia and sen respectively

TECHNICAL GLOSSARY

This glossary contains an explanation of certain terms used throughout this Prospectus in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms:

BIM	:	Building information modelling, a type of modelling software that can be used to, amongst others, simulate scheduling, material estimation and fabrication processes
CCC	:	Certificate of Completion and Compliance, a document issued by the development project's principal submitting person who is either a professional architect or professional engineer to certify that the development project is completed in accordance with the approved building plans and is safe and fit for occupation
CMGD	:	Certificate of Making Good Defect, issued to the contractor by the architect on behalf of the customer after identified defects have been rectified upon expiry of the defects liability period
Condotel	:	A condominium project that is operated as a hotel
CONQUAS 21	:	Construction quality assessment system, a workmanship assessment system developed by Building and Construction Authority Singapore for a quantitative measure of the overall quality of a building's workmanship
CPC	:	Certificate of practical completion, issued by the project's architect on behalf of the client to the contractor, when the contractor has completed its assigned obligations and handed the work to the client
DLP	:	Defect liability period, a period of time after a development project has been completed where the developer is obliged to remedy defects
Environmental Aspects and Impacts Register	:	A set of documents which states the criteria for evaluating environmental aspects and its impacts. It is used determine environmental aspects as a result of a construction project, and highlights the necessary operation controls that are proposed for implementation in construction projects
GSM	:	Global System for Mobile Communications is an international telecommunications standard for the transmission of voice and data between cell phones and other mobile devices
HIRADC Register	:	A set of documents that identify hazards at construction sites, including assessments of risks and opportunities and the necessary controls to be implemented to mitigate the identified risks
IBS	:	Industrialised building system, a construction method that utilises structural components, or a building system that involves pre-fabricated components and on-site installation
ISO	:	International Organisation for Standardisation

LAD	:	Liquidated and ascertained damages, which are damages due to a client, calculated at a rate as stated in the contract when a contractor fails to deliver the completed work within the period stipulated in the said contract agreement
Letter of Award	:	A formal award of a project by a client to the contractor
Life Cycle Perspective Table	:	Details the life cycle stages of a construction project which can be managed/ controlled by an organisation
M&E	:	Mechanical and Electrical
Master Work Programme	:	A programme where all site activities are broken down and include details such as sequence of work, budget, quality, construction methodology, resource planning and identified key milestones
Method Statement	:	A document that details how construction activities can be implemented safely
PABX	:	Private Automated Branch Exchange is a telephone systems that allows a single access number to provide several lines to outside callers while providing a range of external lines to internal callers
Project QESH Plan	:	A comprehensive planning document of a construction project that details the quality, environmental, safety and health aspects
QC	:	Quality control
QESH	:	Quality, Environment and Safety and Health
QESH Management System	:	An integrated management system that includes quality management system, environmental management system and safety and health management system
QLASSIC	:	Quality Assessment System in Construction, a system or method to measure and evaluate the workmanship quality of a building construction work based on Construction Industry Standard (CIS7:2006). QLASSIC enables the quality of workmanship between construction projects to be objectively compared through a scoring system
QMS	:	Quality management system
Risk Register	:	A risk register details all the potential risks in a construction project and is used as part of risk and project management
SHASSIC	:	Safety and Health Assessment System in Construction, an assessment system that is used to benchmark the level of safety and health performance of the construction industry in Malaysia
SOHO	:	Small office home office

PROJECTS

This following is a brief description of the projects undertaken by our Group:

Amverton Cove Project	:	A building construction project which involves the construction of 1 block of 10-storey apartment building with 250 serviced apartment units, 1 penthouse, common facilities and amenities in Kuala Langat, Selangor
Amverton Greens Project	:	A building construction project which involves the construction of 3 blocks of condominium with 280 home units, which consist of 3-storey podium shoplots, 4-storey car park, guard house, substation and common facilities in Shah Alam, Selangor
Apple 99 Project	:	A civil engineering project which involves the provision of earthworks, piling works, pile caps, sub-structure and related construction works for a hotel in Melaka Tengah, Melaka
Arunya @ KL North Project	:	Construction of 2 blocks of serviced apartments with a total of 631 units with facilities and 8 floor of car park podium in Mukim Batu, Kuala Lumpur
Bennington Residences @ Sky Arena Project	:	A building construction project which involves the construction of an apartment building with 580 apartment units, which consist of (Phase 1: 1 block of 29-storey apartment building with 284 apartment units (Block A), rooftop facility, 8-storey parking podium, subbasement car park and 1 unit of guard house); and (Phase 2: 1 block of 29-storey apartment building with 284 apartment units (Block B) and rooftop facility) in Setapak, Kuala Lumpur
Chambers Residence Project	:	A building construction project which involves the 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
Columbarium Project	:	A building construction project which involves the construction of 1 block 15-storey columbarium inclusive of 4-storey car park in Sungai Besi, Kuala Lumpur
Cubic Botanical Tower A Project	:	A building construction project which involves the construction of 1 block of 33-storey serviced apartment with 509 units in Bangsar South, Kuala Lumpur
F&N Intelligent Industrial Building Project	:	A design and build project which involves designing and construction of a 45m high warehouse equipped with automated storage and retrieval system, M&E and external works and construction of single-storey cooler warehouse in Shah Alam, Selangor
Gravit8 (Phase 2B) Project	:	Construction of 2 blocks of 34-storey serviced apartment building Phase 2B with carpark podium and recreation at level 8, in Kota Bayu Emas, Mukim Klang, Daerah Klang
Hospital Bentong Project	:	A design and build project which involves designing and construction of an extension hospital building in Bentong, Pahang

PROJECTS *(Cont'd)*

Hyatt Bukit Jalil Project	:	A building construction project which involves the construction of 1 block of 18-storey hotel with 258 rooms with retails, pool, gym, café and bar in Bukit Jalil, Kuala Lumpur
Impressions U-Thant Project	:	A building construction project which involves the construction of 1 block of 10-storey luxury condominium with 108 apartment units, consist of 2-storey car park, mechanical area, rooftop facility and 2 floors basement in Jalan U-Thant, Kuala Lumpur
Jaya 99 Commercial Project	:	A design and build project which involves the design and construction of a commercial complex which consist of 2 blocks of 18-storey office towers, showrooms, car parks, food outlets and recreational facilities in Kawasan Bandar XVIII, Melaka
Kanvas SOHO Project	:	A building construction project which involves the construction of a mixed development project, which consist of 2 blocks of 30 storey SOHO unit, 1 unit of multipurpose hall, 2-storey of retails space, basic facilities, single-storey car park, 2 level sub-basement and 1 unit of guard house in Cyberjaya, Selangor
Menara LGB Project	:	A building construction project which involves the construction of 1 block of 31-storey office building with 5 floors basement car park in Taman Tun Dr Ismail, Kuala Lumpur
PJ City Project	:	A building construction project which involves the construction of a commercial building Phase 2, which consist of (Phase 2A: 6-storey office/exhibition space (Block C), 6-storey office/exhibition space (Block D) and 3 floors basement car park); and (Phase 2B: 6-storey office/exhibition space (Block E), 6-storey office/exhibition space (Block F) and 3 floors basement car park) in Petaling Jaya, Selangor
Plaza 33 Project	:	A building construction project which involves the construction of 2 block office development consists of 9-storey industrial above on 7-storey podium office industrial, showroom, carpark and public facilities in Petaling Jaya, Selangor
Quayside Mall Project	:	A building construction project which involves the construction of a commercial building, consist of 4-storey commercial complex with shops, supermarket, food court, cinema, 2 units of refuse room, substation, 10-storey office building, 3-storey parking podium and 2 floors basement car park in Mukim Tanjung Dua Belas, Kuala Langat, Selangor
Saville Kajang Project	:	A civil engineering project which involves the provision of earthworks, piling works and sub-structure works for a mixed development project in Kajang, Selangor
Seri Riana Residence (Phase 2B) Project	:	A building construction project which consist of 2 blocks of condominium towers with a total of 284 home units and 5-storey basement carpark in Setapak, Kuala Lumpur

PROJECTS *(Cont'd)*

Tesco Hypermarket Project	:	A building construction project which involves the construction of a 2-storey hypermarket, which consists of 1 unit of double-storey hypermarket building, 1 unit of electrical room, a sheltered car park and common facilities in Jalan Klang-Banting, Kuala Langat, Selangor
The Dawn Project	:	A building construction project which involves the construction of 2 blocks of Condotel Phase 1 with a total of 648 rooms on 5-storey podium with facilities such as Surau, restaurant, playground, gymnasium, swimming pool, management office, refuse room and guardhouse in Kawasan Bandar VI, Melaka
The Pines Project	:	A design and build project which involves the designing and construction of 1 block of 29-storey Condotel in Kawasan Bandar XVIII, Melaka

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Designation	Residential address	Nationality/ Profession	Gender
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	Independent Non-Executive Chairman	25, Jalan Mendapan 8/21 Seksyen 8 40000 Shah Alam Selangor	Malaysian/ Director	Male
Ng Wai Hoe	Managing Director	16, Jalan Sierra 9/1 Bandar 16 Sierra 47120 Puchong Selangor	Malaysian/ Director	Male
Lim Mei Hwee	Executive Director	25, Jalan Clover 1 Clover @ Garden Residence Cyber 3 63000 Cyberjaya Selangor	Malaysian/ Director	Female
Tan Sok Moi	Executive Director	18, Jalan Mutiara 2/12 Taman Mutiara Indah 47100 Puchong Selangor	Malaysian/ Director	Female
Dato' Sri Shahril bin Mokhtar	Independent Non-Executive Director	32, Jalan K7 Amber Hill Taman Melawati 53100 Kuala Lumpur Wilayah Persekutuan	Malaysian/ Director	Male
Datuk Lim Tong Lee	Independent Non-Executive Director	56, Jalan BK 6A/2 Bandar Kinrara 47100 Puchong Selangor	Malaysian/ Director	Male
Andrea Huong Jia Mei	Independent Non-Executive Director	546, Jalan 7 Taman Ampang Utama 68000 Ampang Selangor	Malaysian/ Director	Female

AUDIT AND RISK MANAGEMENT COMMITTEE

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

REMUNERATION COMMITTEE

Name	Designation	Directorship
Andrea Huong Jia Mei	Chairwoman	Independent Non-Executive Director
Datuk Lim Tong Lee	Member	Independent Non-Executive Director
Dato' Sri Shahril bin Mokhtar	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(Cont'd)*

NOMINATING COMMITTEE

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

COMPANY SECRETARIES	:	Lau Yen Hoon (MAICSA 7061368) *SSM Practicing Certificate No.: 202008002143* *(Chartered Secretary)* Tan Siew Hong (MAICSA 7066226) *SSM Practicing Certificate No.: 201908001915* *(Chartered Secretary)* Unit 30-01, Level 30 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Telephone: 03-2783 9191
REGISTERED OFFICE	:	Unit 30-01, Level 30 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Telephone: +603-2783 9191
HEAD OFFICE	:	No. 82, Jalan BP 7/8 Bandar Bukit Puchong 47120 Puchong Telephone: +603-8052 7117
EMAIL ADDRESS AND WEBSITE	:	Website: www.siabmy.com Email address: project@siabmy.com
ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	:	**M & A Securities Sdn Bhd** [Reg No.: 197301001503 (15017-H)] 45-11, The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone: +603-2284 2911

1. CORPORATE DIRECTORY *(Cont'd)*

AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING	:	**KPMG PLT** [LLP0010081-LCA & AF 0758] Level 10, KPMG Tower No. 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Telephone: +603-7721 3388 Partner's name: Lam Shuh Siang *(Chartered Accountant, Fellow of the Association of Chartered Certified Accountants and Member of the Malaysian Institute of Accountants)* Approval number: 03045/02/2023 J
SOLICITORS FOR OUR LISTING	:	**Ben & Partners** 7-2, Level 2 Block D2 Dataran Prima Jalan PJU 1/39 47301 Petaling Jaya Selangor Telephone number: +603-7805 2922
ISSUING HOUSE AND SHARE REGISTRAR	:	**Tricor Investor & Issuing House Services Sdn Bhd** [Reg 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
INDEPENDENT MARKET RESEARCHER	:	**Protégé Associates Sdn Bhd** [Reg No.: 200401037256 (675767-H)] Suite C-09-12, Plaza Mont' Kiara 2, Jalan Kiara Mont' Kiara 50480 Kuala Lumpur Telephone: +603-6201 9301 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)*
LISTING SOUGHT	:	ACE Market
SHARIAH STATUS	:	Approved by Shariah Advisory Council of SC

2. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

2.1 PRINCIPAL DETAILS OF IPO

The following details relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

Allocation	**No. of Shares**	**RM**	**%[1]**
Public Issue			
Malaysian Public via balloting process:			
- Public investors	12,240,900	3,672,270	2.50
- Bumiputera public investors	12,240,900	3,672,270	2.50
Eligible Directors, employees and persons who have contributed to the success of our Group	12,240,900	3,672,270	2.50
Private placement to Bumiputera investors approved by MITI	61,204,500	18,361,350	12.50
Private placement to selected investors	24,481,800	7,344,540	5.00
Offer for sale			
Private Placement to selected investors	48,963,600	14,689,080	10.00
Enlarged no. of Shares upon Listing			489,634,083
IPO Price per Share			RM0.30
Market capitalisation[2]			RM146,890,225

Notes:

(1) Based on our enlarged share capital of 489,634,083 Shares after the IPO.

(2) Based on our IPO Price and our enlarged number of Shares upon Listing.

Further details of our IPO are set out in Section 4.

Our Promoters' entire shareholdings after IPO will be held under moratorium for 6 months from the date of Listing. Further details on the moratorium on our Shares are set out in Section 3.2.

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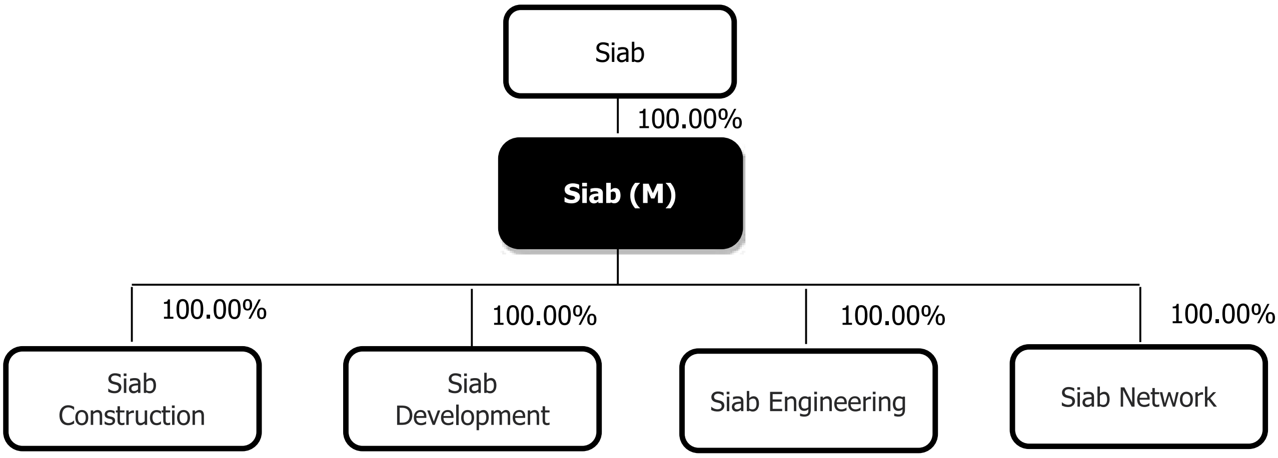
2.2 GROUP STRUCTURE AND BUSINESS OVERVIEW

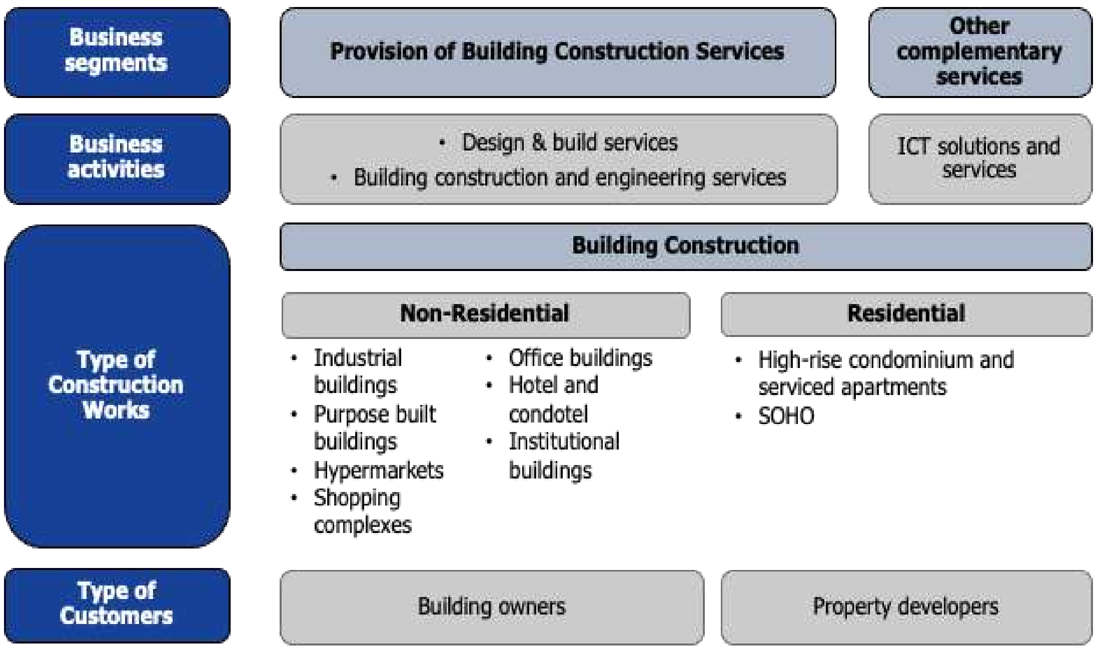
Our Company was incorporated in Malaysia on 30 December 2020 under the Act as a private limited company under the name Siab Holdings Sdn Bhd. We converted into a limited company on 24 June 2021 and assumed our present name.

Our Company was incorporated to facilitate our Listing and our principal activity is that of an investment holding company. Our Group structure as at LPD is as follows:



Through our subsidiaries, we are principally involved in the provision of building construction services. To complement our building construction services, we also provide ICT solutions and services.

The following is an overview of our Group's business model:



Our revenue breakdown by segments are as follows:

	FYE 2018		FYE 2019		FYE 2020	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Building construction						
• Residential	114,711	78.89	154,273	63.52	118,946	43.51
• Non-Residential	28,971	19.92	88,607	36.48	154,102	56.37
Other complementary services(1)	1,737	1.19	8	*	340	0.12
	145,419	100.00	242,888	100.00	273,388	100.00

	FPE 2020		FPE 2021	
	RM'000	**%**	**RM'000**	**%**
Building construction				
• Residential	51,353	41.31	74,248	71.05
• Non-Residential	72,923	58.67	29,846	28.56
Other complementary services(1)	26	0.02	404	0.39
	124,302	100.00	104,498	100.00

Notes:

* Represents less than 0.01%.

(1) Revenue derived from ICT solutions and services.

Our revenue for FYE 2018 to FYE 2020, FPE 2020 and FPE 2021 was derived in Malaysia and from the construction of non-residential buildings and residential buildings. Moving forward, the construction segment will continue to contribute largely to our revenue.

As at LPD, our unbilled order book amounted to RM544.98 million which represents 2.59 times of our average revenue of RM210.21 million, calculated based on our audited revenue for FYE 2018 to FYE 2020 and FPE 2021. This order book to revenue ratio of 2.59 times is an indication of our revenue for the next 2 to 3 financial years.

Further details of our Group and our business overview are set out in Sections 6 and 7.

2.3 COMPETITIVE STRENGTHS

Our Directors believe that our business sustainability and future growth is built on the following competitive strengths:

(i) We have a proven track record in the construction industry. We are registered G7 contractors with CIDB, which allows us to undertake projects of any size and unlimited contract value within Malaysia. Our track record in participating in various types of building construction projects has enabled us to secure diverse building construction projects and provide us with opportunities to grow and sustain our business moving forward;

(ii) We are led by our Managing Director, Ng Wai Hoe who has 24 years of experience covering project and operations management in the construction and related industry. Our Board is also represented by our Executive Directors Lim Mei Hwee and Tan Sok Moi, and other key senior management, all of whom have valuable experience in the building construction industry;

(iii) We are committed to delivering quality projects. We have implemented an integrated management system, which combines our quality management system, environmental management system and occupational health and safety management system into a single framework with unified objectives. It was assessed and accredited with internationally recognised standards namely ISO9001:2015, ISO14001:2015 and ISO45001:2018 by SIRIM QAS International Sdn Bhd;

(iv) We have experience and capabilities in carrying out a wide variety of building construction projects which includes:

- non-residential buildings such as commercial buildings (office towers and shopping complex), institutional buildings (hospital), industrial buildings (warehouse and factory); and

- residential buildings such as high-rise apartments and condominiums.

Further details of our competitive strengths are set out in Section 7.16.

2.4 BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth in our business and create long term shareholders' value. To achieve our business objectives, we will implement the following business strategies over the period of 24 months from the date of our Listing:

(i) Establishing our own storage facility that will provide additional capacity for storage in line with our future plans of investing and purchasing additional construction related machinery and equipment as well as provide a location to undertake maintenance works for our existing and new construction machinery and equipment that are not in use;

(ii) Investment to support our expansion plans:

- We intend to further expand our building construction activities by participating in tenders for higher value high-rise construction projects and other types of buildings. To enhance our capacity and capability to tender for more building construction projects and to cater for future projects, we intend to invest and purchase new construction machinery and equipment to support our expansion plans; and

- We also intend to expand our presence into the civil engineering segment, focusing on the construction of roads, bridges and highways.

(iii) Enhance our design and build services through hiring experienced individuals to strengthen our technical capabilities and purchase of BIM system software. The application of BIM system software is expected to contribute to more efficient project management.

Further details of our business strategies are set out in Section 7.17.

2.5 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risk factors as set out in Section 9. Some of the more important risk factors are summarised below:

(i) Our business operations and financial performance may be affected due to the outbreak of the COVID-19 pandemic and possible similar future outbreaks of viruses. A spread of such diseases amongst our employees or our subcontractors' employees as well as the resulting quarantine and closure of offices and construction sites may affect our ability to carry out our business. These disruptions to our business operations will in turn delay our project delivery, which may consequently result in an adverse impact on our financial performance;

(ii) Our projects are generally awarded on a project-to-project basis and as such, there is no assurance of the continuity of one project to the next project. Construction projects are generally awarded based on competitive tendering and our Group is required to bid competitively for all the projects we wish to secure. As such, our Group faces the risk of not being able to secure all the projects tendered. We also face the risk that our existing order book may be reduced due to termination of ongoing projects or reduction in our scope of work which reduces the contract value. Any significant decline in our order book could adversely affect our Group's sustainability and prospects;

(iii) Any unanticipated increase in costs associated with our construction projects may impair our financial performance such as lower than anticipated productivity, higher costs of materials and subcontractors, delay in the availability of financing and political or social disruptions, amongst others;

(iv) We face possible delays in the completion of construction projects and potential reduction, termination and/ or revision in the scope of work. Our construction projects are subject to budgets and scope of works, to be delivered within stipulated timelines. Therefore any extensions or delays in a project may result in increased construction overheads and might attract a negative reputation and legal uncertainties such as the imposition of LAD by our clients;

(v) Our construction activities are subject to the sufficient supply of construction materials at competitive prices as our construction materials are price sensitive; and

(vi) We are dependent on the services of our subcontractors for our construction works. Any failure by a subcontractor to fulfil its contractual obligation may lead to delay in the completion of the project or penalties imposed on our Group by our clients. If we are unable to claim such penalties from our subcontractors, our Group may be liable for such costs and this could adversely affect our Group's financial performance.

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2.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
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 Shahril Bin Mokhtar	Independent Non-Executive Director
Datuk Lim Tong Lee	Independent Non-Executive Director
Andrea Huong Jia Mei	Independent Non-Executive Director
Key senior management	
Koo Seong Hoe	Chief Financial Officer
Cheah Kok Liang	General Manager
Fong Kok Yew	Commercial Manager

Further details of our Directors and key senior management are set out in Section 5.

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2.7 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and substantial shareholders in our Company before and after IPO are set out below:

		Before IPO[(1)]				After IPO[(2)(3)]			
	Nationality/	Direct		Indirect		Direct		Indirect	
Name	Country of incorporation	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders									
Ng Wai Hoe	Malaysian	110,167,525	30.00	73,445,016[(4)]	20.00	90,582,025	18.50	63,652,316[(4)]	13.00
Lim Mei Hwee	Malaysian	73,445,017	20.00	-	-	62,428,217	12.75	-	-
Tan Sok Moi	Malaysian	55,083,763	15.00	-	-	46,515,163	9.50	-	-
Makmur Baru	Malaysia	73,445,016	20.00	-	-	63,652,316	13.00	-	-
Substantial shareholders									
Alam Kota	Malaysia	55,083,762	15.00	-	-	55,083,762	11.25	-	-
Dato' Chang Lik Sean	Malaysian	-	-	55,083,762[(5)]	15.00	-	-	55,083,762[(5)]	11.25

Notes:

(1) After completion of Acquisition, but before Public Issue and Offer for Sale.

(2) After Public Issue and Offer for Sale.

(3) Based on enlarged share capital of 489,634,083 Shares after IPO.

(4) Deemed interested by virtue of Section 8(4) of the Act through his interest held in Makmur Baru.

(5) Deemed interested by virtue of Section 8(4) of the Act through his interest held in Alam Kota.

Our Promoters' entire shareholdings after IPO will be held under moratorium for 6 months from the date of Listing. Further details on the moratorium on our Shares are set out in Section 3.2.

2.8 UTILISATION OF PROCEEDS

The estimated gross proceeds from our Public Issue of RM36.72 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	RM'000	%	Estimated timeframe for utilisation[(1)]
Purchase of land and construction of storage facility	6,098	16.61	Within 24 months
Purchase of machinery and equipment	13,125	35.74	Within 24 months
Purchase of BIM system software	3,066	8.35	Within 24 months
Upgrade software and systems	810	2.21	Within 18 months
Office expansion	300	0.82	Within 24 months
Working capital	9,300	25.32	Within 12 months
Estimated listing expenses	4,023	10.95	Within 3 months
Total	**36,722**	**100.00**	

Note:

(1) From the date of Listing.

There is no minimum subscription to be raised from IPO.

Detailed information on our utilisation of proceeds is set out in Section 4.9.

The gross proceeds from the Offer for Sale of approximately RM14.69 million will accrue entirely to the Selling Shareholders.

2.9 OUTBREAK OF COVID-19 PANDEMIC

As a result of MCO 1.0, MCO 2.0, MCO 3.0, FMCO and NRP we have experienced work stoppages and limitation on our workforce capacity at our office and construction sites. Our initial work plans for our ongoing projects have been affected, and thus we have sought EOT from our clients for some of our projects.

Despite MCO 2.0 and MCO 3.0 in 2021, we did not experience material delays or disruptions in terms of our construction activities as economic sectors are allowed to operate during that period, albeit with reduced management staff working in our office. However, the FMCO and NRP which began on 1 June 2021 have delayed some of our ongoing projects. However, the delays were not material as we neither received any cancellation or suspension of any contracts nor did we experience any reduction in our scope of work. We will be able to complete all our ongoing project and the delayed revenue will eventually be recognised.

Over the course of MCO 1.0, MCO 2.0, MCO 3.0 and NRP, we neither received any cancellation or suspension of any contracts nor experienced any reduced scope of work or changes in tenders.

Further details on the interruption in our business and operations are set out in Section 7.12.

2.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS

The selected financial and operational information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

2.10.1 Combined statements of profit or loss and other comprehensive income

The following table sets out the financial highlights based on our combined statements of profit or loss and other comprehensive income for FYE 2018 to 2020 and FPE 2021 as well as the historical combined unaudited statements of our Group for the FPE 2020:

	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	145,419	242,888	273,388	124,302	104,498
GP	11,401	13,795	19,989	10,879	11,379
PBT	7,784	8,579	15,455	8,345	7,244
PAT	5,262	6,950	11,043	6,334	4,983
Adjusted PAT	(5)4,094	6,950	11,043	6,334	4,983
PAT attributable to owners of our Company	5,243	6,956	11,022	6,334	4,983
Adjusted PAT attributable to owners of our Company	(5)4,075	6,956	11,022	6,334	4,983
GP margin (%)(1)	7.84	5.68	7.31	8.75	10.89
PBT margin (%)(2)	5.35	3.53	5.65	6.71	6.93
PAT margin (%)(2)	3.62	2.86	4.04	5.10	4.77
Adjusted PAT margin (%)(2)	2.82	2.86	4.04	5.10	4.77
Basic EPS (sen)(3)	1.43	1.89	3.00	1.72	1.36
Diluted EPS (sen)(4)	1.07	1.42	2.25	1.29	1.02
Adjusted basic EPS (sen)(3)	1.11	1.89	3.00	1.72	1.36
Adjusted diluted EPS (sen)(4)	0.83	1.42	2.25	1.29	1.02

Further details on the financial information are set out in Sections 12 and 13.

Notes:

(1) Calculated based on GP divided by revenue.

(2) PBT margin and Adjusted PAT/PAT margin are calculated based on the respective PBT and Adjusted PAT/PAT divided by revenue.

(3) Calculated based on Adjusted PAT/PAT attributable to owners of our Company divided by 367,225,083 enlarged number of Shares in issue before IPO.

(4) Calculated based on Adjusted PAT/PAT attributable to owners of our Company divided by 489,634,083 enlarged number of Shares in issue after IPO.

(5) After adjusting for gain on disposal of subsidiary amounted to RM1.17 million.

There were no exceptional items during the financial years/period under review. Our audited combined financial statements for the past financial years under review were not subject to any audit qualifications. Detailed information on our financial information is set out in Sections 12 and 13.

2.10.2 Pro forma combined statements of financial position

The following table sets out a summary of the pro forma combined statements of financial position of our Group based on our audited combined financial statements as at 31 July 2021 to show the effects of the subsequent event, Acquisition, IPO and utilisation of proceeds. It is presented for illustrative purposes only and should be read together with the pro forma combined statements of financial position as set out in Section 14.

		I	II	III
	As at 31 July 2021(1)	**After adjustment for subsequent event and Acquisition**	**After I and IPO**	**After II and utilisation of proceeds**
	RM'000	**RM'000**	**RM'000**	**RM'000**
ASSETS				
Total non-current assets	12,654	12,654	12,654	12,654
Total current assets	127,603	127,603	164,325	161,259
TOTAL ASSETS	**140,257**	**140,257**	**176,979**	**173,913**
EQUITY AND LIABILITIES				
Share capital	*	36,722	73,444	72,098
Invested equity	1,000	-	-	-
Reserves	36,702	980	980	(740)
TOTAL EQUITY	**37,702**	**37,702**	**74,424**	**71,358**
Total non-current liabilities	12,278	12,278	12,278	12,278
Total current liabilities	90,277	90,277	90,277	90,277
TOTAL LIABILITIES	**102,555**	**102,555**	**102,555**	**102,555**
TOTAL EQUITY AND LIABILITIES	**140,257**	**140,257**	**176,979**	**173,913**
No. of Shares in issue	3(2)	367,225,083	489,634,083	489,634,083
(NL)/NA per Share (RM)	12,567,333	0.10	0.15	0.15

Notes:

* Less than RM1,000.

(1) Extracted from the Accountants Report set out in Section 13 of this Prospectus.

(2) Our Company was incorporated on 30 December 2020.

Detailed information on our pro forma combined statements of financial position is set out in Section 14.

2.10.3 Key financial ratios

The key financial ratios of our Group as at 31 December 2018, 31 December 2019, 31 December 2020 and 31 July 2021 are as follows:

	31 December			31 July
	2018	**2019**	**2020**	**2021**
Trade receivables turnover (days)[(1)]	63	71	69	82
Trade payables turnover (days)[(2)]	68	74	100	161
Current ratio (times)[(3)]	1.25	1.17	1.26	1.41
Gearing ratio (times)[(4)]	0.37	0.68	0.34	0.44

Notes:

(1) Computed based on average opening and closing trade receivables (excluding retention sum) over revenue for the year multiplied by 365 days for FYEs and 212 days for FPE.

(2) Computed based on average opening and closing trade payables (excluding retention sum) over costs of sales for the year multiplied by 365 days for FYEs and 212 days for FPE.

(3) Computed based on current assets over current liabilities as at each financial year/period end.

(4) Computed based on total borrowings over total equity as at each financial year/period end.

Further details on the key financial ratios are set out in Section 12.8.

2.10.4 Operational highlights

Following the emergence of our Promoters as the controlling shareholders of Siab (M) in 2013 up to the LPD, we have completed 14 projects with contract value above RM30.00 million (excluding civil engineering construction works project) comprising:

(i) 5 are residential projects with a total contract value of approximately RM587.26 million; and

(ii) 9 are non-residential projects with a total contract value of approximately RM832.58 million.

Our total unbilled order book is approximately RM544.98 million as at LPD, comprising RM431.09 million from residential projects and RM113.89 million from non-residential projects. Further information on our completed projects and order book are set out in Section 7.2.1.2 and 12.13, respectively.

2.11 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. It is our intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board. Further details of our dividend policy are set out in Section 12.16.

3. APPROVALS AND CONDITIONS

3.1 APPROVALS AND CONDITIONS

3.1.1 Bursa Securities approval

Bursa Securities had, vide its letter dated 8 October 2021, approved our admission to the Official List of the ACE Market and the Listing. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(i)	Siab is to obtain the Certificates of Accommodation for all its worker's accommodations prior to the issuance of the Prospectus of Siab.	Complied[(1)]
(ii)	Submit the following information with respect of the moratorium on the shareholdings of the promoters to Bursa Depository: a. Name of shareholders; b. Number of shares; and c. Date of expiry of the moratorium for each block of shares;	Complied
(iii)	Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
(iv)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
(v)	Furnish to Bursa Securities with a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Siab on the first day of Listing;	To be complied
(vi)	Ensure any director of the Company who has not attended the Mandatory Accreditation Programme must do so prior to the Listing;	Complied
(vii)	In relation to the Public Issue to be undertaken by Siab, to announce at least 2 Market Days prior to the listing date, the result of the offering including the following: a. Level of subscription of public balloting and placement; b. Basis of allotment/allocation; c. A table showing the distribution for placement tranche; and	To be complied

3. APPROVALS AND CONDITIONS *(Cont'd)*

No.	Details of conditions imposed	Status of compliance
	d. Disclosure of placees who become substantial shareholders of Siab arising from the Public Issue, if any;	
(viii)	Siab or M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Siab to the Official List of the ACE Market.	To be complied

Note:

(1) Siab had obtained the Certificate for Accommodation for the workers' accommodations located at the construction sites for Impressions U-Thant Project and the Chambers Residence Project on 30 September 2021 and 11 October 2021, respectively. Whereas, the Certificate for Accommodation for the workers' accommodations located at the construction sites for Hyatt Bukit Jalil Project and Cubic Botanical Tower A Project had both been obtained on 28 December 2021.

As at the LPD, the construction of The Dawn Project, Columbarium Project and Arunya @ KL North Project are at preliminary stages where the required floors to be designated as workers' accommodation for respective projects have not been built yet. As such, no workers' accommodation has been provided by Siab to the subcontractors' workers for the respective projects. Moving forward, upon completion of the required floors designated as workers' accommodations for the respective projects, Siab will apply to the relevant authorities to obtain the temporary building permits and Certificate for Accommodation. Please refer to Section 9.1.2 for further details of the Certificates for Accommodation.

3.1.2 SC approval

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

The SC had, vide its letter dated 29 November 2021, approved the resultant equity structure of Siab under the equity requirement for public listed companies pursuant to our Listing. The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(i)	Siab allocating shares equivalent to at least 12.50% of its enlarged issued share capital at the point of listing to Bumiputera investors to be approved by the MITI; and	To be complied
(ii)	Siab is to make available at least 50.00% of the balloting portion for subscription by Bumiputera public investors.	To be complied

3. APPROVALS AND CONDITIONS *(Cont'd)*

The effects of our Listing on our equity structure are as follow:

Category of shareholders	As at 1 June 2021 No. of Shares	As at 1 June 2021 % of number of issued Shares	After Listing[1] No. of Shares	After Listing[1] % of enlarged number of issued Shares
Bumiputera				
- Bumiputera investors to be approved by MITI	-	-	[1]61,204,500	12.50
- Bumiputera public investors via balloting	-	-	[1]12,240,900	2.50
- Others	-	-	[2]600,000	0.12
Total Bumiputera	**-**	**-**	**74,045,400**	**15.12**
Non-Bumiputera	3	100.00	415,588,683	84.88
Malaysians	**3**	**100.00**	**489,634,083**	**100.00**
Foreigners	-	-	-	-
Total	**3**	**100.00**	**489,634,083**	**100.00**

Notes:

(1) Based on the assumption that the shares allocated to Bumiputera investors to be approved by MITI and Bumiputera public investors via balloting shall be fully subscribed.

(2) Based on the assumption that the Shares allocated to the eligible Directors under the Pink Form Allocations shall be fully subscribed.

The Shariah Advisory Council of SC had, vide its letter dated 15 December 2021 classified our Shares as shariah-compliant based on the audited combined financial statements for FYE 2020.

3.1.3 MITI approval

The MITI had, vide its letter dated 1 November 2021, taken note and has no objection to our Listing.

3.2 MORATORIUM ON OUR SHARES

3.2.1 Moratorium on Promoters

In accordance with Rule 3.19(1A)(b) of the Listing Requirements and pursuant to the conditions imposed under the approval letter by Bursa Securities, a moratorium will be imposed on the sale, transfer or assignment of those Shares held by our Promoters. The moratorium shall apply to the entire shareholdings of our Promoters for a period of 6 months from the date of our admission to the ACE Market. Details of our Promoters and their Shares which will be subject to the above said moratorium, are set out below:

Promoters	No. of Shares[1]	%[2]
Ng Wai Hoe	90,582,025	18.50
Lim Mei Hwee	62,428,217	12.75
Tan Sok Moi	46,515,163	9.50
Makmur Baru	63,652,316	13.00
	263,177,721	**53.75**

Notes:

(1) After Offer for Sale.

(2) Based on the enlarged share capital of 489,643,083 Shares after IPO.

The moratorium has been fully accepted by our Promoters, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under the moratorium during the moratorium period. The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under the moratorium held by our Promoters to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

Separately, Ng Wai Hoe being the sole shareholder of Makmur Baru has also undertaken not to sell, transfer or assign his respective shareholdings in Makmur Baru during his moratorium period.

3.2.2 Moratorium on Alam Kota

Alam Kota, our substantial shareholder, has voluntarily agreed to place its entire shareholding under the moratorium. It has provided the written undertaking to Bursa Securities that it will not sell, transfer or assign its shareholdings under moratorium during the period of 6 months from the Listing date.

Details of Alam Kota and its Shares which will be subject to the abovesaid moratorium, are set out below:

Substantial shareholder	No. of Shares	%[1]
Alam Kota	55,083,762	11.25

Note:

(1) Based on the enlarged share capital of 489,634,083 Shares after IPO

Separately, Dato' Chang Lik Sean being the sole shareholder of Alam Kota has also undertaken not to sell, transfer or assign his respective shareholdings in Alam Kota during his moratorium period.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 28 January 2022 and will remain open until 5.00 p.m. on 16 February 2022. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Issuance of this Prospectus/Opening of Application	28 January 2022
Closing Date/Closing of Application	16 February 2022
Balloting of Application	18 February 2022
Allotment/Transfer of IPO Shares to successful applicants	25 February 2022
Date of Listing	28 February 2022

In the event there is any change to the timetable, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(i) Public Issue

A total of 122,409,000 Issue Shares representing approximately 25.00% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

24,481,800 Shares, representing approximately 5.00% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

(aa) 12,240,900 Shares made available to public investors; and

(bb) 12,240,900 Shares made available to Bumiputera public investors.

(b) Eligible Directors, employees and persons who have contributed to the success of our Group

12,240,900 Shares, representing 2.50% of our enlarged share capital, are reserved for our eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.3.

(c) Private placement to Bumiputera investors approved by MITI

61,204,500 Shares, representing 12.50% of our enlarged share capital are reserved for private placement to Bumiputera investors approved by MITI.

(d) Private placement to selected investors

24,481,800 Shares, representing 5.00% of our enlarged share capital are reserved for private placement to selected investors.

The basis of allocation of the Issue Shares shall take into account our Board's intention to distribute the Issue Shares to a reasonable number of applicants to broaden our Company's shareholding base to meet the public spread requirements, and to establish a liquid and adequate market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

The allocation of Issue Shares to selected Bumiputera investors shall be subject to the allocation as approved by MITI. Any unsubscribed Issue Shares under this allocation shall firstly be reallocated to Bumiputera institutional investors. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares shall then be offered to Bumiputera public investors via balloting.

Upon completion of our Public Issue, our share capital will increase from RM36,722,511 comprising 367,225,083 Shares to RM73,445,211 comprising 489,634,083 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

Our Public Issue is subject to the terms and conditions of this Prospectus.

(ii) Offer for Sale

Our Selling Shareholders will undertake an offer for sale of 48,963,600 Offer Shares, representing 10.00% of our enlarged share capital at our IPO Price. The Offer for Sale shall be undertaken by way of private placement to the selected investors.

Further details of our Selling Shareholders are set out in Section 4.3.2.

Our Offer for Sale is subject to the terms and conditions of this Prospectus.

(iii) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM73,445,211 comprising 489,634,083 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO (*Cont'd*)

4.3.2 Selling Shareholders

Details of our Selling Shareholders are as follows:

		Before IPO[(1)]		Offer Shares offered			After IPO	
Name/ Address	**Material relationship with our Group**	**No. of Shares**	**%[(2)]**	**No. of Shares**	**%[(2)]**	**%[(3)]**	**No. of Shares**	**%[(3)]**
Ng Wai Hoe/ 16, Jalan Sierra 9/1 Bandar 16 Sierra 47120 Puchong Selangor	Promoter, substantial shareholder and Managing Director	110,167,525	30.00	19,585,500	5.33	4.00	90,582,025	18.50
Lim Mei Hwee/ 25, Jalan Clover 1 Clover @ Garden Residence Cyber 3 63000 Cyberjaya Selangor	Promoter, substantial shareholder and Executive Director	73,445,017	20.00	11,016,800	3.00	2.25	62,428,217	12.75
Tan Sok Moi/ 18, Jalan Mutiara 2/12 Taman Mutiara Indah 47100 Puchong Selangor	Promoter, substantial shareholder and Executive Director	55,083,763	15.00	8,568,600	2.33	1.75	46,515,163	9.50
Makmur Baru/ 41-2, Jalan Wangsa Delima 2A Seksyen 5 53300 Wangsa Maju Wilayah Persekutuan Kuala Lumpur	Promoter and substantial shareholder	73,445,016	20.00	9,792,700	2.67	2.00	63,652,316	13.00

Notes:

(1) After completion of Acquisition but prior to Public Issue.

(2) Based on the share capital of 367,225,083 Shares before IPO.

(3) Based on the enlarged share capital of 489,634,083 Shares after IPO.

The Selling Shareholders shall bear all expenses such as placement fee and miscellaneous fees estimated at approximately RM0.29 million relating to the Offer Shares. The Offer Shares are not underwritten by our Underwriter.

Further details of our Selling Shareholders, can be found in Sections 5.1 and 5.2.

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4.3.3 Pink Form Allocations

We have allocated 12,240,900 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocations as follows:

Category	**No. of eligible persons**	**Aggregate no. of Issue Shares allocated**
Eligible Directors	4	1,200,000
Eligible employees	71	3,000,000
Persons who have contributed to the success of our Group	25	8,040,900
	100	**12,240,900**

Entitlements which are not accepted by certain eligible Directors, employees and persons who have contributed to the success of our Group will be re-allocated to the other eligible Directors as set out in the table below and other eligible employees and persons who have contributed to the success of our Group at the discretion of our Board.

(i) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group. Ng Wai Hoe (our Managing Director), Lim Mei Hwee (our Executive Director) and Tan Sok Moi (our Executive Director) have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders and selling shareholders.

Details of the proposed allocation to our other Directors are as follows:

Name	**Designation**	**No. of Issue Shares allocated**
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	Independent Non-Executive Chairman	300,000
Dato' Sri Shahril bin Mokhtar	Independent Non-Executive Director	300,000
Datuk Lim Tong Lee	Independent Non-Executive Director	300,000
Andrea Huong Jia Mei	Independent Non-Executive Director	300,000
		1,200,000

(ii) Allocation to our eligible employees

The criteria of allocation to our eligible employees (as approved by our Board) are based on, inter-alia, the following factors:

(a) Our employees must be an eligible and confirmed employee and on the payroll of our Group;

(b) The number of Issue Shares allocated to our eligible employees are based on their seniority, position, their length of service and their respective contribution made to our Group as well as other factors deemed relevant to our Board; and

(c) Full time employee of at least 18 years of age.

Included in the allocation to our eligible employees are the proposed allocations to our key senior management as follows:

Name	Designation	No. of Issue Shares allocated
Koo Seong Hoe	Chief Financial Officer	250,000
Cheah Kok Liang	General Manager	250,000
Fong Kok Yew	Commercial Manager	200,000
		700,000

(iii) Allocation to persons who have contributed to the success of our Group

Persons who have contributed to the success of our Group include business associates, contractors and suppliers.

The number of Issue Shares to be allotted to those persons who have contributed to the success of our Group are based on amongst others, the nature and terms of their business relationship with us, the length of their relationship with us and the level of contribution and support to our Group.

4.3.4 Placement and underwriting arrangement

Our Underwriter will underwrite 36,722,700 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance of 85,686,300 Issue Shares and 48,963,600 Offer Shares available for application by Bumiputera investors approved by MITI and selected investors will be placed out by our Placement Agent and will not be underwritten.

Any of our Issue Shares not subscribed for by the Malaysian Public or Pink Form Allocations will be made available to selected investors via private placement.

Any of our Issue Shares not subscribed or accepted by Bumiputera investors approved by MITI under the private placement as stated in Section 4.3.1(i)(c) above shall firstly be reallocated to Bumiputera institutional investors. If after the above reallocation, there are still Issue Shares not taken up, the said unsubscribed Issue Shares will be made available for subscription by the Bumiputera general public via the balloting process.

However, if all Issue Shares offered to the Malaysian Public are oversubscribed, shares not subscribed for under the Pink Form Allocations (if any) will be made available for application by the Malaysian Public. Any remaining Issue Shares which are not subscribed by the Malaysian Public or Pink Form Allocations will then be made available to selected investors under private placement. Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner.

4.3.5 Minimum and over-subscription

There is no minimum subscription to be raised from our IPO. However, in order to comply with the public spread requirements of Bursa Securities, the minimum subscription in terms of the number of IPO Shares will be the number of IPO Shares required to be held by public shareholders to comply with the public spread requirements as per the Listing Requirements or as approved by Bursa Securities.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to the ballot to be conducted in a manner approved by our Directors.

Under the Listing Requirements, at least 25.00% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

Upon completion of our IPO, our share capital would be as follows:

Details	**No. of Shares**	**RM**
Share capital		
As at the date of this Prospectus	367,225,083	36,722,511
To be issued under our Public Issue	122,409,000	36,722,700
Enlarged share capital upon our Listing	**489,634,083**	**73,445,211**

Our Offer for Sale will not have an effect on our share capital.

As at the date of this Prospectus, we have only one class of shares, being ordinary shares, all of which rank equally amongst one another.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and any surplus if our Company is liquidated in accordance with our Constitution.

Each of our shareholders shall be entitled to vote at any of our general meetings in person, or by proxy or by other duly authorised representative. Every shareholder present in person or by proxy or other duly authorised representative shall have one vote for each Share held.

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

(i) To enable our Group to raise funds for the purposes specified in Section 4.9 herein;

(ii) To gain recognition through our listing status to enhance our reputation when tendering for new construction projects and to retain and attract new, skilled employees from the construction industry;

(iii) To provide an opportunity for the Malaysian Public, including our eligible Directors, employees and persons who have contributed to the success of our Group to participate in our equity; and

(iv) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and M&A Securities, as our Adviser, Sponsor, Underwriter and Placement Agent, after taking into consideration the following factors:

(i) Our pro forma NA per Share as at 31 July 2021 after adjustments for subsequent event, Acquisition, IPO and utilisation of proceeds of RM0.15, calculated based on our pro forma NA after adjustment for subsequent event, Acquisition, IPO and utilisation of proceeds as at 31 July 2021 of approximately RM71.36 million and enlarged share capital of 489,634,083 Shares upon Listing;

(ii) The PE Multiple of our IPO Price of approximately 13.33 times based on our EPS of approximately 2.25 sen for FYE 2020, calculated based on our PAT attributable to owners of our Company for FYE 2020 of RM11.02 million and enlarged share capital of 489,634,083 Shares upon Listing;

(iii) Our historical financial track record as follows:

	FYE 2018	**FYE 2019**	**FYE 2020**
	RM'000	**RM'000**	**RM'000**
Revenue	145,419	242,888	273,388
GP	11,401	13,795	19,989
Total comprehensive income attributable to owners of our Company	5,243	6,956	11,022

	FPE 2020	**FPE 2021**
	RM'000	**RM'000**
Revenue	124,302	104,498
GP	10,879	11,379
Total comprehensive income attributable to owners of our Company	6,334	4,983

(iv) Our competitive strengths as set out in Section 7.16; and

(v) Our business strategies and prospects as set out in Section 7.17.

You should note that our market price upon Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in them. You are reminded to carefully consider the risk factors as set out in Section 9 before deciding to invest in our Shares.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 489,634,083 Shares upon Listing, our total market capitalisation will be RM146,890,225.

4.8 DILUTION

Dilution is the amount by which our IPO Price exceeds our pro forma NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.30
Pro forma NA per Share as at 31 July 2021 after adjustments for subsequent event, Acquisition and before IPO	0.10
Pro forma NA per Share as at 31 July 2021 after adjustments for subsequent event, Acquisition, IPO and utilisation of proceeds	0.15
Increase in pro forma NA per Share attributable to existing shareholders	0.05
Dilution in pro forma NA per Share to our new public investors	0.15
Dilution in pro forma NA per Share as a percentage of our IPO Price	50.00%

Further details of our pro forma NA per Share as at 31 July 2021 is set out in Section 14.

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to the date of this Prospectus:

Shareholders	**No. of Shares received**(1)	**Total consideration**	**Average effective cost per Share**
		RM	**RM**
Ng Wai Hoe	110,167,525	11,016,753	0.10
Lim Mei Hwee	73,445,017	7,344,503	0.10
Tan Sok Moi	55,083,763	5,508,377	0.10
Makmur Baru	73,445,016	7,344,502	0.10
Alam Kota	55,083,762	5,508,376	0.10
	367,225,083	**36,722,511**	

Note:

(1) Issued under the Acquisition and including the 3 shares issued upon the incorporation of our Company.

Save as disclosed above and the Pink Form Allocations, there has been no acquisition or subscription of any of our Shares by our Directors or key senior management, substantial shareholders or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

4.9 UTILISATION OF PROCEEDS

4.9.1 Public Issue

The estimated gross proceeds from our Public Issue of RM36.72 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	Estimated timeframe for utilisation(1)
Purchase of land and construction of storage facility	(a)	6,098	16.61	Within 24 months
Purchase of machinery and equipment	(b)	13,125	35.74	Within 24 months
Purchase of BIM system software	(c)	3,066	8.35	Within 24 months
Upgrade software and systems	(d)	810	2.21	Within 18 months
Office expansion	(e)	300	0.82	Within 24 months
Working capital	(f)	9,300	25.32	Within 12 months
Estimated listing expenses	(g)	4,023	10.95	Within 3 months
Total		**36,722**	**100.00**	

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions.

Notes:

(1) From the date of Listing.

(a) Purchase of land and construction of storage facility

As part of our Group's business strategies, we have allocated RM6.10 million for the purchase of land in Klang Valley with an approximate size of 2 acres and construction of storage facility on the land to store our construction materials as well as new and existing construction machinery and equipment that are not in use in the construction.

We currently store our construction materials, machinery and equipment which are not in use at our rented storage facility located in Puchong, Selangor. We also store certain less bulky construction materials and equipment in our own storage shoplot in Kajang, Selangor. Further information in relation to our storage facility and storage shoplot are set out in Section 6.8.2(v) and 6.8.1(iii) of this Prospectus, respectively.

Subsequent to the completion of the new storage facility, we will relocate our Group's existing rented storage facility in Puchong, Selangor to this new premise. We expect to incur transportation and manpower cost amounting to RM0.04 million to be funded via internally generated funds for the relocation of construction materials, machinery and equipment to the new premise. We do not foresee any impact to the Group's operations in relation to the relocation as our materials, machinery and equipment which are being stored in our existing rented storage facility are those that are not being utilised in the short term. We also expect that our storage shoplot in Kajang, Selangor will still be utilised to store certain less bulky construction materials and equipment.

The cost of the land to be acquired is estimated to be approximately RM8.71 million and the construction of the storage facility on the land are estimated to cost RM3.49 million. We plan to finance RM6.10 million or approximately 70.00% of the estimated land value of RM8.71 million via bank borrowings. The RM6.10 million gross proceeds from the Public Issue earmarked for the purchase of land and construction of storage facility will be used to finance the remaining RM2.61 million or approximately 30.00% of the land value and the RM3.49 million cost of construction of the storage facility.

The purpose for the acquisition of land and construction of the storage facility is to accommodate the growth in our business which involves the purchase of additional construction machinery and equipment, the details of which are set out in Section 4.9.1(b) below. The new storage facility will enable us to accommodate and undertake maintenance works of our new and existing construction machinery and equipment that are not in use at our construction sites. The storage facility will have an approximate built-up area of 43,500 square feet which will allow us to better organise storage of our machinery and equipment.

The indicative timeline for the construction of the new storage facility is targeted to be as follows:

Timeframe (from the date of listing)	**Details**
1st – 4th month	• To identify and negotiate with vendor(s) of land
5th – 9th month	• To obtain approval for bank borrowing to partly finance acquisition of land • Acquisition of land
10th – 12th month	• To obtain approval for building plans and other approvals required from local councils and authorities
13th – 20th month	• To construct new storage facility
21st – 23rd month	• To obtain CCC for the new storage facility
24th month	• New storage facility in operation

As at the LPD, our Group is still in the midst of identifying a suitable piece of land for our storage facility. The exact location and size of the land are subject to changes depending on the price and availability. In the event the allocated proceeds are insufficient for the purchase of land and construction of storage facility, any shortfall will be funded via internally generated funds and/or additional bank borrowings.

Please refer to Section 7.17 of this Prospectus for further details of our Group's business strategies.

(b) Purchase of machinery and equipment

We have allocated RM13.13 million for the purchase of new construction machinery and equipment to support our business expansion and to replace certain fully-depreciated machinery and equipment. All of the following machinery and equipment will be purchased from local suppliers.

Type of machinery/ equipment	Purpose	Estimated Purchase quantity	Estimated Total cost
			RM'000
Truck-mounted concrete pump	A type of concrete pump to transfer liquid concrete which is mounted on a truck	2	1,380
Concrete placing boom	An articulating robotic arm attached to a concrete pump to transfer and place concrete for the construction of high-rise buildings	3	1,266
Safety self-climbing platform	A protection screen and platform that protects working environment from weather conditions and safeguards against falls in work areas	26,412 sq m	2,136
Scaffolding and formwork	A temporary platform that is used during construction to support workers and materials	11,024 pieces and accessories	3,381
Tower crane	An equipment used for lifting of construction materials/ material handling in the construction of high-rise buildings	4	3,780
Material loading platform	Temporary platform which is used to loading/unloading construction materials	7	233
Forklift	A vehicle with a pronged device in front for lifting and carrying heavy loads	1	80
Truck crane	A truck which has a crane mounted at the rear which is used to load and unload goods from the truck's deck	2	869
			13,125

The purchase of these construction machinery and equipment is in line with our Group's future plans to further expand our building construction activities and expand into the civil engineering segment focusing on the construction of roads, bridges and highways. We believe that such utilisation of proceeds to purchase additional machinery and equipment will increase our operational capacity and enable us to tender for and undertake construction projects with higher value and expansion into other type of building projects to support our growth trajectory.

The quotations for the construction machinery and equipment had been procured from our identified local suppliers. As at LPD, we have not entered into any binding agreements with these local suppliers for the purchase of the construction machinery and equipment. Therefore, the estimated cost of these construction machinery and equipment is subject to changes if the quotations are being revised. In the event the allocated proceeds are insufficient for the purchase of the construction machinery and equipment, any shortfall will be funded via internally generated funds and/or additional bank borrowings.

(c) Purchase of BIM system software

We have allocated RM3.07 million for the purchase of BIM system software. BIM system software is a digital 3D modelling platform to integrate the planning, scheduling, costing, procurement, design, specification, construction and facilitate operational data and information required to simulate the physical construction.

The purchase of the BIM system software is in line with our Group's future plan and our continuous efforts in tendering more construction projects especially design and build projects.

The adoption of BIM system software is expected to enhance our operational efficiency in planning and coordinating our design and build services based on the following:

(i) simulations and benchmarking of construction projects and related processes can be produced promptly, therefore allowing optimisation and modification of construction processes and construction designs;

(ii) better understanding and analysis of construction projects through a more detailed and accurate visualisation;

(iii) design of buildings can be performed faster and construction can begin earlier which will improve workflow and speed up the construction process;

(iv) sophisticated design and drawings which are time consuming to produce can be fast-tracked using advanced software;

(v) calculation and estimation of costs, especially those that are resulted from change in the anticipated project design can be easily performed; and

(vi) scenario analysis and alternative designs can be performed to have a complete overview of the changes in estimated costs derived from changes in design and inputs.

Additionally, the application of BIM system software is expected to contribute to more efficient project management, where the collaboration between various stakeholders in the construction industry value chain facilitates the design and construction process. This can be achieved through improvement in communication among architects, clients, contractors, and other relevant parties involved in the construction project as all relevant information including design models, estimates, and information are shared and stored from one source. Parties involved in the construction project can see the information and provide their inputs therefore eliminate information silos, anticipate potential conflicts in advance and necessary improvements can be made beforehand.

(d) Upgrade software and systems

We have allocated RM0.81 million to upgrade our software and systems. Our current back office systems such as accounting system and purchasing system, are not integrated. We intend to upgrade to an integrated resource planning system to facilitate our business expansion. The integrated resource planning system will enable us to streamline our processes, eliminate redundant processes through automation, centralised our data and improve planning and reporting work.

(e) Office expansion

To facilitate and support the expansion of our Group's business operation, a total of RM0.30 million will be allocated for our office expansion to cater for additional office staffs. The proposed allocations are set out as follows:

General working capital	RM'000
Office renovation costs	215
Purchase of office furniture and equipment	85
	300

Our Group intends to renovate the ground floor of our existing head office situated in Bandar Bukit Puchong, Puchong. The ground floor has an estimated built-up area of 1,488 square feet.

We intend to allocate RM0.21 million for the cost of renovation of 1 meeting room and 6 workstations and RM0.09 million for the purchase of office furniture and equipment such as office cabinets, workstations, tables and chairs. The renovated office floor may occupy between 6 to 8 office staff.

In the event the allocated proceeds are insufficient, any shortfall will be funded via internally generated funds and/or additional bank borrowings.

Please refer to Section 6.8.1(ii) of this Prospectus for further details of our head office.

(f) Working capital

Our Group's working capital requirements are expected to increase in line with the growth in our business operations. We intend to allocate RM9.30 million to be used to supplement our working capital requirements for new and existing projects. The proposed allocations of the proceeds are set out below:

General working capital	RM'000
Payment to subcontractors	6,500
Payment to suppliers for purchase of construction materials	1,600
Maintenance costs and purchase of consumables and spare parts for construction machinery and equipment	1,200
	9,300

Construction materials and subcontractor costs are our largest cost of sales item (collectively contributing between 84.88% to 89.17% in FYE 2018 to FYE 2020) and as such we have allocated more than half of the proceeds earmarked for working capital requirements to pay our subcontractors and suppliers.

The allocation of proceeds raised from the Public Issue for our working capital requirements will reduce our dependency on external financing and allow us to undertake more construction projects concurrently. This is because the number and size of construction contracts that we can undertake at any point in time depend largely on the availability of our working capital. By allocating a portion of our proceeds to satisfy various working capital requirements associated with undertaking contract works, our Group will be in a better position to tender and expand our construction portfolio.

(g) Estimated listing expenses

An amount of RM4.02 million is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	**RM'000**
Professional fees(1)	1,857
Underwriting, placement and brokerage fees	1,640
Printing and advertising fees	205
Contingencies(2)	321
	4,023

Notes:

(1) Includes advisory fees for, amongst others, our Principal Adviser, Solicitors, Reporting Accountants, IMR and Issuing House.

(2) Other incidental or related expenses in connection with our IPO.

If our actual listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for our general working capital requirements. Conversely, if our actual listing expenses are lower than the amount budgeted, the excess will be utilised for our general working capital requirements.

4.9.2 Offer for Sale

The Offer for Sale will raise gross proceeds of approximately RM14.69 million which will accrue entirely to our Selling Shareholders.

4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION

4.10.1 Brokerage fees

Brokerage is payable in respect of the Issue Shares at the rate of 1.00% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

4.10.2 Placement fees

Our Placement Agent will place out a total of 85,686,300 Issue Shares and 48,963,600 Offer Shares to Bumiputera investors approved by MITI and selected investors.

We will pay our Placement Agent a placement fee of 3.00% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 3.00% of the value of those Offer Shares placed out by our Placement Agent will be borne entirely by the Selling Shareholders.

4.10.3 Underwriting commission

Our Underwriter has agreed to underwrite 36,722,700 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 2.50% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 36,722,700 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.4.

The salient terms in the Underwriting Agreement are as follows:

<u>Conditions</u>

(i) **Details**

The obligations of the Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement is conditional on the performance by the Company of its obligations under the Underwriting Agreement and conditional on the following ("**Conditions**"):

(a) The Underwriter receiving certificate in the form or substantially in the form contained in the certificate by the Company of the Underwriting Agreement, one dated the date of registration of the Prospectus and the other dated the last date for acceptance, application for and payment of the subscription moneys in respect of the application for the IPO Shares, which shall not be more than 3 months from the date of the Underwriting Agreement ("**Closing Date**") and subject to any extension of the Closing Date shall require the prior approval of the Underwriter, who may, at its sole and absolute discretion, agree to the same ("**Extension of Closing Date**"); both of which are to be signed by the Director of the Company (on behalf of the Board) stating that, to the best of his knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in representations, warranties and undertakings of the Underwriting Agreement and being provided with the reports or confirmation and being satisfied at the date of registration of the Prospectus and Closing Date respectively that:

(aa) there is no occurrence of any material change or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of the Group taken as a whole from that subsequent to the date of the Underwriting Agreement; or

(bb) there is no occurrence of any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings by the Company materially untrue or inaccurate or result in a material breach of the Underwriting Agreement by the Company;

(b) The Underwriting Agreement being signed by the relevant authorised signatories to the Underwriting Agreement and stamped within the statutory time frame;

(c) The registration of the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the IPO with the SC and its lodgement with the ROC by the date of issue of the Prospectus being a date not later than 1 month after the date of the Underwriting Agreement or such later date as the Company and the Underwriter may from time to time agree ("**Issue Date**");

(d) All the approvals, including Bursa Securities via its letter dated 8 October 2021; SC (Equity Compliance Unit) via its letter dated 29 November 2021; and the directors of the Company via a Board meeting on 26 June 2021 remain in full force and effect and that all conditions to the approvals (except for any which can only be complied with after the IPO has been completed) have been complied with;

(e) The approval of Bursa Securities for the admission of the Company to the Official List and the listing of and quotation for its entire issued share capital on the ACE Market being obtained on terms acceptable to the Underwriter and the approvals of Bursa Securities remaining in full force and effect and that all conditions (except for any which can only be complied with after the IPO has been completed) have been complied with;

(f) The Underwriter being satisfied that the Company will, following completion of the IPO be admitted to the Official List and its entire enlarged issued share capital listed and quoted on the ACE Market without undue delay;

(g) The Underwriting Agreement having become unconditional in all respects (save for any condition requiring the Underwriting Agreement to be unconditional) and not having been terminated or rescinded pursuant to the provisions thereof and upon the Underwriter's (in this regard, in its capacity as the Placement Agent for the Placement Shares) receipt of the full subscription monies for the Placement Shares on or before the last date for payment of the Placement Shares;

(h) The Underwriter receiving a copy duly certified by a Director or secretary of the Company to be a true and accurate copy and in full force and effect, of a resolution of the Directors:

  (aa) approving the Prospectus, this Underwriting Agreement and the transactions contemplated by it;

  (bb) authorising the issuance of the Prospectus; and

  (cc) authorising a person to sign and deliver the Underwriting Agreement on behalf of the Company;

(i) The IPO not being prohibited or impeded by any statute, order, rule, directive, guidelines (whether or not having a force of law) or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the Issue Shares and all consents, approvals, authorisations or other orders required by the Company under such laws for or in connection with the IPO and/or listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market have been obtained and are in force up to the Closing Date;

(j) The Underwriter being satisfied that the Company has complied with and that the IPO is in compliance with the policies, guidelines and requirements of SC (if any) Bursa Securities and all revisions, amendments and/or supplements to it;

(k) All necessary consents, waivers, approvals, authorisations or other orders of all regulatory authorities, required for or in connection with the execution of the Underwriting Agreement and the issue of Shares under the IPO and any other matters contemplated hereby:

(aa) have been or will be unconditionally obtained by its due date; or

(bb) if granted subject to conditions, such conditions will be fulfilled to the reasonable satisfaction of the Underwriter by its due date; and

(cc) are or will remain in full force and effect;

(l) The Bursa Malaysia Kuala Lumpur Composite Index ("**Index**") being not lower than 90.00% of the level of the Index as at the date of the Underwriting Agreement for at least 3 consecutive Market Days between the date of the Underwriting Agreement and the Closing Date, both dates inclusive;

(m) There being no occurrence of any an event which occurs after the date of the Underwriting Agreement and on or prior to the Closing Date which if it had occurred before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings untrue or inaccurate;

(n) There not having occurred on or prior to the Closing Date any breach of and/or failure to perform any of the undertakings by the Company contained in the Underwriting Agreement;

(o) There not being any investigation, directions or actions by any judicial, governmental or regulatory authority in relation to the Listing or in connection with the Group which is still subsisting or unresolved to the satisfaction of the Underwriter; and

(p) The launching of Prospectus taking place within 3 months from the date of the Underwriting Agreement or such other later date as the Underwriter and the Company may from time to time agree in writing.

Termination

(i) Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may after consultation with the Company in such manner as the Underwriter shall reasonably determine by notice in writing to the Company given at any time before the Underwriter is discharged or required to carry out its obligation under the underwriting obligation, terminate and withdraw to act as the Underwriter to subscribe or procure subscribers for the Underwritten Shares not taken up or subscribed or applied for by the Closing Date ("**Underwriting Commitment**") upon the occurrence of any of the following:

(a) any of the Conditions under the Underwriting Agreement are not duly satisfied by the Closing Date;

(b) there is any material breach by the Company of any of the representations, warranties or undertakings or which is contained in any certificate, statement or notice under or in connection with the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within 10 Market Days from the date the Company is notified by the Underwriter of such breach;

(c) there is a failure on the part of the Company to perform any of its obligations contained in the Underwriting Agreement;

(d) there is withholding of material information by the Company which in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution or sale of the Shares issued or offered under the IPO;

(e) the approval of Bursa Securities in respect of the IPO or the approval-in-principle of Bursa Securities for the listing and quotation of its entire issued share capital on the ACE Market of Bursa Securities is withdrawn;

(f) there shall have occurred, or happened any material and adverse change in the business or financial condition of the Company or Group from that set out in the Prospectus which is material in the context of the offering of the Issue Shares and/or the Listing or any occurrence of any event rendering untrue or incorrect or misleading or not complied with to an extent which is material as aforesaid, any of the representations, warranties and undertakings as though given or made on such date;

(g) the closing date of the application of the IPO Shares does not occur within 3 months from the date of the Underwriting Agreement, subject to the extension of Closing Date which is approved by the Underwriter;

(h) the Company or any of its subsidiaries becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors;

(i) the occurrence of any *force majeure* event including, but not limited to the following:

(aa) any material adverse change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or exchange control or currency exchange rate (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regards to interbank offer or interest rates both in Malaysia and overseas) or the occurrence of any combination of any of the foregoing;

(bb) any new law or any change in the existing laws, regulations, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority;

(cc) any event or series of events beyond the reasonable control of the Underwriter (including but not limited to, acts of government, strikes, national disorder, lockouts, fire, explosion, flooding, landslide, civil commotion, hurricanes/typhoons, tsunami, acts of war, sabotage, acts of God etc);

(dd) any imposition of moratorium, suspension or material restriction on the trading of securities on the ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise;

(ee) any material adverse change in financial conditions as stated in (aa) above to include stock market conditions and interest rates. For this purpose, a material adverse change in the stock market condition shall mean the Index is, at the close of normal trading on Bursa Securities, on any Market Day on or after the date of the Underwriting Agreement and prior to the allotment of the Issue Shares, lower than 90.00% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 Market Days;

(ff) any government requisition or occurrence of any other nature which materially and adversely affect or will materially or adversely affect the business and/or financial position of the Group; or

(gg) in the event that the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market is withdrawn or not procured or procured but subject to conditions not acceptable to the Underwriter;

which would have or can reasonably be expected to have, in the reasonable opinion of the Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of the Company or Group, the success of the IPO, or the distribution or sale of the Issue Shares or which has or is reasonably likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

(ii) Upon the notice(s) being given, the Underwriter shall be released and discharged of its obligations without prejudice to its rights under the Underwriting Agreement, and where the Underwriter has terminated or withdrawn its Underwriting Commitment, the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other parties in respect of the Underwriting Agreement, except that Company shall remain liable in respect of its obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees, and for any antecedent breach, and its undertaking to indemnify the Underwriter.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

Our Shares will be admitted to the Official List of the ACE Market and an official quotation will commence after, among others, the receipt of confirmation from Bursa Depository that all of our IPO Shares have been duly credited into the respective CDS Accounts of the successful applicants and the notices of allotment have been issued and despatched to all the successful applicants.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as securities to be deposited into the CDS. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with the SICDA and Depository Rules. We will not issue any share certificates to successful applicants.

Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares will trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the second Market Day following the transaction date.

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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after IPO are set out below:

		Before IPO[1]				After IPO[2][3]			
	Nationality/ Country of	Direct		Indirect		Direct		Indirect	
Name	incorporation	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders									
Ng Wai Hoe	Malaysian	110,167,525	30.00	73,445,016[4]	20.00	90,582,025	18.50	63,652,316[4]	13.00
Lim Mei Hwee	Malaysian	73,445,017	20.00	-	-	62,428,217	12.75	-	-
Tan Sok Moi	Malaysian	55,083,763	15.00	-	-	46,515,163	9.50	-	-
Makmur Baru	Malaysia	73,445,016	20.00	-	-	63,652,316	13.00	-	-
Substantial shareholders									
Alam Kota	Malaysia	55,083,762	15.00	-	-	55,083,762	11.25	-	-
Dato' Chang Lik Sean	Malaysian	-	-	55,083,762[5]	15.00	-	-	55,083,762[5]	11.25

Notes:

(1) After completion of Acquisition, but before Public Issue and Offer for Sale.

(2) After Public Issue and Offer for Sale.

(3) Based on enlarged share capital of 489,634,083 Shares after IPO.

(4) Deemed interested by virtue of Section 8(4) of the Act through his interest held in Makmur Baru.

(5) Deemed interested by virtue of Section 8(4) of the Act through his interest held in Alam Kota.

Our Promoters and substantial shareholders do not have different voting right from other shareholders of our Group.

5.1.2 Profiles of Promoters and/or substantial shareholders

The profiles of Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi who are our Promoters and Directors are set out in Section 5.2.2.

The profiles of Makmur Baru, Alam Kota and Dato' Chang Lik Sean are as follows:

(i) Makmur Baru
Promoter and Substantial shareholder

Makmur Baru was incorporated as a private limited company under the Act on 6 May 2020. Makmur Baru is principally an investment holding company. As at the LPD, the issued share capital of Makmur Baru is RM1,002 comprising 10,002 ordinary shares. The sole director and shareholder of Makmur Baru is Ng Wai Hoe who is also our Promoter and Director. By virtue of Ng Wai Hoe being the sole shareholder of Makmur Baru, he is deemed interested in our company's shares held by Makmur Baru pursuant to Section 8(4) of the Act. Save for the 20.00% equity interest in Siab, Makmur Baru does not have any other investment holdings.

(ii) Alam Kota
Substantial shareholder

Alam Kota was incorporated as a private limited company under the Act on 2 June 2020. Alam Kota is principally an investment holding company. As at the LPD, the issued share capital of Alam Kota is RM1,002 comprising 10,002 ordinary shares. The directors of Alam Kota are Datin Teoh Hooi Lee and Dato' Chang Lik Sean. The sole shareholder of Alam Kota is Dato' Chang Lik Sean. Save for the 15.00% equity interest in Siab, Alam Kota does not have any other investment holdings.

(iii) Dato' Chang Lik Sean
Substantial shareholder

Dato' Chang Lik Sean, a Malaysian male aged 46, is our substantial shareholder by virtue of his indirect interest held through Alam Kota pursuant to Section 8(4) of the Act. He is the spouse of Datin Teoh Hooi Lee.

He obtained his Bachelor (Hons) in Electrical and Electronic Engineering from the Northumbria University in the United Kingdom in 1999. Subsequently, he obtained his Master of Science in Computing Programming from the Northumbria University in the United Kingdom in 2001. In 2008, he attained his Diploma in Industrial Robotics from First Robotics Industrial Science (FRIS) Institute, Penang.

In 2000, he established MV Technology Sdn Bhd, a company that is principally involved in the provision of ICT products and solutions. He is a shareholder and Executive Director of MV Technology Sdn Bhd. He is responsible for overseeing the day-to-day operation and business strategies of the company. Since its incorporation, Dato' Chang Lik Sean has expanded the company's services to include multimedia and electronic commerce.

He is currently an Independent Non-Executive Director of V.S. Industry Berhad, a company listed on the Main Market of Bursa Securities. He also holds directorships and shareholdings in various private limited companies.

On 14 July 2020, Dato' Chang Lik Sean had accepted a written offer from Dato' Wee Beng Aun to acquire 15.00% of Dato' Wee Beng Aun's shareholding in Siab (M). The acquisition was effected through the acquisition of 100.00% equity interest in Alam Kota (a special purpose vehicle identified by Dato' Wee Beng Aun to facilitate the disposal of his interest in Siab (M)). Subsequent to the completion of the said acquisition, Dato' Chang Lik Sean emerged as our new substantial shareholder by virtue of Section 8(4) of the Act through his interest in Alam Kota. Please refer to Section 6.2.1 for further details of the said acquisition.

Dato' Chang Lik Sean has no family relationships and association with our Promoters, substantial shareholders, Directors and key senior management. He does not assume any role in our Group other than being the substantial shareholder of Siab. The Board confirmed that he has no influence in the appointment of directors to the Board and management decision-making of our Group apart from his rights as shareholder of the Company, which are also available to the other shareholders of the Company.

Additionally, the involvement of Dato' Chang Lik Sean in MV Technology Sdn Bhd which involves in the provision of ICT products and solutions does not give rise to a potential conflict of interest situation taking into consideration of the above.

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5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings since our incorporation are as follows:

	As at incorporation				After Acquisition[1]				After IPO[2][3]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders												
Ng Wai Hoe	1	33.33	-	-	110,167,525	30.00	73,445,016[4]	20.00	90,582,025	18.50	63,652,316[4]	13.00
Lim Mei Hwee	1	33.33	-	-	73,445,017	20.00	-	-	62,428,217	12.75	-	-
Tan Sok Moi	1	33.33	-	-	55,083,763	15.00	-	-	46,515,163	9.50	-	-
Makmur Baru	-	-	-	-	73,445,016	20.00	-	-	63,652,316	13.00	-	-
Substantial shareholders												
Alam Kota	-	-	-	-	55,083,762	15.00	-	-	55,083,762	11.25	-	-
Dato' Chang Lik Sean	-	-	-	-	-	-	55,083,762[5]	15.00	-	-	55,083,762[5]	11.25

Notes:

(1) Based on the share capital of 367,225,083 Shares after the Acquisition.

(2) After Public Issue and Offer for Sale.

(3) Based on enlarged share capital of 489,634,083 Shares after IPO.

(4) Deemed interested by virtue of Section 8(4) of the Act through his interest held in Makmur Baru.

(5) Deemed interested by virtue of Section 8(4) of the Act through his interest held in Alam Kota.

5.1.4 Persons exercising control over the corporation

Save for our Promoters as set out in Section 5.1.1, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

5.2 DIRECTORS

5.2.1 Directors' shareholdings

The shareholdings of our Directors in our Company before and after IPO assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

		Before IPO(1)				After IPO(2)(3)			
		Direct		Indirect		Direct		Indirect	
Name	Designation/ Nationality	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	Independent Non-Executive Chairman/ Malaysian	-	-	-	-	300,000(5)	0.06	-	-
Ng Wai Hoe	Managing Director/ Malaysian	110,167,525	30.00	73,445,016(4)	20.00	90,582,025	18.50	63,652,316(4)	13.00
Lim Mei Hwee	Executive Director/ Malaysian	73,445,017	20.00	-	-	62,428,217	12.75	-	-
Tan Sok Moi	Executive Director/ Malaysian	55,083,763	15.00	-	-	46,515,163	9.50	-	-
Datuk Lim Tong Lee	Independent Non-Executive Director/ Malaysian	-	-	-	-	300,000(5)	0.06	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

		Before IPO[1]				After IPO[2][3]			
		Direct		Indirect		Direct		Indirect	
Name	Designation/ Nationality	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Sri Shahril bin Mokhtar	Independent Non-Executive Director/ Malaysian	-	-	-	-	300,000[5]	0.06	-	-
Andrea Huong Jia Mei	Independent Non-Executive Director/ Malaysian	-	-	-	-	300,000[5]	0.06	-	-

Notes:

(1) Based on the share capital of 367,225,083 Shares after the Acquisition.

(2) After Public Issue and Offer for Sale.

(3) Based on enlarged share capital of 489,634,083 Shares after IPO.

(4) Deemed interested by virtue of Section 8(4) of the Act through his interest held in Makmur Baru.

(5) Assuming our Directors fully subscribe for their respective entitlements under the Pink Form Allocations.

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5.2.2 Profiles of Directors

(i) Tan Sri Dato' Sri Mohamad Fuzi Bin Harun
Independent Non-Executive Chairman

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun, a Malaysian male aged 62, is our Independent Non-Executive Chairman. He was appointed to the Board on 24 June 2021.

He graduated from Universiti Malaya with a Bachelor of Art in Literature in 1983. He also holds a Masters of Arts in Anthropology and Sociology from Universiti Kebangsaan Malaysia in 1994. He has also attended the Advanced Management and Leadership program from Saïd Business School at the University of Oxford, the United Kingdom in 2018.

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

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

He currently sits on the board of public listed companies, namely as the Independent Non-Executive Chairman of Jaya Tiasa Holdings Berhad (listed on the Main Market of Bursa Securities) of which he was appointed on 2 March 2020 and as the Independent Non-Executive Director of Tropicana Corporation Berhad (listed on the Main Market of Bursa Securities) of which he was appointed on 27 October 2020. He also holds directorship in several private limited companies.

(ii) Ng Wai Hoe
Promoter, substantial shareholder and Managing Director

Ng Wai Hoe, a Malaysian male aged 48, is our Managing Director. He was appointed to the Board on 30 December 2020. He is responsible for developing our Group's overall business strategy and direction, including business development, project implementation, corporate affairs and operations management. He is also involved in client and stakeholder engagement (such as attending monthly project meetings with clients and subcontractors to update progress of projects and resolve matters arising from these projects) as well as growing new business ventures.

He has more than 24 years of working experience in the construction industry.

He graduated with a Bachelor of Science in Civil Engineering from Iowa State University in the United States of America in 1997. Subsequently, he obtained a Master's degree in Business Administration from Charles Sturt University, Australia in 1999. He is a Graduate Member of the Board of Engineers Malaysia since 1998 and a Graduate Member of the Institution of Engineers Malaysia since 1999.

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

In 2008, he left Gadang Engineering Sdn Bhd to join Pembinaan Tuju Setia Sdn Bhd as Construction Manager and was responsible for the overall project development activities of the company. While he was still attached to Pembinaan Tuju Setia Sdn Bhd, he was appointed as the director of Siab (M) in the same year, where he was involved in the business development and project implementation activities of Siab (M). On 21 April 2011, he was appointed as the director of Tuju Setia Holdings Sdn Bhd and was tasked with the planning and implementation of projects for key clients of the company.

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

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

(iii) Lim Mei Hwee
Promoter, substantial shareholder and Executive Director

Lim Mei Hwee, a Malaysian female aged 47, is our Executive Director. She was appointed to the Board on 30 December 2020. She is responsible for overseeing daily operations of our Group's construction projects, including budget and cost control, tendering and contract activities, design and implementation of business strategies, plans and procedures for all our construction projects. She is also involved in the business development activities of our Group.

She has more than 24 years of working experience in the construction industry.

She obtained a Diploma in Technology (Building) from Tunku Abdul Rahman College in 1997. She subsequently obtained a Master of Business Administration degree from Heriot-Watt University, the United Kingdom in 2005.

She began her career in 1997 as a Contract Executive with Loh & Loh Constructions Sdn Bhd, a subsidiary of Loh & Loh Corporation Berhad (previously listed on the Main Market of Bursa Securities and was delisted in 2010). As a Contract Executive, she was responsible for cost control and analysis, monthly progress claims and payments as well as project final accounts. In 1999, she was promoted to an Audit Executive, where she was responsible for evaluating the adequacy and implementation of company's system and procedures for project management, tendering, procurement, contract administration, risk management and information technology.

In 2001, she left Loh & Loh Constructions Sdn Bhd to join K.N.K. Development Sdn Bhd as a Contract Manager where she was responsible for managing the company's contract and project management functions which include performing costs and contracts administration tasks. She was also involved in project development and was responsible for preparing feasibility studies, cash flows as well as preliminary cost and budget analysis. She left K.N.K. Development Sdn Bhd in 2004 and joined Awangsa Bina Sdn Bhd as a Contracts Manager, where her roles involve overseeing costs and contracts administration and tendering.

In 2007, she was promoted as Quality Assurance ("**QA**")/Quality Control ("**QC**") Manager cum Management's Representative, where she was involved in managing the QA/QC teams at all project sites, as well as developing and implementing the company's quality management system. She left Awangsa Bina Sdn Bhd in 2008 and joined Sam Chang Enterprise (M) Sdn Bhd as an Assistant Contract Manager, where her responsibilities include costs and contracts administration for international hotel projects in Malaysia and overseas.

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

(iv) Tan Sok Moi
Promoter, substantial shareholder and Executive Director

Tan Sok Moi, a Malaysian female aged 44, is our Executive Director. She was appointed to the Board on 30 December 2020. She is responsible for overall financial management and planning (particularly related to cash flow management and planning and securing financing facilities) by working closely together with our Chief Financial Officer, Mr Koo Seong Hoe, who is the primary responsible person of our Group's finance. She is also responsible for overall implementation of human resource, finance (particularly collection from our clients and payments to subcontractors and suppliers), purchasing and administration matters.

She obtained her Diploma in Business Administration from the Association of Business Executives, the United Kingdom in 1997. She then began her career in 1999 as an Administrative Assistant with Beca Carter Hollings & Ferner (S.E. Asia) Pte. Ltd., a company based in Singapore. As an Administrative Assistant, she was responsible for providing secretarial and administrative support to the engineering and technical departments. She was promoted several times while with the company, namely to Senior Administration Assistant in 2002 and later as the Administrator of the company in 2005 where she was responsible for overseeing the overall administrative functions of the company.

In 2005, she left Beca Carter Hollings & Ferner (S.E. Asia) Pte. Ltd. and returned to Malaysia. Subsequently, she joined Pembinaan Tuju Setia Sdn Bhd in 2006 as an Administration Assistant where she was responsible for managing human resource and administrative functions of the company. In 2007, she was promoted to Secretary cum

Administration Executive and subsequently, to Personal Assistant cum Human Resource Manager in 2011. As a Personal Assistant, she reports directly to the managing director and other directors of Pembinaan Tuju Setia Sdn Bhd in providing comprehensive and confidential high-level assistance and administrative role. She was also involved in leading the human resource department.

On 1 July 2013, she along with Ng Wai Hoe and Lim Mei Hwee, acquired the majority equity interest in Siab (M) and Siab Engineering from Tuju Setia Holdings Sdn Bhd. Following the acquisition, she assumed the position of an Executive Director of Siab (M).

(v) Dato' Sri Shahril bin Mokhtar
Independent Non-Executive Director

Dato' Sri Shahril bin Mokhtar, a Malaysian male aged 49, is our Independent Non-Executive Director of our Group. He was appointed to the Board on 24 June 2021. He is the Chairman of our Nominating Committee and a member of the Audit and Risk Management Committee and Remuneration Committee.

He graduated from the University of Missouri, St. Louis, the United States of America in 1995 with a Bachelor of Arts in Industrial and Organisational Psychology (minor in Political Science). He later obtained a Master of Management degree from Universiti Malaya in 2008. He has also attended the Advanced Management Program from Kellogg School of Management in Northwestern University, Chicago, the United States of America in 2016.

He began his career in 1995 as an Executive at Maybank Berhad in the human resource department. In 1999, he left Maybank Berhad and joined PricewaterhouseCoopers (PwC) Malaysia as a Manager in its Human Capital Centre where he was responsible for overseeing the recruitment, employee relations, industrial relations and matters relating to employees' welfare. He left the firm in 2002 and joined British American Tobacco (M) Berhad as a Senior Manager at its human capital and government relations department. He left British American Tobacco (M) Berhad in September 2002 and joined Penerbangan Malaysia Berhad (Parent company of Malaysia Airlines Berhad) as a General Manager in its corporates services division where he was responsible for overseeing the corporate services functions of the company.

He left Penerbangan Malaysia Berhad in 2006 and joined Rangkaian Pengangkutan Integrasi Deras (RAPIDKL) Sdn Bhd as its General Manager of Corporate Planning where he was involved in the preparation and implementation of the company's 10-year Public Transport Strategic Roadmap. He also served as a Deputy Leader for the National Key Results Area (NKRA) for Public Transport Lab led by the Ministry of Transport under the Malaysian Government's Transformation Program.

In 2009, he left the company and was appointed as an Advisor in the Economic Planning Unit of the Prime Minister's Department. As an Advisor, he served as a key team member in the setting up of the Land Public Transport Commission and was involved in the drafting of the Suruhanjaya Pengangkutan Awam Darat Act 2010. He left his position in 2010 and joined Suruhanjaya Pengangkutan Awam Darat (SPAD) in the same year as its Chief Operating Officer where he co-led in spearheading its long-term reforms in land-based passenger and transportation sector.

He left the Suruhanjaya Pengangkutan Awam Darat in 2010 and joined Prasarana Malaysia Berhad as its Managing Director where he was responsible for charting the business strategies of the company according to Prasarana Group's Business Turnaround Plan and Business Transformation Plan. In January 2015, he left Prasarana Malaysia Berhad and joined Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) as the Chief Executive Officer/Executive Director. He was responsible for overseeing and monitoring the multibillion Mass Rapid Transit Line 1 (Sg. Buloh - Kajang Line) and Mass Rapid Transit Line 2 (Sg. Buloh - Serdang - Putrajaya Line) overall project development and construction.

He left Mass Rapid Transit Corporation Sdn Bhd in December 2018 and joined CSH Alliance Berhad (formerly known as KTG Berhad, a company listed on the Main Market of Bursa Securities) in April 2019 as its Managing Director where he was responsible for overseeing the company's businesses in property construction, property investment, property development and technology services.

He left CSH Alliance Berhad in April 2020 and joined Sungai Kelang Expressway Sdn Bhd, a company involves in a highway concession as the Managing Director.

He presently holds directorship and shareholdings in several private limited companies.

(vi) Datuk Lim Tong Lee
Independent Non-Executive Director

Datuk Lim Tong Lee, a Malaysian male aged 54, is our Independent Non-Executive Director of our Group. He was appointed to the Board on 24 June 2021. He is the Chairman of our Audit and Risk Management Committee as well as a member of the Remuneration Committee and Nominating Committee.

He is a Fellow Member of the Association of Chartered Certified Accountants, the United Kingdom since 2008, a member of the Malaysian Institute of Accountants since 1994 and a member of the Malaysian Institute of Certified Public Accountants since 1994.

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

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

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

He currently sits on the Board of LBS Bina Group Berhad (listed on the Main Market of Bursa Securities) as Independent Non-Executive Director. He is also an Independent Non-Executive Director of Versalink Holdings Limited (Catalyst Board), listed on Singapore Stock Exchange. He also holds directorship and shareholdings in several private limited companies.

(vii) Andrea Huong Jia Mei
Independent Non-Executive Director

Andrea Huong Jia Mei, a Malaysian female aged 39, is our Independent Non-Executive Director. She was appointed to our Board on 24 June 2021. She is the Chairwoman of our Remuneration Committee as well as a member of our Audit and Risk Management Committee and Nominating Committee.

She completed her Diploma in Commerce (Financial Accounting) in 2003 and obtained an Advanced Diploma in Commerce (Financial Accounting) in 2005 from Tunku Abdul Rahman University College (Malaysia). She has been a member of the Malaysian Institute of Accountants since 2018 and a fellow member of the Association of Chartered Certified Accountants since 2011.

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

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

She currently sits as an Independent Non-Executive Director on the Board of Unique Fire Holdings Berhad, Yew Lee Pacific Group Berhad and Ecoscience International Berhad, companies seeking listing on the ACE Market of Bursa Securities. She also holds directorship and shareholdings in several private limited companies.

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5.2.3 Principal business performed outside our Group

Save as disclosed below, none of our Directors has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to LPD:

(i) Tan Sri Dato' Sri Mohamad Fuzi Bin Harun

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	% of shareholdings held Indirect
Present involvements						
Jupiter United Sdn Bhd	Wholesale of logs, sawn timber, plywood, veneer and related products	Non-Executive Director	28 December 2021	-	10.00	-
Agensi Pekerjaan Sama-Sama Sdn Bhd	Wholesale of logs, sawn timber, plywood, veneer and related products	Non-Executive Director	21 December 2021	-	10.00	-
EIPT Malaysia Sdn Bhd	College and university education (private) and export and import of a variety of goods without any particular specialisation	Non-Executive Director	18 October 2021	-	-	-
Rich Smartpro Sdn Bhd	Telecommunications wiring	Non-Executive Director	8 October 2021	-	51.00	-
Tropicana Laris Sdn Bhd	Investment holding of property	Non-Executive Director	30 November 2020	-	-	-
Hainekwon Industries Sdn Bhd	Manufacture of peripheral equipment	Non-Executive Director	10 November 2020	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

					% of shareholdings held	
Company	**Principal activities**	**Position held**	**Date of appointment**	**Date of resignation**	**Direct**	**Indirect**
Tropicana Corporation Berhad (Listed on the Main Market of Bursa Securities)	Investment holding engaged in property development, property management, property investment, recreation resort and others	Independent Non-Executive Director	27 October 2020	-	-	-
Strike Defence Sdn Bhd	Renting and operational leasing of passenger cars (without driver)	Non-Executive Director	21 October 2020	-	50.00	-
Astana Generasi (M) Sdn Bhd	Private education and investment company	Non-Executive Director	30 September 2020	-	-	-
Alpha Max Communications Sdn Bhd	Investment holding involving IT and telecommunication services	Non-Executive Director	21 August 2020	-	-	-
GEM Mesrajaya Sdn Bhd	Investment holding involving in sand mining, distributing sand and general trade	Non-Executive Director	11 August 2020	-	70.00	-
Apollo Energy Resources Sdn Bhd	Property development and trading of solar photovoltaic power generating system	Non-Executive Director	11 July 2019	-	-	-
BKSC Resources Sdn Bhd	Involve in timber concession	Non-Executive Director	9 July 2020	-	34.00	-
Grand Sahara (Pahang) Sdn Bhd	Investment holding involving in mineral and mining	Non-Executive Director	24 June 2020	-	60.00	-
Jaya Tiasa Holdings Berhad (Listed on the Main Market of Bursa Securities)	Investments holding, provision of management services, extraction and sale of logs	Independent Non-Executive Director	2 March 2020	-	-	-

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Megah Perkasa Security Services Sdn Bhd	Private security activities and security system services activities	Non-Executive Director	30 November 2019	-	15.00	-
Black & White Films Sdn Bhd	Motion picture, video and television programme production activities	Non-Executive Director	6 November 2019	-	9.00	-
Masmeyer Group Sdn Bhd (formerly known as Majestic Rewards Sdn Bhd)	Provision of engineering, procurements, constructions, commissioning and consultancy services for various solar power system, to operate solar power farm for all types of solar power system	Non-Executive Director	22 October 2019	-	-	-
New Era Maritime Sdn Bhd	Export and import of refined petroleum products, transportation, distribution and supply of gaseous fuels of all kinds through a system of mains	Shareholder	20 September 2019	20 August 2021	[(1)]51.88	-
Sand Santuary Sdn Bhd	Export and import of sand	Non-Executive Director	10 September 2019	-	20.00	-
Apollo Energy Sdn Bhd	Design, procurement, installation, commissioning, operation and maintenance of solar photovoltaic power generating systems	Non-Executive Director	31 May 2019	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Past involvements						
Paradigm United Sdn Bhd	Investment holding of event management and rental	Non-Executive Director	24 February 2021	8 October 2021	-	-
Cahaya Unggul Sdn Bhd	Wholesale of a variety of goods	Non-Executive Director	8 January 2021	22 March 2021	-	-
Inix Technologies Holdings Berhad (Listed on the ACE Market of Bursa Securities)	Investment holding while its subsidiaries are primarily engaged software development, system integration, IT management consultancy and other related professional services	Independent Non-Executive Director	2 December 2020	7 December 2020	-	-
Tropical Quantum Sdn Bhd	Security and private agency services, construction works and investment holding	Non-Executive Director	8 May 2019	15 December 2019	-	-
PBLT Sdn Bhd	Construction of government buildings and leasing of these buildings	Non-Executive Director	1 December 2017	4 May 2019	-	-
SME Ordnance Sdn Bhd	Manufacture and supply of ammunition and explosives	Non-Executive Director	10 November 2017	14 June 2019	-	-

Note:

(1) As at the LPD, Tan Sri Dato' Sri Mohamad Fuzi Bin Harun had resigned as the Director of New Era Maritime Sdn Bhd on 20 August 2021 while still retaining his shareholding in the company.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

(ii) Ng Wai Hoe

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Present involvement						
Makmur Baru	Investment holdings in Siab	Executive Director	10 February 2021	-	100.00	-
Past involvement						
Jaya99 Management Sdn Bhd	In the process of winding up. Previously involved in property management[(1)]	Shareholder	-	-	15.00	-

Note:

(1) As at the LPD, the approval from Inland Revenue Board had been obtained to proceed with the process of winding up.

(iii) Lim Mei Hwee

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Past involvement						
Jaya99 Management Sdn Bhd	In the process of winding up. Previously involved in property management[(1)]	Executive Director	1 August 2011	-	40.00	-

Note:

(1) As at the LPD, the approval from Inland Revenue Board had been obtained to proceed with the process of winding up.

(iv) Tan Sok Moi

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Past involvement						
Jaya99 Management Sdn Bhd	In the process of winding up. Previously involved in property management[(1)]	Executive Director	24 October 2013	-	30.00	-

Note:

(1) As at the LPD, the approval from Inland Revenue Board had been obtained to proceed with the process of winding up.

(v) Dato' Sri Shahril bin Mokhtar

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Present involvements						
Neom Logistics Sdn Bhd	Total logistics services	Executive Director	15 December 2021	-	40.00	-
UITM Holdings Sdn Bhd	Investment holding involved in energy, healthcare, technology and creative industries	Non-Executive Director	17 November 2021	-	-	-
Red Giants FC Sdn Bhd	Involve in the operation of sports clubs such as football club, bowling club, swimming club	Non-Executive Director	12 January 2021	-	-	-
Stone Care Europe Sdn Bhd	Trading of stones and marbles	Non-Executive Director	17 December 2020	-	20.00	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Sungai Klang Expressway Sdn Bhd	Construction and operation of infrastructure and property developments	Managing Director	27 November 2020	-	-	-
SKE Ventures Sdn Bhd	Investment holding engaged in construction and operation of infrastructure and property developments	Executive Director	16 November 2020	-	-	-
Mariner Services Sdn Bhd	Providing facilities for the ship-to-ship transfer operation, business of transferred via STS methods including crude oil, liquefied gas and petroleum products and investment holdings	Non-Executive Director	5 October 2020	-	63.50	-
Red Book Capital Sdn Bhd	Telecommunication consultancy and advisory services	Non-Executive Director	1 October 2020	-	80.00	-
SDL Synergy Group (M) Sdn Bhd	Engineering services involving in manufacturing of other basic iron, steel products and prefabricated structural components for building or civil engineering of cement, concrete or artificial stone	Shareholder	18 September 2020	25 June 2021	(1)50.00	-
Past involvements						
UITM Hospitality Management Services Sdn Bhd	Providing hotel and lodging facilities	Director	27 August 2021	2 December 2021	-	-
Akari Software Asia Pacific Sdn Bhd	Involve in consultancy of software and information technology	Non-Executive Director	20 August 2021	2 December 2021	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
KJ Facilities Management Sdn Bhd	Combined facilities support activities	Non-Executive Director	14 October 2019	15 September 2021	-	-
Gaia Ventures Sdn Bhd	Investment holding engaged in consultancy and engineering services	Non-Executive Director	23 July 2020	6 August 2021	-	-
Prima Paradigm Sdn Bhd	Export and import of tanks, reservoirs and containers of metal	Non-Executive Director	2 March 2020	3 August 2020	-	-
CSH Alliance Berhad (formerly known as KTG Berhad, a company listed on the Main Market of Bursa Securities)	Investment holding while its subsidiaries are mainly engaged in property construction, property investment and property development	Managing Director	19 April 2019	30 April 2020	-	-
Hydro Gate Sdn Bhd	Sewerage and similar activities; purification and distribution of water for water supply purposes	Non-Executive Director	3 May 2018	9 December 2019	-	-
Mass Rapid Transit Corporation Sdn Bhd	To facilitate, undertake and expedite public infrastructure project approved by the Malaysian government	Executive Director	1 January 2015	1 January 2019	-	-
		Non-Executive Director	10 February 2011	1 January 2015		

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Prasarana Malaysia Berhad	Facilitate, undertake, coordinate and expedite the implementation of infrastructure projects approved by the government of Malaysia	Executive Director	1 October 2010	1 January 2015	-	-
		Non-Executive Director	2 March 2015	1 August 2018		
MYHSR Corporation Sdn Bhd	Business as a project delivery vehicle for a high-speed rail (HSR) project connecting from Kuala Lumpur to Singapore and other related work/activities	Non-Executive Director	7 September 2015	1 August 2018	-	-

Note:

(1) As at the LPD, Dato' Sri Shahril bin Mokhtar had resigned as the Director of SDL Synergy Group (M) Sdn Bhd on 25 June 2021 while still retaining his shareholding in the company.

(vi) Datuk Lim Tong Lee

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Present involvements						
LBS Foundation	To receive and administer funds solely for medical, educational, environmental and charitable purpose	Trustee	24 April 2015	-	-	-
LBS Bina Group Berhad (Listed on the Main Market of Bursa Securities)	Investment holding company engaged in property development, construction and trading, motor racing circuit and management, investment and others	Independent Non-Executive Director	22 May 2013	-	0.03	-

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Versalink Holdings Limited (Listed on the Catalyst Board of Singapore Stock Exchange)	Manufacture, marketing and sale of system furniture and other furniture related products	Independent Non-Executive Director	18 April 2019	-	-	-
Altitude Capital (Asia) Sdn Bhd	Consultancy services	Non-Executive Director	13 February 2012	-	50.00	-
Melody Boulevard Sdn Bhd	Property investments	Non-Executive Director	8 August 2011	-	50.00	-
Goldhill Villa Sdn Bhd	Property investments	Non-Executive Director	8 December 2010	-	50.00	-
Altitude Capital Sdn Bhd	Property investments	Non-Executive Director	3 September 2009	-	(1)100.00	-
Altitude Capital Pte Ltd	Dormant, intended for consultancy services	Non-Executive Director	13 January 2014	-	50.00	-
Alliance Asia Investment Ltd	Dormant, intended for stock investment	Non-Executive Director	20 May 2014	-	100.00	-
Past involvement						
ValueMax Group Limited (Listed on the Main Board of Singapore Stock Exchange)	Provides pawnbroking and secured moneylending services, as well as the retail and trading of jewellery and gold	Independent Non-Executive Director	27 September 2013	31 December 2021	-	-

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Metalearth Capital Sdn Bhd	Dissolved on 17 August 2018. Dormant intended for property investment	Non-Executive Director	27 September 2012	-	50.00	-

Note:

(1) Datuk Lim Tong Lee is holding 49,999 shares of 50,000 total issued shares in the company.

(vii) Andrea Huong Jia Mei

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Present involvements						
Unique Fire Holdings Berhad (seeking listing on the ACE Market)	Investment holding involved in the assembly, manufacture and distribution of active fire protection systems, equipment and accessories for built environment as well as distribution of custom graphics designed fire extinguishers, and other active fire protection systems, equipment and accessories and related services	Independent Non-Executive Director	8 October 2021	-	-	-
T&S Governance Sdn Bhd	Advisory on internal audit	Executive Director	5 October 2021	-	100.00	-
Yew Lee Pacific Group Berhad (seeking listing on the ACE Market)	Investment holding involved in the manufacturing of industrial brushes and trading of industrial hardware and machinery parts	Independent Non-Executive Director	6 August 2021	-	-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	Indirect
Ecoscience International Berhad (seeking listing on the ACE Market)	Investment holding involved in construction of plants and facilities, fabrication of equipment, supply of materials and equipment, fabrication and supply of energy and environmental related equipment, supply of spare parts and construction materials and provision of maintenance services	Independent Non-Executive Director	2 August 2021	-	-	-
T&S Boardroom Sdn Bhd	Secretarial support services	Executive Director	30 July 2020	-	100.00	-
AK Bizz Platform Sdn Bhd	Business management, consultancy services accounting, bookkeeping and auditing activities and tax consultancy	Non-Executive Director	9 March 2020	-	50.00	-
Sha Tax Services Sdn Bhd	Providing taxation, accounting and corporate management services	Non-Executive Director	10 June 2018	-	-	-
T&S Advisors Sdn Bhd	Consultancy services	Non-Executive Director	18 September 2014	-	35.00	-
KK Sha Consulting Sdn Bhd	Providing goods and services tax, accountancy and corporate management services	Non-Executive Director	24 October 2014	-	50.00	-

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held Direct	% of shareholdings held Indirect
Past involvement						
T&S Secretarial Services Sdn Bhd	Secretarial and management services	Executive Director	3 September 2014	12 March 2021	(1)35.00	-

Note:

(1) Disposed her shareholding on 8 June 2021.

As at LPD, the directorships of our Directors in other companies are in compliance with the Listing Requirements.

Save for Siab Group, our Executive Directors have no involvement in other businesses outside our Group. Additionally, the involvement of our Independent Directors in those business activities outside our Group does not give rise to any potential conflict of interest situation with our business. Further details of our Independent Directors' interests in other companies which are carrying on a similar or related trade as our Group are disclosed in Section 11 of this Prospectus.

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5.2.4 Directors remuneration and benefits

The remuneration of our Directors including fees, salaries, bonuses, commissions, other allowances and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. As set out in our Constitution, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a general meeting. Please refer to Section 15.2.3 for further details. There are no benefits paid or intended to be paid or given to Dato' Chang Lik Sean, our substantial shareholder for FYE 2020 and FYE 2021. However, Dato' Chang Lik Sean is entitled for the dividend declared in FYE 2020 as set out in Section 12.16 of this Prospectus.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2020 and FYE 2021 are as follows:

	Directors' fees	Salaries	(1)Bonuses	Allowances	Statutory Contributions (EPF, SOCSO and EIS)	Benefits-in-kind	Total
				RM'000			
FYE 2020							
Ng Wai Hoe	-	316	52	62	82	-	512
Lim Mei Hwee	-	271	44	61	72	-	448
Tan Sok Moi	-	238	38	60	64	-	400
Proposed for FYE 2021							
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun(2)	30	-	-	-	-	-	30
Ng Wai Hoe	-	540	-	120	126	-	786
Lim Mei Hwee	-	480	-	120	115	-	715
Tan Sok Moi	-	420	-	120	104	-	644
Dato' Sri Shahril bin Mokhtar(2)	12	-	-	-	-	-	12
Datuk Lim Tong Lee(2)	12	-	-	-	-	-	12
Andrea Huong Jia Mei(2)	12	-	-	-	-	-	12

Notes:

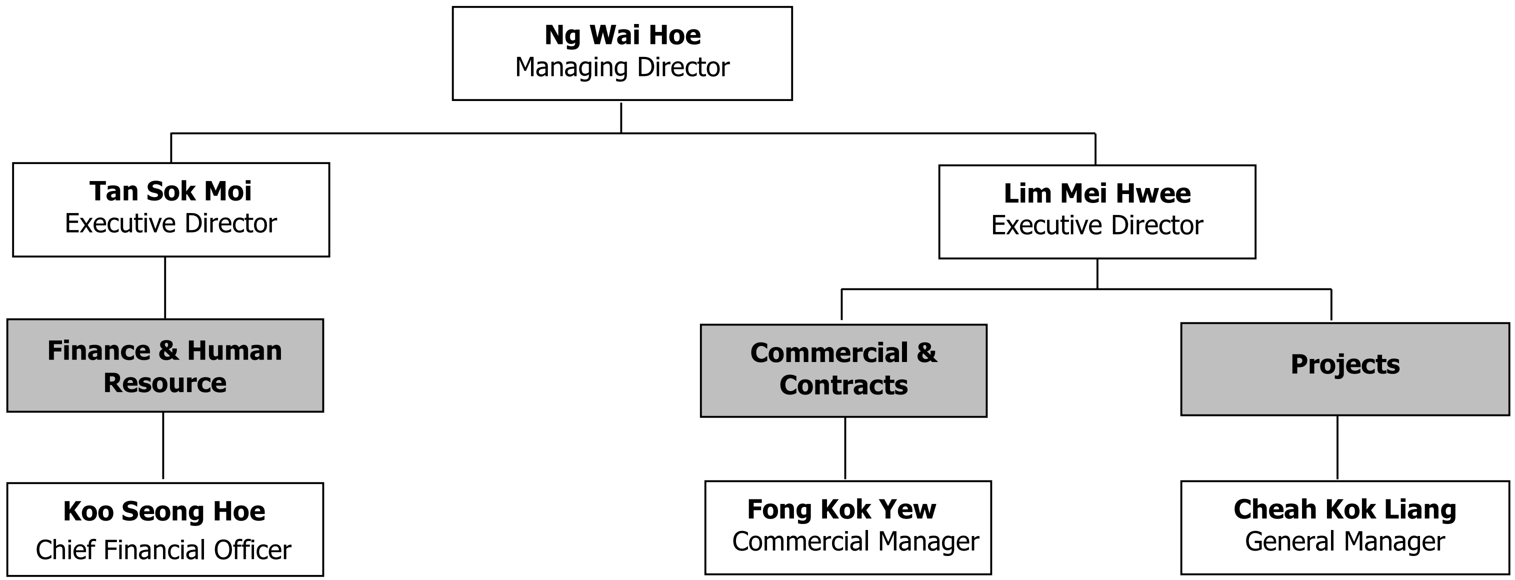
(1) The bonuses for FYE 2021 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to recommendation of our Remuneration Committee and approval by our Board.

(2) Appointed on 24 June 2021.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management reporting structure



5.3.2 Key senior management shareholdings

The shareholdings of our key senior management in our Company before and after IPO assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

		Before IPO[1]				**After IPO[2][3]**			
		Direct		**Indirect**		**Direct**		**Indirect**	
Name	**Designation/ Nationality**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Koo Seong Hoe	Chief Financial Officer/ Malaysian	-	-	-	-	250,000	0.05	-	-
Cheah Kok Liang	General Manager/ Malaysian	-	-	-	-	250,000	0.05	-	-
Fong Kok Yew	Commercial Manager/ Malaysian	-	-	-	-	200,000	0.04	-	-

Notes:

(1) After completion of Acquisition, but before Public Issue and Offer for Sale.

(2) Based on enlarged share capital of 489,634,083 Shares after IPO.

(3) Assuming our key senior management fully subscribe for their respective entitlements under the Pink Form Allocations.

5.3.3 Profiles of key senior management

The profiles of the key senior management of our Group are as follows:

(i) Koo Seong Hoe
Chief Financial Officer

Koo Seong Hoe, a Malaysian male aged 43, is Chief Financial Officer of our Group. He is involved in overseeing our Group's financial planning and management, accounting functions and business planning as well as overseeing the human resource department.

He obtained a Bachelor of Commerce, majoring in Accounting from Curtin University, Australia in 2001. He is a Member of the Certified Practising Accountant Australia since 2005 and is a registered member of the Malaysian Institute of Accountants since 2018.

He began his career with Deloitte KassimChan as an Audit Assistant in 2001 where he was responsible for conducting statutory audit for private and public listed companies. He was promoted as a Senior Audit Assistant in 2004, where he was responsible for leading a team to conduct statutory audits. He left Deloitte Touche Tohmatsu Limited (Malaysia) in 2004 and joined Gamuda Land (Botanic) Sdn Bhd, a subsidiary of Gamuda Berhad (listed on the Main Market of Bursa Securities) in 2005 as a Business Development Executive where he was responsible for market research on potential land acquisition, coordinating the costing and budget planning of the business development department. In 2009, he was promoted to Senior Business Development Executive.

He left Gamuda Land (Botanic) Sdn Bhd in 2010 and joined Perspektif Masa Sdn Bhd as a Project Accountant, where he was in charge of reviewing and monitoring the project budgets. He then left Perspektif Masa Sdn Bhd in 2011 to join Kiarafield Sdn Bhd as a Finance Manager, where he was handling the company's finance and accounting functions.

In 2012, he left Kiarafield Sdn Bhd and joined S P Setia Project Management Sdn Bhd, a subsidiary of S P Setia Berhad (listed on the Main Market of Bursa Securities), as a Finance Manager, where he was responsible for leading the finance department of the company's property management and property services in Klang Valley and was promoted to Senior Finance Manager in 2014. Subsequently in 2016, he was transferred to Aeropod Sdn Bhd, a subsidiary of S P Setia Berhad, as a Senior Finance Manager where he was responsible for the company's financial reporting and management.

In 2019, he left Aeropod Sdn Bhd and joined Gamuda Land (T12) Sdn Bhd, a subsidiary of Gamuda Berhad, as a Senior Finance Manager and was in charge of its financial reporting and management. In 2020, he left Gamuda Land (T12) Sdn Bhd to join our Group in 2020 and assumed his current position where he took over the role from our previous assistant finance manager in charge.

(ii) Cheah Kok Liang
General Manager

Cheah Kok Liang, a Malaysian male aged 43, is our Senior Project Manager. He is responsible for overseeing our Group's construction projects which include planning and executing for new construction projects and oversees the management and execution of our construction project works.

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

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

In 2016, he left Eupe Corporation Bhd and joined Siab (M) as Senior Project Manager. He assumed his current position in 2021.

(iii) Fong Kok Yew
Commercial Manager

Fong Kok Yew, a Malaysian male aged 37, is the Commercial Manager. He is responsible for overseeing the overall project tendering activities which include review of potential tenders and preparation of tender submissions.

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

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

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

5.3.4 Principal business performed outside our Group

Save as disclosed below, none of our key senior management has any other principal directorship and/or principal business activities performed outside our Group in the past 5 years and up to the LPD:

(i) Fong Kok Yew

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Past involvement						
Jaya99 Management Sdn Bhd	In the process of winding up. Previously involved in property management[(1)]	Non-Executive Director	1 August 2011	-	15.00	-

Note:

(1) As at the LPD, the approval from Inland Revenue Board had been obtained to proceed with the process of winding up.

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5.3.5 Key senior management remuneration and benefits

The remuneration of our key senior management including, salaries, bonuses, commissions, other allowances and benefits-in-kind, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board.

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group for FYE 2020 and FYE 2021 are as follows:

	Remuneration[(1)(2)]	**Benefits-in-kind**	**Total**
		RM'000	
FYE 2020			
Cheah Kok Liang	200-250	-	200-250
Koo Seong Hoe	50-100	-	50-100
Fong Kok Yew	100-150	-	100-150
Proposed for FYE 2021			
Cheah Kok Liang	250-300	-	250-300
Koo Seong Hoe	150-200	-	150-200
Fong Kok Yew	100-150	-	100-150

Notes:

(1) The remuneration for key senior management includes salaries, bonuses, allowances and other emoluments.

(2) The bonuses for FYE 2021 are not included. Such bonuses, if any, will be determined at a later date based on our Group's performance, and will be subject to the recommendation of our Remuneration Committee and approval by our Board.

5.4 BOARD PRACTICE

5.4.1 Board

Our Board has adopted the following responsibilities for effective discharge of its functions:

(i) To provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;

(ii) To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;

(iii) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, and our employees and assets and to ensure compliance with applicable laws and regulations;

(iv) To ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance;

(v) To review and approve our annual business plans, financial statements and annual reports;

(vi) To monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group; and

(vii) To appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.

In accordance with our Constitution, an election of Directors shall take place each year at the annual general meeting of our Company, where one-third of our Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third shall retire from office and be eligible for re-election. This is provided always that all Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Our Executive Directors were appointed to our Board on 30 December 2020 and our Independent Directors were appointed to our Board on 24 June 2021. All our Independent Directors have served for less than one year as at LPD. All our Directors will retire and be eligible for re-election at our forthcoming first annual general meeting. The members of our Board are set out in Section 5.2.

5.4.2 Audit and Risk Management Committee

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its responsibility to oversee our Group's accounting and financial reporting matters. The Audit and Risk Management Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

(i) To review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services;

(ii) To review and approve our quarterly and annual financial statements for recommendation to our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements;

(iii) To review any related party transactions entered into by our Group and any conflict of interest situations that may arise within our Group;

(iv) To consider the major findings of internal audit investigations and management's response;

(v) To review, assess, formulate and recommend risk management strategies, framework, policies, processes, tolerance and risk appetite limits to the Board, monitor the Group's risk exposures to ensure implementation and compliance with the approved risk policies and processes of the Group, review status of management action in mitigating significant risks identified; and

(vi) To perform such other functions as may be requested by our Board.

The recommendations of our Audit and Risk Management Committee are subject to the approval of our Board.

The members of our Audit and Risk Management Committee as at LPD are as follows:

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

Our Nominating Committee will review the composition, performance and effectiveness of our Audit and Risk Management Committee annually.

5.4.3 Remuneration Committee

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits. The Remuneration Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

(i) To recommend a remuneration framework for our Managing Director, Executive Directors, and key senior management for our Board's approval. There should be a balance in determining the remuneration package, which should take into account the complexity of the Company's business and the individual's responsibilities and be aligned with the business strategy and long-term objectives of the Company. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind;

(ii) As for Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of our Board;

(iii) To assist the Board to implement its policies and procedures on remuneration including developing and administrating a fair and transparent procedure for setting policy on remuneration of Directors and Senior Management to ensure that remuneration packages are determined on the basis of their merit, qualification and competence, while having regard to the Company's operating results, individual performance and comparable market statistics; and

(iv) To perform any other functions as defined by our Board.

The recommendations of our Remuneration Committee are subject to the approval of our Board.

The members of our Remuneration Committee as at LPD are as follows:

Name	Designation	Directorship
Andrea Huong Jia Mei	Chairwoman	Independent Non-Executive Director
Dato' Sri Shahril bin Mokhtar	Member	Independent Non-Executive Director
Datuk Lim Tong Lee	Member	Independent Non-Executive Director

5.4.4 Nominating Committee

The Nominating Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

(i) To assist our Board in ensuring that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties;

(ii) To ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorships of our Company and members of the relevant Board committees;

(iii) To assist our Board to assess and evaluate circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving declaration of the same from our Director and thereafter, to inform our Audit and Risk Management Committee of the same. After deliberation with our Audit and Risk Management Committee, to recommend to our Board the necessary actions to be taken in circumstances where there is a conflict of interest;

(iv) To evaluate the effectiveness of our Board and the relevant Board committees; and

(v) To ensure an appropriate framework and succession planning for our Board.

The recommendations of our Nominating Committee are subject to the approval of our Board.

The members of our Nominating Committee as at LPD are as follows:

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

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

As at LPD, there are no family relationships or association between or amongst our Promoters, substantial shareholders, Directors and key senior management.

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at LPD, there are no existing or proposed service agreements entered into between our Company with any Directors or between any companies within our Group with any key senior management.

5.7 DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at LPD, none of our Promoters, Directors or key senior management is or has been involved in any of the following events (whether within or outside Malaysia):

(a) In the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a Director or a member of key senior management;

(b) Disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(c) In the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(d) In the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

(e) In the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;

(f) Being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;

(g) In the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and

(h) Has any unsatisfied judgment against him.

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON SIAB

Our Company was incorporated in Malaysia under the Act on 30 December 2020 as a private limited company under the name Siab Holdings Sdn Bhd. On 24 June 2021, we converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD.

Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM36,722,511 comprising 367,225,083 ordinary shares, all of which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Cumulative share capital
			RM
30 December 2020	3	RM1.00/ Subscribers' shares	3
14 December 2021	367,225,080	RM0.10/ Consideration for the Acquisition	36,722,511

As at LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

Upon completion of our IPO, our enlarged share capital will increase to RM73,445,211 comprising 489,634,083 Shares from the issuance of 122,409,000 Issue Shares.

6.2 GROUP STRUCTURE

6.2.1 Pre-IPO changes in Siab (M)'s shareholding

Prior to 19 October 2020, the shareholders of Siab (M) were as follows:

	Direct		Indirect	
Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Dato' Wee Beng Aun	350,000	35.00	-	-
Ng Wai Hoe	300,000	30.00	-	-
Lim Mei Hwee	200,000	20.00	-	-
Tan Sok Moi	150,000	15.00	-	-
	1,000,000	**100.00**		

On 3 June 2020, written offers were extended by Dato' Wee Beng Aun to our Promoters to acquire his 35.00% shareholdings in Siab (M) at a purchase consideration equivalent to the net tangible assets per share based on the management accounts of Siab (M) for the FYE 2019 ("**Siab (M) Offer**") of which were declined by our Promoters.

Subsequently, Dato' Wee Beng Aun had on 10 June 2020 extended the Siab (M) Offer to 5 respective third party investors (inclusive of Dato' Chang Lik Sean) of which were declined by 4 of the investors and a counter-offer were made by Dato' Chang Lik Sean ("**Counter-Offer**") for the purchase consideration to be at an estimated discount of 50.00% to the net tangible assets per share based on the management accounts of Siab (M) for the FYE 2019 ("**Counter-Offer Price**").

Pursuant to the above, Dato' Wee Beng Aun had on 25 June 2020 extended the Siab (M) Offer to our Promoters at the Counter-Offer Price. The said offers were declined by Lim Mei Hwee and Tan Sok Moi, whereas Ng Wai Hoe had on 10 July 2020 accepted the offer to acquire the 20.00% shareholding in Siab (M) held by Dato' Wee Beng Aun at the Counter-Offer Price which was acknowledged by Dato' Wee Beng Aun on 13 July 2020. The offer for the remaining balance 15.00% shareholding in Siab (M) held by Dato' Wee Beng Aun was subsequently extended to Dato' Chang Lik Sean on 11 July 2020 and was accepted by him and acknowledged by Dato' Wee Beng Aun on 14 July 2020.

Subsequently, Dato' Wee Beng Aun had on 15 July 2020, entered into the following agreements to dispose his 20.00% and 15.00% shareholding in Siab (M) to Makmur Baru and Alam Kota (being the special purpose vehicles identified to facilitate the disposal of Siab (M) shares by Dato' Wee Beng Aun):

(i) Sale and purchase agreement dated 15 July 2020 entered into between Dato' Wee Beng Aun and Makmur Baru for the acquisition of 200,000 ordinary shares in Siab (M) representing 20.00% of the share capital of Siab (M) ("**Siab (M) SPA I**") ("**Siab (M) 20.00% Acquisition**") for a purchase consideration of RM2,600,000 to be satisfied by cash of which RM260,000 (equivalent to 10.00% of the purchase consideration) shall be paid upon execution of the Siab (M) SPA I and the balance RM2,340,000 (equivalent to 90.00% of the purchase consideration) shall be paid in the manner and within such period to be agreed upon in writing later; and

(ii) Sale and purchase agreement dated 15 July 2020 entered into between Dato' Wee Beng Aun and Alam Kota for the acquisition of 150,000 ordinary shares in Siab (M) representing 15.00% of the share capital of Siab (M) ("**Siab (M) SPA II**") ("**Siab (M) 15.00% Acquisition**") for a purchase consideration of RM1,950,000 to be satisfied by cash of which RM195,000 (equivalent to 10.00% of the purchase consideration) shall be paid upon execution of the Siab (M) SPA II and the balance RM1,755,000 (equivalent to 90.00% of the purchase consideration) shall be paid in the manner and within such period to be agreed upon in writing later.

The purchase consideration for the Siab (M) 20.00% Acquisition and Siab (M) 15.00% Acquisition was arrived at based on a "willing-buyer willing-seller" basis and at an estimated discount of 50.00% to the net tangible assets per share based on the management accounts of Siab (M) for the financial year ended 31 December 2019 of RM26,404,967 pursuant to the Counter-Offer taking into consideration of the COVID-19 pandemic and the market conditions at that point in time.

On 10 August 2020, the payment terms in relation to the balance purchase consideration of the Siab (M) 20.00% Acquisition and Siab (M) 15.00% Acquisition were agreed upon and the following agreements were entered into to finalise the Siab (M) 20.00% Acquisition and Siab (M) 15.00% Acquisition:

(i) Trust deed dated 10 August 2020 between K Pathmanathan A/L Kannan (being the trustee and 50.00% shareholder of Makmur Baru) and Ng Wai Hoe (being the beneficiary) whereby the trustee will hold the 50.00% equity interest in Makmur Baru in trust for the beneficiary;

(ii) Trust deed dated 10 August 2020 between Tan Tock Hio (being the trustee and 50.00% shareholder of Makmur Baru) and Ng Wai Hoe (being the beneficiary) whereby the trustee will hold the 50.00% equity interest in Makmur Baru in trust for the beneficiary;

Note: For the avoidance of doubt, K Pathmanathan A/L Kannan and Tan Tock Hio are acting as trustees for the Siab (M) 20.00% Acquisition pending the completion of the transaction and our Board confirmed that they are not related parties to our Group.

(iii) Supplemental agreement to the Siab (M) SPA I dated 10 August 2020 entered into between Dato' Wee Beng Aun and Makmur Baru for the amendment of the terms in relation to the balance purchase consideration that shall be paid by the Makmur Baru to Dato' Wee Beng Aun ("**Supplemental Siab (M) SPA I**") whereby the remaining 90.00% balance purchase consideration shall be paid as follows:

Balance purchase consideration	Timing of payment from the date of the Supplemental Siab (M) SPA I
10.00% or RM260,000	Immediately
20.00% or RM520,000	1 month
20.00% or RM520,000	2 months
20.00% or RM520,000	3 months
20.00% or RM520,000	4 months

Note: The consideration for the Siab (M) 20.00% Acquisition was fully settled by 28 January 2021. Subsequently, the entire equity interest in Makmur Baru was transferred from K Pathmanathan A/L Kannan and Tan Tock Hio to Ng Wai Hoe on 22 February 2021.

(iv) Personal guarantee agreement dated 10 August 2020 between Ng Wai Hoe (being the guarantor) and Dato' Wee Beng Aun, whereby the guarantor will guarantee the payment of the purchase consideration in relation to the Siab (M) SPA I;

(v) Trust deed dated 10 August 2020 between Lau Wei Ye (being the trustee and 50.00% shareholder of Alam Kota) and Dato' Chang Lik Sean (being the beneficiary) whereby the trustee will hold the 50.00% equity interest in Alam Kota in trust for the beneficiary;

(vi) Trust deed dated 10 August 2020 between Low Eng Yao (being the trustee and 50.00% shareholder of Alam Kota) and Dato' Chang Lik Sean (being the beneficiary) whereby the trustee will hold the 50.00% equity interest in Alam Kota in trust for the beneficiary;

(vii) Supplemental agreement to the Siab (M) SPA II dated 10 August 2020 entered into between Dato' Wee Beng Aun and Alam Kota for the amendment of the terms in relation to the balance purchase consideration that shall be paid by the Alam Kota to the Dato' Wee Beng Aun ("**Supplemental Siab (M) SPA II**") whereby the remaining 90.00% balance purchase consideration shall be paid as follows:

Balance purchase consideration	Timing of payment from the date of the Supplemental Siab (M) SPA II
10.00% or RM195,000	Immediately
20.00% or RM390,000	1 month
20.00% or RM390,000	2 months
20.00% or RM390,000	3 months
20.00% or RM390,000	4 months

Note: The consideration for the Siab (M) 15.00% Acquisition was fully settled by 12 January 2021. Subsequently, the entire equity interest in Alam Kota was transferred from Lau Wei Ye and Low Eng Yao to Dato' Chang Lik Sean on 19 April 2021.

(viii) Personal guarantee agreement dated 10 August 2020 between Dato' Chang Lik Sean (being the guarantor) and Dato' Wee Beng Aun, whereby the guarantor will guarantee the payment of the purchase consideration in relation to the Siab (M) SPA II.

The Siab (M) 20.00% Acquisition and Siab (M) 15.00% Acquisition were completed on 19 October 2020 and consequently, the shareholders of Siab (M) were as follows:

	Direct		Indirect	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Ng Wai Hoe	300,000	30.00	200,000[(1)]	20.00
Lim Mei Hwee	200,000	20.00	-	-
Tan Sok Moi	150,000	15.00	-	-
Makmur Baru	200,000	20.00	-	-
Alam Kota	150,000	15.00	-	-
Dato' Chang Lik Sean	-	-	150,000[(2)]	15.00
	1,000,000	**100.00**		

Notes:

(1) Deemed interested by virtue of Section 8(4) of the Act through his interest held in Makmur Baru.

(2) Deemed interested by virtue of Section 8(4) of the Act through his interest held in Alam Kota.

6.2.2 Details of the Acquisition

In preparation for our Listing, we have undertaken the Acquisition. On 31 May 2021, we entered into a conditional share sale agreement with the Vendors to acquire the entire equity interest in Siab (M) comprising 1,000,000 ordinary shares for a total purchase consideration of RM36,722,508 which was satisfied by the issuance of 367,225,080 new Shares to the Vendors at an issue price of RM0.10 each.

Details of the Vendors and the number of Shares issued to them under the Acquisition are as follows:

	Shareholdings in Siab (M)			
Vendors	**No. of shares acquired**	**% of share capital**	**Purchase consideration**	**No. of Shares issued**
			RM	
Ng Wai Hoe	300,000	30.00	11,016,752	110,167,524
Lim Mei Hwee	200,000	20.00	7,344,502	73,445,016
Tan Sok Moi	150,000	15.00	5,508,376	55,083,762
Makmur Baru	200,000	20.00	7,344,502	73,445,016
Alam Kota	150,000	15.00	5,508,376	55,083,762
	1,000,000	**100.00**	**36,722,508**	**367,225,080**

The purchase consideration for the Acquisition of RM36,722,508 was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Siab (M) as at 31 December 2020 of RM36,722,508.

The Acquisition was completed on 14 December 2021. Thereafter, Siab (M) became our wholly-owned direct subsidiary.

The new Shares issued under the Acquisition rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

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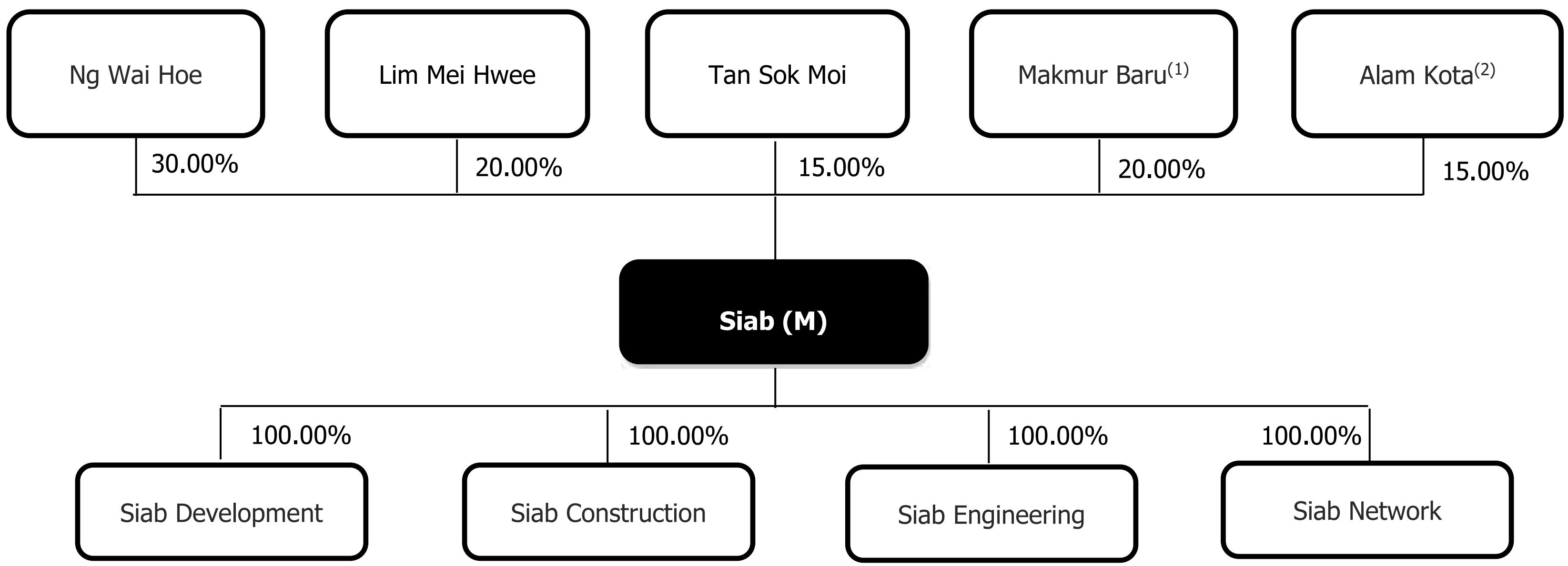
6.2.3 Group structure

Before Acquisition

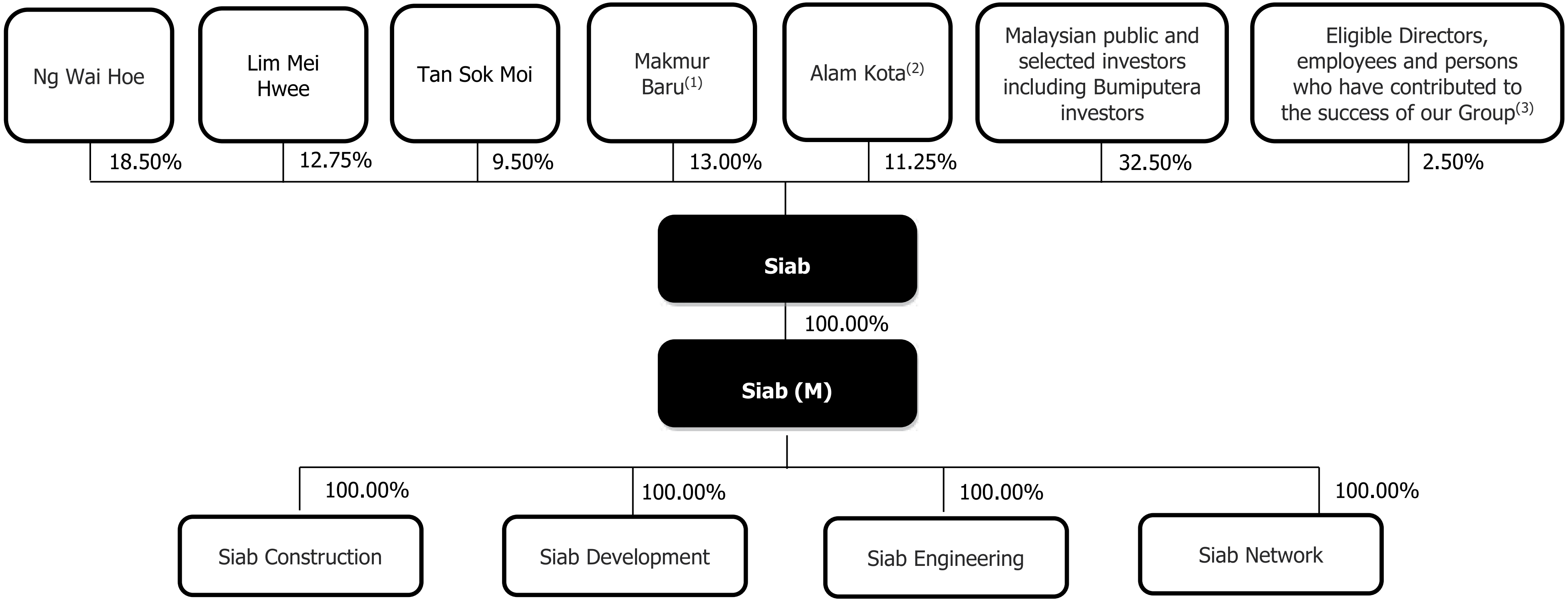


Notes:

(1) Ng Wai Hoe is the sole shareholder of Makmur Baru.

(2) Dato' Chang Lik Sean is the sole shareholder of Alam Kota.

After Acquisition and IPO



Notes:

(1) Ng Wai Hoe is the sole shareholder of Makmur Baru.

(2) Dato' Chang Lik Sean is the sole shareholder of Alam Kota.

(3) Assuming that all our eligible Directors, employees and persons who have contributed to the success of our Group will subscribe for the Pink Form Allocations.

6.3 SUBSIDIARIES AND ASSOCIATED COMPANIES

As at LPD, we do not have any associated companies. Details of our subsidiaries as at LPD are summarised as follows:

Company	Date/ Place of incorporation	Principal place of business	Issued share capital	Effective equity interest	Principal activities
			RM	%	
Siab (M)	1 October 1984/ Malaysia	Malaysia	1,000,000	100.00	Investment holdings and construction and civil engineering
Siab Construction	19 April 2018/ Malaysia	Malaysia	1,000,000	100.00	Construction activities
Siab Development[(1)]	18 April 2017/ Malaysia	Malaysia	100	100.00	Dormant
Siab Engineering	23 September 2011/ Malaysia	Malaysia	2	100.00	Provision of construction support services
Siab Network	3 October 2013/ Malaysia	Malaysia	50,000	100.00	Provision of ICT solutions[(2)]

Notes:

(1) The intended principal activity of Siab Development has not been decided yet and Siab Development may be used for other future business activities that Siab Group may undertake.

(2) Currently, the ICT solutions are offerings by our Group to complement our building construction services. We intend to continue offering our ICT solutions in our future project tenders to offer a comprehensive services and solutions to our clients.

6.3.1 SHARE CAPITAL OF OUR SUBSIDIARIES

Details of our share capital are set out in Section 6.1. Details of the share capital of our subsidiaries are set out below.

6.3.1.1 Siab (M)

Siab (M)'s share capital as at LPD is RM1,000,000 comprising 1,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
1 October 1984	2	RM1.00/ Subscribers' shares in cash	2
30 April 1985	250,000	RM1.00/ Allotment of shares in cash	250,002
8 August 1995	749,998	RM1.00/ Allotment of shares otherwise than cash	1,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Siab (M). In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

6.3.1.2 Siab Construction

Siab Construction's share capital as at LPD is RM1,000,000 comprising 1,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
19 April 2018	100	RM1.00/ Subscribers' shares in cash	100
31 May 2019	999,900	RM1.00/ Allotment of shares in cash	1,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Siab Construction. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

6.3.1.3 Siab Development

Siab Development's share capital as at LPD is RM100 comprising 100 ordinary shares. The movement in its share capital since incorporation is as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
18 April 2017	100	RM1.00/ Subscribers' shares in cash	100

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Siab Development. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

6.3.1.4 Siab Engineering

Siab Engineering's share capital as at LPD is RM2 comprising 2 ordinary shares. The movement in its share capital since incorporation is as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
23 September 2011	2	RM1.00/ Subscribers' shares in cash	2

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Siab Engineering. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

6.3.1.5 Siab Network

Siab Network's share capital as at LPD is RM50,000 comprising 50,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
3 October 2013	3	RM1.00/ Subscribers' shares in cash	3
16 December 2013	49,997	RM1.00/ Allotment of shares in cash	50,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Siab Network. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

6.4 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for FYE 2018 to FYE 2020 and up to LPD:

(i) The sale and purchase agreement ("**SPA**") dated 14 December 2018 between Vibrantline Sdn Bhd ("**Vibrantline**") (our client for the Gravit8 (Phase 2B) Project) and Siab (M) to purchase a parcel of shop lot/retail, Unit No. GL-05, Lot No. GL-05-01 held under Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718), Mukim of Klang, District of Klang, State of Selangor Darul Ehsan measuring approximately 116 square metres at the consideration price of RM1,098,530(1);

(ii) The SPA dated 14 December 2018 between Vibrantline (our client for the Gravit8 (Phase 2B) Project) and Siab (M) to purchase a parcel of shop lot/retail, Unit No. GL-05, Lot No. GL-05-02 held under Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718), Mukim of Klang, District of Klang, State of Selangor Darul Ehsan measuring approximately 119 square metres at the consideration price of RM1,127,575[(1)];

(iii) The SPA dated 14 December 2018 between Vibrantline (our client for the Gravit8 (Phase 2B) Project) and Siab (M) to purchase a parcel of shop lot/retail, Unit No. GL-05, Lot No. GL-05-03 held under Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718), Mukim of Klang, District of Klang, State of Selangor Darul Ehsan measuring approximately 119 square metres at the consideration price of RM1,127,575[(1)];

(iv) The SPA dated 14 December 2018 between Vibrantline (our client for the Gravit8 (Phase 2B) Project) and Siab (M) to purchase a parcel of shop lot/retail, Unit No. GL-06 held under Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718), Mukim of Klang, District of Klang, State of Selangor Darul Ehsan measuring approximately 279 square metres at the consideration price of RM2,705,400[(1)];

(v) The share sale agreement dated 20 June 2018 entered into between Siab (M) and PTS Properties Sdn Bhd for the disposal of 1,650,000 issued and paid-up share capital owned by Siab (M) in Johan Kembara Sdn Bhd at the consideration price of RM200,000;

(vi) Instrument of transfer form under Section 105 of Companies Act 2016 dated 26 November 2020 executed by Siab (M) and Leong Kar Seng for the acquisition of 10,000 ordinary shares in Siab Network at a consideration price of RM24,800;

(vii) The share sale agreement dated 31 May 2021 entered into between the Vendors and Siab for the Acquisition; and

(viii) The underwriting agreement dated 22 December 2021 entered into between Siab and M&A Securities for an underwriting of 36,722,700 Issue Shares for an underwriting commission of 2.50% of the IPO Price multiplied by the number of Issue Shares being underwritten.

Note:

(1) The acquisition of these properties are for investment purposes due to the attractive promotion package being offered to our Group including waiver of legal fees, 15.00% rebate on purchase price via credit note and 6.00% cash rebate on net purchase price per annum for a period of 3 years. The acquisition of these properties were fully financed by a combination of cash and term loans of which these properties were assigned to the financier as security for the terms loans granted by the financier. For clarification purpose, these properties are not part of the Gravit8 (Phase 2B) Project of which Siab was the main contractor and none of the amount of purchase price paid for the acquisitions were settled by way of contra against any amount owing by Vibrantline to our Group.

6.5 PUBLIC TAKE-OVERS

During the last financial year and the current financial year/period up to LPD, there were:

(i) No public take-over offers by third parties in respect of our Shares; and

(ii) No public take-over offers by our Company in respect of other companies' shares.

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6. INFORMATION ON OUR GROUP (*Cont'd*)

6.6 MAJOR APPROVALS AND LICENCES

As at LPD, there are no other major approvals, licences and permits issued to our Group in order for us to carry out our operations other than those disclosed below:

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(i)	Siab (M)	Majlis Bandaraya Subang Jaya	6 May 2021/ 30 May 2022	Business and Signage Licence for No. 80, 80-A, 80-B, 82, 82-A, 82-B, Jalan BP 7/8, Bandar Bukit Puchong, 47120, Puchong.	1) The licence shall be placed at the business premises; and 2) The licence shall be renewed 3 months before the expiration of the licence except for temporary licence. Majlis Bandaraya Subang Jaya will no longer issue renewal notice starting 2019.	Complied
(ii)	Siab (M)	CIDB	25 April 2019/ 7 May 2022	CIDB Licence Grade G7 Certificate for: • Category B (building construction) • Category CE (civil engineering construction); and • Category ME (mechanical and electrical) B04 – General building	1) General Conditions (a) This certificate is non-transferable; and (b) CIDB reserves the right to review the registration grade of the registered contractor from time to time.	Complied
					2) Responsibility and Obligations of the Contractor (a) The contractor shall not participate in any tender or execute any construction works after the expiration of this certificate unless it is renewed; (b) The contractor shall not undertake any construction projects which exceeds the value of construction works specified under the registration grade and shall not execute any type of construction work outside of its registered	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
				CE21 – Construction of civil engineering M15 – Installation, testing and commissioning of various mechanical system	category(ies); (c) The contractor shall submit information regarding any construction works or contract(s) within 14 days of the award or before the commencement of work or whichever is earlier; and (d) The contractor shall apply for a renewal of registration within 60 days before the expiry date specified in this certificate.	
(iii)	Siab Network	CIDB	29 September 2021/ 23 November 2022	CIDB Licence Grade G3 Certificate of Government Procurement Works • Category B (building construction) • Category CE (civil engineering construction); and • Category ME (mechanical and electrical) B04 – General building CE21 – Construction of civil engineering	1) General Conditions (a) This certificate is non-transferable; and (b) CIDB reserves the right to review the registration grade of the registered contractor from time to time.	Complied
					2) Responsibility and Obligations of the Contractor (a) The contractor shall not participate in any tender or execute any construction works after the expiration of this certificate unless it is renewed; (b) The contractor shall not undertake any construction projects which exceeds the value of construction works specified under the registration grade and shall not execute any type of construction work outside of its registered category(ies);	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
				M15 – Installation, testing and commissioning of various mechanical system	(c) The contractor shall submit information regarding any construction works or contract(s) within 14 days of the award or before the commencement of work or whichever is earlier; and (d) The contractor shall apply for a renewal of registration within 60 days before the expiry date specified in this certificate.	
(iv)	Siab Construction	CIDB	15 July 2021/ 24 July 2022	CIDB Licence Grade G7 Certificate for: • Category B (building construction) • Category CE (civil engineering construction); and • Category ME (mechanical and electrical) B04 – General building CE21 – Construction of civil engineering M15 – Installation, testing and commissioning of	1) General Conditions (a) This certificate is non-transferable; and (b) CIDB reserves the right to review the registration grade of the registered contractor from time to time.	Complied
					2) Responsibility and Obligations of the Contractor (a) The contractor shall not participate in any tender or execute any construction works after the expiration of this certificate unless it is renewed; (b) The contractor shall not undertake any construction projects which exceeds the value of construction works specified under the registration grade and shall not execute any type of construction work outside of its registered category(ies);	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
				various mechanical system	(c) The contractor shall submit information regarding any construction works or contract(s) within 14 days of the award or before the commencement of work or whichever is earlier; and (d) The contractor shall apply for a renewal of registration within 60 days before the expiry date specified in this certificate.	
(v)	Siab Construction	Kuala Lumpur City Hall ("**DBKL**")	10 November 2021/ 9 November 2022	Business Office (Unit) Licence for No. 1, 1st Floor, Jalan 2/64A, Off Jalan Ipoh Kecil (Jalan Putra), 50350, Kuala Lumpur.	1) Licensing Conditions (a) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the departments/agencies related to the business; (b) The licence shall always be displayed in a visible place; (c) The licence holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur; (d) Foreign employees on the premise shall not exceed local employees or 50.00% and shall have valid work permits; (e) The licence holder shall comply with the licensing conditions and guidelines that have been imposed;	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(f) The licence holder shall comply with the latest conditions and guidelines (Standard Operating Procedure) set out by the National Security Council, the Ministry of Health Malaysia and the latest instructions of DBKL; and	
					(g) The licence holder shall not carry out activities other than the activities stated on the licence.	
					2) Temporary Conditions	Complied
					(a) The licence holder shall obtain and comply with all the building plan approval conditions from the Department of Building Control;	
					(b) The licence holder shall obtain the approval from the Fire and Rescue Department;	
					(c) The licence holder shall obtain the letter of approval from the Department of Health and Environment (Sanitation);	
					(d) The licence holder shall obtain the letter of approval from the Companies Commission of Malaysia; and	
					(e) The licence holder shall obtain the planning feedback from the City Planning Department.	

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(vi)	Siab Construction	DBKL	10 February 2021/ 9 February 2022[(1)]	Business Office (Unit) Licence for E-3-02, Pusat Bandar Bukit Jalil, Jalan Jalil Utama 2, 57000 Kuala Lumpur.	1) Licensing Conditions (a) The mayor of Kuala Lumpur has the right to impose additional conditions as a business control measure from time to time and to take action in accordance with the laws and acts applicable to the departments/agencies related to the business; (b) The licence holder shall renew licence every year 60 days before the expiration of the licence without notice from the mayor of Kuala Lumpur; and (c) Employees on the premises shall be 50.00% local and 50.00% foreigner with valid work permits.	Complied
					2) Temporary Conditions (a) The licence holder shall not carry out activities that cause nuisance; (b) The licence holder shall only carry out activities that are licenced and complied with the licensing conditions that have been imposed; (c) The licence holder shall comply with the hygiene requirements set out by the Department of Health and Environment, DBKL; (d) The licence holder shall comply with the safety requirements set out by the Fire and Rescue Department;	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(e) The licence holder shall register its business and submit copies of current financial statements and annual statements to CCM; (f) The licence holder shall obtain building plan approval; (g) The licence holder shall obtain planning approval; and (h) The licence holder shall not carry out illegal activities.	
(vii)	Siab (M)	DBKL	17 December 2021/ 20 November 2022	Temporary building permit to set up workers' hostel, toilets, surau and pantry on Lot 1191 & 1637 (New Lot. 20034), Section 46, Jalan Ipoh Kechil, Kuala Lumpur.	1) Approval Conditions (a) The permit holder shall not carry out/build construction works other than those that are permitted. (b) This permit is only valid for a period of 1 year from the date of issuance unless it is renewed. (c) The site area shall always be neat and clean from garbage and be equipped with proper sanitary facilities and to prevent mosquito from breeding. (d) The applicant/permit holder shall comply with all the requirements of the general health conditions set out by the Ministry of Health, DBKL.	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(e) The temporary buildings shall be demolished when the relevant construction works on the site are built or required to do so by the mayor. (f) The temporary building shall be used only for the usage that has been permitted. (g) Temporary steel sheet displays/fences should always be neat, stable and painted with oil-based paint and soft or bright coloured paint. (h) Signboards with the title and address of the permit holder, names and addresses of the developers, architects, engineers and major wholesalers and the file reference numbers for this permit shall be displayed on site. Signage licence shall be obtained from the Licensing Department, DBKL. (i) The applicant for this permit shall inform the DBKL of the date of commencement of work and settle the additional fees charged in accordance with the provisions of the Building By-Laws.	
(viii)	Siab (M)	DBKL	9 March 2021/ 8 March 2022[(1)]	Temporary building permit to set up site office, meeting room at level 1, workers' hostel and facilities at level 2 & 3 and guard house on Lot 2001 (Former Lot 169 & 170), Jalan U-Thant, Kuala Lumpur.	1) Approval Conditions (a) The permit holder shall not carry out/build construction works other than those that are permitted. (b) This permit is only valid for a period of 1 year from the date of issuance unless it is renewed.	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(c) The site area shall always be neat and clean from garbage and be equipped with proper sanitary facilities and to prevent mosquito from breeding. (d) The applicant/permit holder shall comply with all the requirements of the general health conditions set out by the Ministry of Health, DBKL. (e) The temporary buildings shall be demolished when the relevant construction works on the site are built or required to do so by the mayor. (f) The temporary building shall be used only for the usage that has been permitted. (g) Temporary steel sheet displays/fences should always be neat, stable and painted with oil-based paint and soft or bright coloured paint. (h) Signboards with the title and address of the permit holder, names and addresses of the developers, architects, engineers and major wholesalers and the file reference numbers for this permit shall be displayed on site. Signage licence shall be obtained from the Licensing Department, DBKL. (i) The applicant for this permit shall inform the DBKL of the date of commencement of work and settle the additional fees charged in accordance with the provisions of the Building By-Laws.	

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(j) The applicant must comply with the requirements set out by the Fire and Rescue Department. (k) The applicant for this permit is required to obtain a Certificate for Accommodation from the Department of Labour Peninsular Malaysia after this permit is issued.	
(ix)	Siab (M)	DBKL	25 May 2021/ 24 May 2022	Temporary building permit to set up cabin and workers' toilet on Lot 36101, Mukim Petaling, Kuala Lumpur.	1) Approval Conditions (a) The permit holder shall not carry out/build construction works other than those that are permitted. (b) This permit is only valid for a period of 1 year from the date of issuance unless it is renewed. (c) The site area shall always be neat and clean from garbage and be equipped with proper sanitary facilities and to prevent mosquito from breeding. (d) The applicant/permit holder shall comply with all the requirements of the general health conditions set out by the Ministry of Health, DBKL. (e) The temporary buildings shall be demolished when the relevant construction works on the site are built or required to do so by the mayor. (f) The temporary building shall be used only for the usage that has been permitted.	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(g) Temporary steel sheet displays/fences should always be neat, stable and painted with oil-based paint and soft or bright coloured paint. (h) Signboards with the title and address of the permit holder, names and addresses of the developers, architects, engineers and major wholesalers and the file reference numbers for this permit shall be displayed on site. Signage licence shall be obtained from the Licensing Department, DBKL. (i) The applicant for this permit shall inform the DBKL of the date of commencement of work and settle the additional fees charged in accordance with the provisions of the Building By-Laws. (j) The applicant for this permit shall obtain feedback/support from the Fire and Rescue Department. (k) The applicant for this permit is required to obtain a Certificate for Accommodation from the Department of Labour Peninsular Malaysia before accommodating the workers at the temporary workers' accommodation.	

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(x)	Siab (M)	DBKL	25 June 2021/ 24 June 2022	Temporary building permit to set up and store temporary building material of workers' hostel on Lot 5598, Jalan 2/112c, Mukim Kuala Lumpur, Kuala Lumpur.	1) Approval Conditions (a) The permit holder shall not carry out/build construction works other than those that are permitted. (b) This permit is only valid for a period of 1 year from the date of issuance unless it is renewed. (c) The site area shall always be neat and clean from garbage and be equipped with proper sanitary facilities and to prevent mosquito from breeding. (d) The applicant/permit holder shall comply with all the requirements of the general health conditions set out by the Ministry of Health, DBKL. (e) The temporary buildings shall be demolished when the relevant construction works on the site are built or required to do so by the mayor. (f) The temporary building shall be used only for the usage that has been permitted. (g) Temporary steel sheet displays/fences should always be neat, stable and painted with oil-based paint and soft or bright coloured paint. (h) Signboards with the title and address of the permit holder, names and addresses of the developers, architects, engineers and major wholesalers and the file reference numbers for this permit shall be	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					displayed on site. Signage licence shall be obtained from the Licensing Department, DBKL. (i) The applicant for this permit shall inform the DBKL of the date of commencement of work and settle the additional fees charged in accordance with the provisions of the Building By-Laws. (j) The applicant for this permit shall obtain feedback/support from the Fire and Rescue Department. (k) The applicant for this permit is required to obtain a Certificate for Accommodation from the Department of Labour Peninsular Malaysia before accommodating the workers at the temporary workers' accommodation.	
(xi)	Siab (M)	Department of Occupational Safety and Health, Kuala Lumpur ("**DOSH**")	24 May 2021/ 25 July 2022	Certificate of fitness under Factories and Machinery Act 1967 for Tower Crane located at Lot PT 9194 and PT 9195, Mukim of Petaling, District of Petaling, 46150 Petaling Jaya, Selangor Darul Ehsan.	According to Regulation 26(1) of the Factories and Machinery (Notification, Certificate of Fitness and Inspections) Regulations 1970, after the inspection of a machinery, it is required for this machinery to be operated by person qualified and registered with DOSH.	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(xii)	Siab (M)	Ministry of Domestic Trade and Consumer Affairs ("**KPDNHEP**")	24 May 2021/ 23 May 2022	Scheduled controlled articles permits under Regulation 9(2), Control of Supplies Regulations 1974 for purchasing 1,672 litres of diesel to be stored at Impressions U-Thant, Lot 169 & 170, Jalan U-Thant, 55000, Kuala Lumpur.	1) Conditions (a) The permit holder shall comply with the descriptions of scheduled controlled articles as specified in this permit; (b) The permit holder shall store the scheduled controlled articles at the address specified in this permit only; (c) The permit holder shall keep or have in his possession the scheduled controlled articles not exceeding the quantity permitted in this permit; (d) The permit holder shall purchase the scheduled controlled articles for personal use and not for resale purposes; (e) The permit holder shall maintain a purchase record book containing the name and address of the supplier, date of purchase, quantity and price and shall keep the invoices, receipts or any purchase documents for review purposes; (f) The permit holder shall label the used skid tank for storage of diesel and petrol with details of the permit reference number, type of scheduled controlled articles, name and address of the permit holder and telephone number of the officer in charge; (g) This permit is non-transferable; and	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(h) The renewal of the permit shall be submitted within 30 days before expiration. The renewal application that is received after the expiry date will be treated as new application.	
(xiii)	Siab (M)	KPDNHEP	10 May 2021/ 9 May 2022	Scheduled controlled articles permits under Regulation 9(2), Control of Supplies Regulations 1974 for purchasing 3,000 litres of diesel to be stored at Chamber Residence KL, Lot 1191 & 1637, Jalan Ipoh Kechil, Section 46, Off Jalan Ipoh, 50350 Kuala Lumpur.	1) Conditions (a) The permit holder shall comply with the descriptions of scheduled controlled articles as specified in this permit; (b) The permit holder shall store the scheduled controlled articles at the address specified in this permit only; (c) The permit holder shall keep or have in his possession the scheduled controlled articles not exceeding the quantity permitted in this permit; (d) The permit holder shall purchase the scheduled controlled articles for personal use and not for resale purposes; (e) The permit holder shall maintain a purchase record book containing the name and address of the supplier, date of purchase, quantity and price and shall keep the invoices, receipts or any purchase documents for review purposes; (f) The permit holder shall label the used skid tank for storage of diesel and petrol with details of the permit reference number, type of scheduled	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					controlled articles, name and address of the permit holder and telephone number of the officer in charge; (g) This permit is non-transferable; and (h) The renewal of the permit shall be submitted within 30 days before expiration. The renewal application that is received after the expiry date will be treated as new application.	
(xiv)	Siab Construction	Majlis Perbandaran Klang	17 January 2022/ 31 December 2022[2]	Business and Signage Licence for No. 46, Tingkat 1,2 & 3, Jalan Bayu Emas 5, Kota Bayu Emas, Pelabuhan Klang, 41200 Klang.	1) The licence is issued under the Local Government Act 1976; 2) The licence is approved subject to the conditions set out by Majlis Perbandaran Klang from time to time; 3) The licence will be revoked if the conditions or requirements of the licensing laws including by-laws or any instructions imposed by Majlis Perbandaran Klang are not complied with; 4) The licence shall be displayed at all times in a visible place on the licenced premise; and 5) The licence shall not be transferred or displayed on the premise that is different from the address stated on the licence.	Complied

6. INFORMATION ON OUR GROUP (*Cont'd*)

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(xv)	Siab (M)	KPDNHEP	10 June 2021/ 9 June 2022	Scheduled controlled articles permits under Regulation 9(2), Control of Supplies Regulations 1974 for purchasing 3,000 litres of diesel to be stored at Lot PT 15291 (Original Lot), Parcel C, Bandar Baru Bukit Jalil Off Lebuhraya Bukit Jalil, Bukit Jalil, 57000 Kuala Lumpur.	1) Conditions (a) The permit holder shall comply with the descriptions of scheduled controlled articles as specified in this permit; (b) The permit holder shall store the scheduled controlled articles at the address specified in this permit only; (c) The permit holder shall keep or have in his possession the scheduled controlled articles not exceeding the quantity permitted in this permit; (d) The permit holder shall purchase the scheduled controlled articles for personal use and not for resale purposes; (e) The permit holder shall maintain a purchase record book containing the name and address of the supplier, date of purchase, quantity and price and shall keep the invoices, receipts or any purchase documents for review purposes; (f) The permit holder shall label the used skid tank for storage of diesel and petrol with details of the permit reference number, type of scheduled controlled articles, name and address of the permit holder and telephone number of the officer in charge; (g) This permit is non-transferable; and	Complied

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
					(h) The renewal of the permit shall be submitted within 30 days before expiration. The renewal application that is received after the expiry date will be treated as new application.	
(xvi)	Siab (M)	Majlis Bandaraya Subang Jaya	9 November 2021/ 31 December 2022	Building permit for temporary partition at No. 80 (First Floor), Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan.	The building permit for temporary partition may be renewed 3 months before the expiry date of the permit.	Complied
(xvii)	Siab (M)	Majlis Bandaraya Subang Jaya	9 November 2021/ 31 December 2022	Building permit for temporary partition at No. 80 (Second Floor), Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan.	The building permit for temporary partition may be renewed 3 months before the expiry date of the permit.	Complied
(xviii)	Siab (M)	Majlis Bandaraya Subang Jaya	9 November 2021/ 31 December 2022	Building permit for temporary partition at No. 82 (Ground Floor), Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan.	The building permit for temporary partition may be renewed 3 months before the expiry date of the permit.	Complied

6. INFORMATION ON OUR GROUP (*Cont'd*)

No.	Licensee	Issuing authority	Date of issue/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(xix)	Siab (M)	Majlis Bandaraya Subang Jaya	9 November 2021/ 31 December 2022	Building permit for temporary partition at No. 82 (First Floor), Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan.	The building permit for temporary partition may be renewed 3 months before the expiry date of the permit.	Complied
(xx)	Siab (M)	Majlis Bandaraya Subang Jaya	9 November 2021/ 31 December 2022	Building permit for temporary partition at No. 82 (Second Floor), Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan.	The building permit for temporary partition may be renewed 3 months before the expiry date of the permit.	Complied
(xxi)	Siab (M)	Majlis Bandaraya Subang Jaya	9 November 2021/ 31 December 2022	Building permit for temporary partywall at No. 80 & 82 (First Floor), Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan.	The building permit for temporary partywall may be renewed 3 months before the expiry date of the permit.	Complied
(xxii)	Siab (M)	Majlis Bandaraya Subang Jaya	9 November 2021/ 31 December 2022	Building permit for temporary partywall at No. 80 & 82 (Second Floor), Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan.	The building permit for temporary partywall may be renewed 3 months before the expiry date of the permit.	Complied

6. INFORMATION ON OUR GROUP (*Cont'd*)

Notes:

(1) The Company is in the midst of submitting application for renewal of the licence/permit and any renewal application can be made 2 weeks before the expiry date of the licence/permit.

(2) The expiry date of the licence is not stipulated in the certificate of renewal. The licence shall be renewed on calendar year basis before 31 December 2022.

6.7 TRADEMARKS

Save as disclosed below, our Group does not own any other trademark:

Trademark	Application No.	Issuing authority	Date of issue/ Date of expiry	Class/ Description	Status
Siab	2014050031	Intellectual Property Corporation of Malaysia	3 April 2015/ 2 January 2024	Class 37/ Building construction; repair, maintenance, reconditioning and renovation services for buildings, engineering construction of infrastructures such as highway, bridges, railroads, buildings, dams and utilities; installation services; construction consultation, construction of roads and drainage, building of roads, civil engineering services, property development; real estate development; property maintenance; building project management; information, advisory and consultancy services relating to the aforesaid services; all included in Class 37.	Registered

6.8 PROPERTY, PLANT AND EQUIPMENTS

6.8.1 Properties owned by our Group

The summary of the material properties owned by our Group as at LPD are set out below:

No.	Postal address	Description of property/ Existing use/Expiry of lease (if any)/Category of land use (if any)	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	NBV as at 31 July 2021
			sq ft			RM'000
(i)	No. 82, Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan (Title: Geran 72279, Lot No. 58893, Mukim of Petaling, District of Petaling, State of Selangor Darul Ehsan)	3-storey shopoffice/ Head Office/ Freehold/ Building	1,755/ 5,279	1 September 2015/ 23 December 2014	Charge no. 121482/2015 created in favour of Hong Leong Bank Berhad which was registered on 18 November 2015	1,920
(ii)	No. 80, Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan (Title: Geran 72283, Lot No. 58894, Mukim of Petaling, District of Petaling, State of Selangor Darul Ehsan)	3-storey shopoffice/ Head Office/ Freehold/ Building	1,755/ 5,279	1 September 2015/ 23 December 2014	Charge no. 121482/2015 created in favour of Hong Leong Bank Berhad which was registered on 18 November 2015	1,920
(iii)	No. 12, Jalan Sri Kenari 9, Taman Sri Kenari, Sg. Chua, 43000 Kajang, Selangor Darul Ehsan (Title: PN 59352, Lot No. 41501, Pekan of Kajang, District of Ulu Langat, State of Selangor Darul Ehsan)	One and a half storey of mid terraced factory/ Factory used as a storage/ 11 April 2099/ Building	1,604/ 1,638	(1)15 October 2009/ 9 June 2000	Charge no. 103135/2019 created in favour of RHB Bank Berhad on 11 November 2019	98

No.	Postal address	Description of property/ Existing use/Expiry of lease (if any)/Category of land use (if any)	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	NBV as at 31 July 2021
			sq ft			RM'000
(iv)	HSM 40093, PT 29948, Tempat of Revolusi Hijau Batu 5, Johan Setia, Mukim of Klang, District of Klang, State of Selangor Darul Ehsan	Piece of leasehold agriculture land/ Vacant/ 18 November 2092/ Agriculture	87,123/ Not applicable	14 September 2009[(2)]/-	Private caveat lodged by Siab (M) on 15 November 2017 pending the completion of the trust deed entered into between PCP Construction Sdn Bhd and Siab (M) dated 14 September 2009	441
(v)	GL-05-01, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-05, Lot No.GL-05-01 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space located at ground floor/ Vacant/ Freehold/ Commercial	Not applicable[(3)]/ 1,249	14 December 2018/ 8 November 2019	Assigned in favour of Maybank Islamic Berhad on 3 June 2019 by way of security	918

No.	Postal address	Description of property/ Existing use/Expiry of lease (if any)/Category of land use (if any)	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	NBV as at 31 July 2021
			sq ft			RM'000
(vi)	GL-05-02, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-05, Lot No. GL-05-02 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space located at ground floor/ Vacant/ Freehold/ Commercial	Not applicable[(3)]/ 1,281	14 December 2018/ 8 November 2019	Assigned in favour of Maybank Islamic Berhad on 3 June 2019 by way of security	942
(vii)	GL-05-03, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-05, Lot No. GL-05-03 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space located at ground floor/ Vacant/ Freehold/ Commercial	Not applicable[(3)]/ 1,281	14 December 2018/ 8 November 2019	Assigned in favour of Maybank Islamic Berhad on 3 June 2019 by way of security	942

6. INFORMATION ON OUR GROUP (*Cont'd*)

No.	Postal address	Description of property/ Existing use/Expiry of lease (if any)/Category of land use (if any)	Land area/ Built-up area	Date of purchase/ Date of CCC	Encumbrance	NBV as at 31 July 2021
			sq ft			RM'000
(viii)	GL-06, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-06 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space located at ground floor/ Vacant/ Freehold/ Commercial	Not applicable[(3)]/ 3,003	14 December 2018/ 8 November 2019	Assigned in favour of RHB Bank Berhad on 21 August 2019 by way of security	2,262

Notes:

(1) Based on land search dated 5 January 2022 for the transfer of ownership from the previous owner to Siab (M).

(2) Siab (M) is the joint beneficial owner with PCP Construction Sdn Bhd ("**PCP"**) for the property pursuant to a trust deed entered into between both parties dated 14 September 2009, whereby Siab (M) has agreed to pay half of the purchase price for the property, half of the monthly instalments for the loan and half of all outgoings and other charges in respect of the property. In consideration thereof, PCP shall surrender and divest PCP's rights, title and interest in respect of its undivided half share in the property in favour of the Siab (M) and further holds half of the property upon trust for the absolute benefit of Siab (M). Siab (M) has an option to buy over PCP's portion of the property as stated in the trust deed dated 14 September 2009 or to dispose the property. The Company intends to dispose the property either through the disposal of our existing beneficial ownership or through the acquisition of PCP's portion and disposal of the entire property. However, due to soft market conditions arising from the current COVID-19 pandemic, we have yet to identify any potential buyer.

(3) The property is under a master title.

The properties owned by our Group are not in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD.

6.8.2 Properties rented by our Group

The summary of the material properties rented by our Group as at LPD are set out below:

No.	Address	Landlord/ Tenant	Description/ Existing use	Built-up area sq ft	Period of tenancy / Rental per month
(i)	No. 46-A, 46-B & 46-C, Jalan Bayu Emas 5, Kota Bayu Emas, Pendamaran, 41200 Pelabuhan Klang, Selangor Darul Ehsan	Goh Poi Eong/ Siab Construction	Three units of a 4-storey shop office/ Vacant and intended to be utilised as maintenance office for Gravit8 (Phase 2B) Project	4,950	1 month/ RM3,500
(ii)	No.1, 1st Floor, Jalan 2/64A, Off Jalan Ipoh Kecil (Jalan Putra), 50350 Kuala Lumpur	Kon Ching Sdn Bhd/ Siab Construction	First floor of a 4-storey shop office/ Site office for Chambers Residence Project	3,000	7 months/ RM2,850
(iii)	E3-2, Pusat Perdagangan Bandar Bukit Jalil, Jalan Jalil Utama 2, 57000 Kuala Lumpur, Wilayah Persekutuan	Yong Chon Hua/ Siab Construction	Second floor of a 3-storey shop office/ Site office for Hyatt Bukit Jalil Project	1,642	24 months/ RM3,500
(iv)	Part of Geran 79552, Lot 101901, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur	Domain Resources Sdn Bhd/ Siab (M)	Piece of leasehold land/ For use of centralised labour quarters for Hyatt Bukit Jalil Project(1)	10,366	2 months/ RM5,000
(v)	28, Jalan PP11/5, Alam Perdana Industrial Park, Taman Putra Perdana, 47130 Puchong, Selangor Darul Ehsan	Nurani Resources Sdn Bhd/ Siab (M)	Corner lot 2-storey semi-detached factory/ Used as a storage for construction materials, machineries and equipment	5,300 (land area 16,200 sq ft)	19 months/ RM11,000

Note:

(1) Received a temporary permit from DBKL on 25 May 2021 and have obtained from Jabatan Tenaga Kerja Semenanjung Malaysia the Certificate for Accommodation on 28 December 2021.

The properties rented by our Group are not in breach of any other land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD.

6.8.3 Governing laws and regulatory requirements

Our Group's business operations are subject to the following laws and regulations:

(i) CIDB Act governing the registration of construction personnel as well as skills and competency certification;

(ii) Construction Industry Payment and Adjudication Act 2012 facilitating regular and timely payment and providing a mechanism for speedy dispute resolution through adjudication and remedies for the recovery of payment in the construction industry;

(iii) Occupational Safety and Health Act 1994 regulating the safety, health and welfare of persons at work, protecting others against the risks to safety or health in connection with the activities of persons at work in the construction industry;

(iv) Street, Drainage and Building Act 1974 and the by-laws enacted by the relevant state government governing the matters relating to street, drainage and building in local authority areas in Peninsular Malaysia;

(v) Environmental Quality Act 1974 governing the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into any area, segment or element of the environment;

(vi) Control of Supplies Act 1961 and Control of Supplies Regulations 1974 governing the law on controlled articles in Malaysia;

(vii) Local Government Act 1976 and the by-laws of the respective local councils and authorities setting out the requirements to obtain business and signage licences;

(viii) National Land Code 1965 governing the administration of land matters in Peninsular Malaysia;

(ix) Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019 governing all employment sectors providing housing and accommodation for workers;

(x) Factories and Machinery Act 1967 and Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970 governing the issuance of the certificate of fitness for construction machineries;

(xi) Employment Act 1955 governing employment laws in Peninsular Malaysia; and

(xii) Income Tax Act 1967 and the prevailing taxation policies in Malaysia.

Save as disclosed in Section 9.1.2, there are no breach of laws, regulations, rules or requirements governing the conduct of our business and environmental issues which may materially affect our Group's business or operations.

6.8.4 Material capital expenditures and divestitures

(i) Material capital expenditures

Save for the expenditures disclosed below, there were no other capital expenditures (including interests in other corporations) made by us for FYE 2018 to FYE 2020, FPE 2021 and up to LPD:

Capital expenditures	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FPE 2021 RM'000	1 August 2021 up to LPD RM'000
Store, site equipment, portable cabins and computers	1,019	1,298	34	70	244
Office equipment, furniture & fittings	71	40	8	32	19
Renovations	-	-	-	-	14
Motor Vehicles	97	214	92	-	169
	1,187	**1,552**	**134**	**102**	**446**

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Our capital expenditures, particularly for site equipment are mainly driven by the construction projects awarded to us during the relevant year as well as for replacement purposes. Our primary capital expenditures are associated with the acquisition of site equipment for use in our construction projects, such as tower cranes, material handling equipment, backhoes, scaffolding, aluminium formworks, bulldozers and excavators and other related construction equipment and machineries required by our projects.

The purchase of motor vehicles is for day-to-day use in our project sites.

(ii) Material capital divestitures

Save for the divestitures disclosed below, there were no other capital divestitures (including interests in other corporations) made by us for FYE 2018 to FYE 2020, FPE 2021 and up to LPD:

Capital divestitures	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FPE 2021 RM'000	1 August 2021 up to LPD RM'000
Store, site equipment, portable cabins and computers	1	79	-	-	2,810
Office equipment, furniture and fittings	24	16	-	-	-
Renovation	63	4	-	-	-
Motor Vehicles	66	-	51	-	40
	154	**99**	**51**	**-**	**2,850**

The above capital divestitures were carried out in the ordinary course of business as part of our periodic review of our fixed asset register to identity and eliminate those assets which have been fully depreciated or no longer in use or obsolete or surpassed their useful lives.

Moving forward, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9.1, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

6.8.5 Material plans to construct, expand or improve our facilities

Save for the proposed utilisation of proceeds from our IPO vis-à-vis our proposed capital expenditure as set out in Section 4.9.1, our Group does not have any other immediate plans to construct, expand and improve our facilities as at the LPD.

6.8.6 Material construction equipment and machineries

Our Group's material construction equipment and machineries are as follows:

No.	Material construction equipment and machineries	Year of manufacture	Units	Purchase cost	NBV as at 31 July 2021
				RM'000	RM'000
1.	Aluminium formwork system – used as temporary structures to serve as moulds for concrete to be poured in	2015 to 2019	11,368 sq m	6,185	1,559
2.	Tower crane – used to lift and transfer construction materials	2014 to 2017	2	1,381	84
3.	Placing boom – used to place fresh concrete into all required horizontal and vertical reinforced concrete structure element	2015	1	390	*
4.	Concrete pump – used to transfer ready-mixed concrete to work areas	2013 to 2015	2	1,160	*
5.	Lorry – used to transport large volumes of construction materials within the construction sites and across construction sites including public roads	2014	1	84	*
				9,200	**1,643**

Note:

* less than RM1,000

All the equipment and machineries listed above are currently being utilised for our ongoing projects. Although some of our equipment and machineries are old and fully depreciated, routine maintenance is being perform to ensure that they are in good conditions and fit to use. However, there is no assurance that such routine maintenance could prevent the occurrence of potential hazards associated with the use of these equipment and machineries.

7. BUSINESS OVERVIEW

7.1 INCORPORATION AND HISTORY

Ownership and Group structure

Our Company was incorporated in Malaysia on 30 December 2020 under the Act as a private limited company and was subsequently converted to a public limited company on 24 June 2021. Our Company was incorporated to facilitate the Listing.

Our history can be traced back to the incorporation of Siab (M) in Malaysia as a private limited company on 1 October 1984 under the Companies' Act 1965 and the name Shendon Corporation Sdn Bhd. It subsequently changed to its current name on 19 February 1985. It was established by Svenska Industribyggen Aktie Bolag, a Swedish company that is principally involved in building construction services in Sweden to undertake general construction and civil engineering projects in Malaysia.

By 2004, the shareholdings of Siab (M) were fully localised following the exit of its Swedish shareholders. Subsequently, between 2008 to 2009, the ownership of Siab (M) changed to a group of individuals which included our Managing Director, Ng Wai Hoe, Dato' Wee Beng Aun and Wee Eng Kong. Wee Eng Kong was also a major shareholder of Pembinaan Tuju Setia Sdn Bhd.

Our Promoters joined Pembinaan Tuju Setia Sdn Bhd as employees between 2006 to 2010. Our Managing Director, Ng Wai Hoe, was first appointed as a director of Siab (M) while he was still attached to Pembinaan Tuju Setia Sdn Bhd as an employee. As a director of Siab (M), he was responsible for implementing the company's construction projects.

In 2012, Tuju Setia Holdings Sdn Bhd acquired the entire equity interest of both Siab (M) and Pembinaan Tuju Setia Sdn Bhd under a shareholders' restructuring exercise. As part of the exercise, Siab Engineering (which was incorporated in 2011) was acquired by Siab (M) and became its wholly-owned subsidiary. The major shareholders of Tuju Setia Holdings Sdn Bhd after the restructuring includes Dato' Wee Beng Aun, Wee Eng Kong and Ng Wai Hoe. Our Managing Director, Ng Wai Hoe, was appointed as the director of Tuju Setia Holdings Sdn Bhd and acquired 3.00% equity interest in the said company on 21 April 2011.

In 2013, our Promoters collectively acquired 65.00% equity interest in Siab (M) from Tuju Setia Holdings Sdn Bhd whilst the balance 35.00% were acquired by Dato' Wee Beng Aun and PTS Properties Sdn Bhd (which subsequently exited through the disposal of their stake to Dato Wee Beng Aun in 8 December 2015). Following the acquisition, our Promoters ceased their employment at Pembinaan Tuju Setia Sdn Bhd and assumed their position at Siab (M). Ng Wai Hoe also disposed his entire shareholding in Tuju Setia Holdings Sdn Bhd on 4 September 2014 and resigned as its director on 16 April 2014.

During the same year, to complement our construction services, Siab Network was incorporated for the provision of ICT solutions and services.

In 2018, we established Siab Construction to streamline our overall operations, with Siab (M) repositioned to focus on project management responsibilities, which include management and coordination of buildings design work, appointment of consultants and contractors, management of appointed contractors and/or construction managers, while Siab Construction undertakes construction works for projects that our Group secures.

Between 2013 and 2020, Dato' Wee Beng Aun served as an adviser to Siab (M) and advised the directors of Siab (M) on matters relating to the business strategy of Siab (M) and its subsidiaries. He was not involved in the decision making or the day-to-day operations of Siab (M) and its subsidiaries. In 2020, Dato' Wee Beng Aun disposed his entire stake in Siab (M) to our Managing Director and a pre-IPO investor, Dato' Chang Lik Sean. At that time, Dato' Wee Beng Aun was the promoter of Tuju Setia Holdings Sdn Bhd (the holding company of Pembinaan Tuju Setia Sdn Bhd) which undertook a listing exercise on the Main Market of Bursa Securities.

In 2021, we undertook the Acquisition as part of our Listing which resulted in the formalisation of our Group structure.

Business

Since its incorporation, Siab (M) has been involved in the building construction industry. Following the emergence of our Promoters as the controlling shareholders of Siab (M) in 2013, we completed a number of projects, including the Jaya 99 Commercial Project, Plaza 33 Project and Menara LGB Project, and three design and build projects namely the Hospital Bentong Project, The Pines Project and the F&N Intelligent Industrial Building Project. In the same year, our subsidiary, Siab Network secured its first project to provide wireless network infrastructure for the The Pines Project.

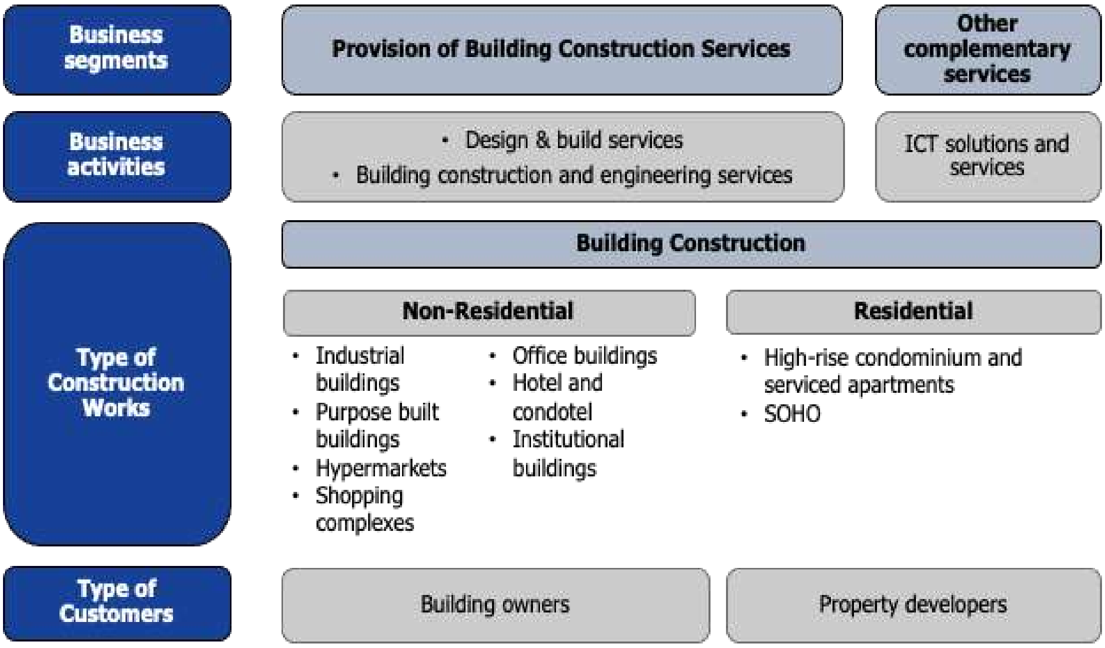
Under our Promoters' leadership, we managed to secure 5 notable projects during the period 2014 to 2016, namely Saville Kajang Project, Tesco Hypermarket Project, Seri Riana Residence (Phase 2B) Project, Kanvas SOHO Project and PJ City Project with a total contract value of approximately RM345.94 million. The Seri Riana Residence (Phase 2B) Project was our Group's first project that complies with the QLASSIC and CONQUAS 21 assessment systems. These assessment systems are used to assess, measure and evaluate the quality and workmanship of amongst others, structural and architectural works related to the construction projects. In 2014, our quality management system was assessed and accredited with ISO9001:2008 certification under the scope 'project management for building construction and civil engineering works services' by Intertek Malaysia.

Our business continued to grow between 2017 and 2020 where we secured 7 notable projects, namely Amverton Cove Project, Amverton Greens Project, Chambers Residence Project, F&N Intelligent Industrial Building Project, Gravit8 (Phase 2B) Project, Impressions U-Thant Project and Quayside Mall Project with a total contract value of approximately RM683.86 million. Quayside Mall Project was our first shopping mall project which involved the construction of a commercial complex, office towers and car parking facilities in Kuala Langat, Selangor. The F&N Intelligent Industrial Building Project involved the designing and build of a 45m high state of the art warehouse equipped with automated storage and retrieval system, an extension of production floor and 1-storey cooler warehouse located in Shah Alam, Selangor.

Over the years, we have put a strong emphasis on quality assurance and quality control procedures in our operations and processes. We have implemented projects that comply with QLASSIC on quality and workmanship. In 2018, we received the High QLASSIC Achievement Award for our work in the Seri Riana Residence (Phase 2B) Project, which serves as a testament to our work quality. We have also put in place a QESH Management System which consist of our quality management system, environmental management system and occupational health and safety management system, integrated into one framework with unified objectives. They have been assessed and accredited the ISO9001:2015 in 2017, ISO14001:2015 in 2019 and ISO45001:2018 in 2017 by SIRIM QAS International Sdn Bhd under the scope "provision of construction services for building and civil engineering works".

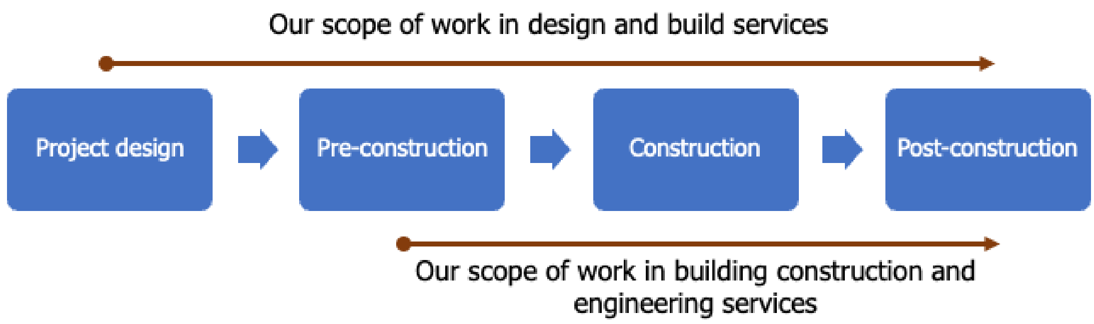
7.2 PRINCIPAL BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

We are principally involved in the provision of building construction services. To complement our building construction services, we also provide ICT solutions and services.



(i) Provision of building construction services

As a building construction services player, we provide services covering various stages of a building construction project. Our roles/ scope of work differs depending on the types of contracts we secure, namely design and build services - where we are involved from the design stages all the way through to post construction work; and building construction services - where our scope of work typically begins from pre-construction to post construction works.



We mainly focus on the construction of the following types of buildings:-

- Non-residential buildings including commercial buildings (such as high-rise office buildings, hypermarkets, hotels and shopping complexes), industrial buildings (such as factories and warehouses) and purpose-built buildings (such as hospitals). Some of our completed projects in the segment include:

Quayside Mall Project

The Pines Project

LGB Tower Project

Hospital Bentong Project

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- Residential buildings mainly high-rise residential buildings. Some examples of our completed projects under this segment include:

Bennington Residences @ Sky Arena Project

Seri Riana Residence (Phase 2B) Project

(a) Design and build services

Design and build service refers to a project delivery method where a party is engaged by the client to provide the design as well as construction of the proposed building project. Under a design and build project, our scope of work encompasses the design of the proposed building construction, from schematic/ conceptual designs to detailed designs (detailed structural designs, architectural designs, M&E designs and others) according to client's requirements, proposed budget and implementation schedule.

As part of the design work, we work closely with external professionals or consultants which include but not limited to architects and engineers, coordinating and managing work/inputs according to project requirements. We also liaise with relevant authorities to obtain the necessary permits and approvals for the overall construction project. In addition, our scope also extends to include the appointment of subcontractors for the project, as well as overall management and coordination of the building construction processes.

Up to the LPD, we have completed 3 design and build projects in the past, namely the Hospital Bentong Project, The Pines Project and the F&N Intelligent Industrial Building Project. Depending on the type/nature of the building to be constructed, we work with various parties to provide designs and solutions to meet the client's requirements.

In terms of our design and build contract for the F&N Intelligent Industrial Building Project, we worked with various consultants, subcontractors and suppliers to develop the design. This led to the adoption of a single-storey warehouse design, with a height of 45m to cater to the client's storage requirement. Taking into account the height and weight involved, we opted for a pre-engineered steel column system which saves space, reduces cost as well as allows for easier fabrication and installation at the site. We also incorporated a thicker floor slab to support the expected weight of the warehouse at its full storage capacity (up to 46,000 pallets of soft drink) and designed and constructed a 1.5m thick floor slab with loading strength of approximately 18 tonnes per square meter. The pictures below depict the major parts of the warehouse:

Aerial view of the warehouse

Conveyor systems

Vertical lifter and racking system **Conveyor and racking system**

(b) Building construction and engineering services

We participate in building construction and engineering services projects mainly as a main contractor and principal works contractor, where we play a central role for all our construction activities and coordinate with project consultants, subcontractors and nominated subcontractors (contractors that are nominated by our client for the project) to ensure smooth implementation of the contract. We have also participated as a subcontractor, where our role is limited to specific sections of a construction project.

The roles performed as a main contractor or a principal works contractor are similar. As a main contractor, we are appointed/ awarded by the project owner, such as a property developer while as a principal works contractor, it is the appointed project's main contractor that appoints us. Our roles and responsibilities can be summarised as follows:

- Plan, manage, monitor and supervise the entire construction activities

  Over the course of a building construction project, a master work programme is developed, which details all the activities to be conducted on site; allowing us to plan, manage, monitor and supervise according to the works programme. Over the course of the construction project, we may propose alternative designs to the original building design as means of increasing the ease of construction or to lower the cost of construction in terms of materials and methods adopted.

- Engage, manage and supervise subcontractors to perform respective works

  Procurement of subcontractors and suppliers to provide the specialised trade works and materials for the construction project. We will engage and coordinate with these suppliers and subcontractors to provide materials and services that include supply and installation of construction materials, deployment of construction machinery and equipment, M&E engineering works, piping and plumbing works, external painting works, water proofing works and other related works. In addition, our subcontractors also provide labours which comprise foreign workers, who will be managed and supervised by our project team over the construction activities performed by the subcontractors, to ensure project and quality plans are adhered to. Subcontractors and suppliers are generally selected based on our internal approved list of subcontractors and suppliers that are evaluated annually.

- Prepare and implement quality assurance and quality control, safety and health processes and procedures throughout the entire construction stages

  We establish an internal control system with an emphasis on quality assurance and quality control. The control system also covers safety and health processes and procedures to provide a safe working environment for workers and employees involved in our construction projects.

- Perform a final inspection, testing and commissioning

  We conduct final inspection, testing and commission of the building and related M&E systems as part of project handover, followed by making good of defects over the DLP period.

(ii) Other complementary services

To complement our building construction services, we are also capable of providing ICT solutions and services based on clients' requirements, such as design and implementation of wired and wireless enterprise-wide network infrastructure as well as ICT security solutions for their ICT system. The following highlights some of the types of ICT solutions and services that we provide:

Hotel telecommunication system

Server room

Satellite Master Antenna Television system

Fibre-to-the-home system

Our general scope of work for projects under this segment are as follows:

- Design, plan, manage, monitor and supervise the entire process

  We provide ICT solutions and services that are customised to meet the needs and requirements of our customers that require for example, a building-wide wireless network infrastructure. As such, designs covering mechanical and electrical aspects of the proposed solution and services are developed as part of the initial process. A detailed work plan will be developed highlighting the work to be carried out and the resources required to complete the work. Over the course of the project implementation, we manage, monitor and supervise subcontractors' workers to ensure works performed are in accordance with the design and work plan.

- Procurement of subcontractors and suppliers

  Procurement of subcontractors and suppliers to provide the specialised trade works, materials and equipment for the project. We work with ICT equipment suppliers to procure the required ICT hardware and software products. In addition, we also engage subcontractors to provide specialised trade works such as M&E engineering works and installation of related equipment. Subcontractors and suppliers are generally selected based on our internal approved list of subcontractors and suppliers that are evaluated annually.

- Perform final inspection, testing and commissioning

  We conduct final inspection, testing and commission of installed ICT system as part of the handover, followed by making good of defects over the DLP.

7.2.1 Our building construction projects

7.2.1.1 Ongoing projects

Our Group currently undertakes the following building construction projects:

Project name/ Client	Description	Contract Value Total* (RM'000)	To be recognised in FYE 2022 (RM'000)	To be recognised in FYE 2023 (RM'000)	To be recognised in FYE 2024 (RM'000)	DLP/ DLP ending date	Commencement date/ Expected completion date	Stage of completion (% as at LPD)
Non-residential								
Hyatt Bukit Jalil Project/ Pioneer Haven Sdn Bhd (a subsidiary of Malton Berhad) & Mygres Ceramiche Sdn Bhd	Construction of 1 block of 18-storey hotel with 258 rooms with retails, pool, gym, café and bar in Bukit Jalil, Kuala Lumpur.	85,850	77,468	-	-	24 months/ August 2024	January 2021/ September 2022[(1)]	9.76
Columbarium Project/ City Centre Columbarium Sdn Bhd	Construction of 1 block of 15-storey columbarium inclusive of 4-storey carpark in Sungai Besi, Kuala Lumpur.	38,877	23,005	13,419	-	18 months/ January 2024	April 2021/ July 2023	6.31
Amverton Cove Project/ T.G. Development Park Sdn Bhd (a subsidiary of Amverton Berhad)[(2)]	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	-	-	-	24 months/ December 2023	August 2018/ February 2020[(3)]	100.00

Project name/ Client	Description	Contract Value Total* (RM'000)	To be recognised in FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	DLP/ DLP ending date	Commencement date/ Expected completion date	Stage of completion (% as at LPD)
Residential								
Impressions U-Thant Project/ YTB Development Sdn Bhd (a subsidiary of Yong Tai Berhad)	Construction of 1 block of 10-storey luxury condominium with 108 apartment units, consist of 2-storey car park, mechanical area, rooftop facility and 2 floors basement in Jalan U-Thant, Kuala Lumpur.	75,511	41,251	-	-	27 months/ September 2024	May 2018/ June 2022[(4)]	45.37
Chambers Residence Project/ Matrix Concepts (Central) Sdn Bhd (a subsidiary of Matrix Concepts Holdings Berhad)	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.	103,450	31,299	-	-	25 months/ February 2024	April 2019/ January 2022[(5)]	69.74
Cubic Botanical Tower A Project/ Ancubic Construction Sdn Bhd	Construction of 1 block of 33-storey serviced apartment with 509 units in Bangsar South, Kuala Lumpur.	64,800	37,219	-	-	24 months/ July 2024	February 2021/ July 2022[(6)]	42.56
The Dawn Project/ YTB Impression Sdn Bhd (a subsidiary of Yong Tai Berhad)	Construction of 2 blocks of Condotel Phase 1 with a total of 648 rooms on 5-storey podium with facilities such as Surau, restaurant, playground, gymnasium, swimming pool, management office, refuse room and guardhouse in Kawasan Bandar VI, Melaka.	160,000	91,724	61,149	-	24 months/ February 2025	April 2021/ February 2023	4.45

7. BUSINESS OVERVIEW *(Cont'd)*

Project name/ Client	Description	Contract Value Total* (RM'000)	To be recognised in FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	DLP/ DLP ending date	Commencement date/ Expected completion date	Stage of completion (% as at LPD)
Arunya @ KL North Project/ Franky Construction Sdn Bhd	Construction of 2 blocks of service apartments with a total of 631 units with facilities and 8 floor of car park podium in Mukim Batu, Kuala Lumpur.	172,300	62,028	98,227	8,186	24 months/ January 2026	September 2021/ January 2024	2.24

Notes:

* The contract value of these projects is expected to be fully recognised on the expected completion date.

(1) The original contracted completion date of the project was July 2022. It was subsequently extended to September 2022 after obtaining EOT from the client.

(2) The client of the project has been reassigned from T.G. Development Park Sdn Bhd to Amverton Cove Golf & Island Resort Sdn Bhd on 30 July 2021.

(3) The original contracted completion date of the project was February 2020. Between January 2019 to May 2021, there were a total of 33 variation orders as well as amendment to the intended use of the building from residential to a service apartment with hotel-like facilities by the client. The change in the use of the building involved modifications and changes made to several parts of the building including architectural designs and common facilities which impacted our initial work programme. As a result of the above changes and the temporary suspension of work due to MCO 1.0, we have in between January 2019 to April 2020 submitted EOT applications to the client for extension of the completion date which were submitted in accordance to the sections to be changed and/or rectified. In June 2021, we have compiled all the previous EOT applications and resubmit as 1 application of EOT up to September 2021 which was requested by the client for holistic assessment purpose. Subsequently, due to the imposition of MCO 3.0, FMCO, NRP and workforce capacity limitations at our project site, we have further applied to the client for EOT up to 21 December 2021. As at LPD, the EOT application is still being assessed by the client and the construction work for the project has been completed pending the inspection works and procurement of CPC. We have submitted notice of practical completion to the architect on 28 December 2021. The EOT will be granted upon procurement of CPC.

7. BUSINESS OVERVIEW *(Cont'd)*

In the event that the EOT application is not approved by the client, the Group may incur an estimated LAD of RM1.23 million for delays attributable to our Group. Such delays are mainly contributed by factors such as compliance with COVID-19 standard operating procedures where workers are required to perform COVID-19 test before starting works and social distancing while workers perform their works.

(4) The original contracted completion date of the project was May 2020. It was subsequently extended to June 2022 after obtaining EOT from the client.

(5) The original contracted completion date of the project was October 2021. It was subsequently extended to January 2022 after obtaining EOT from the client. We have submitted an application on 11 December 2021 for further EOT up to June 2022 and as at LPD, it is still in the midst of assessment by the architect.

(6) The original contracted completion date of the project was June 2022. It was subsequently extended to July 2022 after obtaining EOT from the client.

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7.2.1.2 Completed projects

Over the years, we undertook and completed construction of residential, non-residential and mixed development projects. We set out in the table below completed projects since 2013 with contract value above RM30.00 million:

Building construction projects

Project name/ Client	Description	Contract value (RM'000)	DLP/ DLP ending date	Completion date	Status of retention sum
Non-residential					
Jaya 99 Commercial Project/ Johan Kembara Sdn Bhd	Design and construction of a commercial complex which consist of 2 blocks of 18-storey office towers, showrooms, car parks, food outlets and recreational facilities in Kawasan Bandar XVIII, Melaka.	52,000	18 months/ June 2013	December 2011	Fully released
Plaza 33 Project/ Plaza 33 Sdn Bhd	Construction of 2 block office development consists of 9-storey industrial above on 7-storey podium office industrial, showroom, carpark and public facilities in Petaling Jaya, Selangor.	116,793	16 months/ September 2014	May 2013	Fully released
Menara LGB Project/ LGB Engineering Sdn Bhd	Construction of 1 block of 31-storey office building with 5 floors basement car park in Taman Tun Dr Ismail, Kuala Lumpur.	149,550	19 months/ June 2015	December 2013	(1)Balance of RM776,470.65 remaining
Hospital Bentong Project/ Airtropolis Sdn Bhd	Design and construction of an extension hospital building in Bentong, Pahang.	59,000	24 months/ January 2016	January 2014	Fully released
Tesco Hypermarket Project/ Tesco Stores (Malaysia) Sdn Bhd	Construction of a 2-storey hypermarket, which consists of 1 unit of double storey hypermarket building, 1 unit of electrical room, a sheltered car park and common facilities in Jalan Klang-Banting, Kuala Langat, Selangor.	34,763	18 months/ December 2016	June 2015	Fully released

Project name/ Client	Description	Contract value (RM'000)	DLP/ DLP ending date	Completion date	Status of retention sum
The Pines Project/ PTS Properties Sdn Bhd	Design and construction of 1 block of 29-storey Condotel in Kawasan Bandar XVIII, Melaka.	78,000	24 months/ June 2017	June 2015	Fully released
PJ City Project/ PJ Corporate Park Sdn Bhd (a subsidiary of Guocoland (Malaysia) Berhad)	Construction of a commercial building Phase 2, which consist of (Phase 2A: 6-storey office/exhibition space (Block C), 6-storey office/exhibition space (Block D) and 3 floors basement car park); and (Phase 2B: 6-storey office/exhibition space (Block E), 6-storey office/exhibition space (Block F) and 3 floors basement car park) in Petaling Jaya, Selangor.	[(2)]94,000	24 months/ January 2019	January 2017	Fully released
Quayside Mall Project/ Gamuda Land (Kemuning) Sdn Bhd (a subsidiary of Gamuda Berhad)	Construction of a commercial building, consist of 4-storey commercial complex with shops, supermarket, food court, cinema, 2 units of refuse room, substation, 10-storey office building, 3-storey parking podium and 2 floors basement car park in Mukim Tanjung Dua Belas, Kuala Langat, Selangor.	164,690	30 months/ March 2023	December 2020	Balance of RM4,959,227.62 remaining
F&N Intelligent Industrial Building Project/ F&N Beverages Manufacturing Sdn Bhd (a subsidiary of Fraser & Neave Holdings Berhad)	Design and construction of a 45m high warehouse equipped with automated storage and retrieval system, M&E and external works and construction of single storey cooler warehouse in Shah Alam, Selangor.	83,779	27 months/ August 2023	[(3)]June 2021	Balance of RM3,183,839.00 remaining

Project name/ Client	Description	Contract value (RM'000)	DLP/ DLP ending date	Completion date	Status of retention sum
Residential					
Seri Riana Residence (Phase 2B) Project/ Elegan Pesona Sdn Bhd (a joint venture company of IJM Land Berhad)	Construction of 2 blocks of condominium towers with a total of 284 home units and 5-storey basement carpark in Setapak, Kuala Lumpur.	98,200	30 months/ September 2019	March 2017	Fully released
Kanvas SOHO Project/ Suntrack Raven Sdn Bhd	Construction of a mixed development project, which consist of 2 blocks of 30-storey SOHO unit, 1 unit of multipurpose hall, 2-storey of retails space, basic facilities, single storey car park, 2-level sub-basement and 1 guard house in Cyberjaya, Selangor.	97,981	30 months/ January 2020	July 2017	Fully released
Bennington Residences @ Sky Arena Project/ Bennington Development Sdn Bhd (a subsidiary of SkyWorld Development Sdn Bhd)	Construction of an apartment building with 580 apartment units, which consist of (Phase 1: 1 block of 29-storey apartment building with 284 apartment units (Block A), rooftop facility, 8-storey parking podium, subbasement car park and 1 unit of guard house); and (Phase 2: 1 block of 29-storey apartment building with 284 apartment units (Block B) and rooftop facility) in Setapak, Kuala Lumpur.	184,800	(4)24 months/ July 2021	July 2019	Balance of RM513,782.67 remaining

Project name/ Client	Description	Contract value (RM'000)	DLP/ DLP ending date	Completion date	Status of retention sum
Amverton Greens Project/ Amverton Prop Sdn Bhd (formerly known as AMJ Construction Sdn Bhd) (a subsidiary of Amverton Berhad)	Construction of 3 blocks of condominium with 280 home units, which consist of 3-storey podium shoplots, 4-storey car park, guard house, substation and common facilities in Shah Alam, Selangor.	88,000	24 months/ December 2022	May 2021	Balance of RM3,395,482.00 remaining
Gravit8 (Phase 2B) Project/ Vibrantline Sdn Bhd (a subsidiary of Mitraland Holdings (M) Sdn Bhd)	Construction of 2 blocks of 34-storey serviced apartment building Phase 2B with carpark podium and recreation at level 8, in Kota Bayu Emas, Mukim Klang, Daerah Klang.	118,282	27 months/ January 2024	(5)October 2021	Balance of RM5,908,586.45 remaining

Notes:

(1) Amount due to nominated subcontractors of the project being withhold by the client in relation to defects to be rectified by the nominated subcontractors. A mutual agreement was entered between the nominated subcontractors and the client where the client will engage third parties for any defect works and the amount incurred will be deducted from the outstanding retention sum. As such, no payment shall be made to the nominated subcontractors until the warranty of the defect ends, where the remaining retention sum to be released by the client will be net of amount incurred by the client for the rectification work.

(2) In year 2018, the scope of work related to the construction of building for Block E and Block F of our PJ City Project had been revised to the construction of the building structures only for Block E and Block F. As a result of the reduction in work scopes, the original contract sum of RM94.00 million was reduced to RM63.80 million.

(3) The project agreement was initially for the scope of construction with completion date on 22 April 2019. It was subsequently changed to design and built via a supplementary agreement. Based on the supplementary agreement, the original contracted completion date of the project was February 2021. As a result of MCO 1.0, the completion date of the project was extended to April 2021. As at LPD, the project has been completed.

(4) The consultant of the project is in the midst of preparing the CMGD. Once certified, the remaining retention sum shall be released. As at the LPD, the remaining retention sum is RM513,782.67.

(5) The original contracted completion date of the project was December 2020. As a result of the temporary suspension of work due to MCO 1.0, we have submitted and obtained EOT, where it was extended to February 2021. The CPC for the project was obtained on 15 October 2021.

Civil engineering construction works project

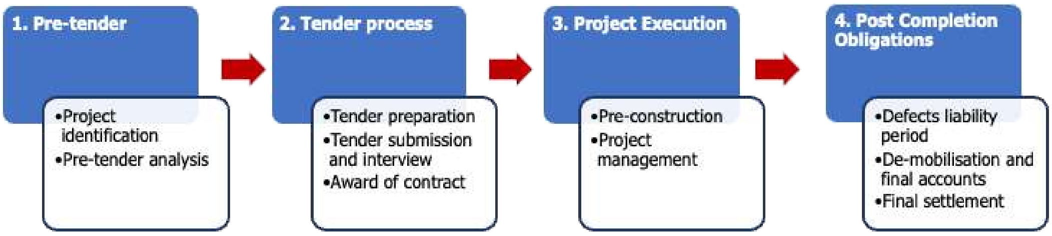
We also provide civil engineering construction works which include earthworks, piling work, pile cap and sub-structure works. The details of our completed civil engineering works since 2013 are as follows:

Project name/ Client	Description	Contract value (RM'000)	Completion date	Status of retention sum
Residential				
Saville Kajang Project/ Srijang Kemajuan Sdn Bhd (a subsidiary of MKH Berhad)	Earthworks, piling works and sub-structure works for a mixed development project in Kajang, Selangor.	20,900	May 2015	Fully released
Non-Residential				
Apple 99 Project/ Apple 99 Development Sdn Bhd (a subsidiary of Yong Tai Berhad)	Earthworks, pilling works, pile caps, sub-structure and related construction works for a hotel in Melaka Tengah, Melaka.	30,748	February 2017	Fully released

7.3 BUSINESS PROCESSES

7.3.1 Building construction services

The following details our Group's construction process:



(i) Pre-tender

We maintain regular contacts with our clients and other project consultants in the construction industry such as architects and quantity surveyors. We identify potential clients from various sources such as recommendations from project consultants, tender notices as well as referrals/invitations from past and existing clients.

Once a project is identified, we will conduct preliminary assessment on the project including the scope, complexity and specification of the projects, achievability of the project timetable, prior experience, current order book, the nature and amount of skills and resources required, the background of potential clients and whether our available working capital is sufficient to cope with the estimated cash flow requirements in undertaking the additional projects.

(ii) Tender Process

<u>Tender preparation</u>

If a project is deemed feasible, our Commercial Department will prepare a tender proposal based on the project and client's requirements. They will also work with our Finance Department on the required finances for the project. During this stage, the documentation prepared includes our tender price, a proposed master work programme (including the proposed timeline for each major construction activity), a proposed organisation chart for the project site and a method statement (including the proposed construction methods as well as machinery and equipment to be used). In some cases, we may have to participate in pre-qualification exercises for potential projects, where clients assess our previous track record and financial strength before we are invited for tender exercises.

<u>Tender submission and interview</u>

We will submit our tenders once the required tender documentation are completed and approved by our management, together with a tender bond. The amount of the tender bond is usually specified in the tender document as determined by the client. Once a tender is submitted, we may be required to attend tender interviews where we present our proposals and provide clarifications to our proposal. The tender interviews also allow us to gather further information on the project and client's requirements. A revised tender proposal will be submitted if there are changes made and/or new requirements added following the interview.

Award of contract

If our tender proposal is successful, the client will issue a letter of award followed by signing of contract. A performance bond will be issued to the client, in exchange for the tender bond upon acceptance of the letter of award from client.

(iii) Project execution

Pre-construction

Upon award of the contract, the Projects Department will liaise with the Contracts Department to obtain project requirements, information and documents. The Projects Department will set-up a project team to carry out the project. The main tasks of the project team include developing a detailed construction plan and a master work programme, coordinating the work of subcontractors, liaising with the client and consultants, verifying work done, releasing payment to subcontractors as well as ensuring compliance to quality standards and health and safety standards. The project team will also determine the required manpower, machinery and equipment, as well as the proposed raw material delivery schedule for each of our projects.

The department will liaise with Human Resource and Administration Department for manpower whereas, the Contracts Department for subcontractors, and Purchasing Department for suppliers.

We adopt a centralised procurement system for all our construction projects. Our Contracts Department provides the details and requirements of the raw materials required to our Purchasing Department, which is responsible for our project procurement activities.

Based on the information, our purchasing department will source the requisite raw materials, ask for quotations, evaluate the prices, negotiate and procure the said raw materials. After procuring the raw materials, our purchasing department will allocate such resources to all the projects. Our Group adopts a centralised procurement system as it enables us to make bulk purchases (whenever possible, depending on the delivery timeline of our projects) in order to achieve economies of scale. The purchased raw materials are generally delivered directly to the project sites in accordance with the raw material delivery schedule specified in the master work programme.

When sourcing for raw materials, apart from nominated suppliers (suppliers that are nominated by the client), our Group generally selects suppliers from our prequalified list of suppliers. Our Group also sources for new suppliers from time to time. Annual assessments are undertaken to ensure the quality of services and products provided.

A Project QESH Plan will be established and briefed to the project team on the implementation. The Project Department will determine risks, opportunities and plan actions. Risk Register will also be established and implemented for the project.

Prior to the commencement of work, a kick-off meeting will be conducted with the project team. The Project Manager together with Safety, Health and Environmental Officer and project team will prepare the relevant environmental, health and safety processes and procedures which include a HIRADC Register, Life Cycle Perspective Table, Environmental Aspects and Impacts Register and determine applicable legal and other requirements for the project. Submissions to relevant authorities will be carried out to procure necessary permits. The project team will take site possession and be mobilised to the site.

Design process

This phase is only carried out for design and build construction projects, where our scope of work also includes the provision of building designs for the project. Our roles and responsibilities include planning, selection and appointment of project consultants and suppliers. We work closely with these project consultants to develop the designs for the proposed project. The designs will include both schematic and detailed designs, taking into account the clients requirements including the proposed budget and implementation schedule. As part of our scope, we will oversee, develop and manage the overall design process and are responsible for liaising with relevant authorities to obtain the required approvals.

Project implementation and management

Construction activities will commence once we have obtained the required permits and/or approvals from the local authorities, where applicable.

The project team will implement the project according to the scope of work, specifications, drawings, Project QESH Plan and Risk Register during project implementation process. Site administration will be carried out throughout the construction stage.

A project manager will be in charge for the supervision and overall coordination of the daily operations of the project. Throughout the project execution stage, there will be regular meetings between our project team and our clients and consultants to review the work progress and to resolve any identified issues. Over the course of the project implementation, any instructions that constitute a variation order will be confirmed with the client prior to carrying out the work. The Contracts Department will liaise with the Projects Department for issuance of progress claims to the client.

HIRADC Register, Life Cycle Perspective Table, Environmental Aspects and Impacts Register, Legal and Other Requirements Register and QESH Objectives Management Table will be implemented over the course of the project. The Safety, Health & Environmental Officer will monitor the implementation of operational controls on the project and periodically evaluate compliance to legal and other requirements. An Emergency Response Plan will be established and briefed to the project team for preparedness for any emergency at the project site. Any incidents occurred will be reported and necessary actions are taken.

Over the construction period, we submit progress billings for the project according to billing intervals specified in the contract in order to receive progress payment from our client. Our client is entitled to retain 5.00% to 10.00% of each progress billing as retention sum up to a maximum of 5.00% of total contract sum awarded, which serves as a security to our client to guarantee our performance in completing the project and rectifying any defects during the DLP. We also retain 10.00% of each progress billing paid up, to a maximum of 5.00% of the total contract sum awarded, to our subcontractors as retention sum for similar purpose.

(iv) Post Completion Obligations

Our construction work achieves practical completion when:

- As opined by the architect, our client has full use of the construction work for its intended purposes, notwithstanding that there may still be works or minor defects that need to be done or remedied by the main contractor. As the main contractor, our Group will provide a written undertaking to complete and make good such works and defects within a reasonable time as specified by the architect; and

- All other requirements as stated in the contract as a pre-requisite for the issuance of the CPC have been met.

<u>Defects liability period</u>

Upon completion of a project, final inspection and testing will be carried out jointly with the client. The Projects Department will submit as-built drawings and operations and maintenance manuals to the client. If the project architect opines that our works have achieved practical completion, the project architect shall issue the CPC.

With the issuance of CPC, the DLP commences. Depending on the nature and scale of a project, the DLP can range from 18 to 30 months after the practical completion of a project. The issuance of CPC will also see the release of half of the retention sum to us, with the remaining half retained by our client until the end of the contracted DLP and upon the issuance of CMGD.

During the DLP, our Group as the main contractor of a project is bound to rectify defects appearing between the date of the issuance of the CPC and the expiry of the DLP. During DLP, any defects identified and reported by the client will be handled as per the external complaints procedure and we will work with the appointed subcontractor to rectify the defects. The Projects Department will investigate the problem and carry out the necessary rectification works.

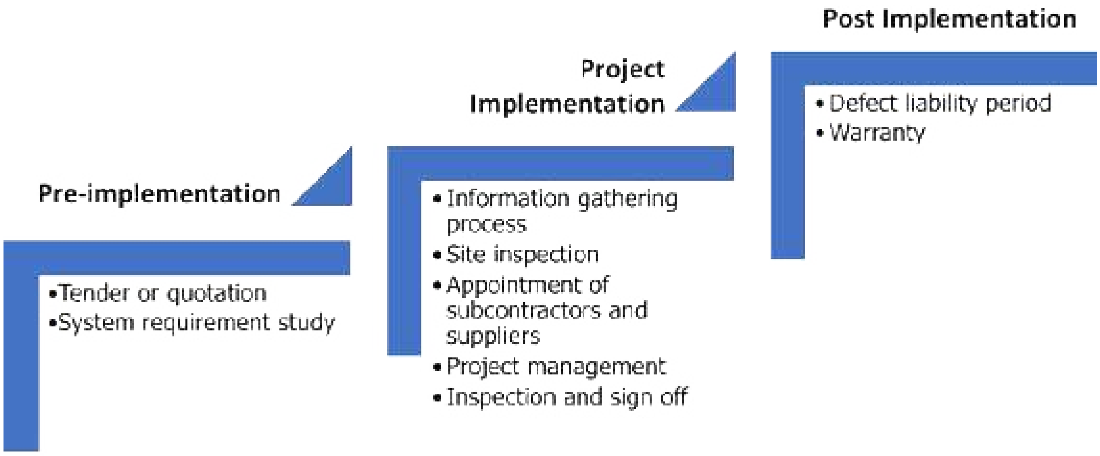
<u>Demobilisation and final accounts</u>

The project team will demobilise from the construction site. The Contracts Department will submit the final accounts to the client. The project team will coordinate with the Logistic and Resource Department on demobilisation of materials and machinery and equipment. The Projects Department will liaise with HR Department to relocate persons to other project sites.

<u>Final settlement</u>

The Projects Department will inform Contracts Department when rectification works are completed. The Contracts Department will notify the client and ensure that rectification works are acceptable to the client. CMGD will be procured from the client at the end of DLP and we will submit application for the remaining retention sum still held by our client.

7.3.2 ICT Solutions and Services



(i) Pre-implementation

Projects under the ICT Solution and Services segment are secured via tenders and direct quotations, depending on the nature of the work provided. Our projects which involve direct quotations are limited to hosting services (such as email and website domain hosting) and ICT hardware and software solutions (such as supply and installation of networking equipment, security equipment and tele-systems). For extensive projects which involve design and build proposals, we generally participate in tenders to secure the project. Examples of projects under this category include design work coupled with supply and installation networking equipment such as PABX system, wireless access point system, GSM system, digital signage backbone, fibre-to-the-home system.

Once an ICT and network infrastructure project is identified, we will conduct a system requirement study based on the information provided, which are then used to develop the proposed schematic diagram of the solution, according to the allocated budget and their needs.

We will submit our tenders once the required tender documentation are complete and approved by our management. Once a tender is submitted, we may be required to attend tender interviews where we present our proposals and provide clarifications to our proposal.

(ii) Project Implementation

If our tender proposal is successful, the client will issue a letter of award followed by signing of contract. A corporate guarantee or bank guarantee will be issued to the client as a performance bond, in exchange for the tender bond upon acceptance of the letter of award from client.

For projects which require design and build proposals, the project implementation begins with information gathering process, where we gather the requirements from various stakeholders of the required system such as the client and the users. Information gathered will be incorporated into the proposed solution.

We will then conduct a site inspection to determine the work to be carried out, and also the resources required to carry out the project. This is followed by the procurement of required materials, equipment and services from our approved suppliers and subcontractors. We appoint subcontractors to provide special trade services which include amongst others, cabling works, fusion splice termination according to Internet Service Providers' standards and installation of equipment. Over the course of the project implementation, we manage, monitor and supervise the appointed suppliers and subcontractors to ensure designs are adhered to and monitor the progress of the work. At the end of the implementation phase, the system is tested for user acceptance and upon verification and satisfaction of work performed, client will sign off to mark the completion of the project.

For projects such as hosting services and ICT hardware and software solutions, the project implementation involves registration of domain with internet registrar before creating and configuring the hosting account according to clients' requirement. In terms of ICT hardware and software solutions, we gather information on user requirement before proposing the suitable hardware and/or software to meet the client's requirement. This is followed by installation and configuring the hardware and software to work as intended.

(iii) Post implementation

After the completion of project implementation, we provide a range of support services which include warranty and defect support. Warranties provided for hardware are in accordance with manufacturers' warranties and are claimed from or replaced by the related suppliers. For projects that involve design and build scopes, there will be a DLP period of generally 24 months depending on the terms of the contract, where we will work with the appointed subcontractors to make good defects that were highlighted or discovered during the period.

7.4 PRINCIPAL MARKETS

Our Group's revenue for FYE 2018 to FYE 2020 and FPE 2021 was generated from our business activities in Malaysia.

7.5 BUSINESS DEVELOPMENT AND MARKETING ACTIVITIES

Our projects come mainly from two sources, namely public tender opportunities published in the newspapers and private tenders posted on our clients' own online portal or invitations to quote from private clients.

For private sector projects, we leverage on our track record and established relationships to secure more building construction projects. Our Executive Directors and project managers are generally responsible for liaising and maintaining our relationship with existing and potential clients and keeping abreast of market development and potential business opportunities. For public sector projects, we would browse through the newspapers to spot relevant and potential tenders that we can participate.

7.6 EMPLOYEES

As at the LPD, we have a total workforce of 84 full time employees, of which 16 employees are hired on contractual basis, while the remaining 68 are hired on permanent basis. All our contractual employees are contracted for a 2-year tenure except 1 employee whose contract is for a 1-year tenure. The following depicts the breakdown of our employees in our Group:

	Number of employees	
Department/Division	**FYE 2020**	**As at the LPD**
Executive Directors and key senior management team	6	6
Finance, human resources and administration	9	11
Information technology	2	2
Quality assurance and quality control	2	2
Business development	4	4
Procurement	7	8
Project	43	(1)39
Safety, Health & Environment	7	12
Total	**80**	**84**

As at the LPD, our workforce consists of only local employees based in Malaysia.

None of our employees belong to any labour union. As at the LPD, there have not been any major industrial disputes pertaining to our employees. Over FYE 2018 to 2020 and up to the LPD, there has not been any incidence of work stoppage or labour disputes that has materially affected our operations.

Note:

(1) The reduction in the number of employees under the Project department is due to resignation by 4 employees during the period between 17 November 2021 and 30 December 2021. The Company is in the process of recruiting new employees to replace the departed employees.

7.7 TRAINING AND DEVELOPMENT

We believe that employees at all levels should be equipped with the requisite knowledge and relevant skill sets to enable them to carry out their work and discharge their responsibilities effectively. In line with this, we have provided in-house trainings for our employees that cover major areas which include quality related matters (such as quality awareness) and environmental, safety and health matters (such as site safety and health awareness and good environmental, safety and health practices). New hires are also provided with induction trainings on various topic to familiarise them with our Group's policies and procedures.

The table below highlights some of the training programmes attended by our employees from 2018 and up to the LPD:

Year	Training and development programme
2018	• Understanding the installation of Falsework; • Human resource learning conference; • QLASSIC awareness training;

Year	Training and development programme
	• Internal and external fibre cabling; and • Implementation of ISO 14001:2015 and ISO 450001:2018 standards in construction.
2019	• In-house training on rigging, slinging and signalman competency programme; • Intermediate scaffolding competency course; • International Construction Transformation Conference 2019 • Quality, environmental, safety and health awareness training; • Conference on Current Contract Administration Practices in the Malaysian Construction Industry & Potential Solutions; • Basic occupational first aid, cardiopulmonary resuscitation and automated external defibrillator training; and • Management of quality control and quality assurance in the construction industry.
2020	• Quality, environmental, safety and health awareness training; • Online webinar on "How should contractors in the construction industry manage the problems arising from the COVID-19 MCO?"; • Online webinar on "Introduction to Construction Adjudication in Malaysia"; • Online webinar on "How to deal with the impacts of the MCO on commercial contracts?"; • Online webinar on "Contract Administration issues due to COVID-19 pandemic and the impact of MCO and the resumption of work for construction industry"; • QLASSIC awareness training; and • Purchasing Techniques, Negotiating & Cost Reduction training.
2021	• Environmental Scheduled Waste Awareness training; • Online webinar on "Interest Deductibility, Earning Stripping Rules and Cross-Border Transactions"; • General training and knowledge sharing in PAM Sub-Contract 2016; • Good Sold and Delivered training; • AutoCAD 2D and 3D certification course; • Electronic Signatures and Digital Signatures in Malaysia; • Safety, Health and Environment Induction training; • Occupational Health, Safety and Environment in Industrial 4.0 Era; • Quality Control and Quality Assurance training; • QESH Internal Audit Training; • Legal Aspects of Digital Transformation;. • The Do's and Don'ts of Retrenchment Confirmation; • Construction Management; • Webinar on Scaffolding and Falsework; and • Tackling The Impact of COVID-19 On Construction Project: From The Legal Perspective.

7.8 MAJOR CLIENTS

Our Group's clients are all based in Malaysia. Our top 5 clients according to their revenue contribution for FYE 2018 to FYE 2020 and FPE 2021 are as follows:

No.	Clients	Revenue contribution RM'000	Revenue contribution %	Main services provided	Length of relationship Years
FYE 2018					
1.	Bennington Development Sdn Bhd (a subsidiary of SkyWorld Development Sdn Bhd)	87,326	60.05	Construction works for Bennington Residences @ Sky Arena Project	5
2.	Amverton Prop Sdn Bhd (formerly known as AMJ Construction Sdn Bhd) (a subsidiary of Amverton Berhad)	18,159	12.49	Construction works for Amverton Greens Project	4
3.	F&N Beverages Manufacturing Sdn Bhd (a subsidiary of Fraser & Neave Holdings Berhad)	17,295	11.89	Construction works for F&N Intelligent Industrial Building Project	4
4.	Gamuda Land (Kemuning) Sdn Bhd (a subsidiary of Gamuda Berhad)	7,275	5.00	Construction works for Quayside Mall Project	4
5.	YTB Development Sdn Bhd (a subsidiary of Yong Tai Berhad)	6,801	4.68	Construction works for Impressions U-Thant Project	4
		136,856	**94.11**		
FYE 2019					
1.	Bennington Development Sdn Bhd (a subsidiary of SkyWorld Development Sdn Bhd)	67,015	27.59	Construction works for Bennington Residences @ Sky Arena Project	5
2.	Amverton Prop Sdn Bhd (formerly known as AMJ Construction Sdn Bhd) (a subsidiary of Amverton Berhad)	51,642	21.26	Construction for Amverton Greens Project	4
3.	Gamuda Land (Kemuning) Sdn Bhd (a subsidiary of Gamuda Berhad)	46,576	19.18	Construction works for Quayside Mall Project	4
4.	F&N Beverages Manufacturing Sdn Bhd (a subsidiary of Fraser & Neave Holdings Berhad)	27,474	11.31	Construction works for F&N Intelligent Industrial Building Project	4

No.	Clients	Revenue contribution RM'000	%	Main services provided	Length of relationship Years
5.	Vibrantline Sdn Bhd (a subsidiary of Mitraland Holding (M) Sdn Bhd)	23,588	9.71	Construction works for Gravit8 (Phase 2B) Project	4
		216,295	**89.05**		
FYE 2020					
1.	Gamuda Land (Kemuning) Sdn Bhd (a subsidiary of Gamuda Berhad)	105,939	38.75	Construction works for Quayside Mall Project	4
2.	Vibrantline Sdn Bhd (a subsidiary of Mitraland Holding (M) Sdn Bhd)	61,034	22.33	Construction works for Gravit8 (Phase 2B) Project	4
3.	Matrix Concepts (Central) Sdn Bhd (a subsidiary of Matrix Concepts Holdings Berhad)	30,426	11.13	Construction works for Chambers Residence Project	4
4.	F&N Beverages Manufacturing Sdn Bhd (a subsidiary of Fraser & Neave Holdings Berhad)	24,797	9.07	Construction works for F&N Intelligent Industrial Building Project	4
5.	T.G. Development Park Sdn Bhd (a subsidiary of Amverton Berhad)	22,732	8.32	Construction work for Amverton Cove Project	4
		244,928	**89.60**		
FPE 2021					
1.	Vibrantline Sdn Bhd (a subsidiary of Mitraland Holding (M) Sdn Bhd)	32,465	31.07	Construction works for Gravit8 (Phase 2B) Project	4
2.	Matrix Concepts (Central) Sdn Bhd (a subsidiary of Matrix Concepts Holdings Berhad)	19,733	18.88	Construction works for Chambers Residence Project	4
3.	F&N Beverages Manufacturing Sdn Bhd (a subsidiary of Fraser & Neave Holdings Berhad)	14,745	14.11	Construction works for F&N Intelligent Industrial Building Project	4
4.	T.G. Development Park Sdn Bhd (a subsidiary of Amverton Berhad)	11,215	10.73	Construction work for Amverton Cove Project	4

No.	Clients	Revenue contribution		Main services provided	Length of relationship
		RM'000	**%**		**Years**
5.	Ancubic Construction Sdn Bhd	8,905	8.52	Construction work for Cubic Botanical Tower A Project	1
		87,063	**83.31**		

Revenue contribution from our major clients varies from year to year given the nature of our business being conducted on a contract basis. This is mainly due to the difference in the timing and value of project(s) secured from each client as well as timing difference in the issuance of progressive billings for the construction works completed in any one particular financial year. We may not secure similar contracts in terms of size and scope from the same clients every year. Over the past FYE 2018 to FYE 2020 and FPE 2021, our revenue was contributed mainly by:

(i) Bennington Development Sdn Bhd, whose revenue contribution was 60.05% in FYE 2018 and 27.59% in FYE 2019. Such revenue contribution was mainly arising from our work undertaken for Bennington Residences @ Sky Arena Project which was subsequently completed in July 2019. The gradual decrease in revenue contribution was in line with our progress of work undertaken for the said project;

(ii) Amverton Prop Sdn Bhd (formerly known as AMJ Construction Sdn Bhd), whose revenue contribution was 12.49% in FYE 2018 and 21.26% in FYE 2019. Such revenue contribution was mainly arising from our work undertaken for the Amverton Greens Project which was subsequently completed in May 2021. The gradual decrease in revenue contribution was in line with our progress of work undertaken for the said project;

(iii) Gamuda Land (Kemuning) Sdn Bhd, whose revenue contribution was 5.00% in FYE 2018, 19.18% in FYE 2019 and 38.75% in FYE 2020. Such revenue contribution was mainly arising from our work undertaken for Quayside Mall Project which was completed in December 2020. The gradual increase in revenue contribution was in line with our progress of work undertaken for the said project;

(iv) Vibrantline Sdn Bhd, whose revenue contribution was 9.71% in FYE 2019, 22.33% in FYE 2020 and 31.07% in FPE 2021. Such revenue contribution was mainly arising from our work undertaken for the Gravit8 (Phase 2B) Project which was completed in June 2021 pending for inspection and CPC. The gradual increase in revenue contribution was in line with our progress of work undertaken for the said project;

(v) F&N Beverages Manufacturing Sdn Bhd, whose revenue contribution was 11.89% in FYE 2018, 11.31% in FYE 2019, 9.07% in FYE 2020 and 14.11% in FPE 2021. Such revenue contribution was mainly arising from our work undertaken for the F&N Intelligent Industrial Building Project which was completed in June 2021. The gradual increase in revenue contribution was in line with our progress of work undertaken for the said project;

(vi) Matrix Concepts (Central) Sdn Bhd, whose revenue contribution was 11.13% in FYE 2020 and 18.88% in FPE 2021. Such revenue contribution was mainly arising from our work undertaken for the Chambers Residence Project. The gradual increase in revenue contribution was in line with our progress of work undertaken for the said project; and

(vii) T.G. Development Park Sdn Bhd, whose revenue contribution was 8.32% in FYE 2020 and 10.73% in FPE 2021. Such revenue contribution was mainly arising from our work undertaken for the Amverton Cove Project which was completed in December 2021 pending the inspection works and procurement of CPC. The gradual increase in revenue contribution was in line with our progress of work undertaken for the said project.

Although our top 5 clients for FYE 2020 and FPE 2021 accounted for 89.60% and 83.31%, respectively, of our revenue, we are not dependent on our major clients for our business continuity as our contracts with them are secured on a contract-by-contract basis.

Notwithstanding the completion of certain projects undertaken up till the LPD, we have also secured contracts from other clients such as Pioneer Haven Sdn Bhd and Mygres Ceramiche Sdn Bhd, Ancubic Construction Sdn Bhd, YTB Impressions Sdn Bhd and City Centre Columbarium Sdn Bhd and Franky Construction Sdn Bhd collectively account for RM472.43 million of our unbilled order book as at LPD. The revenue contribution from these clients will come on-stream from FYE 2021 and for up to 3 years thereafter.

7.9 MAJOR SUPPLIERS AND SUBCONTRACTORS

All our suppliers and subcontractors are based in Malaysia.

7.9.1 Major suppliers

Our Group's top 5 suppliers according to total purchases for FYE 2018 to FYE 2020 and FPE 2021 are as follows:

No.	Name	Purchase value		Main products sourced	Length of relationship
		RM'000	%		Years
FYE 2018					
1.	Evermix Concrete Sdn Bhd	6,758	21.47	Concrete	8
2.	MFT Resources Sdn Bhd	4,119	13.09	Construction materials	8
3.	PP Chin Hin Sdn Bhd	3,972	12.62	Construction materials	8
4.	Emum Capital Sdn Bhd	2,842	9.03	Construction materials	9
5.	Kean Soon Marketing Sdn Bhd	2,665	8.47	Construction materials	8
		20,356	**64.68**		
FYE 2019					
1.	Tasek Concrete Sdn Bhd	11,876	34.07	Concrete	11
2.	Gamuda Trading Sdn Bhd	5,494	15.76	Construction materials	3
3.	Syarikat Logam Unitrade Sdn Bhd	5,257	15.08	Construction materials	4

No.	Name	Purchase value		Main products sourced	Length of relationship
		RM'000	**%**		**Years**
4.	NHJ Marketing Sdn Bhd	4,458	12.79	Construction materials	6
5.	Evermix Concrete Sdn Bhd	3,693	10.59	Concrete	8
		30,778	**88.29**		
FYE 2020					
1.	Tasek Concrete Sdn Bhd	6,082	20.67	Concrete	11
2.	Syarikat Logam Unitrade Sdn Bhd	5,321	18.08	Construction materials	4
3.	Evermix Concrete Sdn Bhd	3,491	11.86	Concrete	8
4.	MFE Formwork Technology Sdn Bhd	2,381	8.09	System formwork	8
5.	NHJ Marketing Sdn Bhd	2,154	7.32	Construction materials	6
		19,429	**66.02**		
FPE 2021					
1.	Eight Spark Trading Sdn Bhd	1,711	14.47	Construction materials	2
2.	Syarikat Logam Unitrade Sdn Bhd	1,283	10.85	Construction materials	4
3.	Optad Marketing Sdn Bhd	1,141	9.65	Construction materials	10
4.	MFE Formwork Rental Sdn Bhd	890	7.53	System formwork	8
5.	TC Hardware Sdn Bhd	873	7.38	Scaffolding	4
		5,898	**49.88**		

Our Group has established a long-standing relationship with several of these companies and we believe that the relationships forged will be beneficial to our purchasing and cost efficiency. The suppliers are also selected based on several criteria such as the quality of their products and the reliability of suppliers. We are not dependent on any single major supplier as in the event we are unable to source for our supplies from the above suppliers, we are still able to source the products from other suppliers in the local market.

7.9.2 Major subcontractors

Our Group's top 5 subcontractors according to total subcontractors' costs for FYE 2018 to FYE 2020 and FPE 2021 are as follows:

No.	Name	Subcontractor cost		Type of services provided	Length of relationship
		RM'000	%		Years
FYE 2018					
1.	Goodwood Builders Sdn Bhd	22,047	25.49	Provision of building works	4
2.	LW Builders & Trading Sdn Bhd	10,366	11.99	Provision of building works	4
3.	WT Aluminium Sdn Bhd	9,325	10.78	Provision of building works	4
4.	Skyplus Electrical & Engineering Sdn Bhd	6,144	7.10	Provision of M&E works	5
5.	Econpile (M) Sdn Bhd	6,045	6.99	Provision of substructure works	4
		53,927	**62.35**		
FYE 2019					
1.	Goodwood Builders Sdn Bhd	22,988	14.40	Provision of building works	4
2.	WT Aluminium Sdn Bhd	14,413	9.03	Provision of building works	4
3.	LW Builders & Trading Sdn Bhd	9,377	5.87	Provision of building works	4
4.	RH Lektrik Sdn Bhd	6,305	3.95	Provision of M&E works	3
5.	Bond M&E Sdn Bhd	5,893	3.69	Provision of M&E works	3
		58,976	**36.94**		
FYE 2020					
1.	RH Lektrik Sdn Bhd	14,725	7.49	Provision of M&E works	3
2.	Bond M&E Sdn Bhd	10,997	5.60	Provision of M&E works	3
3.	LW Builders & Trading Sdn Bhd	9,760	4.97	Provision of building works	4
4.	CAN.I Interior Fit Out Sdn Bhd	8,132	4.14	Provision of building works	2

No.	Name	Subcontractor cost		Type of services provided	Length of relationship
		RM'000	%		Years
5.	Matrix Partner Sdn Bhd	7,516	3.82	Provision of structural works	3
		51,130	**26.02**		
FPE 2021					
1.	Matrix Partner Sdn Bhd	6,799	10.03	Provision of structural works	3
2.	Yong Chee Ann Building Construction	5,307	7.83	Provision of labour	2
3.	LTI Engineering Sdn Bhd	2,854	4.21	Provision of M&E works	2
4.	Welva Sdn Bhd	2,230	3.29	Provision of M&E works	3
5.	Seng Koon Construction Sdn Bhd	2,188	3.23	Provision of building works	3
		19,378	**28.59**		

We are not dependent on any single major subcontractor as we work with a large pool of subcontractors in the local market. We do not enter into any long-term agreement with our subcontractors and suppliers, as our subcontractors and supply contracts are usually on contract-to-contract basis which covers the requirements of the relevant contract.

7.10 TYPES, SOURCES AND AVAILABILITY OF INPUT

The main components of our cost of sales are subcontractors' costs, construction materials direct labour costs and preliminaries.

The table below sets out our major cost components for FYE 2018 to FYE 2020 and FPE 2021:

Cost components	FYE 2018		FYE 2019		FYE 2020		FPE 2021	
	RM'000	%[(1)]	RM'000	%[(1)]	RM'000	%[(1)]	RM'000	%[(1)]
Subcontractors' cost	86,486	64.53	159,615	69.67	196,535	77.56	67,793	72.80
Construction materials	31,477	23.49	34,856	15.21	29,427	11.61	11,823	12.70
Direct labour cost	3,106	2.32	5,557	2.43	5,400	2.13	3,517	3.78
Preliminaries[(2)]	12,949	9.66	29,065	12.69	22,037	8.70	9,986	10.72
	134,018	**100.00**	**229,093**	**100.00**	**253,399**	**100.00**	**93,119**	**100.00**

Notes:

(1) As a percentage of total cost of sales.

(2) Preliminaries comprise of hire of vehicles, rental of machinery and equipment, charges, upkeep expenses, fuel and diesel, utilities, projects levy, insurances, depreciation, plant and equipment and costs related to safety, health and welfare.

As a main contractor, we engage subcontractors to carry out parts of our construction activities, particularly those which require other specialised trade works such as M&E engineering works, piling, piping and plumbing works, tiling and plastering works, external painting works and water proofing works. Our subcontractors and suppliers are selected based on our developed internal policies and procedures.

Our construction materials comprise mainly steel materials such as steel bars and wire mesh, ready-mixed concrete, sanitary wares, tiles, cement, grout and adhesives, timber and plywood, hollow section and galvanised iron pipes, electrical items, bricks, diesel, and quarry products. These construction materials are widely available from local suppliers, including suppliers nominated by our clients. The prices for construction materials such as steel materials, concrete and cement may be subject to price fluctuations as a result of demand and supply conditions. For the purchases of construction materials, we generally take into account our suppliers' lead times to prevent potential major disruptions to our construction progress. We generally purchase construction materials on a project or per purchase order basis.

We have not faced acute shortages or major price differentials for any of our required construction materials as well as major price differentials for our labour wages during FYE 2018 to FPE 2021 which has materially affected our financial performance. In addition, we have not experienced major cost differentials for any of our subcontract agreements during FYE 2018 to FPE 2021 which has materially affected our financial performance.

Pursuant to the proposed utilisation of proceeds from our Public Issue for the purchase of machinery and equipment as disclosed in Section 4.9.1, the Group will be able to reduce its rental for machinery and equipment and correspondingly, the associated rental expenses. However, the Group will still continue to rent machinery and equipment if required to scale up our project capabilities and to carry out selected construction activities, particularly those which require specialised machinery and equipment which we do not own.

7.11 SEASONALITY

Our Group's operations and sales are not subject to any seasonality factors. However, the demand for properties and construction services in Malaysia may be affected by factors including global and local economic conditions and government policies, which may affect construction activities.

7.12 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Save as disclosed below, our Group has not experienced any interruption in our business and operations which had a significant effect on our operations during the past 12 months preceding the LPD.

7.12.1 Impact of COVID-19 on our Group

MCO 1.0

Due to the COVID-19 pandemic, the Malaysian Government has imposed MCO 1.0 throughout Malaysia which took effect from 18 March 2020 to 3 May 2020 to contain the rise of COVID-19 cases in the country. MCO 1.0 has halted most of the economic sectors and activities during the period, especially those operating in non-essential services, which include the construction industry. As a result, we temporarily suspended all our operations at project sites with our personnel from head office working remotely from home.

We subsequently received our approvals from the MITI beginning from 20 April 2020 to resume our operations at our head office and our ongoing project sites (up to 50.00% of our workforce), as detailed below:

Projects	Approval date
Impressions U-Thant Project	20 April 2020
Amverton Cove Project	21 April 2020
Amverton Greens Project	22 April 2020
Chambers Residence Project	22 April 2020
Gravit8 (Phase 2B) Project	27 April 2020
Quayside Mall Project	28 April 2020
F&N Intelligent Industrial Building Project	29 April 2020

Prior to the resumption of operations, we were required to perform COVID-19 testing on all our site construction workers (including our subcontractors' site construction workers) to ensure they are not infected with the COVID-19 virus.

As a result of the suspension of work due to MCO 1.0, the initial work plan for our Group's ongoing projects has been deferred. We have submitted applications to all of our clients for EOT to complete the projects with no imposition of LAD as of to date.

The costs that we incur for our business operations include variable costs that directly attributable to construction activities which consist of mainly subcontractors' costs and fixed costs which consist of staff costs and wages, upkeep and maintenance, finance costs, and rental expenses. During the business suspension period, we had incurred approximately RM0.65 million per month in fixed costs.

During MCO 1.0, we have tested our employees and subcontractors' workers for COVID-19 virus. We have incurred approximately RM0.37 million on COVID-19 tests for all our subcontractors' workers while our employees and construction workers were mainly covered under the Prihatin Screening Programme implemented by SOCSO.

MCO 2.0

Towards the end of 2020, the country saw COVID-19 infections increased and subsequently, in January 2021, the Government re-imposed MCO 2.0 on selected states in West Malaysia, which included Melaka, Johor, Penang, Selangor, Sabah and the Federal Territories of Kuala Lumpur, Putrajaya and Labuan. Over the course of MCO 2.0, companies that have previously obtained approval from MITI to operate during MCO 1.0, are allowed to continue their operations while adhering to the standard operating procedures. During MCO 2.0, we incurred approximately RM0.02 million on COVID-19 tests for our employees, construction workers and our subcontractors' workers at our construction sites.

MCO 3.0, FMCO and NRP

In May 2021, the Government imposed MCO 3.0, with stricter travelling restrictions and employers are required to implement work from home policies with not more than 30.00% of management staff in offices. While the construction industry was allowed to operate during MCO 3.0, we were operating at 60.00% of workforce capacities and in accordance to standard operating procedures. As number of infections continues to increase, the Government announced a FMCO from 1 June 2021, where only selected industries are allowed to continue operating. Construction activities during the period are limited to works such as repair and maintenance as well as construction of public infrastructures such as tunnels, slopes, bridges and viaducts, highways (those which are at least 80.00% completed), Mass Rapid Transit, Light Rail Transit, The East Coast Rail Link, hospitals, and workers' residence at construction sites. During the FMCO period, 3 of our project sites are allowed to operate with MITI's approvals, namely Chambers Residence Project, Hyatt Bukit Jalil Project and Impressions U-Thant Project at 60.00% of our workforce capacities. Whereas, 4 of our project sites, namely Cubic Botanical Tower A Project, Amverton Cove Project, Columbarium Project and The Dawn Project were not allowed to operate during FMCO, pending the approval from MITI. Our office remains close during FMCO with all our staffs working remotely from home. The 4 projects, namely Cubic Botanical Tower A Project, Amverton Cove Project, Columbarium Project and The Dawn Project, subsequently received approvals from MITI to operate on 1 July 2021, 21 July 2021, 5 August 2021 and 3 September 2021 respectively.

On 15 June 2021, the Government announced the NRP, which is a 4-phase strategy based on 3 indicators, i.e. (i) number of symptomatic new hospital admissions, (ii) capability of public healthcare system based on the bed utilisation rate in intensive care unit wards, and (iii) percentage of the population protected against COVID-19, based on the number of people that have received complete dose of vaccines (1 or 2 doses depending on the type of vaccines). The first phase of the NRP commenced with the implementation of the FMCO. The second phase will be implemented if the number of daily COVID-19 cases reduces to below 4,000 and will allow the reopening of selected economic sectors in stages. The third phase involves allowing nearly all economic sectors to operate, subject to standard operating procedures and restrictions on the number of people allowed to be present at workplaces. The fourth phase will see a full reopening of the economy, with resumption of interstate travel and domestic tourism.

Subsequently on 15 August 2021, the Government allowed non-essential activities in the manufacturing, mining and quarrying sectors for all states under NRP Phase 1, NRP Phase 2 and NRP Phase 3 to operate effective 16 August 2021 with the capacity depending on the rate of vaccination of workers. Kuala Lumpur and Selangor transitioned into NRP Phase 2 on 10 September 2021, where selected activities including construction were allowed to resume operations while complying to latest standard operating procedures and strict operating capacity requirements imposed by the Government. We commenced the construction of a new project, i.e., the Arunya @ KL North Project on 15 September 2021. Kuala Lumpur and

Selangor subsequently transitioned to NRP Phase 3 on 1 October 2021, where all types of construction works are allowed to operate.

The final effects of the pandemic and the subsequent control orders are difficult to assess at this juncture and the prolong COVID-19 pandemic may negatively affect the economy and property development activities in the country.

As at LPD, we did not incur any fines and penalties for violation of any rules and regulation set by the Malaysian Government in relation to the MCO.

Measures to commence and continue our business operations

As part of the requirements to commence our operations, all our site construction workers (including our subcontractors' site construction workers) have undergone COVID-19 testing to ensure that they are not infected with the virus.

We have also implemented new COVID-19 safety and health instructions and procedures, and social distancing guidelines imposed by the Government, relevant authorities and local councils. These new COVID-19 standard operating procedures include the following:

(i) requiring all our employees to declare their health conditions and travel history prior to returning to our office and project sites;

(ii) ensuring all our employees, construction workers and visitors wear face masks at all times, regularly sanitise their hands and practise social distancing;

(iii) measuring and recording the body temperature of our employees, construction workers and visitors daily;

(iv) regular sanitising of our office, project sites and staff accommodations;

(v) setting up quarantine zones and isolated quarantine cabins at project sites;

(vi) requiring all employees and construction workers to visit nearby hospitals for diagnosis and treatment immediately if they have developed any COVID-19 symptoms and have not recovered after being in quarantine for three days; and

(vii) reminding all employees and construction workers of the importance of health protection, good hygiene practises and social distancing.

The total costs for the implementation of the COVID-19 standard operating procedures above is estimated to be approximately RM0.37 million annually (of which RM0.05 million has been incurred from January 2021 up to LPD) which is not material to our Group.

In the event of an outbreak of COVID-19 at our project sites, our standard operating procedures include the following:

(i) immediate suspension of all construction activities at the infected project site and notifying the MoH of the outbreak;

(ii) conduct COVID-19 test for all site construction workers and practise self-quarantine;

(iii) any infected construction workers will be quarantined based on instructions from the MoH; and

(iv) the project site including construction machinery and equipment at the site will be disinfected.

7.12.2 Impact of COVID-19, MCOs and NRP on our supply chain

During MCO 1.0, our suppliers and subcontractors' operations were also suspended temporarily. Prior to the resumption of our operations, we worked closely with them to ensure timely delivery of required construction materials and resources, no shortages in the supply of construction materials and the continuation of services by our subcontractors once we resume operations at our project sites. During MCO 2.0 and 3.0, economic sectors are allowed to operate and thus, we did not experience material disruption to our supply chain. However, during the FMCO period which began on 1 June 2021, limited construction activities are allowed to operate with operations being limited to amongst others, repair and maintenance of public infrastructure projects and we have suspended our construction activities in some of our sites until further announcements from relevant authorities, while those sites that are allowed to operate with MITI's approvals are operating at 60.00% of our workforce capacities.

Our suppliers' operations were suspended during the FMCO, while our subcontractors' operations for our sites which are allowed to operate during the FMCO are operating at 60.00% of their workforce capacities. Despite interruption in sourcing supplies from our suppliers during the FMCO, we have maintained sufficient level of construction materials to allow us to continue operating without major interruption. Our Board considers that a short-term suspension in our suppliers' operation would not have a material impact on our business operation and financial condition.

The interruption in sourcing supplies from our suppliers has since been resolved with the resumption of business activities by our suppliers located in various states and under various NRP phases beginning 16 August 2021.

During the FMCO and various phases of the NRP, our construction projects were not materially impacted by the suspension of our suppliers' operations as some of our construction projects were also temporary suspended pending the approval of MITI to resume. Further, some of our project sites were operating at lower capacity in order to comply with the standard operating procedures and operating capacity requirements imposed by the Government of Malaysia under the NRP, thus, resulted in slower progress and utilisation of materials and resources.

7.12.3 Impact of COVID-19 and MCOs on our projects

As a result of MCO 1.0, MCO 2.0, MCO 3.0, FMCO and NRP, we have experienced work stoppages and limitation on our workforce capacity at our office and construction sites. Our initial work plans for our ongoing projects have been affected, and thus we have sought EOT from our clients for the following projects:

	Completion date	
Project	**Contracted**	**Extended**
Amverton Cove Project	February 2020	December 2021[(1)]
Impressions U-Thant Project	May 2020	June 2022
Chambers Residence Project	October 2021	January 2022[(2)]

	Completion date	
Project	**Contracted**	**Extended**
Hyatt Bukit Jalil Project	July 2022	September 2022
Columbarium Project	July 2023	Not applicable
Cubic Botanical Tower A Project	June 2022	July 2022
The Dawn Project	February 2023	Not applicable
Arunya @ KL North Project	January 2024	Not applicable

Notes:

(1) The original contracted completion date of the project was February 2020. As a result of variation of orders, changes in building designs, the temporary suspension of work due to MCOs and NRP, and workforce capacity limitations at our project site, we have submitted EOT application to the client for EOT up to 21 December 2021, where it is still being assessed by the client. As at LPD, the EOT application is still being assessed by the client and the construction work for the project has been completed pending the inspection works and procurement of CPC. We have submitted notice of practical completion to the architect on 28 December 2021. The EOT will be granted upon procurement of CPC.

(2) We have submitted an application on 11 December 2021 for further EOT up to June 2022 and as at LPD, it is still in the midst of assessment by the architect.

The extensions of time obtained are based on provision for force majeure events in our contracts with our customers, as a result of various phases of MCOs and NRP which caused a temporary stoppage of work as well as the time spent on remobilising construction workers and equipment as well as the time taken to establish the required standard operating procedures at the construction sites.

Despite MCO 2.0 and MCO 3.0 in 2021, we did not experience material delays or disruptions in terms of our construction activities as economic sectors are allowed to operate during that period, albeit with reduced management staff working in our office. However, the FMCO and NRP which began on 1 June 2021 have delayed some of our ongoing projects. However, the delays were not material as we neither received any cancellation or suspension of any contracts nor did we experience any reduction in our scope of work. We will be able to complete all our ongoing project and the delayed revenue will eventually be recognised.

Over the course of various MCOs and the NRP, we neither received any cancellation or suspension of any contracts nor experienced reduced scope of work or changes in tenders.

7.12.4 COVID-19 cases within our Group

Our Group has encountered 6 incidents of the COVID-19 outbreak. The following details the 6 incidents and action plans taken:

(i) On 4 March 2021, we were informed that 1 of our subcontractors' worker who was working at the Impressions U-Thant Project's site received positive diagnosis for COVID-19. Upon receiving this information, the following steps were taken:

(a) The affected subcontractor's worker was instructed to immediately self-quarantine and prohibited to return to the project site until further notice. At the same time, we suspended operations at the project site immediately, and requested the subcontractor and its workers to carry out COVID-19 Antigen Rapid Test on the same day. Results showed that 8 additional workers from the subcontractor also tested positive. One additional case involving another subcontractor for the same project was also reported on the same day. All the 10 positive workers ("**Group A**") were subsequently isolated.

(b) On 5 March 2021, we carried out COVID-19 Antigen Rapid Test for all remaining workers at the Impressions U-Thant Project site (involving a total of 146 individuals).

(aa) 26 workers ("**Group B**") were tested positive and were further instructed to go through COVID-19 PCR test which result also indicate they are positive for COVID-19. Upon receipt of their results, they were isolated immediately.

(bb) On the same day, we conducted contact tracing and identified 11 workers, who earlier tested negative for COVID-19 during the screening conducted. These 11 workers were also separated for isolation.

(c) On 6 March 2021, we engaged a service provider to sanitise and carry out disinfection services at the Impressions U-Thant Project's site office, meeting room, client's office, security post, canteen, prayer room and workers' quarters.

(d) Between 8 March 2021 and 9 March 2021, the MoH picked up all 36 positive workers (Group A and Group B) to the COVID-19 Quarantine Centre at Malaysia Agro Exposition Park Serdang ("**MAEPS Quarantine Centre**").

Our Safety, Health and Environmental Team informed the Titiwangsa District Health Office of the matter on 8 March 2021, detailing the actions taken to contain the spread. On the same day, officers from the Titiwangsa District Health Office visited our project site. No stop-work order was issued due to the immediate action plan taken and we were allowed to resume operations at the project site beginning 9 March 2021.

(e) On 11 March 2021, the 11 close contacts were subjected to COVID-19 PCR test. From the tests, 9 workers ("**Group C**") were tested positive for COVID-19 and was subsequently picked up by the MoH and placed at the MAEPS Quarantine Centre.

(f) Between 14 March 2021 and 16 March 2021, all the workers from Group A and Group B were released from the MAEPS Quarantine Centre.

(g) On 20 March 2021, all the workers from Group C were released from MAEPS Quarantine Centre.

(ii) On 28 April 2021, we were informed that 1 of our employees, who is based at our head office was tested positive for COVID-19. Upon receiving this information, the following steps were taken:

(a) The 1 affected employee was instructed to immediately self-quarantine and was prohibited to return to our head office until further notice.

(b) On the same day, we disinfected our head office and carried out COVID-19 Antigen Rapid Test for all employees at our office (a total of 34 employees), all of whom tested negative for COVID-19. Nevertheless, to monitor the situation and in complying with MoH's guidelines, our management implemented a home quarantine order for 5 days from 28 April 2021 to 2 May 2021. We then conducted contact tracing and identified 8 direct close contacts of the 1 affected employees. All 8 of the direct close contact employees were instructed to self-quarantine for 14 days and are only allowed to return to our head office from 11 May 2021 subject to COVID-19 test results.

(c) On 29 April 2021, we engaged a service provider to sanitise and carry out disinfection services at our head office.

(d) A second COVID-19 PCR test were carried out on all employees at our head office on 2 May 2021, all of which tested negative for COVID-19 and was allowed to resume work beginning 4 May 2021, except the 1 positive employee and 8 direct close contact employees.

(e) On 10 May 2021, COVID-19 Antigen Rapid Test were again conducted on our employees at our head office, all of which tested negative for COVID-19. On the same day, the 8 direct close contact employees were also screened for COVID-19 separately, all of which tested negative for COVID-19, and were allowed to return to our head office beginning 11 May 2021.

(f) The 1 affected employee subsequently returned to our head office on 24 May 2021 after completing all the necessary protocols and receipt of discharged letter on 8 May 2021.

(iii) On 17 July 2021, we were informed that 2 of our subcontractors' workers from our Hyatt Bukit Jalil Project's site tested positive for COVID-19. Upon receiving this information, the following steps were taken:

(a) The 2 subcontractors' workers were immediately isolated and moved to quarantine hotel the following day where they served 14 days quarantine until 31 July 2021. All the remaining 81 individuals working at the Hyatt Bukit Jalil Project's site comprising:

(aa) 22 personnel were instructed to self-quarantine at home; and

(bb) 59 workers were instructed to self-quarantine at workers' quarters.

(b) On 18 July 2021, we suspended work at the project site and carried out COVID-19 Antigen Rapid Test on all the 81 individuals working at the Hyatt Bukit Jalil Project's site, of which 1 additional subcontractor's worker was tested positive for COVID-19. He was immediately isolated and moved to a quarantine hotel on the same day where he served 14 days quarantine until 31 July 2021. We notified Lembah Pantai District Health Office (which later transferred the case to Cheras District Health Office) of the COVID-19 cases at the project site on the same day and was instructed to closely monitor the conditions of the rest of the individuals who were self-isolating at home and workers' quarters and we were not issued with a stop work order by the Cheras District Health Office. We have also engaged service provider to sanitise and carry out disinfection at the project site, site office and workers' quarters.

(c) On 21 July 2021, 2 of our subcontractors' personnel began exhibiting COVID-19 symptoms while serving home quarantine and went for testing. They were tested positive for COVID-19 and continued their home quarantine until 4 August 2021.

(d) On 24 July 2021, 2 officers from Cheras District Health Office visited the project site and issued a quarantine order on all 58 workers who were isolated at the workers' quarters until 28 July 2021.

(e) On 26 July 2021, a second COVID-19 Antigen Rapid Test were carried out on all the 78 individuals who were tested negative previously of which 10 subcontractors' workers were tested positive for COVID-19 and immediately transferred to quarantine hotels. The rest of the 20 subcontractors' personnel were instructed to continue their self-quarantine at home while the remaining 48 subcontractors' workers were transferred to quarantine hotels the following day. On the same day, we received a stop work order from the Cheras District Health Office to officially suspend operations at the project site effective from 26 July 2021 to 8 August 2021.

(f) On 29 July 2021, we engaged a service provider to sanitise and carry out disinfection services at the project's site office, meeting room, client's office, security post, canteen, prayer room and workers' quarters.

(g) Between 5 and 6 August 2021:

(aa) 10 subcontractors' workers who previously tested positive for COVID-19 were released from their quarantine hotels;

(bb) 48 subcontractors' workers who previously tested negative underwent a third round of COVID-19 Antigen Rapid Test screening, of which 4 subcontractors' workers tested positive for COVID-19 and further 5 subcontractors' workers were identified as close contacts. These 9 individuals continued their quarantine at the hotels until 11 August 2021. The remaining 39 workers were tested negative for COVID-19 were released from the quarantine hotels and returned to their respective workers' quarters.

(h) The project site subsequently resumes operations on 9 August 2021 after obtaining clearance from Cheras District Health Office.

(iv) On 19 July 2021, we were informed that 5 subcontractors' workers at our Chambers Residence Project's site were tested positive for COVID-19. Upon receiving the information, the following steps were taken:

(a) On 20 July 2021, we carried out COVID-19 Antigen Rapid Test on all the remaining 154 individuals working at the project site comprising:

(aa) 29 personnel who were tested negative for COVID-19; and

(bb) 125 workers of which 23 workers were tested positive for COVID-19 and were immediately isolated from the rest of the workers and instructed to self-quarantine at an assigned isolated worker quarters at the project site and moved to quarantine hotels the following day.

(b) On 21 July 2021, we engaged a service provider to sanitise and carry out disinfection services at the site office, meeting room, client office, security post, canteen, prayer room and worker quarters. On the same day, we notified Pantai Dalam District Health Office of the COVID-19 incident at the project site.

(c) On 22 July 2021, officers from Pantai Dalam District Health Office visited the project site and ordered the project site to be closed until 3 August 2021. All 102 occupants of the workers' quarters were moved to quarantine hotels the following day in accordance to the instructions from the Pantai Dalam District Health Office. The remaining 29 personnel were instructed to undergo home quarantine for 14 days.

(d) Between 28 July 2021 and 2 August 2021, the groups of 5 subcontractors' workers and 23 subcontractors' workers were released from their respective quarantine hotels.

(e) All the 102 workers at the quarantine hotels were screened the second time for COVID-19 with COVID-19 Antigen Rapid Test on 30 July 2021, of which 55 subcontractors' workers were tested positive for COVID-19 and 19 subcontractors' workers were identified as close contacts, and subsequently had their quarantine order extended. The remaining 28 workers who tested negative were released from their quarantine hotels.

(f) Between 5 August 2021 and 8 August 2021, the group of 55 workers and 19 identified close contact workers were released from their respective quarantine hotels.

(g) The project site resumed works on 4 August 2021 after obtaining clearance from the Pantai Dalam District Health Office.

(v) On 31 July 2021, we were informed that 1 security worker at the Impressions U-Thant Project's site were tested positive for COVID-19. Upon receiving this information, the following steps were taken:

(a) On 31 July 2021, construction work at the project site was suspended until further notice except for site inspection works by our personnel and project consultants. The security worker who was tested positive for COVID-19 was instructed to self-quarantine at home, while another security worker that worked on a different shift was instructed to perform COVID-19 testing and tested negative. All 129 subcontractors' workers at the project site have their body temperature screened and those workers with temperatures higher than 37.0 degree Celcius were screened with COVID-19 self-test kit of which 2 subcontractors' workers were tested positive for COVID-19. They were immediately isolated from the rest and sent to quarantine hotels on 5 August 2021.

(b) On 3 August 2021 and 4 August 2021, a total of 127 subcontractors' workers were screened with COVID-19 self-test kit of which 13 subcontractors' workers tested positive for COVID-19. They were transferred to quarantine hotels on 5 August 2021. Contract tracing further identified 32 close contact workers, who were subsequently screened with COVID-19 self-test kit of which all were tested negative for COVID-19. Despite tested negative for COVID-19, the 32 workers were sent to the quarantine hotels on 6 August 2021 to isolate from the rest of the workers.

(c) On 6 August 2021, we informed the Titiwangsa District Health Office of the COVID-19 incidents. They visited the project site and issued a stop work order effective 7 August 2021 to 14 August 2021.

(d) Between 6 August 2021 and 9 August 2021, we engaged a service provider to sanitise and carry out disinfection services at project site's office, meeting room, client's office, security post, canteen, prayer room and workers' quarters.

(e) Between 13 August 2021 and 14 August 2021, a total of 45 subcontractors' workers were released from their respective quarantine hotels.

(f) Work at the project site was resumed on the 15 August 2021 after obtaining clearance from the Titiwangsa District Health Office.

(vi) On 30 August 2021, we were notified that 3 subcontractors' workers at our Amverton Cove Project's site were exhibiting COVID-19 symptoms after undertaken the COVID-19 vaccination. They were sent for COVID-19 testing and were tested positive for COVID-19. Upon receiving this information, the following steps were taken:

(a) On 30 August 2021, we informed Kuala Langat District Health Office of the COVID-19 incident and we were instructed to temporarily suspend all construction work at the project site until further notice (except for site inspection works by our personnel and project consultants) and closely monitor the conditions of the 3 subcontractors' workers due to possible side effects from the vaccine. They were isolated and quarantine at the workers' quarters provided by their respective subcontractors. The rest of the 63 subcontractors' workers were also instructed to self-quarantine at the workers' quarters provided by their respective subcontractors or self-quarantine at home.

(b) On 3 September 2021, after more subcontractors' workers began to exhibit COVID-19 symptoms, we conducted COVID-19 Antigen Rapid Test on all the 66 subcontractors' workers, of which 22 workers (including the 3 workers who initially tested positive for COVID-19) were tested positive for COVID-19 and a further 10 workers with invalid COVID-19 test results. Contract tracing further identified 9 additional workers who worked at the project site on ad hoc basis as close contacts. We have also informed Kuala Langat District Health Office of the outcome and they have advised us to engaged licensed medical practitioner to perform COVID-19 PCR test on all the workers.

(c) On 4 September 2021, the licensed medical practitioner had performed COVID-19 PCR tests on a total of 75 workers (including the 9 additional workers who worked at the project site on ad hoc basis), of which 39 workers (which inclusive of the 3 workers who initially tested positive for COVID-19) tested positive for COVID-19. All 39 workers who were tested positive for COVID-19 were transferred to quarantine hotels on the same day. The remaining 36 workers were instructed to quarantine at their respective homes or workers' quarters provided by their respective subcontractors until further notice.

(d) On 7 September 2021, we have engaged a service provider to sanitise and carry out disinfection services at the project site's office, meeting room, client's office, security post, canteen and prayer room.

(e) Officers from Kuala Langat District Office visited the project site on 9 September 2021 and issued a stop work order effective 9 September 2021 to 22 September 2021. All the remaining 36 workers who were previously tested negative for COVID-19 were ordered to continue their quarantine at their respective homes or workers' quarters provided by their respective subcontractors until 22 September 2021.

(f) On 15 September 2021, all the 39 workers were released from their respective quarantine hotels.

(g) Work at the project site resume on 23 September 2021 after obtaining clearance from the Kuala Langat District Health Office.

All COVID-19 tests administered on our employees was covered by our Group, while those administered on our subcontractors' and their workers were covered by the respective subcontractors.

As a result of the COVID-19 incidences, we suspended our operations at the respective project sites, as summarised in the table below:

	Site closure due to COVID-19 cases		
Project name	**From**	**Until**	**Number of suspended days**
Impressions U-Thant Project	5 March 2021	8 March 2021	4
	7 August 2021	14 August 2021	8
Hyatt Bukit Jalil Project	18 July 2021	8 August 2021	22
Chambers Residence Project	22 July 2021	3 August 2021	13
Amverton Cove Project	9 September 2021	22 September 2021	14

The closure of the project sites listed in the table above and our head office from 28 April 2021 to 3 May 2021 did not result in any material disruption to our business operations. However, the closure of the aforementioned project sites has caused potential delays in our revenue recognition, which is estimated to be approximately RM3.90 million.

7.12.5 Impact of COVID-19 on our liquidity, financial position and financial performance

We experienced disruptions to our business operations as a result of the imposition of various phases of MCOs since March 2020. During MCO 1.0, the temporary stoppage of work at all our project sites has resulted in delays in our project timeline and revenue recognition amounting to approximately RM24.52 million for the Impressions U-Thant Project, Amverton Cove Project, Amverton Greens Project, Gravit8 (Phase 2B) Project, Quayside Mall Project, Chambers Residence Project and F&N Intelligent Industrial Building Project. However, we did not experience material impact on our financial performance from the delays in our project timeline and revenue recognition as demonstrated by our increase in revenue from RM242.89 million in FYE 2019 to RM273.39 million in 2020.

During FMCO and NRP, we have also experienced temporary suspension of our operations at 4 of our project sites namely Amverton Cove Project, The Dawn Project, Columbarium Project and Cubic Botanical Tower A Project which resulted in an estimated RM9.81 million potential delay in our revenue recognition from these projects. We do not expect any material adverse financial impact from the suspension in the short term as we have sufficient working capital to support our operations. The imposition of workforce capacity limit at all our project sites during FMCO and NRP is expected to contribute to delay in our project timeline which will results in an estimated RM10.71 million potential delay in our revenue recognition from all our projects.

Additionally, the potential delay in our revenue recognition resulted from the closure of our project sites due to COVID-19 cases as disclosed in Section 7.12.4 is estimated to be approximately RM3.90 million.

The Board and our Sponsor, are of the view that the above delay in our project timeline and revenue recognition will not have any material impact on our financial performance as we neither received any cancellation or suspension of any contracts nor did we experience any reduction in our scope of work. We will be able to complete all our ongoing project and the delayed revenue will eventually be recognised.

As at the LPD, we have cash and cash equivalent of approximately RM3.92 million, and total banking facilities of RM117.12 million (of which RM36.86 million has been utilised). Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

(a) our cash and cash equivalent of approximately RM3.92 million (including deposits of RM7.65 million pledged as securities for banking facilities granted) as at LPD;

(b) our expected future cash flows from operations taking into account the potential impact of COVID-19 and MCO and NRP on our business;

(c) our total banking facilities as at LPD of RM117.12 million (excluding finance leases), of which RM36.86 million have been utilised;

(d) proceeds expected to be raised from our Public Issue;

(e) dividend of RM4.00 million declared for the FYE 2020; and

(f) our pro forma gearing level of 0.23 times and net asset position of RM71.36 million, based on our pro forma combined statements of financial position as at 31 July 2021 after the Acquisition and subsequent events, Public Issue and utilisation of proceeds.

Based on the above, we do not expect any material adverse effects to our liquidity, financial position and financial performance from the impact of COVID-19.

7.13 TECHNOLOGY USED OR TO BE USED

The technologies that are relevant to our Group include the following:

Software	**Description**
AutoCAD	A computer-aided design and drafting software application to create two-dimensional drawings.
Microsoft Project	A project management software which is used to develop project plans, assigning of resources, progress tracking, project budgeting and analysing workloads.
SISBOX	An in-house developed human resource management system which facilitates human resource related functions including leave tracking, training evaluation reporting, and other related human resource matter.
Anydesk	A remote desktop application to allow IT Department to perform remote support for troubleshooting purposes.
Sage Timberline Enterprise	An accounting software with comprehensive suite of accounting, service management, estimating, inventory and reporting applications.

7.14 QUALITY CONTROL AND QUALITY ASSURANCE PROCEDURES

Our Group is committed to delivering quality work that meets the expectations and requirements of our clients while ensuring the safety and health of parties involved and minimise the environmental impact that arises from construction activities. We have implemented projects that comply with the QLASSIC assessment on quality and workmanship. We have also developed quality management system that conforms to the CONQUAS 21 assessment.

We have integrated our quality management system, environmental management system and occupational health and safety management system into a single framework which facilitates our processes with unified objectives. Our integrated management system has been assessed and accredited with ISO9001:2015 in 2017, ISO14001:2015 in 2019 and ISO45001:2018 in 2017, by SIRIM QAS International Sdn Bhd under the scope "provision of construction services for building and civil engineering works".

7.14.1 QLASSIC assessment

QLASSIC is a system or method developed by CIDB and introduced in 2006, to measure and evaluate the workmanship quality of a building construction work based on Construction Industry Standard. It was established to achieve the following objectives:

(i) To benchmark the quality of workmanship in construction industry;

(ii) To establish a standard quality assessment on the quality of workmanship of construction work;

(iii) To assess the quality of a workmanship of a construction project based on relevant approved standards;

(iv) To be used as a criterion to evaluate the performance of contractors based on quality of workmanship; and

(v) To compile data for statistical analyses.

QLASSIC assessment is performed through a sampling approach which evaluates four main components namely, structural, architectural, mechanical and electrical and external works, with different weightages assigned to each component depending on the type of building being assessed. The scores of each component are then summed up to derive the overall QLASSIC score for a construction project.

Project	Description
Seri Riana Residence (Phase 2B) Project	The project received a number of awards and score from CIDB as detailed below: • Siab (M) received the "High QLASSIC Achievement Award 2018" from CIDB • Received the "Special Appreciation (Mock Up)" award in 2017 from CIDB • Assessed and received QLASSIC score of 82.00% in 2017
Kanvas SOHO Project	• Assessed and received QLASSIC score of 70.00% in 2017

7.14.2 CONQUAS 21 assessment

CONQUAS 21 is a quality assessment system developed by Building and Construction Authority Singapore and is used to assess three components in a building, namely structural works, architectural works and mechanical and electrical works. The assessment is conducted through site inspections and building is assessed based on workmanship standards. The assessments for structural and mechanical and electrical components are performed throughout the construction process while the architectural component is assessed once the building is completed. The assessment extends to include tests on materials as well as functional performance of selected services and installations. The sum of the 3 components will give the CONQUAS score for the project.

Project	Description
Seri Riana Residence (Phase 2B) Project	• Its architectural component was assessed and received a 76.60% score

7.14.3 SHASSIC assessment

SHASSIC is an assessment system developed by CIDB and is performed to benchmark the level of safety and health performance of the construction industry in Malaysia. It covers 3 main components, namely document check, workplace inspection and employees (areas covered include occupational health and safety policy, occupational health and safety organisation, occupational health and safety training and promotion, hazard identification, machinery and equipment management, materials management, emergency preparedness, accident investigation, reporting and records management, and performance monitoring).

We have participated in 1 SHASSIC assessment, namely for our Bennington Residences @ Sky Arena Project which received a SHASSIC score of 78.00% in 2017.

7.15 RESEARCH AND DEVELOPMENT

We do not engage in any research and development activity.

7.16 COMPETITIVE STRENGTHS

7.16.1 Established track record in building construction segment

Our Group's track record under our Promoters can be traced back to 2013 when they acquired majority equity interest in Siab (M) from Tuju Setia Holdings Sdn Bhd. Following the acquisition, we completed several ongoing projects which included the Menara LGB Project and Hospital Bentong Project. Since then, we have secured and completed various building construction projects of varying sizes, scopes and contract values both in the non-residential and residential building segments. Our subsidiaries, namely Siab (M) and Siab Construction are both registered G7 contractors with CIDB, which allows us to undertake projects of any size and unlimited contract value within Malaysia.

Over the years, we have gained experience and knowledge by undertaking building construction projects for non-residential and residential projects. Experiences gained from construction activities have also enabled us to expand our offering to include design and build service where we are responsible for all facets of the construction project, from building plan designs to the appointment of consultants to project management and commissioning and handover. An example of our design and build project is our F&N Intelligent Industrial Building Project, which includes the design and build of a 45m high warehouse with automated storage and retrieval system and cooler warehouse.

Our track record in participating in various types of building construction projects has enabled us to secure diverse building construction projects and provide us with opportunities to grow and sustain our business moving forward.

7.16.2 Qualified and experienced management and technical team

Our Group is led by our Managing Director, Ng Wai Hoe, who has 24 years of experience covering project and operations management in the construction and related industry. Our Board is also represented by our Executive Directors, Lim Mei Hwee and Tan Sok Moi, both with more than 20 years of experience in the construction and related industries. Lim Mei Hwee is responsible for overseeing daily operations of our Group's construction projects, including budget and cost control, tendering and contract activities, design and implementation of business strategies, plans and procedures for all our construction projects while Tan Sok Moi oversees overall financial management and planning, as well as overall implementation of human resource, finance, purchasing and administration matters of our Group.

They are supported by our key management who are experienced in their respective fields, such as our Chief Financial Officer, Koo Seong Hoe, who has 20 years of experience in various financial roles for property and construction companies in the past. Our construction related activities are supported by our General Manager, Cheah Kok Liang who is responsible for managing our Group's construction projects and Fong Kok Yew, our Commercial Manager who is responsible for pre-tender and post-tender activities. In addition, we possess a large team of 84 employees, of which more than 70.00% of them holding construction related qualifications.

7.16.3 Commitment to quality construction works, safety and environmental

Our Group is committed to providing our clients with quality services and products while striving to continuously improve in all aspects of our business. We have implemented an integrated management system, which combines our quality management system, environmental management system and occupational health and safety management system into a single framework with unified objectives. It was assessed and accredited with internationally recognised standards namely ISO9001:2015, ISO14001:2015 and ISO45001:2018 by SIRIM QAS International Sdn Bhd under the scope "provision of construction services for building and civil engineering works". In order to maintain consistent quality of our products, we have also adopted the use of an aluminium formwork system in our construction works. It is a form of industrialised building system used for cast in situ construction and enables better control of output, in terms of accuracy, consistency, and finishing quality.

We have also participated in QLASSIC, CONQUAS 21 and SHASSIC assessments for our projects namely, Bennington Residences @ Sky Arena Project, Kanvas SOHO Project and Seri Riana Residence (Phase 2B) Project, which serve as a testament to our commitment in providing quality construction works as well as the safety and health of our workers. In addition, we also received the High QLASSIC Achievement Award 2018 by CIDB for our Seri Riana Residence (Phase 2B) Project. Further details of our past assessments are available in Sections 7.14.1, 7.14.2 and 7.14.3 of this Prospectus.

7.16.4 Experience capabilities in carrying out wide variety of building construction projects

Since the incorporation of Siab (M) in 1984, it has been involved in the provision of building construction services. Following the acquisition of Siab (M) by our Promoters in 2013, we have continued focusing on the building construction services and have since then build up a portfolio of diverse building construction projects, which includes:

- non-residential buildings such as commercial buildings (office towers and shopping complex), institutional buildings (hospital), industrial buildings (warehouse and factory); and

- residential buildings such as high-rise apartments and condominiums.

Our track record, experience and expertise in carrying out wide variety of building construction projects allows us to bid for diverse building construction projects which serves as a platform for further growth and facilitate our business sustainability in the construction industry. We have also expanded our scope of work and participated in the design and build projects, such as our F&N Intelligent Industrial Building project.

7.17 BUSINESS STRATEGIES AND PROSPECTS

7.17.1 Purchase of land and construction of storage facilities

As part of our Group's future plans, we intend to purchase a land with an approximate size of 2 acres in a suitable location in Klang Valley. We also intend to construct a storage facility on the land to store our construction materials as well as new and existing construction machinery and equipment that are not use in the construction. We currently store our construction materials, machinery and equipment which are not in use at our rented storage facility located in Puchong, Selangor. We also store certain less bulky construction materials and equipment in our own storage shoplot in Kajang, Selangor.

We believe that the storage facility will provide a location to undertake maintenance works for our existing and new construction machinery and equipment that are not in use. In addition, the purchase of the new land and construction of storage facility will provide additional capacity for our storage, in line with our future plans of investing and purchasing additional construction related machinery and equipment.

The cost of the land to be acquired is estimated to be approximately RM8.71 million while the construction of the storage facility on the land is expected to cost approximately RM3.49 million. We intend to allocate RM6.10 million or 16.61% from the proceeds of our Listing for this purpose while the balance of RM6.10 will be funded via bank borrowings. The storage facility will have an approximate built-up area of 43,500 square feet which will allow us to better organise storage of our machinery and equipment.

The indicative timeline for the construction of the new storage facilities is targeted to be as follows:

Timeframe (from the date of listing)	Details
1st – 4th month	• To identify and negotiate with vendor(s) of land
5th – 9th month	• To obtain approval for bank borrowing to partly finance acquisition of land • Acquisition of land
10th – 12th month	• To obtain approval for building plans and other approvals required from local councils and authorities
13th – 20th month	• To construct new storage facility
21st – 23rd month	• To obtain CCC for the new storage facility
24th month	• New storage facility in operation

7.17.2 Investment to support our expansion plans

- **Expansion into high-rise construction portfolio with higher value and other types of buildings**

  We intend to further expand our building construction activities by participating in tenders for higher value high-rise construction projects, including commercial and residential buildings. We believe that our experience and previous track record in these projects serves as a reference to secure future projects. According to the IMR Report, the Government has continued to provide initiatives and measures related to increasing home ownership among its citizens. Some of these initiatives and measures include full stamp duty exemption on instruments of transfer and loan agreement for the first-time home buyers is extended until 31 December 2025. The Government had also announced various housing programs such as the Program Rumah Mesra Rakyat, Program Perumahan Penjawat Awam and Projek Perumahan Rakyat under Budget 2022.

  As at the LPD, we have 8 ongoing high-rise building projects. Additionally, we intend to further expand our capabilities in the non-residential segment by participating in tenders for industrial buildings like warehouses and factory and purpose-built buildings such as columbarium or community club house and hospitals. According to the IMR Report, the industrial segment is expected to benefit from the recovery of manufacturing activities in Malaysia, with increased activities where both foreign and local firms announcing plans of expanding capacities in Malaysia. As at the LPD, we have 1 ongoing projects to construct a purpose-built building.

  Our construction activities are currently supported by our key construction machinery and equipment as well as those which we will rent on a project-to-project basis as and when required. To enhance our capacity and capability to tender for more building construction projects (such as high-rise construction and other building segments) and to cater for future projects, we intend to invest and purchase new construction machinery and equipment.

  The new construction machinery and equipment to be purchased include construction related plants (such as concrete placing boom, tower crane and truck-mounted concrete pump), machineries (such as forklift and truck crane) and equipment (such as scaffolding, formwork, safety self-climbing platform and material loading platform). Investments in these construction machinery and equipment will enable our Group to increase our capacity to take on more projects concurrently. It also affords us with the flexibility of using them as and when required without having to incur delays or additional costs to rent from external parties.

  We intend to allocate approximately RM13.13 million, or 35.74% from the proceeds of our Listing for this purpose within 24 months from our Listing. Further details of our utilisation of proceeds are available in Section 4.9 of this Prospectus.

- **Expansion into civil and engineering segments**

  In addition, we also intend to expand our presence into the civil engineering segment, focusing on the construction of roads, bridges and highways. We have began to register our interests with various project consultants for civil engineering projects as part of our efforts to expand into this segment. If we are notified and called to participate in tenders, we will conduct feasibility study for the project, as part of our pre-tender activities. We believe the various initiatives announced by the Government augurs well with the outlook in the civil engineering segment. According to the IMR

Report, a total of more than RM2.50 billion had been allocated for various rural programmes, including rural and inter-village road projects and rural and alternative water supply. At the same time, some of the development projects for economic recovery include continuing national infrastructure projects such as the Pan Borneo Highway, the Central Spine Road, the Rantau Panjang Floodwall.

There will be no initial capital outlay required to fund this expansion plan. Upon receiving tender invitations, we will submit our tenders, together with tender bonds based on amounts specified in the tender documents as determined by the clients. All other costs involved such as leasing of machineries and equipment, hiring of subcontractors and professionals, and purchasing of construction materials will form part of our Group ongoing working capital requirements. We intend to fund this expansion plan via internally generated funds and the expansion plan will be implemented within 36 months from our Listing.

7.17.3 Expansion of our technical team

We have previously undertaken design and build projects, where we were appointed as a turnkey contractor and were responsible for all facets of the construction project, from building plan designs to the appointment of consultants to project management and commissioning and handover. While we were able to provide design and build services in the past, it was made possible by engaging and working with external consultants to develop the required design-related works.

As part of this plan, we intend to increase our manpower by hiring experienced individuals to strengthen our technical capabilities. It will involve recruiting a team of engineers and other similar positions and skill sets related to building construction and design works. The manpower expansion will be funded via internally generated funds and is expected to be completed within 24 months from our Listing.

In addition, we also intend to invest in BIM software to facilitate our future design and technical work. It is a modelling software that can be used to simulate various scenarios and integrate data from various stages of construction, ranging from planning to scheduling, costing, procurement and operational data. The application of BIM system software is expected to contribute to more efficient project management, where the collaboration between various stakeholders in the construction industry value chain facilitates the design and construction process. We intend to allocate RM3.07 million or 8.35% of our proceeds from our Public Issue for this purpose and will be implemented within 24 months from our Listing.

8. IMR REPORT

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Protégé
ASSOCIATES

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The information in this Section 8 is based on market research conducted by Protégé Associates commissioned by Siab Holdings Berhad for the purpose of the IPO.

3 January 2022

The Board of Directors
Siab Holdings Berhad,
82, Jalan BP 7/8,
Bandar Bukit Puchong,
47120 Puchong,
Selangor Darul Ehsan.

Dear Sirs,

Strategic Analysis of the Construction Industry in Malaysia

Protégé Associates Sdn Bhd ("**Protégé Associates**") has prepared this 'Strategic Analysis of the Construction Industry in Malaysia' for inclusion in the prospectus of Siab Holdings Berhad ("**Siab**") in relation to its listing on the ACE Market of Bursa Malaysia Securities Berhad.

Protégé Associates is an independent market research and business consulting company. Our 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.

Mr. Seow Cheow Seng is the Managing Director of Protégé Associates. He has 21 years of experience in market research, having started his career at Frost & Sullivan where he spent 7 years. He has been involved in a multitude of industries covering Automotive, Construction, Electronics, Healthcare, Energy, IT, 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.

We have prepared this report in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true, balanced and fair view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. Our research has been conducted to present a view of the overall industry and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/ or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Thank you.

Yours sincerely,

SEOW CHEOW SENG
Managing Director

1.0 Introduction to the Construction Industry

Construction is a series of process with several stages of production, which converts raw materials though the use of labour and machineries to create various forms of buildings and infrastructures. The construction industry in Malaysia can generally be segmented into two, namely, the real estate construction market and the civil engineering and specialised trade work market. Real estate construction refers to the construction of buildings for residential and non-residential purposes. Civil engineering mainly refers to the construction of infrastructures while special trade work is specialised construction work in building or non-building related project without responsibility for the entire project. Siab is mainly involved in real estate construction, whereby the company focuses on the construction of non-residential buildings namely commercial and industrial properties, and residential buildings namely high-rise apartments and condominiums.

1.1 Definition of Real Estate Construction

Real Estate construction refers to the physical process of adding structures and buildings to areas of land, and includes the assembly and erection of prefabricated constructions on the site such as stairs, windows, walls, wall and floor panels as well as other construction activities such as restoring historical sites and buildings. Building construction can be further segmented into the following:

- **Residential buildings** – refers to buildings which are mainly used for dwelling purposes and includes single-family houses (such as terraced houses and semi-detached houses) and multi-family buildings (such as condominiums and apartments).
- **Non-residential buildings** – refers to buildings not used for dwelling purposes and can be segmented into commercial (such as office buildings, hypermarkets, hotels and shopping complexes), industrial (such as factories and warehouses) and purpose-built buildings (such as hospitals) properties.

2.0 Overview of the Construction Industry in Malaysia

The construction industry in Malaysia is considered to be largely domestic-oriented and is an important component within Malaysia'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 included proposed government projects as part of its development expenditure.

The local construction industry grew marginally from RM66.22 billion in 2018 to RM66.25 billion in 2019 where growth in the civil engineering and specialised trade work market helped to cushion the weaker performance in the real estate construction market due to the continuing property overhang situation. The share of the real estate construction market as well as the civil engineering and special trade work market in the local construction industry in 2020 stood at 46.5% and 53.5% respectively.

Figure 1: Historical Size (Revenue) and Growth Forecast for the Construction Industry in Malaysia, 2018-2025

Year	Size (Revenue) (RM billion)	Growth Rate (%)
2018	66.22	-
2019	66.25	0.0
2020	53.56	-19.2
2021[f]	53.11	-0.8
2022[f]	59.24	11.5
2023[f]	64.87	9.5
2024[f]	69.09	6.5
2025[f]	73.58	6.5

CAGR (2021-2025) (base year of 2020): 6.6%
Note: At constant 2015 prices; [f] denotes forecast

Sources: DOSM and Protégé Associates

In 2020, the local construction industry contracted by 19.2% as a result of the coronavirus disease ("**COVID-19**") pandemic and implementation of lockdown measures, namely the movement control order, conditional movement control order and recovery movement control order. The COVID-19 pandemic and lockdown measures had disrupted local construction activities as most construction companies continue to face challenges to restart work due to strict standard operating procedures ("**SOPs**"), disruption in supply of building materials and financial constraints. A weaker economic outlook further dampened property demands.

As a result, the Malaysian Government announced a number of economic stimulus and assistance packages to preserve rakyat's welfare, support businesses and strengthen the economy. These include the allocation of an RM2.5 billion for G1 to G4 contractors to carry out small and medium projects across the country under Budget 2021, and the continuing hiring incentive program under PERKESO (now known as PenjanaKerjaya) whereby for sectors with high reliance on foreign workers, a special incentive of 60% of monthly wages will be provided whereby 40% will be channelled to the employers while 20% will be channelled as wage top up to the local worker replacing the foreign workers.

The conditions surrounding the local construction industry remained challenging in 2021. While the construction industry was one of the economic sectors that was allowed to operate during the various phases movement control orders, the more stringent SOPs had led to an overall decline in construction activities. As such, the local construction industry is expected to further decline by 0.8% in 2021. Going into 2022, the local construction industry is expected to rebound along with increased economic activities as higher vaccination rates lead to relaxation of more SOPs. The industry is expected to expand by 11.5% in 2022 to reach RM59.24 billion. The Malaysian construction industry is then forecast to grow at an annual rate of between 6.5% and 9.5% for the period from 2023 to 2025. During this period, the growth in the local construction industry is expected to be supported by building and infrastructure construction activities that include the ongoing or upcoming mega projects such as the East Coast Rail Link ("**ECRL**"), Johor Bahru-Singapore Rail Transit System, Klang Valley Double Track and Pan Borneo Highway. The implementation of various infrastructure projects and affordable housing schemes are expected to continue providing the foundation for growth in construction activities in Malaysia from 2021 to 2025, where the size (revenue) of the construction industry in Malaysia is projected to reach RM73.58 billion in 2025.

The historical performance and growth forecast of the construction industry in Malaysia based on a combination of resources, including the data from the Department of Statistics Malaysia ("**DOSM**"), Construction Industry Development Board Malaysia ("**CIDB**"), Ministry of Finance Malaysia, Bank Negara Malaysia ("**BNM**") and the annual reports of public listed construction companies. Data is also gathered from further secondary and primary research works conducted. Searches on private construction companies are also conducted with the Companies Commission of Malaysia to gather more disclosures on their business performance. Primary research works are conducted with stakeholders in the local construction industry such as contractors, suppliers and customers to gather their insights on the industry. All the findings are collated, analysed and/or computed to ascertain the outlook of the construction industry in Malaysia.

2.1 Overview of the Real Estate Construction Market in Malaysia

Real estate construction activities are correlated with the growth in the property market. A higher demand for properties can lead to higher level of construction activities for real estate. In terms of project ownership, the construction of new buildings in Malaysia is dominated by the private sector. In 2020, private sector accounted for 84.1% of the value of real estate construction works done with the remaining belonging to the public sector (government and public corporation). Public corporation consists of statutory and non-statutory bodies that are set up under the laws passed by the Parliament Act or the State Legislative Assembly that can operate and manage the government programmes more independently.

Figure 2: Historical Size (Revenue) and Growth Forecast for the Real Estate Construction Market in Malaysia, 2018-2025

Year	Size (Revenue) (RM billion)	Growth Rate (%)
2018	31.31	-
2019	29.59	-5.5
2020	24.96	-15.6
2021[f]	23.94	-4.1
2022[f]	25.85	8.0
2023[f]	27.64	6.9
2024[f]	29.06	5.2
2025[f]	30.55	5.1

CAGR (2021-2025) (base year of 2020): 4.1%
Note: At constant 2015 prices; [f] denotes forecast

The real estate construction market has been experiencing a slowdown in recent years. The market contracted by 5.5% in 2019 to RM29.59 billion as compared to RM31.31 billion in the previous year. The market further contracted by 15.6% in 2020 and fell to RM24.96 billion. The slowdown can be attributed to spiralling prices and home ownership issues, resulting in the Malaysian Government putting in place various measures and initiatives to curb speculative activities and promote responsible financing practices over the past years. Going forward, growth in the local real estate construction market is expected to be supported by affordable housing schemes. The size (revenue) of the real estate construction industry in the country is projected to reach RM30.55 billion in 2025. This represents a CAGR of 4.1% for the period from 2021 to 2025.

Sources: DOSM and Protégé Associates

In Budget 2022, the Malaysian Government has continued to step up efforts in ensuring that the 'rakyat' can own a house. Initiatives and measures related to 'increasing home ownership' announced in Budget 2022 include but are not limited to the following:

- Real Property Gains Tax is not levied on disposals made from the sixth year onwards;
- Projek Perumahan Rakyat with 11,800 apartment units;
- Program Rumah Mesra Rakyat with 3,000 house units;
- Program Perumahan Penjawat Awam;
- Program Bantuan Rumah, which includes construction of new houses and repair of 14,000 houses;
- Program Penyelenggaraan Perumahan dan Tabung Penyelenggaran Perumahan Malaysia; and
- Skim Jaminan Kredit Perumahan, which provides housing loans to those without a fixed income.

In addition to the above, Budget 2022 has also allocated a total of RM159 million to build, upgrade and maintain sports facilities nationwide, including a stadium in Bukit Merbau, Pasir Putih in Kelantan. On the education front, the latest budget also includes construction of new GiatMara Centres at Setiu and Marang in Terengganu, Religious Schools in the Federal Territory of Labuan, as well as 69 new Early Childhood Education Centres, KEMAS kindergartens and nurseries.

The industrial sub-segment is also expected to benefit from the recovery in manufacturing activities in Malaysia. While the manufacturing sector had been negatively impacted by the COVID-19 pandemic, leading to a decline of 2.6% in 2020, the sector is forecast to rebound by 8.8% in 2021. This is supported by Malaysia's industrial production index ("**IPI**") expanding by 12.4% in the first 6 months of 2021, whereby the manufacturing segment grew by 15.7%. In addition, in accordance to the Malaysian Investment Development Authority ("**MIDA**"), a total of 1,049 manufacturing projects were approved in 2020, bringing the total manufacturing projects approved during the five-year period (2016-2020) to 4,178 projects. Of the approved projects, around 70% have been implemented, with 2,739 projects in active production and 187 projects still undergoing factory construction and machinery installation. Another 91 projects have acquired sites for factories while another 977 projects are in active planning stage.

The improvements in economic activities since the second half of 2020 has led to both foreign and local firms announcing plans of expanding capacity in Malaysia. Following Nestle (M) Berhad new manufacturing facility which was officially launched in April 2021, Dutch Lady Milk Industries Berhad has also announced plans to develop a new production facility in Malaysia. At the same time, Hartalega Holdings Berhad had also announced intention to build 16 new manufacturing facilities over the next 20 years. The US-based DexCom Inc., which is a leader in continuous glucose monitoring systems, had also begin construction of a manufacturing facility in Penang in early February 2021.

2.2 Performance of the Real Estate Construction Market in Malaysia

The performance of the local construction market can be evaluated through the total value of construction work completed within the year.

Figure 3: Value of Real Estate Construction Work Completed by Sub-sectors

	2018 (RM million)	2019 (RM million)	2020 (RM million)
Malaysia			
Residential	36,592	35,752	29,609
Non-residential	41,201	37,558	31,127
Selangor			
Residential	10,028	9,388	8,484
Non-residential	8,481	9,047	7,879
Federal Territories*			
Residential	9,985	9,675	7,998
Non-residential	9,376	10,161	8,072

Notes:

1) ** includes Wilayah Persekutuan Kuala Lumpur, Putrajaya and Labuan*
2) *the figures in Figure 3 covers all main contractors with value of projects of RM500,000 and above registered with CIDB*

Source: DOSM

In 2020, value of work completed within the real estate construction sector reached RM60.74 billion and accounted for 51.5% of the total value of construction work completed in Malaysia. This however, was a decline of 17.1% from RM73.31 billion recorded in the previous year. The decline can be mainly attributed to the ongoing COVID-19 pandemic disrupting economic activities as well as property overhang situation in Malaysia.

Siab's business activities are mainly located in Selangor and Kuala Lumpur. In 2020, Selangor and the Federal Territories collectively account for 53.4% of total real estate construction work completed.

Figure 4: Value of Real Estate Construction Work Completed by Project Owner

	2018 (RM million)	2019 (RM million)	2020 (RM million)
Private Sector			
Residential	34,395	32,777	27,258
Non-residential	29,414	27,988	23,808
Government			
Residential	1,461	1,905	1,674
Non-residential	7,974	7,283	5,610
Public Corporation*			
Residential	736	1,070	677
Non-residential	3,813	2,287	1,709

Notes:

1) ** Public corporations are set up under the laws passed by the Parliament Act or the State Legislative Assembly and enables the Government to be involved directly in the socio-economic development of the country. It consists of statutory bodies and non-statutory bodies which can operate and manage the government programs more independently. Examples of public corporations are Tenaga Nasional Berhad, Telekom Malaysia Berhad and Keretapi Tanah Melayu Berhad.*
2) *the figures in Figure 4 covers all main contractors with value of projects of RM500,000 and above registered with CIDB*

Source: DOSM

Over the years, real estate construction work in Malaysia were primarily driven by the private sector. In 2020, the private sector accounted for 84.1% (with a value of RM51.07 billion) of total real estate construction work completed during the year. However, this represented an overall decline from the previous 2 years, where a total value of RM60.77 billion was recorded in 2019 and RM63.81 billion recorded in 2018 for the residential and non-residential segments. Similarly, work completed in public sector (comprises of the Government and public corporations) in 2020 had also been lower than work completed in 2019 and 2018. Total work completed in 2020 was valued at RM9.67 billion as compared to RM12.55 billion in 2019 and RM13.98 billion in 2018.

Performance in the real estate construction industry can also be measured by the volume and value of property transactions. The Malaysian property market (that covers both primary and secondary markets) fell in 2020 in both total transaction volume and total transaction value. Total transaction volume decreased from 328,647 in 2019 to 295,968 in 2020, where the residential segment accounted for 64.7% of total transaction volume, followed by agriculture (20.7%), commercial (6.8%), development land and others (6.2%) and industrial (1.6%) segment. The 2020 figure was also lower than the 313,710 transactions recorded in 2018. In the first half of 2021 ("**2021H1**"), total transaction volume stood at 139,754 as compared to 115,476 registered in the same period last year. Total transaction value decreased from RM141.40 billion in 2019 to RM119.08 billion in 2020, where the residential segment accounted for 55.3% of total transaction value, followed by commercial (16.4%), industrial (10.7%), agriculture (10.5%) and development land and others (7.1%) segment. The total transaction value of RM140.33 billion recorded in 2018 was also higher than the transaction value in 2020. In 2021H1, total transaction value stood at RM62.01 billion as compared to RM46.94 billion registered in the same period last year.

Residential properties with prices of below RM300,001 per unit accounted for 118,050 or 61.7% of total transaction volume in the residential segment in 2020. This represented 39.9% of the total transaction volume in the Malaysian property market for the year. In 2021H1, residential properties with prices of below RM300,001 per unit accounted for 52,491 or 57.0% of total transaction volume in the residential segment. Residential properties at this price range are expected to remain dominant in the near future particularly with the efforts from the Malaysian Government to push for more availability of affordable housing.

On the non-residential side, there were a total of 20,255 commercial property transactions worth RM19.53 billion recorded in 2020, in which volume decreased by 21.0% while value fell by 32.6%. Going into 2021H1, there were a total of 10,433 transaction worth RM10.93 billion recorded, which was an increase of 28.5% and 28.4% respectively in terms of volume and value as compared to the last corresponding period. In particular, the shop sub-sector recorded 5,265 transactions worth RM4.13 billion in 2021H1, dominating transactions in the commercial segment with a share of 50.5% in terms of volume and 37.8% in terms of value. This was followed by the serviced apartment sub-sector with 1,912 transaction worth RM1.21 billion recorded, accounting for 18.3% of commercial property transaction volume and 11.1% of total value. Other noteworthy transactions in the commercial segment in 2021H1 include transaction of eight commercial complex worth RM0.88 billion, nine transactions in the purpose-built office sub-sector worth RM1.30 billion and several hotel transactions worth RM336 million. At the same time, the industrial segment recorded a total of 2,562 transactions worth RM6.48 billion in 2021H1. This compares with a total of 1,980 transactions worth RM5.41 billion in first half of 2020 and 3,138 transactions worth RM7.02 billion in the first half of 2019.

2.3 Overview of the Infrastructure Market in Malaysia

The infrastructure market in Malaysia mainly relates to civil engineering and specialised trade work activities within the country. Civil engineering mainly refers to the construction of infrastructures such as roads and highways, utility structures and buildings, and public infrastructures like bridges, airports, dams and railways. It also includes services such as earthworks, piling works, rock blasting works, reclamation works, landscaping, as well as construction of sewerage systems, water supply systems and flood control systems. Specialised trade works (also known as mechanical and electrical works) involve the construction of parts of buildings and civil engineering works without responsibility for the entire project, and includes air-conditioning systems, lifts and escalators, fire prevention and protection system, monitoring and security system as well as general electrical works.

In terms of project ownership, infrastructure projects in Malaysia are led by the Malaysian Government and public corporations. In 2020, the combined Malaysian Government's and public corporation's participation accounted for 75.4% of the total value of civil engineering works done with the remaining belonging to the private sector.

Figure 5: Historical Size (Revenue) and Growth Forecast for the Civil Engineering and Specialised Trade Works Market in Malaysia, 2018-2025

Year	Size (Revenue) (RM billion)	Growth Rate (%)
2018	34.91	-
2019	36.66	5.0
2020	28.59	-22.0
2021[f]	29.17	2.0
2022[f]	33.40	14.5
2023[f]	37.24	11.5
2024[f]	40.03	7.5
2025[f]	43.03	7.5

CAGR (2021-2025) (base year of 2020): 8.5%
Note: At constant 2015 prices; [f] denotes forecast

The civil engineering and specialised trade works market in Malaysia had been driving growth in the overall construction industry over the past years. The civil engineering and specialised trade works market in Malaysia was valued at RM36.66 billion in 2019, which was a 5.0% increase from the RM34.91 billion in 2018. However, the market registered a drop of 22.0% in 2020 to RM28.59 billion. The decrease was mainly attributed to COVID-19 disrupting economic activity within the country. Going forward, the size of the civil engineering and specialised trade works market in Malaysia is expected to reach RM43.03 billion in 2025.

Sources: DOSM and Protégé Associates

In Budget 2022, development expenditure allocation has been channelled towards bridging urban-rural infrastructure gap, enhancing the living standards of the people and promoting economic recovery and development. A total of more than RM2.50 billion allocated for various rural programmes, including rural and inter-village road projects and rural and alternative water supply. At the same time, some of the development projects for economic recovery include continuing national infrastructure projects such as the Pan Borneo Highway, the Central Spine Road, the Rantau Panjang Floodwall. An initial fund of RM200.0 million had also been allocated through the creation of the Infrastructure Facilitation Fund 3.0, which aims to further boost high-impact infrastructure development activities through Public-Private Partnerships. Furthermore, the Government will also continue to implement small scale projects worth RM2.90 billion collectively earmarked for contractors in Class G1 to G4 nationwide. These projects will encompass road maintenance projects, repair ageing infrastructure and upkeep of public universities, polytechnics and community colleges as well as other projects that involve rural social amenities. Sabah and Sarawak will also receive an increased development expenditure allocation of RM5.20 billion and RM4.60 billion respectively. The allocation are mainly for implementation of water, electricity and road infrastructure projects, as well as for education and health facilities.

The budget allocated for the above construction projects is part of the total development expenditure of RM75.60 billion provided in Budget 2022. The economic sector encompassing agriculture and rural development, energy and public utilities, environment, trade and industry, and transport received the higher allocation of approximately RM40.18 billion while the social sector, security sector and general administration accounted for the balance of the allocation. Moving forward, the Malaysian Government and public corporations are expected to continue being the main contributors to growth in the local infrastructure market.

3.0 Competitive Landscape of the Construction Industry

The Malaysia government regulates the construction industry in Malaysia. It is mandatory for all contractors whether local or foreign to register with the Construction Industry Development Board Malaysia ("**CIDB**") before they participate in any construction works in Malaysia. The industry is highly competitive and fragmented with different grades of contractors capable of bidding for varying project according to their capabilities and levels of services. There are 3 main registration categories for registered contractors in Malaysia, namely the building construction category, the civil engineering construction category and the mechanical and electrical category. Contractors can register under one or more specialisation in each category depending on the intended construction activities that they are undertaking. As at 31 December 2021, there were 130,442 registered local contractors in Malaysia, each categorised by a grade ranging from G1 to G7.

Figure 6: Number of Local Contractors in the Malaysian Construction Industry as at 31 December 2021

Grade	Bidding Limit	Number of Contractors
G1	Not exceeding RM200,000	65,200
G2	Not exceeding RM500,000	24,041
G3	Not exceeding RM1,000,000	18,426
G4	Not exceeding RM3,000,000	5,402
G5	Not exceeding RM5,000,000	6,662
G6	Not exceeding RM10,000,000	2,014
G7	Unlimited	8,700

Source: CIDB

G7 contractors mainly comprise established contractors who are able to compete for and undertake projects of unlimited size as they have the required financial strength, track record, reputation and technical expertise to undertake larger scale projects. G7 contractors are able to undertake and manage the entire project on their own and may work with or sub-contract certain portion/process to smaller contractors to benefit from cost and time saving. They typically have existing work relationships and track record with many customers that they are able to leverage upon to attain new projects. Some would have been pre-qualified with certain of their customers, allowing them to participate in closed tenders, giving them an edge in winning the bid.

Figure 7: G7-Registered Local Contractors by State as at 31 December 2021

State	Number of G7-Registered Local Contractors
Johor	695
Kedah	243
Kelantan	143
Kuala Lumpur	1,631
Labuan	10
Melaka	182
Negeri Sembilan	211
Pahang	163
Perak	258
Perlis	33
Pulau Pinang	533
Putrajaya	25
Sabah	618
Sarawak	736
Selangor	2,997
Terengganu	222

Source: CIDB

Figure 8: Local Contractors Registered under the B04 Specialisation by Grade in Malaysia as at 31 December 2021

Grade	Number of Contractors	% of Total
G1	65,180	50.0%
G2	24,011	18.4%
G3	18,405	14.1%
G4	5,382	4.1%
G5	6,645	5.1%
G6	2,011	1.5%
G7	8,683	6.7%

Source: CIDB

Contractors that participate in the local real estate construction market are typically registered under the B04 specialisation with CIDB. B04 specialisation refers to construction work on building. Among the registered local contractors, 130,317 local contractors or 99.9% of total local contractors in Malaysia are registered under the B04 specialisation as at 31 December 2021. Hence, the level of competition in the local real estate construction market is high.

3.1 Industry Players Analysis

Siab is involved in the Malaysian construction industry via its two wholly-owned subsidiaries, namely Siab (M) Sdn Bhd and Siab Construction Sdn Bhd. Both subsidiaries are G7 contractors registered under the B04 specialisation. For the purpose of this report, Protégé Associates has used the following criteria when selecting other industry players in Malaysia for comparison with Siab:

- principally involved in the construction industry offering building construction and derived more than 75% of its revenue from construction activities;
- have revenue of more than RM250 million for its latest available audited financial information;
- a public listed company on Bursa Malaysia Securities Berhad; and
- registered as a G7 contractor or have at least a subsidiary that is a G7 contractor with CIDB with the B04 specialisation.

The criteria is used to further narrow down the list of industry players (from the total 8,683 registered local G7 contractors in Malaysia as at 31 December 2021) that can be selected for comparison with Siab. The criteria are used in order to select industry players that are deemed to be more similar to Siab in terms of upcoming revenue, type of company and principal activities of business entity. Given that Siab has a revenue of RM273.4 million for its financial year ended ("**FYE**") 31 December 2020, we have selected industry players with revenue more than RM250 million to allow for comparison with its counterparts that stand to generate upcoming revenue in the near and middle term which is closer to the one generated by Siab. We have selected existing public listed industry players for comparison purpose. Besides that, the use of the criteria for the inclusion of G7 contractor (or with at least a subsidiary that is a G7 contractor) with specialisation in B04 category enables the selection of its competing peers for the same type and value of construction jobs.

After taking into consideration the above criteria, Protégé Associates has selected four industry players namely Inta Bina Group Berhad ("**Inta Bina**"), Nestcon Berhad ("**Nestcon**"), Pesona Metro Holdings Berhad ("**Pesona Metro**") and TCS Group Holdings Berhad ("**TCS**") for comparison purpose. It needs to be highlighted that the list of industry players used for comparison purpose is not exhaustive. The list of industry players only serves as a reference for readers.

Inta Bina Group Berhad

Inta Bina is currently listed on the Main Market of Bursa Malaysia Securities Berhad. It is an investment holding company. The principal activities of its subsidiary, Inta Bina Sdn Bhd are securing and carrying out construction contracts. The unbilled order book of Inta Bina stood at approximately RM1.08 billion as at 31 December 2020. For FYE 31 December 2020, all of Inta Bina's revenue amounting to RM280.3 million was derived from its construction activities.

Nestcon Berhad

Nestcon is currently listed on the ACE Market of Bursa Malaysia Securities Berhad. It is an investment holding company. The principal activity of its subsidiaries, Nestcon Builders Sdn Bhd and Nestcon Infra Sdn Bhd are in the provision of construction services. As at 31 December 2020, the order book of Nestcon stood at RM1.15 billion. For FYE 31 December 2020, all of Nestcon's revenue amounting to RM344.5 million was derived from its construction activities.

Pesona Metro Holdings Berhad

Pesona Metro is currently listed on the Main Market of Bursa Malaysia Securities Berhad. It is an investment holding company. The principal activity of its subsidiary, Pesona Metro Sdn Bhd is in the provision of construction services. The order book of Pesona Metro stood at RM0.9 billion as at 31 December 2020. For FYE 31 December 2020, 97.0% of Pesona Metro's revenue amounting to RM598.4 million was derived from its construction activities.

TCS Group Holdings Berhad

TCS is currently listed on the ACE Market of Bursa Malaysia Securities Berhad. It is an investment holding company. The principal activity of its subsidiaries namely TCS Construction Sdn Bhd and TCS Bina Sdn Bhd are in the provision of construction services. The order book of TCS stood at RM843.5 million as at 31 December 2020. For FYE 31 December 2020, all of TCS's revenue amounting to RM242.6 million was derived from its construction activities.

Figure 9: Comparison between Siab and Selected Industry Players in the Construction Industry in Malaysia

Indicator	Siab	Inta Bina	Nestcon	Pesona Metro[4]	TCS
Information from FYE	31-12-2020	31-12-2020	31-12-2020	31-12-2020	31-12-2020
Revenue (RM'000)	273,388	280,297	344,479	673,747	242,643
Gross Profit (RM'000)	19,989	26,585	33,283	33,626	36,551
Profit before Tax (RM'000)	15,455	12,940	19,211	-12,805	23,148
Profit after Tax (RM'000)	11,043	8,101	14,301	-14,019	16,169
Gross Profit Margin (%)[1]	7.3	9.5	9.7	5.0	15.1
Profit before Tax Margin[2] (%)	5.7	4.6	5.6	-1.9	9.5
Profit after Tax Margin[3] (%)	4.0	2.9	4.2	-2.1	6.7

Notes:
The above figures (which are based on the latest available audited financial information) only provide an indication and are not considered directly comparable as not all companies carry out activities which are completely similar to each other or in the same geographical area
[1] Gross Profit Margin = Gross Profit / Revenue
[2] Profit before Tax Margin = Profit before Tax / Revenue
[3] Profit after Tax Margin = Profit after Tax / Revenue
[4] Pesona Metro is involved in both building construction and infrastructure works. As such, its revenue of RM673.7 million includes revenue from both building construction and infrastructure business.
Sources: Siab, Bursa Malaysia Securities Berhad and Protégé Associates

3.2 Siab's Market Share Analysis

For FYE 31 December 2020, Siab generated revenue of RM273.4 million, equivalent to 0.5% share of the total size (revenue) of the construction industry in Malaysia of RM53.41 billion in 2020. Siab's revenue of RM273.1 million generated from building construction activities for FYE 31 December 2020 was equivalent to 1.1% share of the real estate construction market in Malaysia of RM24.82 billion in 2020.

4.0 Demand Conditions

Figure 10: Demand Conditions Affecting the Construction Industry in Malaysia, 2021-2025

Impact	Demand Conditions	Short-Term	Medium-Term	Long-Term
		2021-2022	2023-2024	2025
+	Government-Led Initiatives and Spending	High	High	High
+	A Favourable Interest Rate Environment	High	High	Medium
+	Increasing Push for Private Sector Participation via Funding and Investment Structures	Low	Medium	Medium
+	Steady Population Growth	Low	Low	Low
-	Subdued Property Demand and Slower or Lesser Construction Activities Due to the COVID-19 Pandemic and Lockdown Measures	High	Low	Low
-	Persistent Property Overhang Situation	Medium	Medium	Low
-	Stringent Policies Dampening Growth in the Property Market	Low	Low	Medium
-	Changing Lifestyle Trends Reduce Demand for Commercial Property	Low	Medium	Medium

Source: Protégé Associates

The local construction industry is set to benefit from the implementation of various government initiatives. In particular, the Construction Industry Transformation Programme ("**CITP**") provides a clear policy direction for the future growth of the local construction industry. Under the 12th Malaysia Plan ("**12MP**"), one of the Policy Enablers focuses on enhancing connectivity and transport infrastructure, which is expected to spur construction activities. In addition, the Malaysia construction industry is also expected to benefit from a favourable interest rate environment, whereby the overnight policy rate has remained relatively low and has been revised downwards 4 times in 2020, from the initial 3.00% in January 2020 to 1.75% on 6 May 2021. This has kept the local borrowing cost at a relatively low level and is expected to spur more demand for properties.

At the same time, the private sector is also expected to play a more active role, both directly and indirectly, in the development of the local construction industry going forward. This is attained through participation in crowdfunding platforms to provide housing schemes and establishing infrastructure-related real estate investment trusts. Furthermore, the growing population in Malaysia which is expected to increase from 28.6 million in 2010 to 41.5 million in 2040 is also expected to boost higher demand for housing.

On the flip side, the ongoing COVID-19 pandemic and resulting lockdown and social distancing measures has limited property marketing and sales activities, leading to subdued consumer demand for properties. These measures had also disrupted the supply chain within the construction industry, thus leading to slower revenue recognition, as well as the postponement of new construction projects. Meanwhile, the persisting property overhang situation is Malaysia is also expected to dampen growth of the industry. While the combined overhang residential, shop and industrial units decreased from 38,551 units in 2018 to 37,968 units in 2019 and to 37,849 units in 2020, this figure is still considered very high. The combined overhang further increased to 39,267 units in 2021H1. This development may place property developers in a more difficult position when launching new property projects in the future, thus leading to lesser demand for construction services.

Moreover, restrictive Government-led policies are expected to slow the rate of growth in the local property market. These policies include the real property gain tax ("**RPGT**") for disposal of properties or shares in a real property company. The RPGT will apply if a seller sells a property within the first five years after purchase. However, the RPGT will be removed after the sixth year. At the same time, even before the COVID-19 pandemic, there has already been a growing trend of retail tenants moving away from traditional brick and mortar spaces and shifting business to online platforms. The advancement in technology, e-commerce and enhanced online tools has made working remotely more popular and preferable, as seen in some more advanced cities. While Malaysia is a few steps behind, the COVID-19 pandemic is expected to accelerated the adoption of this trend. As more and more people adopt online shopping more, retailers may be forced to reconsider how they utilise spaces. This trend may benefit industrial properties as retailers require more space for warehousing and logistic purposes. Demand for office spaces too may fall as companies realise that work can be executed at home via online tools. Such changes generally happen gradually as companies slowly reduce work space.

5.0 Supply Conditions

Figure 11: Supply Conditions Affecting the Construction Industry in Malaysia, 2021-2025

Impact	Supply Conditions	Short-Term	Medium-Term	Long-Term
		2021-2022	**2023-2024**	**2025**
+	CIDB Providing the Necessary Leadership in Spearheading the Development of the Local Construction Industry	High	High	High
+	Activism by Master Builders Association Malaysia ("**MBAM**") Raising Profile and Pushing for the Betterment of the Construction Industry in Malaysia	High	High	High
+	Government Initiatives to Support the Local Construction Industry	High	High	High
+	Strengthened Mechanism to Address Payment Disputes and Facilitate Adjudication	Medium	Medium	Medium
-	Labour Shortage and High Dependency on Foreign Workers	High	High	High
-	Challenging Operating Environment Due to the COVID-19 Pandemic and Lockdown Measures	Medium	Low	Low
-	Lack of Traction in the Adoption of Industrialised Building System ("**IBS**") Construction	Medium	Medium	Low

Source: Protégé Associates

From the supply side, Government entities such as the CIDB and MBAM have been actively promoting the profile and growth of the Malaysian construction industry. In particular, the CITP which is developed by CIDB outlines the strategic goals and milestones to bring the local construction industry to the next level. MBAM on the other hand serves to promote, enhance, protect and safeguard the interest of the local construction via acting as a single voice for the local construction industry when engaging with policy makers and relevant government bodies – leading to an increase in bargaining power. The MBAM has resolved various issues faced by the local industry by conducting dialogues with the Government. At the same time, the Government has also been actively supporting the growth of the local construction industry. A sum of RM2.9 billion will be allocated to contractors from G1 to G4 class to carry out small and medium projects across the country as stated in Budget 2022. Other initiatives by the Government include the creation of the Skim Jaminan Kredit Perumahan, which is a housing loan to those without a fixed income and the removal of the RPGT after the sixth year. The introduction of the Construction Industry Payment and Adjudication Act 2012 ("**CIPAA**") and the establishment of specialised construction courts in Malaysia have also helped to alleviate the prevalent and pervasive practice of delayed, underpayment and/or non-payment for works carried out under a construction contract in Malaysia.

On the other hand, the local construction industry continues to face labour shortage issues. As most locals avoid construction jobs, the local construction industry has been relying heavily on foreign workers. This challenge has been made more difficult with policies on foreign workers being constantly under close scrutiny and are subject to frequent changes particularly on levy rates and number of foreign workers allowed to work in Malaysia. At the same time, players in the local industry have been forced to incur holding costs, losses and expenses for not being able to proceed with construction works due to the COVID-19 pandemic and lockdown measures. For players allowed to operate, additional costs are incurred when implementing strict health and safety regulations, enhanced sanitisation at the workplace and/or urgent COVID-19 testing for their foreign workers. However, while no new intake of foreign workers is allowed into the country until the end of the year, players in the construction industry are provided with temporary relief from certain contractual obligation(s) for a certain period as stated in the Temporary Measures for Reducing The Impact of Coronavirus Disease (COVID-19) Act 2020. In addition, for sectors with high reliance on foreign workers such as the construction industry, a special incentive of 60% of monthly wages will be provided whereby 40% will be channelled to the employer while 20% will be channelled as a wage top up to the local worker replacing the foreign worker.

At the same time, the lack of mass adoption of IBS by the local construction industry has made it hard for the IBS companies to reach economic viability. Also, the lack of standardisation of IBS within the country has led to a specific component used in one project not necessarily able to fit into another project, thus resulting in higher costs incurred for new mould and design. Besides that, design consultants may not be adequately trained or fully equipped to undertake IBS design related tasks. Furthermore, there is limited number of construction industry players that are ready to fully prepare themselves for an IBS-driven environment. However, to remedy the situation, the Government has taken several initiatives to promote adoption of IBS within the country such as including IBS as part of the initiatives under the productivity strategic thrusts under the CITP and the CIDB providing levy exemptions for housing development projects with at least 50% IBS content. In addition, the constructions of public buildings are also required to meet the required IBS score, with the mandate being extended to the private developments.

6.0 Prospect and Outlook of the Construction Industry in Malaysia

Factors boosting growth within the construction industry is likely to come from the government-led initiatives and spending particularly those relating to infrastructure and housing development such as the ECRL and MRT 2 as well as provision of incentives to stimulate the property market and financing through the SME-GO Scheme for qualified contractors. A favourable interest rate environment and increased participation from the private sector via funding and investment structures and steady population claims are also expected to support the construction industry. However, stringent policies imposed on the property market by the Malaysian Government and deteriorating property overhang situation are expected to reduce growth in the property market, a key source of demand for construction activities although this is expected to be cushioned by ongoing efforts by the Malaysian Government in providing housing for all such as the removal of the RGPT after the sixth year as well as various affordable housing programs. Changing lifestyle trends are expected to prompt developers into reconsidering the type of projects they undertake in the future. As online platforms gradually takeover brick and mortar spaces and more companies adopt for work from home concepts, developers may opt to construct more residential buildings to cater for the growing population.

On the supply side, the industry is expected to be boosted by efforts from industry bodies such as CIDB and MBAM by providing necessary leadership in spearheading the development of the local construction industry as well as raising profile and pushing for the betterment of the construction industry in Malaysia. In addition, the introduction of the CIPAA has also served as a strengthened mechanism to address payment disputes and facilitate adjudication within the industry. However, the Malaysian construction industry is expected to be hampered by labour shortage and high dependency on foreign workers, challenging operating environment due to the COVID-19 pandemic and lockdown measures as well as the lack of traction in the adoption of IBS construction.

Overall, the construction industry in Malaysia is expected to decline slightly in 2021 due to a resurgence in COVID-19 cases and resulting MCOs before rebounding in 2022. Protégé Associates projects the size (revenue) of the construction industry in Malaysia to drop to RM53.11 billion in 2021 and increase to RM73.58 billion in 2025, registering a CAGR of 6.6%.

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

9.1 RISKS RELATING TO OUR BUSINESS

9.1.1 Our business operations and financial performance may be affected due to the outbreak of the COVID-19 and possible similar future outbreaks of viruses

The outbreak of unexpected COVID-19 pandemic has led to the enforcement of the MCO by the Malaysian Government to contain the spread of COVID-19. The imposition of MCO 1.0 resulted in closure of non-essential business activities including construction activities which resulted in the temporary suspension of all our construction work for approximately 1 ½ months and was only able to resume in May 2020 after obtaining all the necessary approvals from relevant authorities such as MITI. The Malaysian Government then introduces CMCO from 4 May 2020 to 9 June 2020 and RMCO from 10 June 2020 to 31 March 2021 to contain the spread of COVID-19 cases in the country.

In October 2020, given the significant rise in COVID-19 cases seen throughout Malaysia, the Malaysian Government reinstated the CMCO in all states in Peninsular Malaysia, except for Perlis, Pahang, and Kelantan on 14 October 2020. The worsened COVID-19 situation in 2021 saw the Government imposing MCO 2.0 and MCO 3.0 as means of containing the spread of COVID-19. The imposition of the MCO 2.0 and MCO 3.0 did not materially impact our operations as exemption was granted by MITI for us to operate as usual.

On 1 June 2021, the Government imposed the FMCO in conjunction with MCO 3.0 before transitioning to the NRP on 15 June 2021. The FMCO resulted in temporary suspension of our operations at some of our project sites and resulted in some potential delay in our revenue recognition from these projects. We do not expect any material adverse financial impact from the suspension in the short term as we have sufficient working capital to support our operations. Additionally, the imposition of workforce capacity limitations during FMCO and selected phases of the NRP and closure of our project site due to COVID-19 case are also expected to contribute to delay in our project timeline and potential delay in revenue recognition. We do not expect the above delay in our project timeline and revenue recognition will have material impact on our financial performance as we neither received any cancellation or suspension of any contracts nor did we experience any reduction in our scope of work. We will be able to complete all our ongoing project and the delayed revenue will eventually be recognised. However, no assurance can be given that the prolonged COVID-19 pandemic or any subsequent MCO will not adversely affect our business operations.

On 4 March 2021, we were informed that 1 of our subcontractor's workers who work at our Impressions U-Thant Project site received positive diagnosis for COVID-19. The measures that we took upon receiving this information included, among others, testing of all workers at the project site, conducting contact tracing and testing of identified close contacts, following which 35 additional construction workers received positive diagnosis for COVID-19 between 4 March 2021 and 5 March 2021. Subsequently, 9 additional workers who first tested negative for COVID-19, tested positive during their second test on 11 March 2021. All 45 construction workers who had tested positive for COVID-19 were instructed to self-quarantine. Between 14 and 20 March 2021, all the affected construction workers were released from MAEPS Quarantine Centre.

We closed that particular construction site from 5 March 2021 to 8 March 2021, and disinfected that particular construction site and only allowed other construction workers who tested negative for COVID-19 to return to the construction site from 9 March 2021. The closure of that particular construction site did not result in any material disruption to our business operations.

On 28 April 2021, we were informed that 1 of our employees who is based at our head office was tested positive for COVID-19. The measures that we took upon receiving this information included, among others, conducting contact tracing and testing. We identified 8 direct close contacts, all of which tested negative for COVID-19. All 8 of the direct close contact employees were instructed to self-quarantine for 14 days. These 8 direct close contact employees were screened again on 10 May 2021 and were tested negative for COVID-19 and were allowed to return to our office on 11 May 2021. The 1 affected employee subsequently completed all necessary protocols, received discharged letter and returned to our head office on 24 May 2021.

On 17 July 2021, we were informed that 2 of our subcontractors' workers from our Hyatt Bukit Jalil Project's site tested positive for COVID-19 and immediately moved to quarantine hotels the following day. The measures we took upon receiving this information included, among others, testing, monitoring and imposing self-quarantine on all individuals working at the project site. On 18 July 2021, we suspended work at the project site and carried out COVID-19 test on all individuals working at the project site of which 1 additional subcontractor's worker was tested positive for COVID-19 and were moved to quarantine hotel. On 21 July 2021, 2 of our subcontractors' personnel began exhibiting COVID-19 symptoms while serving home quarantine and subsequently tested positive for COVID-19 and continued their home quarantine. We subsequently conducted a second COVID-19 test on 26 July 2021 and a further 10 subcontractors' workers were tested positive for COVID-19 and were transferred to quarantine hotels. All the remaining workers residing in the workers' quarters were also transferred to quarantine hotels of which 4 subcontractors' workers were subsequently tested positive for COVID-19 and further 5 subcontractors' workers were identified as close contacts. Service provider was engaged to sanitise and carry out disinfection at the project site, site office, meeting room, client's office, security post, canteen, prayer room and workers' quarters. Work at the project site was suspended from 18 July 2021 to 8 August 2021 but did not result in any material disruption to our business operations.

On 19 July 2021, we were informed that 5 of our subcontractors' workers at our Chambers Residence Project's site were tested positive for COVID-19. We carried out COVID-19 Antigen Rapid Test on all workers at the project site. From the tests, 23 workers were identified to be positive for COVID-19 and immediately isolated and moved to quarantine hotels. Subsequently, the remaining workers residing at the workers' quarters were also transferred to quarantine hotels. A second COVID-19 Antigen Rapid Test was conducted of which additional 55 subcontractors' workers were tested positive for COVID-19 and 19 subcontractors' workers were identified as close contacts where their quarantine were extended. Service provider was engaged to sanitise and carry out disinfection services at the site office, meeting room, client office, security post, canteen, prayer room and worker quarters. Work at the project site was suspended from 22 July 2021 to 3 August 2021 but did not result in any material disruption to our business operations.

On 31 July 2021, we were informed that 1 security worker at our Impressions U-Thant Project's site tested positive for COVID-19. The measures we took upon receiving this information included among others, suspending the work site (except for site inspection works by our personnel and project consultants) and conduct tests and contract tracing. We identified 15 workers who were tested positive for COVID-19 and sent to the quarantine hotels. Contract tracing further identified 32 workers as close contacts which were also sent to the quarantine hotels. Service provider was engaged to sanitise and carry out disinfection services at project site's office, meeting room, client's office, security post, canteen, prayer room and workers' quarters. Work at the project site was suspended from 31 July 2021 until 14 August 2021 but did not result in any material disruption to our business operations.

On 30 August 2021, we were notified that 3 subcontractors' workers at our Amverton Cove Project's site were exhibiting COVID-19 symptoms after undertaken the COVID-19 vaccination. They were sent for COVID-19 testing and were tested positive for COVID-19. The measures we took upon receiving this information included, among others, suspending construction work at the project site and imposing self-quarantine. We conducted COVID-19 PCR tests where a total of 39 workers were tested positive for COVID-19 and were transferred to quarantine hotels. The remaining 36 workers were instructed to continue their self-quarantine. Service provider was engaged to sanitise and carry out disinfection services at the project site's office, meeting room, client's office, security post, canteen and prayer room. Construction work at the project site was suspended from 30 August 2021 to 22 September 2021 but did not result in any material disruption to our business operations.

Notwithstanding that our Group has taken all necessary precautionary measures and steps in response to the COVID-19 situation, there can be no assurance that neither our employees nor the employees of our subcontractors will not be infected by the COVID-19 virus in future. A spread of such diseases amongst our employees or our subcontractors' employees as well as the resulting quarantine and closure of offices and construction sites may affect our ability to carry out our business. These disruptions to our business operations will in turn delay our project delivery, which may consequently result in adverse impact on our financial performance. Strict adherence to standard operating procedures imposed by regulatory authorities may also increase our operating costs.

In addition, these disruptions may happen to other parties in a project, be it our client, project consultants, foreign workers, suppliers and subcontractors, which may lead to reduced number of projects being awarded, slower or longer construction period or shortage and/ or disruption in supply of materials, all of which could affect our business and financial performance. There is no assurance that outbreak of COVID-19 in Malaysia can be effectively controlled, or another outbreak of COVID-19 or other pandemics will not happen in the future. Other outbreak or pandemics may happen in the future and could persist for a substantial period, and this may significantly and adversely affect our business operations and financial performance.

Please refer to Section 7.12 for further details on how our business operations were affected by COVID-19.

9.1.2 We are subject to regulatory requirements for our business operations

Our business is subject to various laws, rules and regulations. In particular, our Group is required to obtain and hold a valid certificate of registration issued by the CIDB for our day-to-day operations. In order to keep our registration, we are required to comply with the restrictions and conditions imposed by the government authorities, and should we fail to comply with such restrictions and conditions, our registration may be suspended or cancelled. There is also risk pertaining to delays or refusal when renewing the registration upon its expiry.

Under the CIDB Act, an entity must be registered and hold a valid registration certificate issued by the CIDB prior to undertaking any construction work in Malaysia. There are seven specified registration grades ranging from Grade G1 to Grade G7 and a registered contractor cannot tender for any construction project that exceeds the value of the construction works specified in the registration grade.

Our Group is currently registered with CIDB as a Grade G7 contractor for the building, civil engineering and mechanical and electrical engineering category. As a Grade G7 registered contractor, we are able to tender for construction projects in Malaysia up to an unlimited value.

The failure in our Group to renew the CIDB certificate or a suspension of our CIDB certificate and/or obtain other new approvals, licences and permits, where required could result in the suspension of or restriction in our business operations, and thereby adversely affect the business, financial position and prospects of our Group. In addition, our subcontractors may face revocation of their approvals, licences and permits required to carry out their works in the event of any non-compliance. This may cause delays in our projects and may affect our business operations. As at the LPD, our Group has not experienced any past instances where our certificates have been revoked or suspended prior to their expiration, or faced any difficulties in renewing our certificate as a contractor with CIDB.

In addition, Section 24D(1) of the Workers Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("**WMSHA 2019**") stipulates that no accommodation shall be provided to an employee unless certified with a Certificate for Accommodation. We currently provide accommodation at our construction sites located in Klang Valley for construction workers of our subcontractors. As such, we are required to obtain the Certificate for Accommodation for each of our construction site. Section 24D(4) of the WMSHA 2019 provides that a centralised accommodation provider who contravenes Section 24D(1) of the WMSHA 2019 commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000, or to imprisonment for a term not exceeding 1 year or to both.

Siab Group had between 16 April 2021 to 26 June 2021 submitted applications for the Certificate for Accommodation for foreign workers' accommodations of our subcontractors located at 4 of our construction sites (namely Impressions U-Thant Project, Chambers Residence Project, Hyatt Bukit Jalil Project and Cubic Botanical Tower A Project) within the vicinity of Klang Valley to the Department of Labour Peninsular Malaysia. The total number of units in relation to the application for the Certificate for Accommodation at our construction sites for Impressions U-Thant Project, Chambers Residence Project, Hyatt Bukit Jalil Project and Cubic Botanical Tower A Project are 25 units, 42 units, 50 units and 3 units, respectively. As at LPD, the temporary building permits for accommodation at the 4 construction sites had been obtained and the Certificate for Accommodation for the workers' accommodations located at the construction sites for Impressions U-Thant Project and the Chambers Residence Project had been obtained on 30 September 2021 and 11 October 2021, respectively. Whereas, the Certificate for Accommodation for the workers' accommodations located at the construction sites for Hyatt Bukit Jalil Project and Cubic Botanical Tower A Project had both been obtained on 28 December 2021.

As at the LPD, the construction of The Dawn Project, Columbarium Project and Arunya @ KL North Project are at preliminary stages where the required floors to be designated as workers' accommodation for respective projects have not been built yet. As such, no workers' accommodation has been provided by Siab to the subcontractors' workers for the respective projects. Moving forward, upon completion of the required floors designated as workers' accommodations for the respective projects, Siab will apply to the relevant authorities to obtain the temporary building permits and Certificate for Accommodation.

Despite obtaining the Certificate for Accommodation for our ongoing projects in which Siab is providing workers' accommodation for its subcontractors, there is no assurance that we will be able to successfully obtain the Certificate for Accommodation for the workers' accommodation of the above mentioned ongoing projects (when required) and our future projects. If we fail to obtain the Certificate for Accommodation for the workers' accommodation of the above mentioned ongoing projects (when required) and our future projects, on conviction, we shall be liable to a fine not exceeding RM50,000, or to imprisonment for a term not exceeding 1 year or to both for each construction site. In addition, our operations may be temporarily disrupted as we will be required to relocate the foreign workers of our subcontractors to new place of accommodation with valid Certificate for Accommodation.

9.1.3 We face possible delays in the completion of construction projects and potential reduction, termination and/or revision in the scope of work

Construction projects are subject to budgets and scope of work, to be delivered within stipulated timelines. Therefore any extensions or delays in a project may result in increased construction overheads and might attract a negative reputation and legal uncertainties such as the imposition of LAD by our clients. The timely completion of projects undertaken by our Group is also dependent on various external factors, which include but not limited to adverse weather conditions, timely receipt and renewal of requisite licences, permits and approvals, availability of construction materials and labourers, and the quality of work delivered by our sub-contractors.

Any impact resulted from the above factors could lead to project cost overrun, premature termination of our contract or the postponement of or scaling down of the project by our clients. Project delays may also affect our profitability, delay the recognition of our revenue, incur additional costs and/or result in our clients imposing LAD on us, all of which could adversely affect our Group's financial performance. We may also face reduction and/or revision of our scope of work, which will result in lower revenue generated from such affected project. There can be no assurance that the contract sum of our on-going projects and/or future projects will not be reduced as a result of reduction or revision in our scope of work. In the event that the contract sums of our on-going projects and/or future projects are reduced, our revenue, profit and operating cash flow may be adversely affected.

Furthermore, the ongoing COVID-19 pandemic that resulted in multiple MCOs and its subsequent variations implemented in the country since March 2020, may lead to delays in completing our ongoing projects. The MCO 1.0 which began on 18 March 2020 resulted in the temporary suspension of operations at all our project sites. We received approvals from the MITI from 20 April 2020 to 29 April 2020 for resumption of our operations at our head office and our ongoing project sites with limited workforce. Although our Group's office and construction sites are located within the states that are placed under MCO, we have not experienced material disruptions to our business operations and the progress of our on-going projects were allowed to continue during MCO 2.0 with certain strict adherence to standard operating procedures. However, on 1 June 2021, the Government imposed the FMCO in conjunction with MCO 3.0 (later transitioned to the NRP) which resulted in temporary suspension of our operations at most of our project sites. We have subsequently received approvals from MITI to resume operation of those suspended project sites in between 7 July 2021 to 3 September 2021. However, the delays caused by the suspension were not material as we neither received any cancellation or suspension of any contracts nor did we experience any reduction in our scope of work. We will be able to complete all our ongoing project and the delayed revenue will eventually be recognised.

Save for the RM0.60 million LAD charged by client in both FYE 2018 and FYE 2020 in relation to the Seri Riana Residence (Phase 2B) Project due to additional time required to meet the standards of CONQUAS 21 assessment as required under the contract, we have not experienced material delay, termination or cancellation of any of our on-going projects as well any situations where our clients imposed LAD on us for the past FYE 2018 to FYE 2020 and FPE 2021.

In year 2018, the scope of work related to the construction of building for Block E and Block F of our PJ City Project had been revised to the construction of the building structures only for Block E and Block F. As a result of the reduction in scope of work, the original contract sum of RM94.00 million was reduced to RM63.80 million. The cost of sales of the project was also revised from the original contract value, from an estimated RM89.78 million to RM56.05 million. Consequently, our gross profit margin also increased due to the revision, from an estimated 4.49% to 12.15% mainly attributable to reduction in preliminary costs, such as workers' wages, staff salaries, rental of machineries and other site expenses.

Save for the above, we have not encountered any instances in which our scope of work were reduced during the FYE 2018 to FYE 2020, FPE 2021 and up to LPD.

9.1.4 Any unanticipated increase in costs associated with our construction projects may impair our financial performance

Our cash flows and profitability are dependent upon our ability to accurately estimate the costs associated with our construction projects which may be affected by a variety of factors, such as lower than anticipated productivity, higher costs of materials and subcontractors, delay in the availability of financing and political or social disruptions, amongst others.

These variations in costs may cause actual profit for a project to vary from those originally estimated and resulted in certain contracts or projects having lower margins than anticipated, or losses if actual costs for our contracts exceed its estimates, which could have a material adverse effect on our Group. We did not experience any incident that had a material impact towards our PAT and cash flow during FYE 2018 to FYE 2020 and FPE 2021.

9.1.5 Availability and fluctuations in construction material prices

Our construction activities require our Group to purchase a wide range of raw materials such as steel bars and wire mesh, ready-mixed concrete, sanitary wares, tiles, cement, grout and adhesives, timber and plywood, galvanised iron pipes, electrical items, bricks, diesel, and quarry products from our suppliers. We are dependent on the continuous supply of construction materials which we source from a number of local suppliers. The unavailability of certain construction materials may require us to source for replacements. If we are unable to obtain the replacements in a timely manner, it may lead to delay in our construction work and could adversely affect our business operations. There is no assurance our Group is able to secure sufficient quantities of these raw materials in the event there is a shortage in the market. The increase in cost of construction materials or the inability of our Group to secure sufficient raw materials for our construction projects may impact the financial performance of our Group.

In addition, our construction materials are price sensitive, and we face the risk of not obtaining sufficient quantities of construction materials at competitive prices. Some of our construction materials such as steel bars are commodities and their prices are subject to the fluctuation in global market prices which we are unable to estimate at the point when we submit tenders for projects.

Notwithstanding the above, our Group has neither experienced any significant increase in construction material prices that has adversely affected our financial performance, nor been unable to secure sufficient construction materials for our construction projects during FYE 2018 to FYE 2020 and FPE 2021. Furthermore, any increase in construction material prices or scarcity of construction materials in the market will also be experienced by the rest in the construction industry in Malaysia.

9.1.6 We are dependent on services of sub-contractors for our construction works

We engaged subcontractors to undertake various specialised services and certain labour-intensive works throughout the different stages of construction. We select our subcontractors through assessing the tenders submitted by the subcontractors as well as from past working experience with the subcontractors. Once a subcontractor is appointed, a formal contractual agreement is signed between our Group and the subcontractor to ensure the terms and conditions for the sub-contract has been predefined prior to the commencement of the project. We engage subcontractors for services which include earthworks, M&E works, infrastructure works, building and construction works and operators of machinery and equipment. Nevertheless, our Group is still in charge of the overall management of our projects. Our total subcontractor costs accounted for approximately 64.53%, 69.67%, 77.56% and 72.80% of our Group's total cost of sales for the FYE 2018, 2019, 2020 and FPE 2021, respectively.

Notwithstanding the above, any failure by a subcontractor to fulfil its contractual obligations may lead to delay in completion of the project or penalties imposed on our Group by our clients. If we are unable to claim such penalties from our subcontractors, our Group may be liable for such costs and this could adversely affect our Group's financial performance.

9.1.7 Our continued success is dependent on our Executive Directors and Key Senior Management

The continued success of our Group is dependent, to a large extent, on the abilities, experience and continued efforts of our Executive Directors and key senior management. As such, maintaining a strong key senior management team is vital towards upholding the quality of our Group's services and our relationship with our clients. The loss of any of these key personnel without suitable and/or timely replacements and the inability of our Group to attract or retain qualified and skilled personnel could hinder our Group's competitive performance, which could in turn have an adverse effect on the financial performance and prospects of our Group.

While we have put in place human resource plans and strategies as part of our efforts to retain and attract new resources, there can be no assurance that these measures will be successful in retaining our key personnel nor can we ensure smooth management succession plan should key personnel decide to leave our Group.

9.1.8 The continuity of our order book is not assured

Our Group is principally involved in the construction industry where projects are generally awarded on a project-to-project basis and as such, there is no assurance of the continuity of one project to the next project. In the Malaysian construction industry, projects are generally awarded based on competitive tendering and our Group is required to bid competitively for all the projects we wish to secure. As such, our Group faces the risk of not being able to secure all of the projects we tendered. We also face the risk that our existing order book may be reduced due to termination of ongoing projects or reduction in our scope of work which reduces the contract value. Any significant decline in our order book could adversely affect our Group's sustainability and prospects.

As at the LPD, our Group has an unbilled order book totalling RM544.98 million. However, there can be no assurance that we will be able to maintain or increase the level of our order book in the future. Additionally, our order book may be subject to project cancellations which may occur from time to time, thereby reducing the value of our order book.

9.1.9 We are subject to defect liability claims

The nature of our business exposes us to the risk of defects liability claims by our clients. During the DLP, which ranges from 18 months to 30 months, we are liable for any repairs works, reconstruction or rectification of any defects attributable to the construction works including those carried out by our subcontractors.

The defects liability shall be borne by our Group and may result in substantial costs incurred if there are a lot of defects. If we fail to rectify the defects satisfactorily, our clients may use the retention sums of the project to rectify those defects. In such cases, we may not recover the whole retention sum from our clients. As such, any material defects and/or claims on our works may have a material adverse effect on our Group. We have not incurred any defects liability claim during the FYE 2018 to FYE 2020 and FPE 2021.

9.1.10 We are subject to inadequate insurance coverage on our employees and assets

Our employees and sub-contractors who carry out their duties at our construction sites are exposed to potential hazards which include amongst others, bodily injuries and loss of life due to workplace accidents. We are also exposed to risk of loss and damages to our machinery and equipment arising from theft, improper usage or fire.

Although we have taken up contractors' all risk insurance up to RM497.19 million and workmen compensation insurance up to RM47.04 million that provides all risk insurance coverage to our workers and sub-contractors at our construction sites, there can be no assurance that our insurance coverage is sufficient to cover all of the liabilities that we may be liable. The occurrence of workplace accidents and damage to our machinery and equipment could result in significant increase in project costs, or affect our ability to perform our contractual obligations, which could materially and adversely affect our Group.

Our insurance premium payable for our existing insurance policies may also increase or we may be required to take on additional insurance for our future projects. Any increase in premium payable or additional insurance required may adversely affect our financial performance.

In year 2018, there was an occurrence of an accident involving the collapse of piling work caused by soil movement for the Apple 99 Project. There was no major impact of the accident to the Group other than the additional work performed to rectify the collapsed piling which was partially covered by a RM0.18 million insurance claim collected. Additionally, none of our employees and sub-contractor's workers were injured by the accident. Save for the above, there were no other past incidences occurred during the financial year 2018 to year 2020, FPE 2021 and up to LPD.

9.1.11 Our cash flow may be adversely affected by delays in collection or non-recoverability of trade receivables

We are exposed to delays in collection and/or non-recoverability of trade receivables. At present, the credit terms granted to our customers are 30 to 45 days from the date of progress billings depending on the terms of the contracts. If we experience any delay and/ or non-payment by our customers, we may face potential cash flow constraints. This may result in a material adverse impact on our financial condition, our ability to pay our suppliers, and potentially delay on the progress of our projects.

The trade receivables as at 31 July 2021 which exceeded the credit period amounted to RM18.92 million (excluding retention sum) is still outstanding as at LPD.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We operate in a highly competitive construction industry

The construction industry is highly competitive and fragmented. We face competition from various construction companies, which include listed companies and small independent companies. Our competitors may have specialised expertise in certain segments or better resources than us.

As at the LPD, there were a total of 130,442 local contractors registered with CIDB, of which 8,700 of them were registered with Grade G7 based on the IMR Report. Our competitors may have longer operating track record and more resources in terms of capital, machinery and manpower compared to us.

Due to the nature of our business, we are actively involved in tendering for building construction projects. We seek to stay competitive by actively submitting competitive bids and negotiations to secure contracts and continuing our efforts in maintaining our competitive edge in terms of cost efficiency, service quality, reliability and innovation in construction projects. However, no assurance can be given that we will be able to compete effectively with current competitors and new entrants into the construction industry in future.

9.2.2 We are subject to the political, economic and regulatory conditions in Malaysia

Our operations are primarily concentrated in Malaysia and are governed by the terms of the licences awarded by relevant local authorities including CIDB and Department of Occupational Safety and Health. As such, the business prospects and financial performance of our Group depend on the political, economic and regulatory conditions in Malaysia. Any adverse developments or uncertainties in political, economic or regulatory conditions includes changes in the political leadership leading to unstable political situation, terrorism activities, changes in interest rates, fluctuation in currency exchange rates, changes in accounting and tax policies, as well as changes in government policies such as introduction of new regulations, in Malaysia could unfavourably affect our business prospects and financial performance.

We have not in the past experienced any severe restrictions on our conduct of business. However, there is no assurance that any adverse political, economic and regulatory changes in Malaysia, which are beyond our control, would not have an adverse impact on our ability to conduct business and future financial performance.

9.2.3 We are dependent on the supply of foreign workers for our construction activities

The construction industry is very labour intensive and is dependent on supply of foreign workers. As at the LPD, we do not employ foreign workers under our Group and rely on foreign workers that are employed by our sub-contractors. Our sub-contractors are required to comply with regulations imposed by CIDB and the Immigration Department of Malaysia in relation to the employment of foreign workers in the construction industry.

As our Group is dependent on foreign workers, any disruption or scarcity in supply of foreign workers may adversely affect our business operations. Foreign workers are generally issued with visit passes (temporary employment) for a period of one year, which are subject to annual renewal. There can be no assurance that our subcontractors will be able to renew their foreign workers visit passes (temporary employment) successfully.

In addition, if the policies to employ foreign workers for construction projects are varied and our subcontractors are unable to obtain adequate supply of foreign workers, our work and our ability to complete our construction projects in a timely manner may be affected, which may have an adverse impact on our business operations and financial performance.

9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

9.3.1 There is no prior market for our Shares

Prior to our Listing, there was no public trading for our Shares. The listing of our Shares on the ACE Market does not guarantee that an active market for our Shares will develop.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market.

9.3.2 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing may be aborted or delayed should any of the following occurs:

(i) The selected investors fail to subscribe for their portion of our IPO Shares;

(ii) Our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein; and

(iii) We are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.00% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMSA will apply.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules.

Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and ROC within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117(3) of the Act.

There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

9.3.3 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.

9.4 OTHER RISKS

9.4.1 Our Promoters will be able to exert significant influence over our Company

Our Promoters will collectively hold approximately 53.75% of our enlarged share capital upon Listing. Because of the size of their shareholdings, our Promoters will have significant influence on the outcome of certain matters requiring the vote of shareholders unless they are required to abstain from voting by law and/or as required by the relevant authorities.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisition and amount owing to our Directors (details as set out in Section 10.2.2), there were no transactions, existing and/or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them which are material to our Group during the FYE 2018 to FYE 2020, FPE 2021 and up to the LPD.

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and normal commercial terms, we have established the following procedures:

(i) Recurrent related party transactions

(a) At least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/services and/or quantities; or

(b) If quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(ii) Other related party transactions

(a) Whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;

(b) The rationale for the Group to enter into the related party transaction and the nature of alternative transactions, if any; and

(c) Whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

For related party transactions that require shareholders' approval, the Directors, major shareholders and/or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has an interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant Directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and vote on the Board resolutions relating to these transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit and Risk Management Committee has an interest in any related party transaction, he is to abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

10.2 OTHER TRANSACTIONS

10.2.1 Transactions entered into that are unusual in their nature or conditions

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for FYE 2018 to FYE 2020, FPE 2021 and up to LPD.

10.2.2 Outstanding loans (including guarantees of any kind)

Save as disclosed below, there are no outstanding loans (including guarantees of any kind) made by our Group to/for the benefit of a related party or granted by the related parties for the benefit of our Group during the FYE 2018 to FYE 2020, FPE 2021 and up to the LPD.

(i) Outstanding loans and/or balances

Other than the amount owing to our Director of RM0.37 million in FYE 2018 and RM0.01 million in FPE 2021, there was no other amount owing to our Director of our Group. The RM0.37 million owing to our Director in FYE 2018 relates to the advances extended by our Director to Siab (M) for working capital purpose and has been settled in full during the FYE 2019. Whereas the RM0.01 million owing to our Director in FPE 2021 relates to the advances extended by our Director to Siab for expenses related to the incorporation of our Company which has been settled in full during FPE 2021. This amount is non-trade related, unsecured, interest free and repayable on demand. As at the LPD, we do not have any amount owing to/by any of our Directors.

(ii) Guarantees

Our Directors, namely Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi have jointly and severally provided personal guarantees for certain outstanding banking and leasing facilities extended by several local banks ("**Financiers**").

In conjunction with the Listing, we have applied to the Financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the Financiers. Until such release and/or discharge are obtained from the respective Financiers, our Directors will continue to guarantee the banking facilities extended to our Group.

As at the LPD, we have received conditional approvals from the Financiers to discharge the above guarantees, which includes conditions such as (i) our successful Listing and (ii) substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the financial institutions.

10.2.3 Promotions of any material assets acquired/to be acquired within 3 financial years preceding the date of this Prospectus

Save for the Acquisition, none of our Directors or substantial shareholders had any interest, direct or indirect, in the promotion of or in any material assets which had been, within FYE 2018 to FYE 2020 and FPE 2021, acquired, disposed or leased or proposed to be acquired, disposed or leased to/by us.

10.2.4 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Sponsor, Underwriter and Placement Agent for our Listing:

(i) Agreement dated 23 September 2020 between Siab (M) and M&A Securities for the appointment of M&A Securities as Adviser, Sponsor and Placement Agent for our Listing; and

(ii) Underwriting Agreement dated 22 December 2021 entered into between our Company and M&A Securities for the underwriting of 64,384,000 Issue Shares.

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11. CONFLICT OF INTEREST

11.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS

(i) As at the LPD, save as disclosed below, none of our Directors or substantial shareholders has any interest, direct or indirect, in other businesses or corporations which are carrying on a similar or related trade as our Group:

Director/ Shareholder	Company	Position held	Principal Activities	Shareholdings held (%)
Director				
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	Tropicana Corporation Berhad (Listed on the Main Market of Bursa Securities)	Independent Non-Executive Director	Investment holding engaged in property development, property management, property investment, recreation resort and others	-
Dato' Sri Shahril bin Mokhtar	Sungai Klang Expressway Sdn Bhd	Managing Director	Construction and operation of infrastructure and property developments	-
	SKE Venture Sdn Bhd	Executive Director	Investment holding engaged in construction and operation of infrastructure and property developments	-
Datuk Lim Tong Lee	LBS Bina Group Berhad ("**LBS Bina**") (Listed on the Main Market of Bursa Securities)	Independent Non-Executive Director	Investment holding company engaged in property development, construction and trading, motor racing circuit and management, investment and others	0.03
Shareholder				
Dato' Chang Lik Sean	MV Technology Sdn Bhd ("**MV Tech**")	Shareholder and Executive Director	Provision of ICT products and solutions	99.00

Our Board is of the view that the interest of our Directors and shareholder in the above companies does not give rise to a conflict of interest situation based on the following:

(a) Tropicana Corporation Berhad

Tropicana Corporation Berhad is an investment holding. Tropicana Corporation Berhad and its subsidiaries ("**Tropicana Group**") are principally engaged in property development, property management, property investment, recreation resort and others. Tropicana Group mainly manages the construction of their own development projects and is not actively engage in any construction activities for other property developers which is the principal activity of our Group.

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun is appointed as the Independent Non-Executive Director of Tropicana Corporation Berhad whereby he is not involved in the day-to-day operations of the company as its daily operations are managed by the company's personnel, and he only attends meeting of the board of directors on which he serves and accordingly discharges his principal areas of responsibilities as a director of the company.

(b) SKE Venture Sdn Bhd and Sungai Klang Expressway Sdn Bhd

SKE Ventures Sdn Bhd and its wholly-owned subsidiary, Sungai Klang Expressway Sdn Bhd ("**SKE Group**"), are primarily involved in the construction and operation of infrastructure and property development and they are not involved in construction of non-residential and residential buildings which our Group is involved in. As such, they do not carry on the same principal activity as our Group given the nature of the construction activities of the SKE Group.

In line with our intention to expand our presence into the civil engineering segment, focusing on the construction of roads, bridges and highways, Dato' Sri Shahril bin Mokhtar's experience in SKE Group will contribute positively to our expansion plan.

(c) LBS Bina

LBS Bina is an investment holding company principally engaged in property development and construction and trading, motor racing circuit and management, investment and others. The construction arm of the LBS Bina is helmed by its subsidiary MGB Berhad (listed on the Main Market of Bursa Securities), where it is involved in the construction of residential, commercial, and industrial buildings as well as infrastructure works which are similar in nature to our Group's construction services.

Datuk Lim Tong Lee is appointed as the Independent Non-Executive Director of LBS Group whereby he is not involved in the day-to-day operations of the businesses of the company as its daily operations are managed by the company's personnel, and he only attend meeting of the board of directors on which he serves and accordingly discharges his principal areas of responsibilities as a director of the company.

(d) MV Tech

MV Tech is principally engaged in the provision of ICT products and solutions. It offers a wider range of ICT products and solutions to variety of industries. In comparison, Siab's ICT solutions and services are mainly catered as a value-added service to its existing building construction services. As such, MV Tech and Siab pursue a different set of business strategy and target market.

Although, Dato' Chang Lik Sean is the shareholder and Executive Director of MV Tech, he has no family relationships and association with our Promoters, substantial shareholders, Directors and key senior management. He also does not assume any role in our Group other than being the substantial shareholder of Siab. The Board also confirmed that he has no influence in the appointment of directors to the Board and management decision-

11. CONFLICT OF INTEREST *(Cont'd)*

making of our Group apart from his rights as shareholder of the Company, which are also available to the other shareholders of the Company.

Taking into consideration of above, our Board is of the opinion that the involvement of the Directors and shareholder in the above companies does not give rise to any conflict of interest situation and will not affect the Directors' contributions to our Group or negatively impact their abilities to act as an Independent Non-Executive Director of our Group.

Our Board has also taken into account that these Independent Director's exposure to construction activities will allow them to contribute more effectively in the Board's decision-making process.

(ii) As at the LPD, none of our Directors or substantial shareholders has any interest, direct or indirect, in other businesses or corporations which are the customers and/or suppliers of our Group.

(iii) It is our Director's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Nominating Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group.

Our Nominating Committee will first then evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Nominating Committee will then:

(a) Immediately inform our the Audit and Risk Management Committee of the conflict of interest situation;

(b) After deliberation with our Audit and Risk Management Committee, to make recommendations to our Board to direct the conflicted Director to:

(aa) Withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and

(bb) Abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b)(aa) above, the conflicted Director and persons connected with him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Nominating Committee and the conflicted Director and persons connected with him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

11. CONFLICT OF INTEREST *(Cont'd)*

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Nominating Committee may determine that resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected with them) or companies in which our Directors (or person connected with them) have an interest, our Audit and Risk Management Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 10.1 of the Prospectus, for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

11.2 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

(i) Declaration by M&A Securities

M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Sponsor, Underwriter and Placement Agent for our Listing;

(ii) Declaration by Ben & Partners

Ben & Partners has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors for our Listing;

(iii) Declaration by KPMG PLT

KPMG PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing; and

(iv) Declaration by Protégé

Protégé has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our historical financial information throughout FYE 2018 to FYE 2020 and FPE 2021 has been prepared in accordance with MFRS and IFRS. Additionally, the unaudited financial information for FPE 2020 has been prepared for comparison purpose only. The selected financial information included in this Prospectus is not intended to predict our Group's financial position, performance and cash flows.

Our Company was incorporated on 30 December 2020 to facilitate our Listing, and we completed the Acquisition on 14 December 2021. Siab (M) has been under the common control of our Promoters throughout FYE 2018 to FPE 2021 and is regarded as combined entity. As such, the historical financial information of our Group for FYE 2018 to FYE 2020, FPE 2020 and FPE 2021 is presented based on the audited/unaudited combined financial statements of our Group.

12.1.1 Historical combined statements of profit or loss and other comprehensive income

The following table sets out a summary of our combined statements of profit or loss and other comprehensive income for FYE 2018 to FYE 2020 and FPE 2021 as well as the historical combined unaudited statements of our Group for the FPE 2020 which has been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	FYE 2018	**FYE 2019**	**FYE 2020**	**FPE 2020**	**FPE 2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	145,419	242,888	273,388	124,302	104,498
Less : Cost of sales	(134,018)	(229,093)	(253,399)	(113,423)	(93,119)
GP	**11,401**	**13,795**	**19,989**	**10,879**	**11,379**
Other income	1,929	292	610	274	279
Administrative expenses	(4,328)	(4,334)	(4,521)	(2,566)	(3,775)
Net loss on impairment of financial instruments	-	(403)	(5)	-	-
Other expenses	(997)	(254)	(253)	(129)	(199)
Profit from operations	**8,005**	**9,096**	**15,820**	**8,458**	**7,684**
Finance income	192	275	211	154	122
Finance costs	(413)	(792)	(576)	(267)	(562)
PBT	**7,784**	**8,579**	**15,455**	**8,345**	**7,244**
Tax expense	(2,522)	(1,629)	(4,412)	(2,011)	(2,261)
PAT/ Total comprehensive income for the year/period	**5,262**	**6,950**	**11,043**	**6,334**	**4,983**
PAT/ Total comprehensive income for the year/period attributable to:					
Owners of our Company	5,243	6,956	11,022	6,334	4,983
Non-controlling interests	19	(6)	21	-	-
	5,262	**6,950**	**11,043**	**6,334**	**4,983**
Adjusted PAT/ Total comprehensive income for the year/period attributable to:					
Owners of our Company	[(1)]4,075	6,956	11,022	6,334	4,983
Non-controlling interests	19	(6)	21	-	-
	4,094	**6,950**	**11,043**	**6,334**	**4,983**

	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FPE 2020 RM'000	FPE 2021 RM'000
EBIT [(2)]	8,005	9,096	15,820	8,458	7,684
EBITDA [(2)]	9,650	12,140	18,302	10,148	8,638
GP margin (%) [(3)]	7.84	5.68	7.31	8.75	10.89
PBT margin (%) [(4)]	5.35	3.53	5.65	6.71	6.93
PAT margin (%) [(4)]	3.62	2.86	4.04	5.10	4.77
Adjusted PAT margin (%) [(4)]	2.82	2.86	4.04	5.10	4.77
Basic EPS (sen) [(5)]	1.43	1.89	3.00	1.72	1.36
Diluted EPS (sen) [(6)]	1.07	1.42	2.25	1.29	1.02
Adjusted basic EPS (sen) [(5)]	1.11	1.89	3.00	1.72	1.36
Adjusted diluted EPS (sen) [(6)]	0.83	1.42	2.25	1.29	1.02

Notes:

(1) After adjusting for gain on disposal of subsidiary amounted to RM1.17 million.

(2) EBIT and EBITDA are calculated as follows:

	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FPE 2020 RM'000	FPE 2021 RM'000
PAT	5,262	6,950	11,043	6,334	4,983
Adjusted for:					
Finance income	(192)	(275)	(211)	(154)	(122)
Finance cost	413	792	576	267	562
Taxation	2,522	1,629	4,412	2,011	2,261
EBIT	**8,005**	**9,096**	**15,820**	**8,458**	**7,684**
Add:					
Depreciation	1,645	3,044	2,482	1,690	954
Amortisation	-	-	-	-	-
EBITDA	**9,650**	**12,140**	**18,302**	**10,148**	**8,638**

(3) Calculated based on GP divided by revenue.

(4) PBT margin and Adjusted PAT/PAT margin are calculated based on the respective PBT and Adjusted PAT/PAT divided by revenue.

(5) Calculated based on Adjusted PAT/PAT attributable to owners of our Company divided by 367,225,083 enlarged number of Shares in issue before IPO.

(6) Calculated based on Adjusted PAT/PAT attributable to owners of our Company divided by 489,634,083 enlarged number of Shares in issue after IPO.

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12.1.2 Historical combined statements of financial position

The following table sets out the combined statements of financial position of our Group as at 31 December 2018, 2019 and 2020 as well as 31 July 2021 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	FYE 2018	FYE 2019	FYE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	8,902	8,156	6,658	6,065
Right-of-use assets	-	1,474	205	207
Investment properties	-	4,847	5,569	5,505
Other investments	545	692	836	877
Total non-current assets	9,447	15,169	13,268	12,654
Current assets				
Trade and other receivables	59,977	86,748	79,941	70,070
Contract assets	7,878	18,527	59,514	36,142
Current tax assets	265	-	37	46
Cash and cash equivalents	11,060	14,897	13,379	21,345
Total current assets	79,180	120,172	152,871	127,603
Total assets	**88,627**	**135,341**	**166,139**	**140,257**
Equity				
Share capital	-	-	*	*
Invested equity	1,000	1,000	1,000	1,000
Retained earnings	20,682	27,638	35,719	36,702
Total equity attributable to owners of the Company	21,682	28,638	36,719	37,702
Non-controlling interests	68	62	-	-
Total equity	21,750	28,700	36,719	37,702
Non-current liabilities				
Loans and borrowings	3,210	3,517	7,847	11,819
Lease liabilities	-	177	-	17
Deferred tax liabilities	306	210	459	442
Total non-current liabilities	3,516	3,904	8,306	12,278
Current liabilities				
Trade and other payables	53,946	73,436	108,647	83,047
Contract liabilities	4,422	12,977	6,625	1,015
Loans and borrowings	4,932	15,111	4,400	4,694
Lease liabilities	-	823	177	157
Current tax liabilities	61	390	1,265	1,364
Total current liabilities	63,361	102,737	121,114	90,277
Total liabilities	66,877	106,641	129,420	102,555
Total equity and liabilities	**88,627**	**135,341**	**166,139**	**140,257**

Note:

* Denotes RM3.

12.1.3 Historical combined statements of cash flows

The following table sets out the combined statements of cash flows of our Group for FYE 2018 to FYE 2020, FPE 2020 and FPE 2021 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	FYE 2018 RM'000	**FYE 2019 RM'000**	**FYE 2020 RM'000**	**FPE 2020 RM'000**	**FPE 2021 RM'000**
Cash flows from operating activities					
PBT	7,784	8,579	15,455	8,345	7,244
Adjustments for:					
Depreciation of property, plant and equipment	1,645	1,796	1,632	1,065	695
Depreciation of right-of-use assets	-	1,248	824	625	195
Depreciation of investment properties	-	-	26	-	64
Finance income	(192)	(275)	(211)	(154)	(122)
Finance costs	413	792	576	267	562
(Gain)/Loss on disposal of property, plant and equipment	(29)	8	(20)	(20)	-
Gain on disposal of subsidiary	(1,168)	-	-	-	-
Net loss on impairment of financial assets	-	403	5	-	-
Change in fair value of other investment	89	(82)	(104)	-	-
Operating profit before changes in working capital	8,542	12,469	18,183	10,128	8,638
Changes in working capital:					
Change in trade and other receivables and prepayments	(27,364)	(27,174)	6,802	6,081	9,871
Change in trade and other payables	32,830	19,490	33,211	(13,024)	(27,600)
Change in contract assets	(6,879)	(10,649)	(40,987)	(2,459)	23,372
Change in contract liabilities	2,691	8,555	(6,352)	3,465	(5,610)
Cash generated from operations	9,820	2,691	10,857	4,191	8,671
Income tax paid	(4,624)	(1,934)	(3,325)	(622)	(2,188)
Income tax refunded	-	803	-	-	-
Interest paid	(413)	(792)	(576)	(267)	(562)
Net cash generated from operating activities	**4,783**	**768**	**6,956**	**3,302**	**5,921**

	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FPE 2020 RM'000	FPE 2021 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	(1,101)	(435)	(49)	(26)	(102)
Acquisition of investment properties	-	(4,847)	(303)	-	-
Net changes in other investments	(52)	(65)	(40)	27	(41)
Acquisition of non-controlling interest	-	-	(24)	-	-
Interest income received	192	275	211	154	122
Disposal of subsidiary, net of cash disposed	(371)	-	-	-	-
Proceeds from disposal of property, plant and equipment	48	-	20	20	-
Net cash (used in)/from investing activities	**(1,284)**	**(5,072)**	**(185)**	**175**	**(21)**
Cash flows from financing activities					
Change in deposits pledged	(4,044)	2,656	(971)	(2,738)	(2,191)
Dividends paid	-	-	(1,000)	-	(2,000)
Proceeds from issuance of shares upon incorporation	-	-	*	-	-
Net cash from loans and borrowings	(1,109)	3,478	474	(476)	4,061
Payment of lease liabilities	-	(1,228)	(823)	(623)	(200)
Net cash (used in)/from financing activities	**(5,153)**	**4,906**	**(2,320)**	**(3,837)**	**(330)**
Net (decrease)/increase in cash and cash equivalents	(1,654)	602	4,451	(360)	5,570
Cash and cash equivalents at 1 January	(1,176)	(2,830)	(2,228)	(2,228)	2,223
Cash and cash equivalents at 31 July/31 December	**(2,830)**	**(2,228)**	**2,223**	**(2,588)**	**7,793**

Note:

* Denotes RM3.

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and segmental analysis of our combined financial statements for FYE 2018 to FYE 2020, FPE 2020 and FPE 2021 should be read with the Accountants' Report included in Section 13.

12.2.1 Overview of our operations

(i) Principal activities

Our Group, via our subsidiaries, is principally involved in provision of building construction services focusing on non-residential and residential building construction works. To complement our construction services, we also provide ICT solutions. Please refer to Section 7 for our Group's detailed business overview.

(ii) Revenue

Our revenue for the FYE 2018 to FYE 2020, FPE 2020 and FPE 2021 was derived in Malaysia and from the construction of non-residential buildings and residential buildings. The remaining of our revenue was derived from our ICT solutions.

Our contract revenue is recognised based on the stage of completion method, when the outcome of a construction contract can be reliably estimated. The stage of completion is measured by reference to the proportion of contract costs incurred for works performed to date to the estimated total contract costs. When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Our revenue for ICT solutions is recognised based on progress of work performed and upon the rendering of services.

(iii) Cost of sales

Our cost of sales comprises subcontractors cost, purchase of construction materials, direct labour cost and preliminaries, details as follows:

(a) Subcontractors cost

Subcontractor services cost are the main component of our cost of sales. We engage subcontractors to carry out on-site construction works, landscaping and infrastructure works, installation of amenities and facilities, earthworks and site preparation, and piling works. We also engage subcontractors for various specialist works such as M&E engineering works, piping and plumbing works, concrete works and water proofing works.

(b) Construction materials

Our Group's purchase of construction materials mainly consist of steel bars and wire mesh, ready-mixed concrete, sanitary wares, tiles, cement, grout and adhesives, timber and plywood, hollow section and galvanised iron pipes, electrical items, bricks, diesel, and quarry products.

Construction materials are purchased based on our projects' requirements and mainly sourced from local suppliers which are selected based on their pricing, availability and lead time for delivery. Whilst we have maintained long term business relationship with our approved list of suppliers, we also source for raw materials from new suppliers, if the need arises. In addition, we also purchase our construction materials from suppliers nominated by our clients.

(c) Preliminaries

Preliminaries are general miscellaneous expenses incurred over the course of a project. It generally comprises hire of vehicles, rental of machinery and equipment, charges, upkeep expenses, fuel and diesel, utilities, projects levy, insurances, depreciation, plant and equipment and costs related to safety, health and welfare.

(d) Direct labour cost

Our direct labour comprises salaries, bonuses and other staff-related costs for workers who are employed directly by us and those from subcontractors.

(iv) Other income

Other income mainly comprises interest income, administrative fees charged to sub-contractors, gain on disposal of subsidiary, insurance claim and gain on disposal of property, plant and equipment.

(v) Administrative and other expenses

Administrative expenses comprise overheads incurred to maintain our operations such as administrative staff costs, directors' remuneration, utilities, insurance, professional fees and depreciation which are not directly attributable to specific projects.

(vi) Finance cost

Finance cost comprises mainly interest expense on our borrowings.

(vii) Recent developments

Save for the Acquisition and the interruptions in our business and operations as disclosed in Section 7.12, there were no other significant events subsequent to our Group's audited combined financial statements for FPE 2021.

(viii) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during FYE 2018 to FYE 2020 and FPE 2021. In addition, our audited financial statements for the financial years/period under review were not subject to any audit qualifications.

12.2.2 Review of our results of operations

(i) Revenue

	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Building construction						
• Residential	114,711	78.89	154,273	63.52	118,946	43.51
• Non-Residential	28,971	19.92	88,607	36.48	154,102	56.37
Other complementary services(1)	1,737	1.19	8	*	340	0.12
	145,419	100.00	242,888	100.00	273,388	100.00

	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Building construction				
• Residential	51,353	41.31	74,248	71.05
• Non-Residential	72,923	58.67	29,846	28.56
Other complementary services(1)	26	0.02	404	0.39
	124,302	100.00	104,498	100.00

Notes:

* Represents less than 0.01%.

(1) Revenue derived from ICT solutions and services.

Our revenue for FYE 2018 to FYE 2020, FPE 2020 and FPE 2021 was mainly derived from the construction of non-residential buildings and residential buildings. Our revenue had increased by RM97.47 million or 67.03% to RM242.89 million in the FYE 2019 (FYE 2018: RM145.42 million). Our revenue had further increased by RM30.50 million or 12.56% to RM273.39 million in the FYE 2020 (FYE 2019: RM242.89 million). For FPE 2021, our revenue had reduced by RM19.80 million or 15.93% to RM104.50 million from RM124.30 million in the FPE 2020.

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The major construction projects contributing to our revenue during the financial years/period under review are as follows:

(a) Residential buildings

No.	Project/ Client Name	Contract Period	Contract value	Revenue Recognised FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021	Contract value to be recognised
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1.	Seri Riana Residence (Phase 2B) Project/ Elegan Pesona Sdn Bhd (a joint venture company of IJM Land Berhad)[1]	April 2014/ March 2017	98,200	1,112	[1](1,161)	[1](600)	[1](600)	-	-
2.	Kanvas SOHO Project/ Suntrack Raven Sdn Bhd	January 2015/ July 2017	97,981	1,313	-	-	-	-	-
3.	Bennington Residences @ Sky Arena Project/ Bennington Development Sdn Bhd (a subsidiary of SkyWorld Development Sdn Bhd)	October 2016/ July 2019	184,800	87,326	67,015	-	-	[2]1,067	-
4.	Amverton Greens Project/ Amverton Prop Sdn Bhd (a subsidiary of Amverton Berhad)	December 2017/ May 2021	88,000	18,159	51,642	15,073	10,646	3,126	-
5.	Impressions U-Thant Project/ YTB Development Sdn Bhd (a subsidiary of Yong Tai Berhad)	May 2018/ June 2022[3]	75,511	6,801	3,412	13,013	4,931	7,668	44,617

No.	Project/ Client Name	Contract Period	Contract value	Revenue Recognised FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021	Contract value to be recognised
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6.	Gravit8 (Phase 2B) Project/ Vibrantline Sdn Bhd (a subsidiary of Mitraland Holdings (M) Sdn Bhd)	December 2018/ February 2021(4)	118,282	-	23,588	61,034	24,944	32,465	(5)1,487
7.	Chambers Residence Project/ Matrix Concepts (Central) Sdn Bhd (a subsidiary of Matrix Concepts Holdings Berhad)	April 2019/ January 2022(6)	103,450	-	9,777	30,426	11,432	19,733	43,514
8.	Cubic Botanical Tower A Project/ Ancubic Construction Sdn Bhd	February 2021/ July 2022(7)	64,800	-	-	-	-	8,905	55,895
9.	The Dawn Project/ YTB Impression Sdn Bhd (a subsidiary of Yong Tai Berhad)	April 2021/ February 2023	160,000	-	-	-	-	1,284	158,716
			Total	**114,711**	**154,273**	**118,946**	**51,353**	**74,248**	

Notes:

(1) Negative revenue recorded for the project was mainly due to the adjustment of the final account for the project during the DLP. In FYE 2019, the adjustment was made due to the amount of work to be performed for the project cannot be accurately determined at the point of entering into the contract, therefore a re-measurement of the amount of work performed was carried out subsequent to the completion of the project where the excess portion of revenue recognised was reversed out. In FYE 2020, the adjustment was made to reverse a RM0.60 million from the earlier revenue recognised relating to LAD, which was previously pending for appeal made to client but was subsequently rejected in FYE 2020.

(2) Revenue derived from additional works performed due to variation of order.

(3) The original contracted completion date of the project was May 2020. It was subsequently extended to June 2022 after obtaining EOT from the client.

(4) The original contracted completion date of the project was December 2020. As a result of the temporary suspension of work due to MCO 1.0, we have submitted and obtained EOT, where it was extended to February 2021. As at LPD, the construction work for the project has been completed.

(5) Inclusive of RM0.29 million revenue derived from additional scope of work for construction of carpark and a show unit which was not included in the original contract.

(6) The original contracted completion date of the project was October 2021. It was subsequently extended to January 2022 after obtaining EOT from the client. We have submitted an application on 11 December 2021 for further EOT up to June 2022 and as at LPD, it is still in the midst of assessment by the architect.

(7) The original contracted completion date of the project was June 2022. It was subsequently extended to July 2022 after obtaining EOT from the client.

(b) Non-Residential buildings

No.	Project/ Client Name	Contract Period	Contract value	Revenue Recognised FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021	Contract value to be recognised
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1.	PJ City Project/ PJ Corporate Park Sdn Bhd (a subsidiary of Guocoland Malaysia Berhad)	October 2015/ January 2017	94,000	1,901	92	-	-	-	-
2.	F&N Intelligent Industrial Building Project/ F&N Beverages Manufacturing Sdn Bhd (a subsidiary of Fraser & Neave Holdings Berhad)	November 2017/ May 2021(1)	(2)83,779	17,295	(3)27,474	24,797	12,119	14,745	-

12. FINANCIAL INFORMATION *(Cont'd)*

No.	Project/ Client Name	Contract Period	Contract value	Revenue Recognised FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021	Contract value to be recognised
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3.	Quayside Mall Project/ Gamuda Land (Kemuning) Sdn Bhd (a subsidiary of Gamuda Berhad)	August 2018/ December 2020	(4)164,690	7,275	46,576	105,939	50,053	-	-
4.	Apple 99 Project/ Apple 99 Development Sdn Bhd (a subsidiary of Yong Tai Berhad)	September 2015/ February 2017	30,748	1,205	-	634	634	-	-
5.	Amverton Cove Project/ T.G. Development Park Sdn Bhd (a subsidiary of Amverton Berhad)	August 2018/ July 2021(5)	50,150	1,295	14,453	22,732	10,117	11,215	455
6.	Menara LGB Project/ LGB Engineering Sdn Bhd	January 2011 / December 2013	149,550	-	12	-	-	-	-
7.	Hyatt Bukit Jalil Project/ Pioneer Haven Sdn Bhd (a subsidiary of Malton Berhad) & Mygres Ceramiche Sdn Bhd	January 2021/ September 2022(6)	85,850	-	-	-	-	3,724	82,126
8.	Columbarium Project/ City Centre Columbarium Sdn Bhd	April 2021/ July 2023	38,877	-	-	-	-	162	38,715
			Total	**28,971**	**88,607**	**154,102**	**72,923**	**29,846**	

Notes:

(1) The project agreement was initially for the scope of construction with completion date on 22 April 2019. It was subsequently changed to design and built via a supplementary agreement. Based on the supplementary agreement, the original contracted completion date of the project was February 2021. As a result of MCO 1.0, the completion date of the project was extended to April 2021. As at LPD, the project has been completed.

(2) The increase in contract value is due to RM2.58 million variation of order received.

(3) The revenue is inclusive of RM0.67 million on claim for suspension of work due to change in design which was not included in the contract value.

(4) The contract value is inclusive of RM4.90 million contingency sum which was not utilised.

(5) The original contracted completion date of the project was February 2020. As a result of variation of orders, changes in building designs and the temporary suspension of work due to MCO, we have submitted EOT application to the client for EOT up to 21 December 2021, where it is still being assessed by the client. As at LPD, the construction work for the project has been completed pending the inspection works and procurement of CPC. We have submitted notice of practical completion to the architect on 28 December 2021. The EOT will be granted upon procurement of CPC.

(6) The original contracted completion date of the project was July 2022. It was subsequently extended to September 2022 after obtaining EOT from the client.

Comparison between FYE 2018 and FYE 2019

Our Group's total revenue had increased significantly by RM97.47 million or 67.03% from RM145.42 million in the FYE 2018 to RM242.89 million in the FYE 2019. The increase in revenue was mainly due to the increase in revenue from both the residential segment and non-residential segment.

<u>Residential segment</u>

The increase in revenue from the residential segment by RM39.56 million or 34.49% from RM114.71 million to RM154.27 million was mainly attributable to the increase in level of construction activities for the following projects:

(a) Amverton Greens Project which increased by RM33.48 million from RM18.16 million in FYE 2018 to RM51.64 million in FYE 2019 due to high level of construction activities involving structural works and M&E works;

(b) commencement of Gravit8 (Phase 2B) Project in December 2018 which contributed RM23.59 million revenue in FYE 2019 mainly from landscaping and structural work; and

(c) Chambers Residence Project, which was in initial stage of construction and commencement of the project in April 2019 in which we recorded RM9.78 million mainly from performance of structural work during the FYE 2019.

Our increase in revenue was partially offset by a decrease in revenue of RM20.31 million from RM87.33 million in FYE 2018 to RM67.02 million in FYE 2019 from Bennington Residences @ Sky Arena Project due to the project at its final completion phase. We also recorded a slight decrease in revenue from the Impressions U-Thant Project by RM3.39 million from RM6.80 million in FYE 2018 to RM3.41 million in FYE 2019 mainly due to suspension of work for 14 months resulted from change in design of the building basement and rooftop facilities by client with extension of time being granted pursuant to the changes. In addition, there was no revenue recorded from the Kanvas SOHO Project in FYE 2019 as the Project was completed in July 2017, whereas revenue of RM1.31 million recorded in FYE 2018 was due to the variation in final account. In FYE 2019, we recorded a negative revenue of RM1.16 million from the Seri Riana Residence (Phase 2B) Project in FYE 2019 as compared to RM1.11 million in FYE 2018 due to the adjustment of the final account for the project during the DLP.

<u>Non-residential segment</u>

The non-residential segment recorded an increase of revenue by RM59.64 million or 205.87% in FYE 2019 from RM28.97 million in FYE 2018 to RM88.61 million in FYE 2019. The increase in revenue was mainly due to increase in structural work performed in relation to the following projects:

(a) Amverton Cove Project which recorded an increase in revenue by RM13.15 million from RM1.30 million in FYE 2018 to RM14.45 million in FYE 2019;

(b) Quayside Mall Project which recorded an increase in revenue by RM39.30 million from RM7.28 million in FYE 2018 to RM46.58 million in FYE 2019; and

(c) F&N Intelligent Industrial Building Project which recorded an increase in revenue by RM10.17 million from RM17.30 million in FYE 2018 to RM27.47 million in FYE 2019.

Our increase in revenue was partially offset by a decrease in revenue of RM1.81 million from RM1.90 million in FYE 2018 to RM0.09 million in FYE 2019 in relation to the PJ City Project which was completed in 2017 and the revenue incurred was relating to adjustment in final account. No revenue was recorded from the Apple 99 Project in FYE 2019 as the project was completed in FYE 2017 and the revenue of RM1.21 million recorded in FYE 2018 was due to the variation in final account.

<u>Others segment</u>

Revenue for our others segment decreased by RM1.73 million or 99.43% from RM1.74 million in FYE 2018 to RM0.01 million in FYE 2019 mainly due to changes in timeline of an on-going IT installation project from the client in relation to the Apple 99 Project.

Comparison between FYE 2019 and FYE 2020

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 our non-residential segment.

Residential

The decrease in revenue from the residential segment by RM35.32 million or 22.89% from RM154.27 million in FYE 2019 to RM118.95 million in FYE 2020 was mainly attributable to the following projects:

(a) 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, where we mainly perform M&E works. For clarification purpose, a significant part of the construction works for this project mainly involves structural works (which were mainly performed in FYE 2019) and M&E works consists of a smaller part of the overall construction works for this project; and

(b) Bennington Residences @ Sky Arena Project which was completed in FYE 2019 and recorded a revenue of RM67.02 million. No revenue was recorded in the FYE 2020.

The decrease in revenue from our residential segment was partially offset by higher revenue mainly from the following projects:

(a) Impressions U-Thant Project which recorded an increase of revenue by RM9.60 million or 281.52% from RM3.41 million in FYE 2019 to RM13.01 million in FYE 2020 due to increase in construction activities involving structural work on the basement construction;

(b) Gravit8 (Phase 2B) Project which contributed increase of RM37.44 million in revenue from RM23.59 million in FYE 2019 to RM61.03 million in FYE 2020 due to increase in construction activities relating to M&E work and structural works; and

(c) Chambers Residence Project recorded increase in revenue by RM20.65 million from RM9.78 million in FYE 2019 to RM30.43 million in FYE 2020 mainly due to higher construction activity for structural work in FYE 2020.

Non-residential segment

The increase in revenue from the non-residential segment by RM65.49 million or 73.91% from RM88.61 million in FYE 2019 to RM154.10 million in FYE 2020 was mainly attributable to:

(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 which is common for the construction of shopping mall where a significant part of the overall construction works involves M&E works (such as lighting, extra low voltage system, chiller, security system, escalator and elevator) which are performed once the building structure has been constructed and can be completed over a short period of time;

(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 due to adjustment in its final accounts.

The increase in revenue was partially offset by a decrease in revenue from F&N Intelligent Industrial Building Project by RM2.67 million from RM27.47 million in FYE 2019 to RM24.80 million in FYE 2020 mainly due to lower activity as the project is near its completion where we mainly perform M&E and internal infrastructure works. For clarification purpose, a significant part of the construction works for this project mainly involves structural works (which were mainly performed in the previous years) and M&E works consists of a smaller part of the overall construction works for this project.

Others segment

In addition, our other segments recorded an increase of revenue by RM0.33 million or 3,300% from RM0.01 million in FYE 2019 to RM0.34 million in FYE 2020 arising from the resumption of the IT installation project in relation to the Apple 99 Project.

Comparison between FPE 2020 and FPE 2021

Our Group's total revenue had decreased by RM19.80 million or 15.93% from RM124.30 million in FPE 2020 to RM104.50 million in FPE 2021 mainly due to lower revenue recognised from our non-residential segment.

Residential

The increase in revenue from the residential segment by RM22.90 million or 44.60% from RM51.35 million in FPE 2020 to RM74.25 million in FPE 2021 was mainly attributable to the following projects:

(a) Chambers Residence Project recorded increase in revenue by RM8.30 million from RM11.43 million in FPE 2020 to RM19.73 million in FPE 2021 mainly due to higher construction activity involving structural works;

(b) Gravit8 (Phase 2B) Project which contributed increase in revenue of RM7.53 million from RM24.94 million in FPE 2020 to RM32.47 million in FPE 2021 due to increase in construction activities relating to M&E work and structural works;

(c) Impressions U-Thant Project which contributed increase of RM2.74 million in revenue from RM4.93 million in FPE 2020 to RM7.67 million in FPE 2021 due to increase in construction activities relating to structural works;

(d) Cubic Botanical Tower A Project which started in FPE 2021 and contributed RM8.91 million in revenue for FPE 2021; and

(e) The Dawn Project which started in FPE 2021 and contributed RM1.28 million in revenue for FPE 2021.

The increase in revenue was partially offset by a decrease in revenue from Amverton Greens Project by RM7.52 million from RM10.65 million in FPE 2020 to RM3.13 million in FPE 2021 mainly due to completion of the project.

Non-residential segment

The decrease in revenue from the non-residential segment by RM43.07 million or 59.06% from RM72.92 million in FPE 2020 to RM29.85 million in FPE 2021 was mainly attributable to the Quayside Mall Project which recorded a decrease in revenue by RM50.05 million due to completion of the project in FYE 2020.

The decrease in revenue was partially offset by:

(a) revenue contribution from 2 new non-residential projects started in FPE 2021, namely Hyatt Bukit Jalil Project which contributed a total revenue of RM3.72 million and Columbarium Project which contributed a total revenue of RM0.16 million in FPE 2021;

(b) Amverton Cove Project which recorded slight increase in revenue from RM10.12 million to RM11.22 million which consists of revenue derived from the balance contract works mainly involving M&E works such as public address system, lift equipment and compound lighting as the project is approaching its completion; and

(c) F&N Intelligent Industrial Building Project which recorded a slight increase in revenue from RM12.12 million in FPE 2020 to RM14.75 million in FPE 2021 mainly consists of the revenue derived from the balance contract work as well as additional structural works and electrical infrastructure works performed due to variation of order.

Others segment

In addition, our other segments recorded an increase of revenue by RM0.37 million from RM0.03 million in FPE 2020 to RM0.40 million in FPE 2021 arising from the resumption of the IT installation project in relation to the Apple 99 Project.

(ii) Cost of sales

The cost of our construction projects are derived based on contract cost estimate. Under the terms of certain of our contracts, the prices we submit in our tender bid or negotiate in our contracts are fixed, with the exception of any approved variation orders. Our cost estimate is based on inter-alia, the availability and costs of construction materials and equipment, subcontractors cost, project period, labour costs, as well as the complexity and scale of the construction project.

Analysis of cost of sales by components

	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Subcontractor cost	86,486	64.53	159,615	69.67	196,535	77.56
Construction materials	31,477	23.49	34,856	15.21	29,427	11.61
Direct labour cost	3,106	2.32	5,557	2.43	5,400	2.13
Preliminaries	12,949	9.66	29,065	12.69	22,037	8.70
	134,018	**100.00**	**229,093**	**100.00**	**253,399**	**100.00**

	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Subcontractor cost	81,941	72.24	67,793	72.80
Construction materials	17,012	15.00	11,823	12.70
Direct labour cost	3,306	2.92	3,517	3.78
Preliminaries	11,164	9.84	9,986	10.72
	113,423	**100.00**	**93,119**	**100.00**

The major components of our cost of sales are subcontractor costs and construction materials. The subcontractor costs and construction materials represents 88.02%, 84.88%, 89.17%, 87.24% and 85.50% of the total costs of sales for the FYE 2018, FYE 2019, FYE 2020, FPE 2020 and FPE 2021, respectively.

Analysis of cost of sales by segments

	FYE 2018		**FYE 2019**		**FYE 2020**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Building construction						
• Residential	108,534	80.99	150,069	65.51	113,387	44.75
• Non-residential	24,259	18.10	79,024	34.49	139,691	55.12
Others complimentary services	1,225	0.91	-	-	321	0.13
	134,018	**100.00**	**229,093**	**100.00**	**253,399**	**100.00**

	FPE 2020		**FPE 2021**	
	RM'000	**%**	**RM'000**	**%**
Building construction				
• Residential	46,864	41.32	68,332	73.38
• Non-residential	66,443	58.58	23,818	25.58
Others complimentary services	116	0.10	969	1.04
	113,423	**100.00**	**93,119**	**100.00**

Consistent with our revenue, the cost of sales for the past FYEs and FPEs was mainly attributable to non-residential and residential segments. Residential segment contributed 80.99%, 65.51%, 44.75%, 41.32% and 73.38% of the total cost of sales for the FYE 2018, FYE 2019, FYE 2020, FPE 2020 and FPE 2021, respectively, while non-residential segment contributed 18.10%, 34.49%, 55.12%, 58.58% and 25.58% of the total cost of sales for the FYE 2018, FYE 2019, FYE 2020, FPE 2020 and FPE 2021, respectively.

Comparison between FYE 2018 and FYE 2019

Our Group's cost of sales increased by RM95.07 million or 70.94% from RM134.02 million in FYE 2018 to RM229.09 million in FYE 2019. The increase was mainly due to higher cost of sales recognised from:

(a) our residential segment which increased by RM41.54 million or 38.28% from RM108.53 million in FYE 2018 to RM150.07 million in FYE 2019; and

(b) our non-residential segment which increased by RM54.76 million or 225.72% from RM24.26 million in FYE 2018 to RM79.02 million in FYE 2019.

The overall increase was mainly attributable to the following cost items:

(a) increase in the subcontractor cost by RM73.13 million or 84.55% from RM86.49 million in FYE 2018 to RM159.62 million in FYE 2019 due to increase in construction activities for our F&N Intelligent Industrial Building Project, Amverton Greens Project, Quayside Mall Project, Amverton Cove Project, Chambers Residence Project and Gravit8 (Phase 2B) Project;

(b) increase in purchase of construction material by RM3.38 million or 10.74% from RM31.48 million in FYE 2018 to RM34.86 million in FYE 2019 mainly due to increase in purchase of steel materials during FYE 2019 on structural works of various projects;

(c) increase in preliminaries by RM16.12 million or 124.48% from RM12.95 million in FYE 2018 to RM29.07 million in FYE 2019 mainly due to increase in rentals and depreciation of machineries to accommodate the increase in construction activities; and

(d) increase in direct labour cost by RM2.45 million or 78.78% from RM3.11 million in FYE 2018 to RM5.56 million in FYE 2019 due to increase in workforce to accommodate the increase in construction activities.

The increase in cost of sales mainly arose from the commencement of the Gravit8 (Phase 2B) Project and Chambers Residence Project as well as the increase in overall construction activities of the on-going projects during FYE 2019.

Comparison between FYE 2019 and FYE 2020

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. The increase was mainly due to higher cost of sales recognised from our non-residential segment which increased by RM60.67 million or 76.78% from RM79.02 million in FYE 2019 to RM139.69 million in FYE 2020. The increase was offset by the decrease in cost of sales recognised from our residential segment which decreased by RM36.68 million or 24.44% from RM150.07 million in FYE 2019 to RM113.39 million in FYE 2020.

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 increase in subcontractor costs was mainly offset by:

(a) decrease in purchase of construction material by RM5.43 million or 15.58% from RM34.86 million in FYE 2019 to RM29.43 million in FYE 2020 due to decrease in purchase of steels used for structural works as most of the structural works for the on-going project have been completed; and

(b) decrease in preliminaries by RM7.03 million or 24.18% from RM29.07 million in FYE 2019 to RM22.04 million in FYE 2020 mainly due reduction in the rental of machinery and scaffolding for Quayside Mall Project and Amverton Greens Project as it near its completion.

Comparison between FPE 2020 and FPE 2021

Our Group's cost of sales decreased by RM20.30 million or 17.90% from RM113.42 million in FPE 2020 to RM93.12 million in FPE 2021. The decrease was mainly due to lower cost of sales recognised from our non-residential segment which decreased by RM42.62 million or 64.15% from RM66.44 million in FPE 2020 to RM23.82 million in FPE 2021. The decrease was offset by the increase in cost of sales recognised from our residential segment which increased by RM21.47 million or 45.82% from RM46.86 million in FPE 2020 to RM68.33 million in FPE 2021.

The overall decrease was mainly attributable to the decrease in the subcontractor cost from RM81.94 million in FPE 2020 to RM67.79 million in FPE 2021 and construction materials cost from RM17.01 million in FPE 2020 to RM11.82 million in FPE 2021. This was mainly due to completion of Quayside Mall Project in FYE 2020.

(iii) GP and GP margin

We price our construction projects based on contract cost estimate which depends various factors but not limited to the complexity and scale of the construction project. Under the terms of certain of our contracts, the prices we submit in our tender bid or negotiate in our contracts are fixed, with the exception of any approved variation orders. As such, our GP and GP margin are dependent on the accuracy of our pricing during the tender and/or negotiation stage. Our GP and GP margin during the financial year or period are dependent on our overall project mix as each project has different project duration, profit margin, costs and construction stages involved.

In addition, our GP and GP margin may fluctuate throughout our construction period as and when there is a need to revise our cost estimates or update the cost estimate to reflect the actual cost of construction.

<u>Analysis of GP and GP margin by segment</u>

	FYE 2018		**FYE 2019**		**FYE 2020**	
	GP	**GP Margin**	**GP**	**GP Margin**	**GP**	**GP Margin**
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Building construction						
• Residential	6,177	5.38	4,204	2.73	5,559	4.67
• Non-residential	4,712	16.26	9,583	10.82	14,411	9.35
Others complimentary services	512	29.48	8	100.00	19	5.59
Total GP/ Overall GP margin	**11,401**	**7.84**	**13,795**	**5.68**	**19,989**	**7.31**

	FPE 2020		**FPE 2021**	
	GP	**GP Margin**	**GP**	**GP Margin**
	RM'000	**%**	**RM'000**	**%**
Building construction				
• Residential	4,489	8.74	5,916	7.97
• Non-residential	6,480	8.89	6,028	20.20
Others complimentary services	(90)[(1)]	N/A	(565)[(1)]	N/A
Total GP/ Overall GP margin	**10,879**	**8.75**	**11,379**	**10.89**

Note:

(1) Losses incurred due to delay in certification of IT installation project in relation to the Apple 99 Project. The project cost has been incurred but the revenue has not been recognised due to the delay in certification by consultant.

Comparison between FYE 2018 and FYE 2019

Our Group's GP increased by RM2.40 million or 21.05% from RM11.40 million in FYE 2018 to RM13.80 million in FYE 2019, while our overall GP margin decreased by 2.16% from 7.84% in FYE 2018 to 5.68% in FYE 2019. The decrease in our GP margin in FYE 2019 was mainly attributable to:

(a) our residential segment, which recorded a lower GP margin of 2.73% in FYE 2019 as compared to 5.38% in FYE 2018 mainly due to lower margin for the Bennington Residences @ Sky Arena Project of 0.39%. The lower GP margin for Bennington Residences @ Sky Arena Project was due to competitive tender strategy by the Group to secure the said project which was the highest contract value project the Group had tendered for and undertaken under the leadership of our Promoters in order to expand our Group's profile; and

(b) our non-residential segment, which recorded a lower GP margin of 10.82% in FYE 2019 as compared to 16.26% in FYE 2018 mainly due to variation of order from PJ City Project during FYE 2018 which has led to reduction in work scopes and a significant increase in gross profit on FYE 2018 from the budget revision, cost saving from earlier completion and lower preliminary cost. The reduction in work scopes was due to change in the project implementation and rollout plan by the client where the construction of building for Block E and Block F of our PJ City Project had been revised to the construction of the building structures only for Block E and Block F.

Comparison between FYE 2019 and FYE 2020

Our Group's 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:

(a) our residential segment, which recorded a higher GP margin of 4.67% in FYE 2020 as compared to 2.73% in FYE 2019 due 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 of 0.39%; and

(b) our non-residential segment, which recorded a lower GP margin of 9.35% in FYE 2020 as compared to 10.82% in FYE 2019 mainly due to minor revision of budget and contract sum for Quayside Mall Project as a result of additional cost incurred for work done which we had submitted as a variation of order but is yet to be approved by client.

Comparison between FPE 2020 and FPE 2021

Our Group's GP increased by RM0.50 million or 4.60% from RM10.88 million in FPE 2020 to RM11.38 million in FPE 2021, while our overall GP margin increased by 2.14% from 8.75% in FPE 2020 to 10.89% in FPE 2021.

The increase in our GP margin in FPE 2021 was mainly attributable to our non-residential segment, which recorded a higher GP margin of 20.20% in FPE 2021 as compared to 8.89% in FPE 2020 mainly due to cost savings achieved from value engineering for:

(a) piling works and substructure works where the number of piles reduced but the size of piles increased and pile cap size reduced to minimal size while maintaining the design loading;

(b) reinforced concrete structure by redesigning the deep beam and ground floor slab, increasing the concrete grade as well as reducing the steel contain while maintaining the required design loading; and

(c) structural steel by utilising alternative steel member and thickness but the required steel frame loading and design are maintained.

The increase is offset by our residential segment, which recorded a lower GP margin of 7.97% in FPE 2021 as compared to 8.74% in FPE 2020 due to new projects in FPE 2021 with a slightly lower margin, namely Cubic Botanical Tower A Project and The Dawn Project which have an average margin of 5.73% due to competitive tender strategy by the Group to secure the said projects.

(iv) Other income

	FYE 2018		**FYE 2019**		**FYE 2020**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Gain on disposal of subsidiary(1)	1,168	60.55	-	-	-	-
Gain on disposal of property, plant and equipment	29	1.50	-	-	20	3.28
Gain on fair value change of other investments(2)	-	-	82	28.08	104	17.05
Insurance claim(3)	178	9.23	-	-	-	-
Administrative fee(4)	74	3.84	131	44.86	92	15.08
Rental income(5)	-	-	-	-	-	-
Others(6)	480	24.88	79	27.06	394	64.59
	1,929	**100.00**	**292**	**100.00**	**610**	**100.00**

	FPE 2020		**FPE 2021**	
	RM'000	**%**	**RM'000**	**%**
Gain on disposal of subsidiary(1)	-	-	-	-
Gain on disposal of property, plant and equipment	20	7.30	-	-
Gain on fair value change of other investments(2)	-	-	-	-
Insurance claim(3)	-	-	-	-
Administrative fee(4)	45	16.42	55	19.71
Rental income(5)	-	-	154	55.20
Others(6)	209	76.28	70	25.09
	274	**100.00**	**279**	**100.00**

Notes:

(1) Gain from disposal of 55.00% owned subsidiary, Johan Kembara Sdn Bhd.

(2) Gain from investments in unit trust funds.

(3) Insurance claim for Apple 99 Project due to accidental collapse of piling work caused by soil movement.

(4) Administrative fees charged to sub-contractors for purchase of construction materials on behalf.

(5) Rental income arises from investment properties.

(6) Others mainly consist of LAD charged to sub-contractor, rental income from equipment and government grants.

Comparison between FYE 2018 and FYE 2019

Our other income decreased by RM1.64 million from RM1.93 million in FYE 2018 to RM0.29 million in FYE 2019 mainly due to:

(a) the absence of one-off gain on disposal of subsidiary, Johan Kembara Sdn Bhd of RM1.17 million incurred in FYE 2018 which did not recur in FYE 2019;

(b) the absence of the insurance claim for Apple 99 Project of RM0.18 million due to accidental collapse of piling work incurred caused by soil movement in FYE 2018 which did not recur in FYE 2019. There were no major impact of the accident to the Group other than the additional work performed to rectify the collapsed piling; and

(c) the absence of the LAD charged to sub-contractor of RM0.16 million on Seri Riana Residence (Phase 2B) Project incurred in FYE 2018 which did not recur in FYE 2019.

Comparison between FYE 2019 and FYE 2020

Our other income increases slightly by RM0.32 million from RM0.29 million in FYE 2019 to RM0.61 million in FYE 2020 mainly due to RM0.22 million one-off government wages subsidy made over a period of 6 months in relation to COVID-19 pandemic received in FYE 2020.

Comparison between FPE 2020 and FPE 2021

Our other income increases slightly by RM0.01 million from RM0.27 million in FPE 2020 to RM0.28 million in FPE 2021 mainly due to rental income amounting to RM0.15 million from investment properties that was completed in October 2020. The increase in other income is offset by the absent of one-off government wages subsidy in FPE 2021.

(v) Administrative expenses, net loss on impairment of financial instruments and other expenses

	FYE 2018		FYE 2019		FYE 2020	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Administrative expenses:						
Directors' remuneration	999	23.08	1,059	24.43	1,172	25.92
Professional fees(1)	359	8.29	477	11.00	677	14.98
Office utilities, upkeep and maintenance(2)	301	6.95	333	7.68	68	1.50
Travelling and accommodation	6	0.14	18	0.42	2	0.04
Printing and stationery	40	0.92	44	1.02	49	1.08
Gift and donation	79	1.83	90	2.08	37	0.82
Vehicle running expenses(3)	137	3.17	131	3.02	93	2.06
Marketing expenses(4)	6	0.14	35	0.81	33	0.73
Staff costs	2,117	48.92	2,043	47.14	2,288	50.61
Others(5)	284	6.56	104	2.40	102	2.26
	4,328	**100.00**	**4,334**	**100.00**	**4,521**	**100.00**
Net loss on impairment of financial instruments:						
Impairment on trade receivables	-	-	403	100.00	5	100.00
	-	**-**	**403**	**100.00**	**5**	**100.00**
Other expenses:						
LAD	600	60.18	-	-	-	-
Depreciation	297	29.79	219	86.22	246	97.23
Loss on fair value change of other investments	90	9.03	-	-	-	-
Others	10	1.00	35	13.78	7	2.77
	997	**100.00**	**254**	**100.00**	**253**	**100.00**

	FPE 2020		FPE 2021	
	RM'000	**%**	**RM'000**	**%**
Administrative expenses:				
Directors' remuneration	696	27.12	1,123	29.75
Professional fees(1)	97	3.78	822	21.77
Office utilities, upkeep and maintenance(2)	20	0.78	38	1.01
Travelling and accommodation	1	0.04	1	0.03
Printing and stationery	1	0.04	1	0.03
Gift and donation	26	1.01	66	1.75
Vehicle running expenses(3)	67	2.61	60	1.59
Marketing expenses(4)	28	1.09	11	0.29
Staff costs	1,561	60.84	1,560	41.32
Others(5)	69	2.69	93	2.46
	2,566	**100.00**	**3,775**	**100.00**
Net loss on impairment of financial instruments:				
Impairment on trade receivables	-	-	-	-
	-	**-**	**-**	**-**

	FPE 2020		FPE 2021	
	RM'000	**%**	**RM'000**	**%**
Other expenses:				
LAD	-	-	-	-
Depreciation	128	99.22	188	94.47
Loss on fair value change of other investments	-	-	-	-
Others	1	0.78	11	5.53
	129	**100.00**	**199**	**100.00**

Notes:

(1) Professional fees include fees incurred for bookkeeping, audit, tax, legal, secretarial and consultancy and advisory fee for our IPO.

(2) Office utilities, upkeep and maintenance include utilities such as telephone, water and electricity including the upkeep and maintenance of computer, factory, office, motor vehicle and office equipment and insurance expenses.

(3) Vehicle running expenses includes road tax, repair and maintenance, petrol and insurance of our company car.

(4) Marketing expenses include advertisement and entertainment expenses.

(5) Other expenses include license fee, bank charges, stamp duty, sundry expenses, taxes, penalty in relation to late stamping of sub-contractor's contracts and others.

Comparison between FYE 2018 and FYE 2019

Administrative expenses

Administrative expenses increased slightly by RM0.01 million or 0.23% from RM4.33 million in FYE 2018 to RM4.34 million in FYE 2019. The increase was primarily attributable to:

(a) increase in directors' remuneration by RM0.06 million mainly due to remuneration adjustments; and

(b) increase in professional fees by RM0.12 million mainly due to increase in audit fees from change in auditor.

The increase in administrative expense was partially offset by:

(a) decrease in staff costs by RM0.07 million mainly due to lower staff allowances; and

(b) decrease in others expenses by RM0.18 million mainly due to lower sundry expenses incurred.

Net loss on impairment of financial instruments

We incurred net loss on impairment of financial instruments of RM0.40 million in FYE 2019 due to long outstanding debt from clients.

Other expenses

Other expenses decreased by RM0.75 million or 75.00% from RM1.00 million in FYE 2018 to RM0.25 million in FYE 2019. The decrease was primarily attributable to:

(a) LAD charged by client of RM0.60 million in FYE 2018 from the Seri Riana Residence (Phase 2B) Project due to the additional time required to meet the standards of CONQUAS 21 assessment as required under the contract which did not recur in 2019; and

(b) Loss on investments in unit trust funds of RM0.09 million in FYE 2018 which did not recur in 2019.

Comparison between FYE 2019 and FYE 2020

Administrative expenses

Administrative expenses increased by RM0.18 million or 4.15% from RM4.34 million in FYE 2019 to RM4.52 million in FYE 2020. The increase was primarily attributable to:

(a) increase in directors' remuneration by RM0.11 million mainly due to remuneration adjustments;

(b) increase in professional fees by RM0.20 million mainly due to consultancy and advisory fee for our IPO; and

(c) increase in staff costs by RM0.25 million mainly due to increments as well as higher bonus due to achievement of higher business performance and PAT in FYE 2020.

The increase in administrative expense was partially offset by lower office utilities, upkeep and maintenance expenses which decreased from RM0.33 million in FYE 2019 to RM0.07 million in FYE 2020 due to the COVID-19 pandemic in which most of our staffs were working from home.

Net loss on impairment of financial instruments

Net loss on impairment of financial instruments decreased by RM0.39 million or 97.50% from RM0.40 million in FYE 2019 to RM0.01 million in FYE 2020. The net loss on impairment of financial instruments is due to long outstanding debt from clients.

Other expenses

Our depreciation expenses increased by RM0.03 million or 13.64% from RM0.22 million in FYE 2019 to RM0.25 million in FYE 2020 due to depreciation from acquisition of investment properties that was completed in FYE 2020. The increase was partially offset by a reduction in other expenses item by RM0.03 million mainly due to lower expenses in vehicles upkeep and maintenance cost.

Comparison between FPE 2020 and FPE 2021

Administrative expenses

Administrative expenses increased by RM1.21 million or 47.08% from RM2.57 million in FPE 2020 to RM3.78 million in FPE 2021. The increase was primarily attributable to:

(a) increase in directors' remuneration by RM0.43 million mainly due to remuneration adjustments; and

(b) increase in professional fees by RM0.73 million mainly due to consultancy and advisory fee for our IPO.

Net loss on impairment of financial instruments

There was no net loss on impairment of financial instruments was recognised in both FPE 2020 and FPE 2021.

Other expenses

Our depreciation expenses increased by RM0.06 million or 46.15% from RM0.13 million in FPE 2020 to RM0.19 million in FPE 2021 due to full year recognition of depreciation expenses from investment properties of which the construction were completed in October 2020.

(vi) Finance income and costs

	FYE 2018		**FYE 2019**		**FYE 2020**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Finance income:						
• Interest income from fixed deposit	192	100.00	275	100.00	211	100.00
	192	**100.00**	**275**	**100.00**	**211**	**100.00**
Finance costs:						
• Interest expense on overdraft and term loan	413	100.00	741	93.56	555	96.35
• Interest expense on lease liabilities	-	-	51	6.44	21	3.65
	413	**100.00**	**792**	**100.00**	**576**	**100.00**

	FPE 2020		**FPE 2021**	
	RM'000	**%**	**RM'000**	**%**
Finance income:				
• Interest income from fixed deposit	154	100.00	122	100.00
	154	**100.00**	**122**	**100.00**
Finance costs:				
• Interest expense on overdraft and term loan	251	94.01	559	99.47
• Interest expense on lease liabilities	16	5.99	3	0.53
	267	**100.00**	**562**	**100.00**

Comparison between FYE 2018 and FYE 2019

Finance income

For the FYE 2019, our finance income increase by RM0.09 million or 47.37% from RM0.19 million in FYE 2018 to RM0.28 million in FYE 2019 due to higher placement of fixed deposit.

Finance cost

For the FYE 2019, our finance costs increase by RM0.38 million or 92.68% from RM0.41 million in FYE 2018 to RM0.79 million in FYE 2019 mainly attributable to:

(a) initial recognition of interest of RM0.05 million from lease liabilities due to adoption of accounting standard, MFRS16, requiring the recognition of a right-of-use asset and a lease liability at commencement of all leases (except for short-term leases and leases of low value asset) which are mainly attributable to the rental of property and construction equipment; and

(b) increase in interest from overdraft and term loan by RM0.33 million from RM0.41 million in FYE 2018 to RM0.74 million in FYE 2019 due to increase in financing for additional working capital requirements and purchase of investment properties.

Comparison between FYE 2019 and FYE 2020

Finance income

For the FYE 2020, our finance income decrease by RM0.07 million or 25.00% from RM0.28 million in FYE 2019 to RM0.21 million in FYE 2020 due to decrease in placement for fixed deposit.

Finance cost

In FYE 2020, our finance cost decreased by RM0.21 million or 26.58% from RM0.79 million in FYE 2019 to RM0.58 million in FYE 2020 mainly due to lower interest expenses on overdraft as some of the project, namely Quayside Mall Project, F&N Intelligent Industrial Building Project and Amverton Greens Project were near to completion and hence lesser financing was required for working capital. Furthermore, due to COVID-19 pandemic, the BNM has also lowered the base lending rate which reduces our financing cost.

Comparison between FPE 2020 and FPE 2021

Finance income

For the FPE 2021, our finance income decreased by RM0.03 million or 20.00% from RM0.15 million in FPE 2020 to RM0.12 million in FPE 2021 due to decrease in placement for fixed deposit and lower fixed deposit rate in FPE 2021.

Finance cost

In FPE 2021, our finance cost increased by RM0.29 million or 107.41% from RM0.27 million in FPE 2020 to RM0.56 million in FPE 2021 mainly due to increase in loans and borrowings for working capital and initial start-up cost such as setting up of site offices, rental of cabin and machinery, workmen compensation insurance in relation to the new projects secured namely Cubic Botanical Tower A Project, The Dawn Project, Hyatt Bukit Jalil Project and Columbarium Project.

(vii) PBT and PAT

	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
PBT (RM'000)	7,784	8,579	15,455	8,345	7,244
PBT margin (%)	5.35	3.53	5.65	6.71	6.93
PAT (RM'000)	5,262	6,950	11,043	6,334	4,983
PAT margin (%)	3.62	2.86	4.04	5.10	4.77
Adjusted PAT (RM'000)	4,094	6,950	11,043	6,334	4,983
Adjusted PAT margin (%)	2.82	2.86	4.04	5.10	4.77

Comparison between FYE 2018 and FYE 2019

Our PBT margin decreased from 5.35% in FYE 2018 to 3.53% in FYE 2019 mainly due to lower margin for the Bennington Residences @ Sky Arena Project of 0.39%. Correspondingly, our PAT margin decreased from 3.62% in FYE 2018 to 2.86% in FYE 2019. However, our adjusted PAT margin (after adjusted for a RM1.17 million one-off gain from disposal of subsidiary in FYE 2018) increase from 2.82% in FYE 2018 to 2.86% in FYE 2019.

For FYE 2019, our PBT recorded an increase by RM0.80 million or 10.28% from RM7.78 million in FYE 2018 to RM8.58 million in FYE 2019, while our PAT increased by RM1.69 million or 32.13% from RM5.26 million in FYE 2018 to RM6.95 million in FYE 2019. Our adjusted PAT (after adjusted for a RM1.17 million one-off gain from disposal of subsidiary in FYE 2018) increased by RM2.86 million or 69.93% from RM4.09 million in FYE 2018 to RM6.95 million in FYE 2019.

Comparison between FYE 2019 and FYE 2020

Our PBT margin improved from 3.53% in FYE 2019 to 5.65% in FYE 2020 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 of 0.39%.

Correspondingly, our PAT margin improved to 4.04% in the FYE 2020 from 2.86% in FYE 2019 consistent with the growth in our PBT margin.

For FYE 2020, we recorded an increase of PBT by RM6.88 million or 80.19% from RM8.58 million in FYE 2019 to RM15.46 million in FYE 2020, while our PAT increase by RM4.09 million or 58.85% from RM6.95 million in FYE 2019 to RM11.04 million in FYE 2020.

Comparison between FPE 2020 and FPE 2021

Our PBT margin improved from 6.71% in FPE 2020 to 6.93% in FPE 2021 mainly due to cost savings achieved in FPE 2021 from value engineering exercise for:

(a) piling works and substructure works where the number of piles reduced but the size of piles increased and pile cap size reduced to minimal size while maintaining the design loading;

(b) reinforced concrete structure by redesigning the deep beam and ground floor slab, increasing the concrete grade as well as reducing the steel contain while maintaining the required design loading; and

(c) structural steel by utilising alternative steel member and thickness but the required steel frame loading and design are maintained.

Our PAT margin has reduced to 4.77% in the FPE 2021 from 5.10% in FPE 2020 due to higher tax expenses arising from non-deductible expenses namely professional fee for our IPO.

For FPE 2021, we recorded a decrease of PBT by RM1.11 million or 13.29% from RM8.35 million in FPE 2020 to RM7.24 million in FPE 2021 despite higher margin due to a decrease in revenue, while our PAT decrease by RM1.35 million or 21.33% from RM6.33 million in FPE 2020 to RM4.98 million in FPE 2021. Such decrease was attributable to the suspension of our project sites due to the imposition of MCO 3.0, FMCO and NRP as well as workforce capacity limitations at our project sites.

(viii) Tax expense

	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Reconciliation of tax expense					
Profit before tax	7,784	8,579	15,455	8,345	7,244
Income tax calculated using Malaysian tax rate at 24%	1,868	2,059	3,709	2,003	1,739
Non-deductible expenses	977	244	342	8	465
Non-taxable income	(896)	(243)	(194)	-	(29)
Under/(Over) provision in prior years	573	(431)	555	-	86
Taxation	2,522	1,629	4,412	2,011	2,261
Statutory tax rate (%)	24.00	24.00	24.00	24.00	24.00
Effective tax rate (%)	32.40	18.99	28.55	24.10	31.21

Our effective tax rate for FYE 2018 was higher than the statutory tax rate of 24.00% mainly due to RM0.98 million non-deductible expenses such as restricted interest expenses and depreciation for non-qualifying asset which was offset by RM0.90 million non-taxable income as well as additional taxation of RM0.57 million which was under provided in the previous year.

The effective tax rate for FYE 2019 was lower than the statutory tax rate mainly due to reversal of RM0.43 million taxation which was over provided in FYE 2018.

The higher than statutory tax rate in FYE 2020 was mainly due to RM0.34 million non-deductible expenses such as restricted interest expenses and depreciation for non-qualifying asset which was offset by RM0.19 million non-taxable income as well as additional taxation of RM0.56 million which was under provided in the previous year.

The higher than statutory tax rate in FPE 2021 was mainly due to RM0.47 million non-deductible expenses such as restricted interest expenses, depreciation for non-qualifying asset and consultancy and advisory fee for our IPO which was offset by RM0.03 million non-taxable income as well as additional taxation of RM0.09 million which was under provided in the previous year.

There were no tax penalties imposed by the Inland Revenue Board on our Group during the FYE 2018 to FYE 2020 and FPE 2021 in relation to provision of taxes.

12.2.3 Review of financial position

(i) Assets

	FYE 2018	FYE 2019	FYE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	8,902	8,156	6,658	6,065
Right-of-use assets	-	1,474	205	207
Investment properties	-	4,847	5,569	5,505
Other investments	545	692	836	877
Total non-current assets	9,447	15,169	13,268	12,654
Current assets				
Trade and other receivables	59,977	86,748	79,941	70,070
Contract assets	7,878	18,527	59,514	36,142
Current tax assets	265	-	37	46
Cash and cash equivalents	11,060	14,897	13,379	21,345
Total current assets	79,180	120,172	152,871	127,603
Total assets	**88,627**	**135,341**	**166,139**	**140,257**

Comparison between FYE 2018 and FYE 2019

Our total assets increased by RM46.71 million or 52.70% from RM88.63 million as at 31 December 2018 to RM135.34 million as at 31 December 2019. This was mainly due to the increase in current asset by RM40.99 million and increase in non-current assets by RM5.72 million as at 31 December 2019.

The increase in current assets was primarily attributable to:

(a) increase in trade and other receivables by RM26.77 million mainly due to higher revenue recognised from our ongoing and new project undertaken in FYE 2019;

(b) increase in contract assets by RM10.65 million mainly attributable to higher construction activities or work performed for Quayside Mall Project and Gravit8 (Phase 2B) Project. Such increase was mainly due to timing difference where higher revenue was recognised based on the cost incurred accounting method but the milestone for the certified progress billings to our clients has not been met; and

(c) increase in cash and cash equivalents by RM3.84 million.

The increase in non-current assets was mainly due to:

(a) initial recognition of RM1.47 million right-of-use assets due to adoption of accounting standard, MFRS16, requiring the recognition of a right-of-use asset and a lease liability at commencement of all leases (except for short-term leases and leases of low value asset) which are mainly attributable to the rental of property and construction equipment; and

(b) addition to investment properties of RM4.85 million from the purchase of 4 investment shoplots.

Comparison between FYE 2019 and FYE 2020

Our total assets increased by RM30.80 million or 22.76% from RM135.34 million as at 31 December 2019 to RM166.14 million as at 31 December 2020. This was mainly due to the increase in current asset by RM32.70 million.

The increase in current assets was mainly due to increase in contract assets by RM40.99 million mainly due to the completion of Quayside Mall Project. Such increase was mainly due to timing difference where higher revenue was recognised based on the cost incurred accounting method but the milestone for the certified progress billings to our clients has not been met.

The increase in current assets was partially offset by decrease in trade and other receivables by RM6.81 million due to higher collection from clients.

Our non-current assets decrease by RM1.90 million mainly due to the decrease in property, plant and equipment by RM1.50 million and decrease in right-of-use assets of RM1.27 million resulting from depreciation charges during the year.

Comparison between FYE 2020 and FPE 2021

Our total assets decreased by RM25.88 million or 15.58% from RM166.14 million as at 31 December 2020 to RM140.26 million as at 31 July 2021. This was mainly due to the decrease in current asset by RM25.27 million.

The decrease in current assets was mainly due to decrease in contract assets by RM23.37 million mainly due to the billing made for Quayside Mall Project, Amverton Cove Project and Gravit8 (Phase 2B) Project.

Our non-current assets decrease by RM0.61 million mainly due to the decrease in property, plant and equipment by RM0.59 million resulting from depreciation charges during the year.

(ii) Liabilities

	FYE 2018	FYE 2019	FYE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities				
Loans and borrowings	3,210	3,517	7,847	11,819
Lease liabilities	-	177	-	17
Deferred tax liabilities	306	210	459	442
Total non-current liabilities	3,516	3,904	8,306	12,278
Current liabilities				
Trade and other payables	53,946	73,436	108,647	83,047
Contract liabilities	4,422	12,977	6,625	1,015
Loans and borrowings	4,932	15,111	4,400	4,694
Lease liabilities	-	823	177	157
Current tax liabilities	61	390	1,265	1,364
Total current liabilities	63,361	102,737	121,114	90,277
Total liabilities	**66,877**	**106,641**	**129,420**	**102,555**

Comparison between FYE 2018 and FYE 2019

Our total liabilities increase by RM39.76 million or 59.45% from RM66.88 million as at 31 December 2018 to RM106.64 million as at 31 December 2019. The increase was attributable to the increase in current liabilities of RM39.38 million.

The increase in current liabilities was mainly due to:

(a) increase in trade and other payables by RM19.49 million mainly due to the increase in construction activities for FYE 2019;

(b) increase in contract liabilities by RM8.56 million mainly due to timing differences with higher certified progress billings issued to our clients compared to the lower revenue recognised based on cost incurred method. The increase in contract liabilities was mainly attributable to Amverton Greens Project;

(c) increase in loans and borrowings by RM10.18 million due to increase in term loan for purchase of investment properties and increase in bank overdraft for working capital; and

(d) increase in current tax liabilities of RM0.33 million is mainly due to the gap between tax instalments paid and final tax provision.

Comparison between FYE 2019 and FYE 2020

Our total liabilities increase by RM22.78 million or 21.36% from RM106.64 million as at 31 December 2019 to RM129.42 million as at 31 December 2020. The increase was attributable to the increase in current liabilities of RM18.38 million and increase in non-current liabilities of RM4.40 million.

The increase in current liabilities was mainly due to increase in trade and other payables by RM35.21 million mainly due to the increase in construction activities undertaken in FYE 2020 such as Impressions U-Thant Project, Gravit8 (Phase 2B) Project, Chambers Residence Project, Quayside Mall Project and Amverton Cove Project.

However, the overall increase in current liabilities was partially offset by:

(a) the decrease in loans and borrowings by RM10.71 million due to repayment of loans and overdraft; and

(b) the decrease in contract liability of RM6.35 million due to higher revenue recognised based on cost incurred method as compared to certified progress billing to our clients.

The increase of non-current liabilities was due to increase in loans and borrowings of RM4.33 million resulted from reclassification from current liabilities to non-current liabilities and increase in deferred tax liabilities of RM0.25 million mainly arising from timing differences of tax and accounting treatment of property, plant and equipment.

Comparison between FYE 2020 and FPE 2021

Our total liabilities decrease by RM26.86 million or 20.75% from RM129.42 million as at 31 December 2020 to RM102.56 million as at 31 July 2021. The decrease was attributable to the decrease in current liabilities of RM30.84 million which was offset by increase in non-current liabilities of RM3.97 million.

The decrease in current liabilities was mainly due to decrease in trade and other payables by RM25.60 million mainly due to the payment to subcontractors and suppliers.

The increase of non-current liabilities was due to increase in loans and borrowings of RM3.97 million mainly relating to new term loan entered during the financial period for working capital purposes.

12.2.4 Review of cash flows

	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from operating activities	4,783	768	6,956	3,302	5,921
Net cash (used in)/from investing activities	(1,284)	(5,072)	(185)	175	(21)
Net cash (used in)/ from financing activities	(5,153)	4,906	(2,320)	(3,837)	(330)
Net (decrease)/ increase in cash and cash equivalents	(1,654)	602	4,451	(360)	5,570
Cash and cash equivalents at 1 January	(1,176)	(2,830)	(2,228)	(2,228)	2,223
Cash and cash equivalents at 31 July/ 31 December	(2,830)	(2,228)	2,223	(2,588)	7,793

Note:

(1) Cash and cash equivalents at end of financial year/period comprise the following:

	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Fixed deposit with licensed banks	10,011	7,355	8,326	10,093	10,517
Less: Pledged deposits	(10,011)	(7,355)	(8,326)	(10,093)	(10,517)
	-	-	-	-	-
Cash and cash balances	1,049	7,542	5,053	860	10,828
Less : Bank overdraft	(3,879)	(9,770)	(2,830)	(3,448)	(3,035)
Cash and cash equivalents in the combined statements of cash flows	**(2,830)**	**(2,228)**	**2,223**	**(2,588)**	**7,793**

FYE 2018

Net cash for operating activities

In FYE 2018, our net cash generated from operating activities amounted to RM4.78 million. Our collections of RM114.70 million was partially offset by our payments of RM109.92 million.

The collections were mainly from clients for the following projects:

(i) Bennington Residences @ Sky Arena Project of RM70.18 million;

(ii) Amverton Greens Project of RM15.62 million;

(iii) F&N Intelligent Industrial Building Project of RM14.59 million;

(iv) Kanvas SOHO Project of RM4.82 million; and

(v) Seri Riana Residence (Phase 2B) Project of RM2.95 million.

The remaining collections of approximately RM6.54 million were related to other projects of which individually contributed less than 5.00% of total collections during FYE 2018.

Such payments were mainly for:

(i) subcontractors of RM62.62 million for subcontracting of building works, M&E works and other subcontracted services;

(ii) trade suppliers of RM37.15 million involving purchases of building and construction materials as well as professional fees and other construction related expenses;

(iii) administrative expenses of RM4.12 million for salaries and allowances, other payroll related costs, professional fees and other related costs;

(iv) other expenses of RM1.00 million;

(v) income tax of RM4.62 million; and

(vi) interest paid of RM0.41 million.

Net cash for investing activities

In FYE 2018, the net cash used in investing activities amounted to RM1.28 million. It was mainly attributable to:

(i) net cash outflow amounted to RM0.37 million (Johan Kembara Sdn Bhd's cash and cash equivalents of RM0.57 million less cash consideration received from disposal of RM0.20 million) from disposal and deconsolidation of subsidiary, Johan Kembara Sdn Bhd;

(ii) acquisition of property, plant and equipment which consists of mainly aluminum formwork to be utilised for our Amverton Greens Project amounting to RM1.10 million; and

(iii) investment in unit trust fund amounting to RM0.05 million.

Net cash used in investing activities was partially offset by interest income received in relation to fixed deposit amounted to RM0.19 million and proceeds from disposal of property, plant and equipment amounting to RM0.05 million.

Net cash for financing activities

In FYE 2018, the net cash used in financing activities amounted to RM5.15 million. This was mainly attributable to the placement of deposits pledged with financial institutions of RM4.04 million for overdraft facilities and performance bonds in relation to our projects and net repayment of overdraft and term loan facilities amounting to RM1.11 million.

FYE 2019

Net cash for operating activities

In FYE 2019, our net cash generated from operating activities decreased by RM4.01 million or 83.89% from RM4.78 million in FYE 2018 to RM0.77 million in FYE 2019. Our total collections increased by RM99.13 million or 86.43% from RM114.70 million in FYE 2018 to RM213.83 million in FYE 2019 mainly due to increase in revenue by RM97.47 million or 67.03% from RM145.42 million in FYE 2018 to RM242.89 million in FYE 2019.

The collections were mainly from clients for the following projects:

(i) Bennington Residences @ Sky Arena Project of RM78.82 million;

(ii) Amverton Greens Project of RM50.99 million;

(iii) Quayside Mall Project of RM27.33 million;

(iv) F&N Intelligent Industrial Building Project of RM19.12 million;

(v) Gravit8 (Phase 2B) Project of RM12.49 million; and

(vi) Amverton Cove Project of RM11.74 million.

The remaining collections of approximately RM13.34 million were related to projects of which individually contributed less than 5.00% of total collections during FYE 2019.

Our total payments increased from RM109.92 million in FYE 2018 to RM213.06 million in FYE 2019 mainly due to increase in payments to subcontractors and trade suppliers as a result of increase in construction activities.

Our collections of RM213.83 million was partially offset by our payments of RM213.06 million. Such payments were mainly for:

(i) subcontractors of RM152.86 million for subcontracting of building works, M&E works and other subcontracted services;

(ii) trade suppliers of RM53.92 million for the purchases of building and construction materials as well as professional fees and other construction related expenses;

(iii) administrative expenses of RM4.11 million for salaries and allowances, other payroll related costs, professional fees and other related costs;

(iv) other expenses of RM0.25 million for vehicles running costs as well as repair and maintenance costs;

(v) Income tax of RM1.13 million; and

(vi) Interest paid of RM0.79 million.

Net cash for investing activities

In FYE 2019, the net cash used in investing activities amounted to RM5.07 million. It was mainly attributable to:

(i) acquisition of investment property comprising 4 parcels of shop lot/retail which amounted to RM4.85 million for rental income and potential capital appreciation;

(ii) acquisition of property, plant and equipment which consists of mainly motor vehicles to be utilised for our business amounting to RM0.44 million; and

(iii) investment in unit trust fund amounting to RM0.06 million.

Net cash used in investing activities was partially offset by interest income received in relation to fixed deposit amounted to RM0.28 million.

Net cash for financing activities

In FYE 2019, the net cash inflow in financing activities amounted to RM4.91 million. This was mainly attributable to withdrawal of pledged deposits with financial institutions of RM2.66 million and the term loan taken up for financing on new investment properties amounting to RM3.48 million.

The cash inflows were partially offset by the payment of lease liabilities of approximately RM1.23 million for rental of machineries and equipment.

FYE 2020

Net cash for operating activities

In FYE 2020, our net cash generated from operating activities increased by RM6.19 million or 803.90% from RM0.77 million in FYE 2019 to RM6.96 million in FYE 2020. The increase was mainly due to improved cash flow management (i.e. prompt collection from clients and no advance payment made to subcontractors and suppliers). Our collections of RM233.36 million was partially offset by our payments of RM226.40 million.

The collections were mainly from clients for the following projects:

(i) Quayside Mall Project of RM86.78 million;

(ii) Gravit8 (Phase 2B) Project of RM51.16 million;

(iii) F&N Intelligent Industrial Building Project of RM33.78 million;

(iv) Chambers Residence Project of RM19.69 million; and

(v) Amverton Greens Project of RM16.33 million.

The remaining collections of approximately RM25.62 million were related to projects of which individually contributed less than 5.00% of total collections during FYE 2020.

Such payments were mainly for:

(i) subcontractors of RM175.96 million for subcontracting of building works, M&E works and other subcontracted services;

(ii) trade suppliers of RM42.01 million for the purchase of building and construction materials as well as professional fees and other construction related expenses;

(iii) administrative expenses of RM4.28 million for salaries and allowances, other payroll related costs, professional fees and other related costs;

(iv) other expenses of RM0.25 million for vehicles running costs as well as repair and maintenance costs;

(v) income tax of RM3.32 million; and

(vi) interest paid of RM0.58 million.

Net cash for investing activities

In FYE 2020, the net cash used in investing activities amounted to RM0.19 million. It was mainly attributable to:

(i) progressive payment for investment property acquired amounted to RM0.30 million;

(ii) acquisition of property, plant and equipment amounting to RM0.05 million;

(iii) investment in unit trust fund amounting to RM0.04 million; and

(iv) acquisition of 20.00% equity interest in Siab Network amounting to RM0.03 million.

Net cash used in investing activities was partially offset by interest income received in relation to fixed deposit amounted to RM0.21 million and proceeds from disposal of property, plant and equipment amounted to RM0.02 million.

Net cash for financing activities

In FYE 2020, the net cash used in financing activities amounted to RM2.32 million. This was mainly attributable to the placement of pledged deposits with financial institutions of RM0.97 million, payment of lease liabilities for machineries and equipment amounting to RM0.82 million and the dividend paid amounting to RM1.00 million for the dividend declared in FYE 2019.

Net cash used in financing activities was partially offset by RM0.47 million net financing amount received.

FPE 2021

Net cash for operating activities

In FPE 2021, our net cash generated from operating activities increased by RM2.62 million or 79.39% from RM3.30 million in FPE 2020 to RM5.92 million in FPE 2021. The increase was mainly due to improved cash flow management (i.e. collection from long outstanding trade receivables and no advance payment made to subcontractors and suppliers). Our collections of RM132.13 million was partially offset by our payments of RM126.21 million.

The collections were mainly from clients for the following projects:

(i) Gravit8 (Phase 2B) Project of RM39.17 million;

(ii) Chambers Residence Project of RM26.02 million;

(iii) Quayside Mall Project of RM23.48 million;

(iv) Amverton Cove Project of RM15.91 million;

(v) F&N Intelligent Industrial Building Project of RM9.37 million; and

(vi) Impressions U-Thant Project of RM8.88 million.

The remaining collections of approximately RM9.30 million were related to projects of which individually contributed less than 5.00% of the total collections during FPE 2021.

Such payments were mainly for:

(i) subcontractors of RM93.73 million for subcontracting of building works, M&E works and other subcontracted services;

(ii) trade suppliers of RM26.10 million for the purchase of building and construction materials as well as professional fees and other construction related expenses;

(iii) administrative expenses of RM3.62 million for salaries and allowances, other payroll related costs, professional fees and other related costs;

(iv) other expenses of RM0.01 million for vehicles running costs as well as repair and maintenance costs;

(v) income tax of RM2.19 million; and

(vi) interest paid of RM0.56 million.

Net cash for investing activities

In FPE 2021, the net cash used in investing activities amounted to RM0.02 million. It was mainly attributable to:

(i) acquisition of property, plant and equipment amounting to RM0.10 million; and

(ii) investment in unit trust fund amounting to RM0.04 million.

Net cash used in investing activities was partially offset by interest income received in relation to fixed deposit amounted to RM0.12 million.

Net cash for financing activities

In FPE 2021, the net cash used in financing activities amounted to RM0.33 million. This was mainly attributable to the placement of pledged deposits with financial institutions of RM2.19 million, payment of lease liabilities for machineries and equipment amounting to RM0.20 million and dividend paid amounting to RM2.00 million for the dividend declared in FYE 2019.

Net cash used in financing activities was partially offset by RM4.06 million net financing amount received.

12.3 LIQUIDITY AND CAPITAL RESOURCES

12.3.1 Working capital

We finance our operations with cash generated from operations, credit extended by trade payables and/or financial institutions as well as cash and bank balances. Our facilities from financial institutions comprise term loans, bank overdrafts, invoice factoring and bank guarantees as well as finance lease liabilities.

Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

(a) our cash and cash equivalent of approximately RM3.92 million (including deposits of RM7.65 million pledged as securities for banking facilities granted) as at LPD;

(b) our expected future cash flows from operations taking into account the potential impact of COVID-19, MCO and NRP on our business;

(c) our total banking facilities as at LPD of RM117.12 million (excluding finance leases), of which RM36.86 million have been utilised;

(d) proceeds expected to be raised from our Public Issue;

(e) dividend of RM4.00 million declared for the FYE 2020; and

(f) our pro forma gearing level of 0.23 times and net asset position of RM71.36 million, based on our pro forma combined statements of financial position as at 31 July 2021 after the Acquisition and subsequent events, Public Issue and utilisation of proceeds.

We carefully consider our cash position and ability to obtain further financing before making significant capital commitments. At this juncture, we do not foresee any circumstances which may materially affect our liquidity. Our Group has not encountered any major disputes with our debtors. Our finance personnel work closely with our project and contract staff for the collection of outstanding balances on monthly basis. This measure has proven to be effective while allowing us to maintain cordial relationship with our customers.

12.4 BORROWINGS

All of our borrowings are secured, interest-bearing and denominated in RM. Our total outstanding borrowings (bank borrowings excluding lease liabilities arising from right-of-use assets of RM0.17 million) as at 31 July 2021 stood at RM16.51 million, details of which are set out below:

Type of facility	Purpose	Security	Tenure	Effective interest rate	As at 31 July 2021 Payable within 1 year	 Payable after 1 year
				%	RM'000	RM'000
Interest bearing short-term borrowings, payable within 1 year:						
Overdraft ("**OD**")	Working capital	(i) Facility agreement as principal instrument; (ii) Blanket Deed of Assignment of Contract Proceeds with Power of Attorney between the Group and the bank; (iii) Notice of Assignment cum Instruction ("**NACI**") is to be issued to the contract awarded to channel the contract proceeds into collection account with the bank. The NACI is to be acknowledged by awarder; (iv) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi; and (v) Sinking fund build-up by way of deducting certain percentage from each contract proceeds received and placed in first party Fixed Deposit Receipt until the facility is fully secured	On-demand	BLR + 1.25%	1,191	-
	Working capital	(i) Facility agreement as principal instrument; (ii) Blanket Deed of Assignment of Contract Proceeds with Power of Attorney between the Group and the bank; (iii) NACI is to be issued to the contract awarded to channel the contract proceeds into collection account with the bank. The NACI is to be acknowledged by awarder; and (iv) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi	On-demand	BLR + 1.25%	-	-

Type of facility	Purpose	Security	Tenure	Effective interest rate	As at 31 July 2021 Payable within 1 year	Payable after 1 year
				%	RM'000	RM'000
	Working capital	(i) Pledge of fixed deposit of RM50,000 by way of Memorandum of Legal Charge and Letter of Set-Off; (ii) Additional pledge of fixed deposit of RM100,000 by way of sinking fund of RM10,000 per month, commencing 1 month after full drawdown of the OD facility by way of Memorandum of Legal Charge and Letter of Set-Off; (iii) All Monies Facilities Agreement with a principal sum of RM500,000; and (iv) Joint and several guarantee for RM500,000 by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi	On-demand	BLR + 1.25%	-	-
	Working capital	(i) Proceeds receivable from contract awarder(s) or such other Government Departments or Ministries, statutory bodies or such other companies acceptable to the bank for which the existing Deed of Assignment of Contract Proceeds and Power of Attorney with a principal sum of RM18,500,000; (ii) All Monies Facilities Agreement with a principal sum of RM18,500,000; and (iii) Joint and several guarantee for RM18,500,000 by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi	On-demand	BLR + 1.00%	510	-
	Working capital	(i) Pledge of fixed deposit of RM300,000 by way of Memorandum of Deposit and Letter of Set-Off; and (ii) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi	On-demand	BLR + 1.00%	-	-
	Working capital	(i) Facility agreement as principal instrument; (ii) Open All Monies first party assignment over a parcel of shop lot; and	On-demand	BLR + 2.00%	-	-

Type of facility	Purpose	Security	Tenure	Effective interest rate	As at 31 July 2021 Payable within 1 year	Payable after 1 year
				%	RM'000	RM'000
		(iii) Joint and several guarantee for RM800,000 by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi				
	Working capital	(i) Facility agreement as principal instrument; (ii) 1st party first legal charge over freehold commercial land with 2 units of 3-storey shop office; and (iii) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi	On-demand	BLR + 1.25%	157	-
	Working capital	(i) Letter of Offer; (ii) Facility agreement; (iii) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi; (iv) Corporate guarantee by Siab (M); and (v) Guarantee by Government of Malaysia under Working Capital Guarantee Scheme which managed by Syarikat Jaminan Pembiayaan Perniagaan Berhad for RM1.40 million	On-demand	BLR + 1.20%	1,177	-
Domestic recourse factoring	Working capital	(i) Full recourse factoring; and (ii) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi	On-demand	BLR + 0.75%	-	-
Interest bearing long-term borrowings, payable after 1 year:						
Term loans	Purchase of investment properties	(i) Facility agreement as principal instrument; (ii) Open All Monies first party assignment over 1 unit of shop lot/retail unit known as Lot No. GL-06 @ Gravit 8, Klang, Selangor Darul Ehsan as specified in the sale and purchase agreement;	15 Years	BLR - 1.90%	12	1,451

Type of facility	Purpose	Security	Tenure	Effective interest rate	As at 31 July 2021 Payable within 1 year	Payable after 1 year
				%	RM'000	RM'000
		(iii) Joint and several guarantee for RM1,515,000 by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi				
	Purchase of investment properties	(i) Letter of Offer; (ii) Master Facility Agreement; (iii) Asset sale agreement over Shariah compliant commodities determined by the bank as per the e-certificate or such other evidence of ownership maintained by the bank for the facility; (iv) First party registered charge over 3 units of shop lot/retail unit known as Lot No. GL-05-01, GL-05-02 and GL-05-03 @ Gravit 8, Klang, Selangor Darul Ehsan as specified in the sale and purchase agreement; (v) Joint and several guarantee of RM2,682,944 by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi; and (vi) Blanket Deed of Assignment of Rental Proceeds assigning all rental proceeds on the proffered property of the bank. The proceeds are to be credited into a current account with the bank	12 Years	BFR - 1.80%	173	2,363
	Purchase of office	(i) Facility agreement as principal instrument; (ii) 1st party first legal charge over freehold commercial land with 2 units of 3-storey shop office (details as disclosed under Section 6.8.1 (i) and (ii)); and (iii) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi	12 Years	BLR - 2.30%/ 4.55%, whichever higher	295	2,174

Type of facility	Purpose	Security	Tenure	Effective interest rate	As at 31 July 2021 Payable within 1 year	Payable after 1 year
				%	RM'000	RM'000
	Working capital	(i) Guarantee in favor of the bank by Syarikat Jaminan Pembiayaan Perniagaan Berhad under the Special Relief Facility-COVID-19 Scheme for 80.00% of the principal and interest outstanding; (ii) Corporate guarantee in favor of the bank by Siab (M); and (iii) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi	5 Years	BNM funding rate of 3.50%, upon unavailability, BLR + 2.00%	188	769
	Working Capital	(i) Facility Agreement as principal instrument; (ii) 70.00% coverage by Government of Malaysia; and (iii) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi.	5 Years	BLR + 0%	400	4,546
	Working Capital	(i) Facility Agreement as principal instrument; (ii) Guarantee coverage up to 70.00% on Fixed Loan - All Economic Sector by Syarikat Jaminan Pembiayaan Perniagaan Berhad; (iii) Corporate guarantee in favour of the bank by Siab (M); and (iv) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi.	5 Years	AES BNM Funding Rate + 4.40%	-	-
Hire purchases	Purchase of vehicles	(i) First party registered charge over said asset; and (ii) Guarantee by director, Ng Wai Hoe	7 years	2.35% - 3.28%	69	164
	Purchase of equipment	(i) First party registered charge over said asset	3 years	4.65% - 4.76%	522	352
Total borrowings					**4,694**	**11,819**

Gearing (times)

After Acquisition and subsequent events but before Public Issue(1)	0.44
After Acquisition and subsequent events, Public Issue and utilisation of proceeds(2)	0.23

Notes:

(1) Computed based on our pro forma equity attributable to the owners of the Company of RM37,702,000 million in the pro forma combined statements of financial position after the Acquisition and subsequent events, but before Public Issue and proposed utilisation of proceeds.

(2) Computed based on our pro forma equity attributable to the owners of the Company of RM71,358,000 million in the pro forma combined statements of financial position after the Acquisition and subsequent events, Public Issue and utilisation of proceeds.

In conjunction with the Listing, we have applied to the financiers to obtain a release and/or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the financiers. Until such release and/or discharge are obtained from the respective financiers, our Directors will continue to guarantee the banking facilities extended to our Group. As at LPD, we have received conditional approvals from these financiers to discharge the above guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the financial institutions.

Separately, we have also recognised the following lease liabilities which are denominated in RM:

	Purpose	**Tenure**	**As at 31 July 2021**
			RM'000
Lease liabilities payable within 1 year	Rental of property and construction equipment	21 – 25 months	157
Lease liabilities payable after 1 year	Rental of property and construction equipment	21 – 25 months	17

We also rely on bank guarantees for tender bonds and performance bonds. Such bank guarantees are used for all aspects of the project construction contract lifecycle from the start of tender process to expiration of our liability towards the client in accordance with the terms of each contract. The bank guarantees allow us to tender, execute and guarantee our deliverables to our clients. The tenure requirements for the bank guarantees are structured to match the underlying construction contracts with the respective counterparties.

12. FINANCIAL INFORMATION *(Cont'd)*

Our total financial guarantees as at 31 July 2021 stood at RM23.09 million, details as set out below. All our financial guarantees are secured, non-interest-bearing and denominated in RM.

Type of facility	Purpose	Security	Tenure	Interest rate	As at 31 July 2021
				% per annum	RM'000
Bank guarantees	Performance guarantees for contract works carried out by our Group	(i) Facility agreement as principal instrument; (ii) Blanket Deed of Assignment of Contract Proceeds with Power of Attorney between the Group and the bank; (iii) NACI is to be issued to the contract awarder to channel the contract proceeds into collection account with the bank. The NACI is to be acknowledged by awarder; (iv) Joint and several guarantee by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi; (v) Marginal deposit in to be placed in the form of first party Fixed Deposit Receipt ranging from 10.00% to 20.00% as and when the facility utilised; and (vi) Sinking fund build-up by way of deducting 5.00% from each contract proceeds received and placed in first party Fixed Deposit Receipt until the facility is fully secured	On-demand	N/A	9,420
	Performance guarantees for contract works carried out by our Group	(i) Upfront pledge of fixed deposit of 15.00% of the bank guarantee amount to be issued by way of Memorandum of Deposit and Letter of Set-Off. The interest earned thereon shall be capitalised and retained as part of the security; and (ii) Joint and several guarantee for RM10,000,000 by the 3 directors, Ng Wai Hoe, Lim Mei Hwee, Tan Sok Moi.	On-demand	N/A	4,736
	Performance guarantees for contract works carried out by our Group	(i) First party charge on fixed deposit to be placed on 10.00% to 25.00% of each application for performance guarantee; (ii) All Monies Facilities Agreement with a principal sum of RM10,000,000; and (iii) Joint and Several Guarantee for RM10,000,000 by the 3 directors, Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi	On-demand	N/A	8,938
Total financial guarantees					**23,094**

The liabilities in respect of the bank guarantees will only crystallise and become payable following a call by our clients of the tender bonds or performance bonds in accordance with the terms and conditions of such construction contracts. During FYE 2018 to FYE 2020 and FPE 2021, we did not experience any call of the tender bonds or performance bonds issued to our clients.

As at LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency. We have not defaulted on payments of principal sums and/or interests in respect of any of our borrowings throughout FYE 2018 to FYE 2020, FPE 2021 and up to LPD.

As at LPD, neither our Company nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations or the investments by holders of our securities.

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12.5 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

Save as disclosed in Section 12.4 above, we do not have or utilise any other financial instruments or have any other treasury policies. All our financial instruments are used towards purchase of property, plant and equipment, investment property and our construction business. As at 31 July 2021, all our other facilities with licensed financial institutions are based on base financing rate/ base lending rate/ BNM financing rate plus or minus a rate which varies depending on the type of facility. As at the LPD, we do not utilise any financial instruments for hedging purposes. All our cash and cash equivalent are held in RM.

12.6 MATERIAL CAPITAL COMMITMENTS

As at LPD, we do not have any material capital commitments other than the following capital expenditure plan in relation to the utilisation the IPO proceeds:

(i) purchase of land and construction of storage facilities;

(ii) purchase of machinery and equipment;

(iii) purchase of BIM system software;

(iv) upgrading of software and systems; and

(v) office expansion;

as disclosed under Section 4.9.

12.7 MATERIAL LITIGATION AND CONTINGENT LIABILITIES

Save as disclosed below, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to any proceeding which might materially or adversely affect our position or business as at LPD.

(i) Adjudication between Apnov Construction Sdn Bhd ("Claimant") and Siab (M) Sdn Bhd ("Respondent") AIAC/D/ADJ-4051-2021

The Claimant, being a subcontractor appointed by the Respondent, had initiated a proceeding under Construction Industry Payment and Adjudication Act 2012 ("**CIPAA 2012**') against the Respondent by way of a notice of adjudication dated 1 December 2021, claiming for an amount of RM1,676,757.42 in respect of payment certificates no. 20 and 21, progress claim no. 23 and the release of 5% of the retention sum.

Mr. Tan Chuan Joo is appointed as the adjudicator of this matter and a notice of acceptance to act as adjudicator ("**said Notice**") has been issued by the learned adjudicator to the Claimant and the Respondent by way of email on 10 January 2022. Upon receiving the physical copy of the said Notice, the Claimant is required to submit its adjudication claim to the relevant parties within 10 working days. Similarly, upon receiving the adjudication claim from the Claimant, the Respondent has 10 working days to submit its adjudication response, followed by the Claimant's adjudication reply within 5 working days from the receipt of the adjudication response.

Based on the legal opinion of the Respondent's solicitors, the Respondent's solicitors are of the view that the Respondent has a reasonably good chance of defending the claim.

As at LPD, our Directors confirm that there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our Group's business, financial performance or position.

12.8 KEY FINANCIAL RATIOS

The key financial ratios of our Group as at 31 December 2018, 31 December 2019, 31 December 2020 and 31 July 2021 are as follows:

	31 December			**31 July**
	2018	**2019**	**2020**	**2021**
Trade receivables turnover (days)[(1)]	63	71	69	82
Trade payables turnover (days)[(2)]	68	74	100	161
Current ratio (times)[(3)]	1.25	1.17	1.26	1.41
Gearing ratio (times)[(4)]	0.37	0.68	0.34	0.44

Notes:

(1) Computed based on average opening and closing trade receivables (excluding retention sum) over revenue for the year multiplied by 365 days for FYEs and 212 days for FPE.

(2) Computed based on average opening and closing trade payables (excluding retention sum) over costs of sales for the year multiplied by 365 days for FYEs and 212 days for FPE.

(3) Computed based on current assets over current liabilities as at each financial year/period end.

(4) Computed based on total borrowings over total equity as at each financial year/period end.

12.8.1 Trade receivables turnover

The normal credit period granted by our Group to our contract customers is 30 to 45 days from the date of progress billings depending on the terms of the contracts.

Our trade receivables turnover period for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 were 63 days, 71 days, 69 days and 82 days, which is beyond our general credit terms range. Our trade receivables turnover period increase slightly from 63 days in FYE 2018 to 71 days in FYE 2019 mainly due to slower collection from the F&N Intelligent Industrial Building Project and Quayside Mall Project in FYE 2019. The increase in collection time is mainly attributable to more time taken to verify the architects' certificates and slower processing time incurred by our clients. Our trade receivables turnover period improved from 71 days to 69 days in FYE 2020 mainly due to prompt collection from the F&N Intelligent Industrial Building Project and Quayside Mall Project in FYE 2020. The higher trade receivables turnover for the FPE 2021 was mainly due to slower collection from Impressions U-Thant Project due to client delay in payment during these COVID-19 Pandemic.

Although the credit period as per contractual terms is between 30 to 45 days which is contractually enforceable, there is still a gap between contractual terms and actual collections as indicated in the trade receivable turnover days.

This is mainly due to our clients' lengthy and time-consuming internal process involving verification of the architect's certification by various internal departments before payment is processed. Notwithstanding the above, we adopted a 30 to 90 days credit period policy for accounting purpose and opt not to extend our credit period in our contracts to reflect the actual practice as clients may take even longer time to pay if longer payment terms are granted.

There were no changes to our credit policies and procedures during the financial years/period under review. The trade receivable turnover period is dependent on the mix of clients and projects undertaken by us during the financial years/period under review. Our trade receivables turnover period was computed excluding retention sums in relation to our construction services. Due to the nature of the construction industry, our customers are entitled to retain 5.00% to 10.00% of each progress billing, as retention sum, up to a maximum of 5.00% of the contract sum awarded, which is set out in the contract with our customer. Our customer will retain the entire retention sum throughout the contract period until the issuance of CPC, upon which half of the retention sum will be released. The remaining half will be released to us at the end of the contracted DLP and upon the issuance of the CMGD. As such, the exclusion of the retention sums in the computation of trade receivables turnover period presents a more realistic measure of the average number of days that requires for the collection of debts that are due.

The ageing analysis of our trade receivables as at 31 July 2021 is as follows:

	Trade receivables as at 31 July 2021		**Amount collected subsequent from 1 August 2021 up to LPD**		**Trade receivables net of subsequent collections**	
	RM'000	**Percentage of trade receivables**	**RM'000**	**Percentage collected**	**RM'000**	**Percentage of trade receivables net of subsequent collections**
	(a)	**(a)/total of (a)**	**(b)**	**(b) /Total of (a)**	**(c) = (a)-(b)**	**(c)/total of (a)**
Neither past due nor impaired[(1)]	7,712	11.23%	6,464	9.41%	1,248	1.82%
Past due but not impaired:						
• 1 to 30 days	5,603	8.16%	2,552	3.72%	3,051	4.44%
• 31 to 120 days	9,495	13.82%	4,590	6.68%	4,905	7.14%
• More than 120 days	11,934	17.38%	2,218	3.23%	9,716	14.15%
	27,032	39.36%	9,360	13.63%	17,672	25.73%
Retention sum	33,931	49.41%	955	1.39%	32,976	48.02%
Total	**68,675**	**100.00%**	**16,779**	**24.43%**	**51,896**	**75.57%**

Note:

(1) Based on 30 to 45 days.

As at the LPD, we have collected RM16.78 million of the trade receivables as at 31 July 2021.

Meanwhile, the remaining outstanding trade receivables that have past due as at LPD of RM18.92 million (excluding retention sum), exceeded the credit period mainly due to clients requiring longer internal processing time to verify progress claims and final claims before making payment. In light of the current market condition, our management has been monitoring the due date of our trade receivables closely and to remind clients promptly before the due date for payment to reduce the risk of non-collection.

In the event if the collection of the trade receivables is severely delayed, our Group's operating cash flows may be affected and in turn our payment to suppliers and sub-contractors may be delayed. Additionally, receivables will be written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with us. Where receivables have been written off, we will continue to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Our Group has not encountered any major disputes with our trade receivables. With respect to overdue debts, our Board is of the view that these debts are recoverable taking into consideration of our established relationship with these clients, their payment history, their credentials and we have generally been able to collect payment eventually as evident by our subsequent collections after FPE 2021.

We use ageing analysis to monitor the credit quality of our trade receivables. Our management closely monitors the recoverability of our overdue trade receivables on a regular basis, and, when appropriate, provides for impairment of these trade receivables.

12.8.2 Trade payables turnover

The normal credit terms granted by our trade creditors to our Group ranges from 30 to 60 days from the date of tax invoice. Retention sum is excluded in arriving at our trade payables turnover period. In general, we will release half of the retention sum to our subcontractors upon the issuance of the CPC, whilst the remaining half will be released at the end of the DLP and upon the issuance of CMGD.

Our trade payables turnover period for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 were 68 days, 74 days, 100 days and 161 days, respectively, which is beyond the payment period granted to us. The higher payables turnover period was mainly due to longer period taken for payment to our subcontractors and suppliers. The longer payment periods was due to steps taken by our Group to manage our working capital requirements after taking into consideration, inter-alia, payment from our customers and the established relationship we have with our subcontractors and suppliers.

The slight increase in trade payable turnover period from 68 days in FYE 2018 to 74 days in FYE 2019 was mainly attributable to slower payment from various projects undertaken by us in FYE 2019 as we try to match the timing of payment to our subcontractors with the collections from our clients.

The higher trade payable turnover period in the FYE 2020 were merely due to timing difference in the payment made to trade payables which was mainly attributable to the completion of the Quayside Mall Project and the accrual of a total of RM20.37 million cost in the month of December 2020 which is subject to architect certification prior to payment being made.

The trade payable turnover period increased to 161 days in the FPE 2021 due to timing difference in the payment made to our subcontractors and suppliers which was mainly attributable to the completion of the F&N Intelligent Industrial Building Project and Amverton Greens Project and the accrual of a total of RM20.58 million cost in the month of July 2021 which is subject to architect certification prior to payment being made.

The ageing analysis of our trade payables as at 31 July 2021 is as follows:

	Trade payables as at 31 July 2021		Amount paid subsequent from 1 August 2021 up to LPD		Trade payables net of subsequent payment	
	RM'000	**Percentage of trade payables**	**RM'000**	**Percentage paid**	**RM'000**	**Percentage of trade payables net of subsequent payments**
	(a)	**(a)/total of (a)**	**(b)**	**(b) /Total of (a)**	**(c) = (a)-(b)**	**(c)/total of (a)**
Neither past due nor impaired	34,838	44.89%	26,834	34.58%	8,004	10.31%
Past due but not impaired:						
• 1 to 30 days	5,161	6.65%	4,646	5.99%	515	0.66%
• 31 to 120 days	8,087	10.42%	6,875	8.86%	1,212	1.56%
• More than 120 days	7,550	9.73%	1,229	1.58%	6,321	8.15%
	20,798	26.80%	12,750	16.43%	8,048	10.37%
Retention sum	21,967	28.31%	1,916	2.47%	20,051	25.84%
Total	**77,603**	**100.00%**	**41,500**	**53.48%**	**36,103**	**46.52%**

As at the LPD, we have outstanding trade payables of RM16.05 million (excluding retention sum) as at 31 July 2021 to be repaid and we paid RM39.58 million of the trade payables as at 31 July 2021.

The outstanding trade payables as at LPD of RM16.05 million mainly consist of amount due to:

(i) a nominated subcontractor for the Impressions U-Thant Project of RM 4.67 million whereby:

(a) the payment to the nominated subcontractor is being guaranteed by the client and secured by certain units of the project or proceed from sales of certain units of the project via a tripartite agreement entered into between the client, Siab (M) and the nominated subcontractor. Under the said agreement, the client has reserved a number of units from the project as security for payment of amount due and owing to the nominated subcontractor. Upon the sales of those units, the proceeds will be made to the nominated subcontractor. Alternatively, the nominated subcontractor may elect to purchase those units in lieu of payment and if there are any differential sum after setting off amount due and owing to the nominated subcontractor, the client and nominated subcontractor shall settle the said differential sum; and

(b) a supplementary tripartite agreement to the tripartite agreement stipulated under 12.8.2(i)(a) above was entered into between the client, Siab (M) and the nominated subcontractor in which the payment to the nominated subcontractor will be paid on behalf by the client. Under the said agreement, Siab (M) shall not be liable to pay the nominated subcontractors for the outstanding payables and any subsequent certified amount in the event the client fails to make direct payment to the nominated subcontractor. The client has also reserved additional number of units (which is different from the units stipulated under 12.8.2(i)(a) above) from the project as security for payment of amount due and owing to the nominated subcontractor;

(ii) 8 nominated subcontractors for the Impressions U-Thant Project of a total of RM1.08 million of which the payment to the nominated subcontractors will be paid on behalf by the client via tripartite agreement entered into between the client, Siab (M) and the respective nominated subcontractors. Under the said agreement, Siab (M) shall not be liable to pay the nominated subcontractors for the outstanding trade payables and any subsequent certified amount in the event the client fails to make direct payment to the nominated sub-contractors; and

(iii) Accruals mainly from completion of Quayside Mall Project, F&N Intelligent Industrial Building Project and Amverton Greens Project amounts to RM6.61 million of which is still pending for architect certification.

Notwithstanding that our suppliers and subcontractors my take legal actions against us for the delay in payment of the outstanding trade payables, we do not foresee any legal actions arising taking into consideration of the arrangement stipulated in item (i) above and the longer time required for architect certification for the Quayside Mall Project, F&N Intelligent Industrial Building Project and Amverton Greens Project stipulated in item (ii) above due to the imposition of MCO and NRP.

We continue maintaining good relationship with our subcontractors and suppliers. As at LPD, there are no disputes in respect of our trade payables and no legal action has been initiated by our suppliers to demand for payment.

12.8.3 Current ratio

Our current ratio throughout the financial years/period under review is as follows:

	FYE 2018	**FYE 2019**	**FYE 2020**	**FPE 2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current assets	79,180	120,172	152,871	127,603
Current liabilities	63,361	102,737	121,114	90,277
Net current assets	**15,819**	**17,435**	**31,757**	**37,326**
Current ratio (times)	1.25	1.17	1.26	1.41

Our current ratio ranged from 1.17 to 1.41 times throughout the financial years/period under review. This indicates that our Group is capable of meeting our current obligations as our current assets which can be readily converted to cash, together with our cash in the bank are enough to meet immediate current liabilities.

As at 31 December 2019 our current ratio was 1.17 times, a marginal decrease as compared to 1.25 times as at 31 December 2018. The decrease was mainly attributable to the following:

(i) increase in current asset by RM40.99 million resulted from:

(a) increase in trade and other receivables by RM26.77 million mainly due to higher revenue recognised from our ongoing and new project undertaken in FYE 2019;

(b) increase in contract assets by RM10.65 million mainly from Quayside Mall Project and Gravit8 (Phase 2B) Project; and

(c) increase in cash and cash equivalents by RM3.84 million.

(ii) partially offset by increase in current liabilities by RM39.38 million resulted from:

(a) increase in trade and other payables by RM19.49 million mainly due to the increase in construction activities for FYE 2019;

(b) increase in contract liabilities by RM8.56 million mainly attributable to Amverton Greens Project; and

(c) increase in loans and borrowings by RM10.18 million due to increase in term loan for purchase of investment properties and increase in bank overdraft for working capital.

As at 31 December 2020 our current ratio increased to 1.26 times primarily attributable to the followings:

(i) increase in current assets by RM32.70 million resulted from:

(a) increase in contract assets by RM40.99 million mainly due to the completion of Quayside Mall Project; and

(b) decrease in trade and other receivables by RM6.81 million due to higher collection from clients.

(ii) partially offset by increase in current liabilities by RM18.38 million resulted from:

(a) increase in trade and other payables by RM35.21 million mainly due to the increase in construction activities undertaken in FYE 2020 such as Impressions U-Thant Project, Gravit8 (Phase 2B) Project, Chambers Residence Project, Quayside Mall Project and Amverton Cove Project;

(b) the decrease in loans and borrowings by RM10.71 million due to repayment of loans and overdraft; and

(c) the decrease in contract liability of RM6.35 million due to higher revenue recognised based on cost incurred method as compared to certified progress billing to our clients.

As at 31 July 2021 our current ratio increased to 1.41 times from 1.26 times in FYE 2020 primarily attributable to the followings:

(i) decrease in current liabilities by RM30.84 million resulted from:

(a) decrease in contract liabilities by RM5.61 million mainly due to higher construction works performed for F&N Intelligent Industrial Building Project and Amverton Greens Project; and

(b) decrease in trade and other payables by RM25.60 million mainly due to payment to subcontractor.

(ii) partially offset by decrease in current assets by RM25.27 million resulted from:

(a) decrease in trade and other receivables by RM9.87 million arising from collection from customers and partial release of retention sum from Quayside Mall Project; and

(b) decrease in contract assets by RM23.37 million due to additional billing made for Quayside Mall Project, Amverton Cove Project and Gravit8 (Phase 2B) Project.

12.8.4 Gearing ratio

Our gearing ratio throughout the financial years/period under review is as follows:

	FYE 2018	FYE 2019	FYE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Total borrowings	8,142	19,628	12,424	16,687
Total equity	21,750	28,700	36,719	37,702
Gearing ratio (times)	0.37	0.68	0.34	0.44

Our gearing ratio ranged from 0.34 to 0.68 times throughout the financial years/period under review. The changes in gearing ratio were mainly due to timing differences between collection from clients and payment to subcontractors and suppliers where overdraft financing were temporarily utilised to bridge the cash flow requirement.

Our gearing ratio increased from 0.37 times as at 31 December 2018 to 0.68 times as at 31 December 2019 mainly due to the following:-

(i) increase in our total borrowings by RM11.49 million or 141.15% to RM19.63 million as at 31 December 2019 (31 December 2018: RM8.14 million) mainly due to draw down of term loan for purchase of investment properties and drawn down of bank overdraft for working capital; and

(ii) increase in our total equity by RM6.95 million or 31.95% to RM28.70 million as at 31 December 2019 (31 December 2018: RM21.75 million) due to increase in retained earnings.

Our gearing ratio reduced from 0.68 times as at 31 December 2019 to 0.34 times as at 31 December 2020 mainly due to the following:-

(i) decrease in our total borrowings by RM7.21 million or 36.73% to RM12.42 million as at 31 December 2020 (31 December 2019: RM19.63 million) mainly due to repayments made during the year; and

(ii) increase in our total equity by RM8.02 million or 27.94% to RM36.72 million as at 31 December 2020 (31 December 2019: RM28.70 million) due to increase in retained earnings.

In FPE 2021, our gearing ratio increased from 0.34 times as at 31 December 2020 to 0.44 times as at 31 July 2021 mainly due to the following:-

(i) increase in our total borrowings by RM4.27 million or 34.38% to RM16.69 million as at 31 July 2021 (31 December 2020: RM12.42 million) mainly due to new loan facilities entered during the year for working capital and initial start-up cost such as setting up of site offices, rental of cabin and machinery, workmen compensation insurance in relation to the new projects secured namely Cubic Botanical Tower A Project, The Dawn Project, Hyatt Bukit Jalil Project and Columbarium Project; and

(ii) increase in our total equity by RM0.98 million or 2.67% to RM37.70 million as at 31 July 2021 (31 December 2020: RM36.72 million) due to increase in retained earnings.

12.9 SIGNIFICANT FACTORS AFFECTING OUR REVENUE

Section 9 details a number of risk factors relating to our business and the industry in which we operate in. Some of these risk factors have an impact on our Group's revenue and financial performance. The main factors which affect our revenues and profits include but are not limited to the following:

(i) External factors which may have a significant adverse effect on our Group

We may be subject to external factors that are beyond our control, which may affect the timely completion of our projects. This includes, among others, weather conditions and timely receipt and renewal of requisite licences, permits and approvals, availability of construction materials and labour, and the quality of work delivered by our sub-contractors.

Any prolonged delay due to the above factors could lead to project cost overrun, premature termination of our contract or the postponement of or scaling down of the project by our clients. Project delays may affect our profitability, delay the recognition of our revenue, incur additional costs and/ or result in our clients imposing LAD on us, all of which could adversely affect our Group's financial performance.

During FYE 2018 to FYE 2020 and FPE 2021, only Seri Riana Residence (Phase 2B) Project was imposed with LAD by the client of RM0.60 million in FYE 2018 and RM0.60 million in FYE 2020.

In addition, the ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have the following significant adverse effect on our Group:

(a) a spread of such diseases amongst our employees, as well any quarantines affecting our employees or our offices and project sites, may affect our ability to carry out our business;

(b) strict operating procedures imposed by the regulatory authorities will also increase our operating costs; and

(c) impacts on our business partners be it our clients, subcontractors or suppliers, will result in lesser projects being awarded or slower construction progress or shortage of construction materials necessary for us to carry out our business.

(ii) The continuity of our order book is not assured and any significant decline in our order book will adversely affect our long-term sustainability and growth

We are normally awarded contracts on a project-to-project basis with contract period ranging from 1.5 years to 3 years. As such, there is no assurance of continuity from one project to the next project. Any significant decline in our order book could adversely affect our Group's sustainability and prospects.

As at LPD, our order book comprised unbilled contracts amounting to approximately RM544.98 million. However, there can be no assurance that we will be able to maintain at least such level of order in the future. In addition, our order book is subject to unexpected project cancellations or scope adjustments which may occur from time to time, thereby reducing the value of our order book.

(iii) Any unanticipated increases in costs associated with our construction projects may impair our financial performance

We price our construction projects based on a cost estimate, and under the terms of certain of our contracts, the prices we submit in our tender bid or negotiate in our contracts are fixed, with the exception of any approved variation orders. As such, our project cash flows and profitability are much dependent on the accuracy of our cost estimate during the tender and/or negotiation stage. Our cost estimate is based on inter-alia, the availability and costs of construction raw materials and equipment, subcontracting costs, project period, labour costs, as well as the complexity and scale of the construction project.

Our cash flows and profitability will be reduced if the actual costs to complete a contract exceed original estimates.

12.10 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 9.

12.11 IMPACT OF INFLATION

A majority of our projects take between 1.5 to 3 years to complete. Accordingly, prices of key construction materials at the time of submission of tender bids or signing of contracts may not reflect the prices that we will eventually pay during the implementation of our projects. Majority of our contracts are firm and fixed-price contracts, under which we commit to provide all of the resources required to complete a project at fixed unit prices. As such, we are not able to pass on any increases in construction cost.

Our operations are also dependent on the availability of labour at acceptable prices. Any unanticipated increases in the cost of labour not taken into account at the time of submission of tender bids or signing of contracts may also result in our profits being different from those originally estimated and may result in us experiencing reduced profitability or losses on projects.

During FYE 2018 to FYE 2020 and FPE 2021, our financial performance was not materially affected by the impact of inflation. However, there is no assurance that our financial performance will not be adversely affected by the impact of inflation moving forward.

12.12 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/OR COMMODITY PRICES ON OUR GROUP'S OPERATIONS

(i) Impact of foreign exchange rates

Our transactions are solely denominated in RM.

(ii) Impact of interest rates

Our exposure to changes in interest rate risk relates primarily to our borrowings from banks. We do not generally hedge interest rate risks.

A sensitivity analysis performed on our Group based on the outstanding floating rate of the bank borrowings as at 31 July 2021 indicates that our PAT for FPE 31 July 2021 would increase or decrease by approximately RM0.12 million, as a result of an increase or decrease in interest rates by 100 basis points on these borrowings.

Our financial results for FYE 2018 to FYE 2020 and FPE 2021 were not materially affected by fluctuations in interest rates.

(iii) Impact of commodity prices

Our direct materials mainly consist of construction raw materials such as steel bars, ready-mixed concrete, tiles, timber and plywood, bricks, reinforced mesh, cement, sand and sanitary items. These raw materials are widely available in Malaysia and from a large base of suppliers. We were not materially affected by fluctuations in commodity prices for FYE 2018 to FYE 2020 and FPE 2021.

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12.13 ORDER BOOK

Details of our unbilled order book are as follows:

Project details	Contract value Total RM' 000	Balance as at 31 July 2021 RM' 000	Balance as at LPD RM' 000	To be recognised FYE 2022 RM' 000	FYE 2023 RM' 000	FYE 2024 RM' 000	Expected/ completion date	Stage of completion (% as at LPD)
Residential								
Chambers Residence Project	103,450	43,514	31,299	31,299	-	-	[(1)]January 2022	69.74
Impressions U-Thant Project	75,511	44,617	41,251	41,251	-	-	[(2)]June 2022	45.37
Gravit8 (Phase 2B) Project	118,282	1,487	-	-	-	-	[(3)]February 2021	100.00
Amverton Greens Project	88,000	-	-	-	-	-	May 2021	100.00
The Dawn Project	160,000	158,716	152,873	91,724	61,149	-	February 2023	4.45
Cubic Botanical Tower A Project	64,800	55,895	37,219	37,219	-	-	[(6)]July 2022	42.56
Arunya @ KL North Project	172,300	[(5)]-	168,441	62,028	98,227	8,186	January 2024	2.24
Non-residential								
Hyatt Bukit Jalil Project	85,850	82,126	77,468	77,468	-	-	[(7)]September 2022	9.76
F&N Intelligent Industrial Building Project	83,779	-	-	-	-	-	June 2021	100.00
Columbarium Project	38,877	38,715	36,424	23,005	13,419	-	July 2023	6.31
Amverton Cove Project	50,150	455	-	-	-	-	[(4)]February 2020	100.00
	1,040,999	**425,525**	**544,975**	**363,994**	**172,795**	**8,186**		

Notes:

(1) The original contracted completion date of the project was October 2021. It was subsequently extended to January 2022 after obtaining EOT from the client. We have submitted an application on 11 December 2021 for further EOT up to June 2022 and as at LPD, it is still in the midst of assessment by the architect.

(2) The original contracted completion date of the project was May 2020. It was subsequently extended to June 2022 after obtaining EOT from the client.

(3) The original contracted completion date of the project was December 2020. As a result of the temporary suspension of work due to MCO 1.0, we have submitted and obtained EOT, where it was extended to February 2021. As at LPD, the construction work for the project has been completed.

(4) The original contracted completion date of the project was February 2020. Between January 2019 to May 2021, there were a total of 33 variation orders as well as amendment to the intended use of the building from residential to a service apartment with hotel-like facilities by the client. The change in the use of the building involved modifications and changes to several parts of the building including architectural designs and common facilities which impacted our initial work programme. As a result of the above changes and the temporary suspension of work due to MCO 1.0, we have between January 2019 to April 2020 submitted EOT applications to the client for extension of the completion date which were submitted in accordance to the sections to be changed and/or rectified. In June 2021, we have compiled all the previous EOT applications and resubmit as 1 application of EOT up to September 2021 which was requested by the client for holistic assessment purpose. Subsequently, due to the imposition of MCO 3.0, FMCO, NRP and workforce capacity limitations at our project site, we have further applied to the client for EOT up to 21 December 2021. As at LPD, the EOT application is still being assessed by the client and the construction work for the project has been completed pending the inspection works and procurement of CPC. We have submitted notice of practical completion to the architect on 28 December 2021. The EOT will be granted upon procurement of CPC.

(5) The contract was secured on September 2021.

(6) The original contracted completion date of the project was June 2022. It was subsequently extended to July 2022 after obtaining EOT from the client.

(7) The original contracted completion date of the project was July 2022. It was subsequently extended to September 2022 after obtaining EOT from the client.

The above unbilled order book relates to the contract value of projects which are ongoing less revenue recognised up to 31 July 2021 or LPD, as the case may be. This unbilled order book will be recognised progressively over the next 1.5 to 3 financial years. Our unbilled order book of RM544.98 million as at LPD represents 2.59 times of our average revenue of RM210.21 million, calculated based on our audited revenues for FYE 2018 to FYE 2020 and FPE 2021. This order book to revenue ratio of 2.59 times is an indication of our revenue for the next 2 to 3 financial years.

There may be variations from the amount awarded as compared to the final works to be performed resulting from, amongst others, changes in project requirements, which may take place during the implementation of the project.

As at the LPD, we have participated in tenders for various building construction projects. These projects, if awarded to us, will further increase our order book.

12.14 DIRECTORS' DECLARATION ON OUR GROUP'S FINANCIAL PERFORMANCE

Our Board is of the opinion that:

(i) Our Group's revenue will remain sustainable in line with our unbilled order book as set out in Section 12.13;

(ii) Our liquidity will improve further subsequent to the Public Issue given the additional funds to be raised for our Group to carry out our business strategies as stated in Section 7.17; and

(iii) Our capital resources will strengthen, taking into account the amount to be raised from the Public Issue as well as internally generated funds. We may consider debt funding for our capital expansion should the need arises.

In addition to the above, our Board confirms that there are no circumstances which would result in a significant decline in our revenue and GP margins or know of any factors that are likely to have a material impact on our liquidity, revenue or profitability.

12.15 TREND INFORMATION

Based on our track record for FYE 2018 to FYE 2020 and FPE 2021, the following trends may continue to affect our business:

(i) During FYE 2018 to FYE 2020 and FPE 2021, more than 98.00% of our revenue was derived from the building construction services segment. We expect that this segment to continue contributing significantly to our revenue in the future;

(ii) During FYE 2018 to FYE 2020 and FPE 2021, Klang Valley has been our main geographical focus for building construction projects and we will continue to focus in this region;

(iii) The main components of our cost of sales are subcontractor cost and construction materials cost, which collectively accounted for more than 80.00% of our total cost of sales during FYE 2018 to FYE 2020 and FPE 2021. Moving forward, our cost of sales is expected to fluctuate in tandem with the growth of our business and would depend on amongst others, the availability and price fluctuation of our subcontractor and construction materials; and

(iv) We achieved a GP margin of 7.84%, 5.68%, 7.31% and 10.89% for FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively. Moving forward, our GP margin will depend on, amongst others, our continued ability to manage our costs efficiently and the types and complexity of projects that we can secure in the future.

As at LPD, after all reasonable enquiries, our Board confirms that our operations have not been and are not expected to be affected by any of the following:

(i) Known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in Sections 7.12, 12.2, 12.9, 12.10, 12.11 and 12.12;

(ii) Material commitments for capital expenditure save as disclosed in Section 12.6;

(iii) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 7.12, 12.2, 12.9, 12.10, 12.11 and 12.12;

(iv) Known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue save for those that had been discussed in Sections 7.12, 12.2, 12.9, 12.10, 12.11 and 12.12; and

(v) Known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not necessarily indicative of the future financial performance and position other than those discussed in Sections 7.12, 12.2, 12.9, 12.10, 12.11 and 12.12.

Our Board is optimistic about the future prospects of our Group given the positive outlook of the construction industry in Malaysia as set out in the IMR Report in Section 8, our Group's competitive advantages set out in Section 7.16 and our Group's intention to implement the business strategies as set out in Section 7.17.

12.16 DIVIDEND POLICY

As our Company is an investment holding company, our income and therefore our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Our subsidiaries will require its financiers' consent as set out in the respective facility agreements to pay dividends to our Company. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, there are no legal, financial, or economic restrictions on the ability of our existing subsidiary to transfer funds in the form of cash dividends, loans or advances to us. Moving forward, the payment of dividends or other distributions by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective boards of directors deem relevant.

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

In respect of FYE 2018 to 2020 and FPE 2021, dividends declared and paid by Siab (M) were as follows:

	FYE 2018	**FYE 2019**	**FYE 2020**	**FPE 2021**	**1 August 2021 up to the LPD**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Dividends declared	-	3,000	4,000	-	-
Dividends paid	-	-	(1,000)[(1)]	(2,000)[(1)]	-

Note:

(1) Dividend paid in relation to the dividend declared in FYE 2019.

The dividend declared for the FYE 2020 amounting to RM4.00 million is targeted to be paid on 24 February 2022, prior to the Listing. Our Board confirms that the dividend is not expected to affect the execution and implementation of our Group's future plans and strategies moving forward as the dividend will only be paid from the following source of funds:

(i) pledged fixed deposit of RM2.00 million and RM2.68 million that is expected to be released in FYE 2021 with the completion of F&N Intelligent Industrial Building Project and Gravit8 (Phase 2B) Project, respectively; and

(ii) performance bond of RM1.82 million withheld by client under the Quayside Mall Project which is expected to be released in FYE 2021.

As at LPD, RM1.40 million of the RM1.82 million performance bond for the Quayside Mall Project, RM1.87 million of the RM2.00 million fixed deposit from the F&N Intelligent Industrial Building Project and RM2.20 million of the RM2.68 million fixed deposit from the Gravit8 (Phase 2B) Project has been released to us.

12.17 CAPITALISATION AND INDEBTEDNESS

The table below summarises our capitalisation and indebtedness:

(i) Based on the latest unaudited financial information as at 30 November 2021; and

(ii) After adjusting for the effects of Acquisition and subsequent events, IPO and utilisation of proceeds.

	Unaudited As at 30 November 2021	**After Acquisition, IPO and utilisation of proceeds**
	RM'000	**RM'000**
Indebtedness[(1)]		
Current		
Term Loans	1,570	1,570
Hire purchases	696	696
Bank overdraft	9,027	9,027
Lease liabilities	67	67
Non-current		
Term loans	11,872	11,872
Hire purchases	551	551
Lease liabilities	4	4
Total indebtedness	**23,787**	**23,787**
Capitalisation		
Shareholders' equity	38,327	72,412
Total capitalisation	**38,327**	**72,412**
Total capitalisation and indebtedness	**62,114**	**96,199**
Gearing ratio[(2)]	0.62	0.33

Notes:

(1) All of our indebtedness, except for lease liabilities are secured.

(2) Calculated based on total indebtedness divided by total capitalisation.

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(Incorporated in Malaysia)

Accountants' Report on the Combined Financial Statements

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(Incorporated in Malaysia)

Combined statements of financial position

	Note	31.7.2021 Audited RM'000	31.12.2020 Audited RM'000	31.12.2019 Audited RM'000	31.12.2018 Audited RM'000
Assets					
Property, plant and equipment	3	6,065	6,658	8,156	8,902
Right-of-use assets	4	207	205	1,474	-
Investment properties	5	5,505	5,569	4,847	-
Other investments	7	877	836	692	545
Total non-current assets		12,654	13,268	15,169	9,447
Trade and other receivables	8	70,070	79,941	86,748	59,977
Contract assets	9	36,142	59,514	18,527	7,878
Current tax assets		46	37	-	265
Cash and cash equivalents	10	21,345	13,379	14,897	11,060
Total current assets		127,603	152,871	120,172	79,180
Total assets		140,257	166,139	135,341	88,627
Equity					
Share capital	11	*	*	-	-
Invested equity	12	1,000	1,000	1,000	1,000
Retained earnings		36,702	35,719	27,638	20,682
Equity attributable to owners of the Group		37,702	36,719	28,638	21,682
Non-controlling interests		-	-	62	68
Total equity		37,702	36,719	28,700	21,750
Liabilities					
Loans and borrowings	13	11,819	7,847	3,517	3,210
Lease liabilities		17	-	177	-
Deferred tax liabilities	14	442	459	210	306
Total non-current liabilities		12,278	8,306	3,904	3,516
Trade and other payables	15	83,047	108,647	73,436	53,946
Contract liabilities	9	1,015	6,625	12,977	4,422
Loans and borrowings	13	4,694	4,400	15,111	4,932
Lease liabilities		157	177	823	-
Current tax liabilities		1,364	1,265	390	61
Total current liabilities		90,277	121,114	102,737	63,361
Total liabilities		102,555	129,420	106,641	66,877
Total equity and liabilities		140,257	166,139	135,341	88,627

* Denotes RM3

The notes on pages 10 to 68 form an integral part of these combined financial statements.

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Combined statements of profit or loss and other comprehensive income

	Note	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Revenue	16	104,498	124,302	273,388	242,888	145,419
Cost of sales		(93,119)	(113,423)	(253,399)	(229,093)	(134,018)
Gross profit		11,379	10,879	19,989	13,795	11,401
Other income		279	274	610	292	1,929
Administrative expenses		(3,775)	(2,566)	(4,521)	(4,334)	(4,328)
Net loss on impairment of financial instruments	18	-	-	(5)	(403)	-
Other expenses		(199)	(129)	(253)	(254)	(997)
Results from operating activities		7,684	8,458	15,820	9,096	8,005
Finance income		122	154	211	275	192
Finance costs	17	(562)	(267)	(576)	(792)	(413)
Profit before tax	18	7,244	8,345	15,455	8,579	7,784
Tax expense	19	(2,261)	(2,011)	(4,412)	(1,629)	(2,522)
Profit and total comprehensive income for the period/year		4,983	6,334	11,043	6,950	5,262
Profit and total comprehensive income attributable to:						
Owners of the Group		4,983	6,334	11,022	6,956	5,243
Non-controlling interests		-	-	21	(6)	19
Total comprehensive income for the period/year		4,983	6,334	11,043	6,950	5,262
Basic earnings per ordinary share (RM)	21	4.98	6.33	11.02	6.96	5.24
Diluted earnings per ordinary share (RM)	21	4.98	6.33	11.02	6.96	5.24

The notes on pages 10 to 68 form an integral part of these combined financial statements.

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Combined statements of changes in equity

Audited	Note	Share capital RM'000	Invested equity RM'000	*Distributable* Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
		Attributable to equity owners of the Group					
At 1 January 2018		-	1,000	15,439	16,439	(736)	15,703
Profit and total comprehensive income for the year		-	-	5,243	5,243	19	5,262
Non-controlling interest derecognised on disposal of subsidiary	20	-	-	-	-	785	785
At 31 December 2018/1 January 2019		-	1,000	20,682	21,682	68	21,750
Profit and total comprehensive income for the year		-	-	6,956	6,956	(6)	6,950
At 31 December 2019/1 January 2020		-	1,000	27,638	28,638	62	28,700
Profit and total comprehensive income for the year		-	-	11,022	11,022	21	11,043
Acquisition of non-controlling interest		-	-	59	59	(83)	(24)
Issuance of shares at the date of incorporation	11	*	-	*	*	-	*
Dividends to owners of the Group	22	-	-	(3,000)	(3,000)	-	(3,000)
At 31 December 2020/1 January 2021		*	1,000	35,719	36,719	-	36,719
Profit and total comprehensive income for the period		-	-	4,983	4,983	-	4,983
Dividends to owners of the Group	22	-	-	(4,000)	(4,000)	-	(4,000)
At 31 July 2021		*	1,000	36,702	37,702	-	37,702

* Denotes RM3

Combined statements of changes in equity (continued)

		Attributable to equity owners of the Group					
				Distributable			
Unaudited	**Note**	**Share capital RM'000**	**Invested equity RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interest RM'000**	**Total equity RM'000**
1 January 2020		-	1,000	27,638	28,638	62	28,700
Profit and total comprehensive income for the period		-	-	6,334	6,334	-	6,334
Dividends to owners of the Group	22	-	-	(3,000)	(3,000)	-	(3,000)
At 31 July 2020		-	1,000	30,972	31,972	62	32,034

The notes on pages 10 to 68 form an integral part of these combined financial statements.

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Combined statements of cash flows

	Note	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Cash flows from operating activities						
Profit before tax		7,244	8,345	15,455	8,579	7,784
Adjustments for:						
Depreciation of property, plant and equipment	3	695	1,065	1,632	1,796	1,645
Depreciation of right-of-use assets	4	195	625	824	1,248	-
Depreciation of investment properties	5	64	-	26	-	-
Finance income		(122)	(154)	(211)	(275)	(192)
Finance costs		562	267	576	792	413
(Gain)/Loss on disposal of property, plant and equipment		-	(20)	(20)	8	(29)
Gain on disposal of subsidiary	20	-	-	-	-	(1,168)
Net loss on impairment of financial assets		-	-	5	403	-
Change in fair value of other investments		-	-	(104)	(82)	89
Operating profit before changes in working capital		8,638	10,128	18,183	12,469	8,542
Changes in working capital:						
Change in trade and other receivables and prepayments		9,871	6,081	6,802	(27,174)	(27,364)
Change in trade and other payables		(27,600)	(13,024)	33,211	19,490	32,830
Change in contract assets		23,372	(2,459)	(40,987)	(10,649)	(6,879)
Change in contract liabilities		(5,610)	3,465	(6,352)	8,555	2,691
Cash generated from operations		8,671	4,191	10,857	2,691	9,820
Income tax paid		(2,188)	(622)	(3,325)	(1,934)	(4,624)
Income tax refunded		-	-	-	803	-
Interest paid		(562)	(267)	(576)	(792)	(413)
Net cash generated from operating activities		5,921	3,302	6,956	768	4,783

Combined statements of cash flows (continued)

	Note	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Cash flows from investing activities						
Acquisition of property, plant and equipment		(102)	(26)	(49)	(435)	(1,101)
Acquisition of investment properties		-	-	(303)	(4,847)	-
Net changes in other investments		(41)	27	(40)	(65)	(52)
Acquisition of non-controlling interest		-	-	(24)	-	-
Interest income received		122	154	211	275	192
Disposal of subsidiary, net of cash disposed		-	-	-	-	(371)
Proceeds from disposal of property, plant and equipment		-	20	20	-	48
Net cash (used in)/from investing activities		(21)	175	(185)	(5,072)	(1,284)
Cash flows from financing activities						
Change in deposits pledged		(2,191)	(2,738)	(971)	2,656	(4,044)
Dividends paid	22	(2,000)	-	(1,000)	-	-
Proceeds from issuance of shares upon incorporation		-	-	*	-	-
Net cash from loans and borrowings	(ii)	4,061	(476)	474	3,478	(1,109)
Payment of lease liabilities	(i)	(200)	(623)	(823)	(1,228)	-
Net cash (used in)/from financing activities		(330)	(3,837)	(2,320)	4,906	(5,153)
Net increase/(decrease) in cash and cash equivalents		5,570	(360)	4,451	602	(1,654)
Cash and cash equivalents at 1 January		2,223	(2,228)	(2,228)	(2,830)	(1,176)
Cash and cash equivalents at 31 July/31 December	(iii)	7,793	(2,588)	2,223	(2,228)	(2,830)

* Denotes RM3

Combined statements of cash flows (continued)

(i) Cash outflows for leases as a lessee

	Note	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Included in net cash from operating activities:						
Payment relating to short-term leases		736	572	1,385	3,146	-
Payment relating to leases of low-value assets		237	1,475	2,128	3,352	-
Payment relating to variable lease payments not included in the measurement of lease liabilities		1,705	2,731	5,843	4,466	-
Interest paid in relation to lease liabilities		3	16	21	51	-
Included in net cash from financing activities:						
Payment of lease liabilities		200	623	823	1,228	-
Total cash outflows for leases		2,881	5,417	10,200	12,243	-

Combined statements of cash flows (continued)

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

Audited	**Note**	**Term loans RM'000**	**Hire purchase liabilities RM'000**	**Lease liabilities RM'000**	**Total RM'000**
At 1 January 2018		3,235	2,051	-	5,286
Net changes from financing cash flows		(254)	(855)	-	(1,109)
Acquisition of property, plant and equipment	(a)	-	86	-	86
At 31 December 2018		2,981	1,282	-	4,263
Adjustment on initial applications of MFRS 16		-	-	474	474
At 1 January 2019		2,981	1,282	474	4,737
Acquisition of new leases		-	-	1,754	1,754
Net changes from financing cash flows		3,632	(154)	(1,228)	2,250
Acquisition of property, plant and equipment	(a)	-	1,117	-	1,117
At 31 December 2019/1 January 2020		6,613	2,245	1,000	9,858
Net changes from financing cash flows		1,145	(671)	(823)	(349)
Acquisition of property, plant and equipment	(a)	-	85	-	85
At 31 December 2020/1 January 2021		7,758	1,659	177	9,594
Acquisition of new leases		-	-	197	197
Net changes from financing cash flows		4,613	(552)	(200)	3,861
At 31 July 2021		12,371	1,107	174	13,652

Unaudited	**Note**	**Term loans RM'000**	**Hire purchase liabilities RM'000**	**Lease liabilities RM'000**	**Total RM'000**
At 1 January 2020		6,613	2,245	1,000	9,858
Net changes from financing cash flows		(110)	(366)	(623)	(1,099)
At 31 July 2020		6,503	1,879	377	8,759

Combined statements of cash flows (continued)

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

(a) *Acquisition of property, plant and equipment*

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Acquisition of property, plant and equipment	102	26	134	1,552	1,187
Less: Acquisition made directly by hire purchase liabilities	-	-	(85)	(1,117)	(86)
Acquisition of property, plant and equipment by cash	102	26	49	435	1,101

(iii) Cash and cash equivalents

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

	Note	31.7.2021 Audited RM'000	31.7.2020 Unaudited RM'000	31.12.2020 Audited RM'000	31.12.2019 Audited RM'000	31.12.2018 Audited RM'000
Fixed deposits with licensed banks	10	10,517	10,093	8,326	7,355	10,011
Less: Pledged deposits		(10,517)	(10,093)	(8,326)	(7,355)	(10,011)
		-	-	-	-	-
Cash and bank balances	10	10,828	860	5,053	7,542	1,049
		10,828	860	5,053	7,542	1,049
Bank overdraft	13	(3,035)	(3,448)	(2,830)	(9,770)	(3,879)
Cash and cash equivalents in the combined statements of cash flows		7,793	(2,588)	2,223	(2,228)	(2,830)

The notes on pages 10 to 68 form an integral part of these combined financial statements.

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Notes to the combined financial statements

Siab Holdings Berhad ("Siab Holdings" or the "Company") is a public limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

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

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

The Company is principally engaged in investment holding activities, whilst the principal activities of its combining entities are disclosed in Note 6 to the combined financial statements.

1. Basis of preparation

The Company was incorporated on 30 December 2020 for the purpose of a restructuring exercise that will result in the Company becoming the holding company of the combining entities.

The combined financial statements of the Company and its combining entities (the "Group") have been prepared solely in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the Ace Market of Bursa Malaysia Securities Berhad ("Listing") and for no other purpose.

The combined financial statements consist of the financial statements of the Company and the entities as disclosed in Note 6, under common control of Ng Wai Hoe, Lim Mei Hwee and Tan Sok Moi (collectively referred to as the "Controlling Shareholders").

The combined financial statements of the Group for the financial periods ended 31 July 2021 and 31 July 2020 and for the financial years ended 31 December 2020, 2019 and 2018 were prepared in a manner as if the entities under common control were operating as a single economic entity at the beginning of the earliest comparative period presented or, if later, at the date that common control was established.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The combined financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

1. Basis of preparation (continued)

(a) Statement of compliance

The combined financial statements of the Group for the financial periods ended 31 July 2021 and 31 July 2020 and for the financial years ended 31 December 2020, 2019 and 2018 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16*, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018−2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment − Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets − Onerous Contracts − Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018−2020)*

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

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

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

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

The Group plans to apply the abovementioned relevant accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021 and 1 January 2022; and

- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17, *Insurance Contracts* which is not applicable to the Group.

The initial application of the abovementioned relevant accounting standards, interpretations or amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

(b) Basis of measurement

The combined financial statements have been prepared on the historical cost basis unless otherwise as disclosed in Note 2.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

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

- Note 4 – extension options and incremental borrowing rate in relation to leases
- Note 16 – revenue recognition
- Note 24 – measurement of expected credit loss ("ECL")

2. Significant accounting policies

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

(a) Basis of combination

(i) Combining entities

The combined financial statements comprise the financial statements of the Company and its combining entities which are under common control as disclosed in Note 1. The financial statements used in the preparation of the combined financial statements are prepared as of the same reporting date as the Company.

The combining entities are entities under common control of the Controlling Shareholders and are accounted for as if the entities under common control were operating as a single economic entity at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities of the combining entities are recognised at the carrying amounts in the respective combining entities' financial statements. The components of equity of the combining entities are added to the same components within the Group's equity and any resulting gain/loss is recognised directly in equity.

The Controlling Shareholders control an entity when they are exposed, or have rights, to variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive.

2. Significant accounting policies (continued)

(a) Basis of combination (continued)

(ii) Subsidiaries

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

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

(iii) Business combinations

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

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

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

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

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

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

2. Significant accounting policies (continued)

(a) Basis of combination (continued)

(iv) Acquisitions of non-controlling interests

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

(v) Loss of control

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

(vi) Non-controlling interests

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

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

(vii) Transactions eliminated on combination

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

2. Significant accounting policies (continued)

(b) Financial instruments

(i) Recognition and initial measurement

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

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

(a) Amortised cost

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

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

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

(b) Fair value through profit or loss

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

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

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

Financial liabilities

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

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

(iii) Financial guarantee contracts

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

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

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

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

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Derecognition

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

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

(v) Offsetting

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

(c) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

2. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

• Building	50 years
• Store, site equipment and portable cabins	5 - 15 years
• Plant and machineries	10 years
• Furniture and fittings, office and computer equipment	5 - 20 years
• Motor vehicles	5 years
• Renovation	2 - 10 years

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

2. Significant accounting policies (continued)

(d) Leases

The Group has applied MFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 has not been restated - i.e. it is presented as previously reported under MFRS 117, *Leases and related interpretations*.

During the year ended 31 December 2019, the Group adopted MFRS 16. The details of the changes in accounting policies are disclosed below.

Definition of a lease

On transition to MFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied MFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under MFRS 117 and IC Interpretation 4, *Determining whether an Arrangement contains a Lease* were not reassessed. Therefore, the definition of a lease under MFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

Where the Group is a lessee, the Group applied the requirements of MFRS 16 using the modified retrospective approach, as the financial impact on the financial statements for the year ended 31 December 2018 is not material.

At 1 January 2019, for leases that were classified as operating lease under MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. The weighted-average rate applied was 4.30%. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating leases under MFRS 117:

- applied a single discount rate to a portfolio of lease with similar characteristics;
- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term as at 1 January 2019;
- excluded initial direct costs from measuring right-of-use assets at the date of initial application; and
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

2. Significant accounting policies (continued)

(d) Leases (continued)

Impact on financial statements

Since the Group applied the requirements of MFRS 16 using the modified retrospective approach at initial application at 1 January 2019, there were no adjustments made to the prior period balances presented.

The following table explains the difference between operating lease commitments applying MFRS 117 at 31 December 2018, and lease liabilities recognised in the statement of financial position at 1 January 2019.

	RM'000
Operating lease commitments as at 31 December 2018	7,846
Discounted using the incremental borrowing rate at 1 January 2019	7,296
Recognition exemption for short-term leases	(5,440)
Recognition exemption for leases of low-value assets	(1,382)
Lease liabilities recognised as at 1 January 2019	474

Financial period/year 2021, 2020 and 2019

(i) Definition of a lease

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

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

2. Significant accounting policies (continued)

(d) Leases (continued)

Financial period/year 2021, 2020 and 2019 (continued)

(i) Definition of a lease (continued)

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

(ii) Recognition and initial measurement

As a lessee

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

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

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

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

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

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

2. Significant accounting policies (continued)

(d) Leases (continued)

Financial period/year 2021, 2020 and 2019 (continued)

(ii) Recognition and initial measurement (continued)

As a lessor

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

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

(iii) Subsequent measurement

As a lessee

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

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

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

As a lessor

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

2. Significant accounting policies (continued)

(d) Leases (continued)

Financial year 2018

As a lessee

(i) Finance lease

Leases in terms of which the Group assumed substantially all the risks and rewards of ownership were classified as finance leases. Upon initial recognition, the leased asset was measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset was accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases were apportioned between the finance expense and the reduction of the outstanding liability. The finance expense was allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments were accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment was confirmed.

Leasehold land which in substance was a finance lease was classified as property, plant and equipment, or as investment property if held to earn rental income or for capital appreciation or for both.

(ii) Operating lease

Leases, where the Group did not assume substantially all the risks and rewards of ownership were classified as operating leases and the leased assets were not recognised on the statement of financial position.

Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals were charged to profit or loss in the reporting period in which they were incurred.

Leasehold land which in substance was an operating lease was classified as prepaid lease payments.

(e) Investment property

(i) Investment property carried at cost

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

2. Significant accounting policies (continued)

(e) Investment property (continued)

(i) Investment property carried at cost (continued)

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

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

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

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

• Buildings	50 years
• Leasehold land	84 years

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

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

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, the carrying amount of the item immediately prior to transfer is recognised as the deemed cost of the investment property for subsequent accounting.

When the use of a property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its deemed cost for subsequent accounting.

(f) Contract asset/Contract liability

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

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

2. Significant accounting policies (continued)

(g) Cash and cash equivalents

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

(h) Impairment

(i) Financial assets

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group 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, where available.

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

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

2. Significant accounting policies (continued)

(h) Impairment (continued)

(i) Financial assets (continued)

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

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

The gross carrying amount of a financial asset is written off (either partially or 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 sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery amounts due.

(ii) Other assets

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

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

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

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

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

2. Significant accounting policies (continued)

(i) Equity instruments

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

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Issue expense

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

(j) Employee benefits

(i) Short-term employee benefits

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

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

(ii) State plans

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

(k) Revenue and other income

(i) Revenue from contracts with customers

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

2. Significant accounting policies (continued)

(k) Revenue and other income (continued)

(i) Revenue from contracts with customers (continued)

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

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Interest income

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

(iii) Government grants

Government grants were recognised initially as deferred income at fair value when there was reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred were recognised in profit or loss as other income on a systematic basis in the same period in which the expenses were recognised.

(l) Borrowing costs

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

(m) Income tax

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

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

2. Significant accounting policies (continued)

(m) Income tax (continued)

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

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

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

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

(n) Earnings per ordinary share

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

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

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

(o) Operating segments

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

2. Significant accounting policies (continued)

(p) Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

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

(q) Fair value measurement

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

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

When measuring the fair value of an asset or a liability, the Group 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.

3. Property, plant and equipment

	Leasehold land RM'000	Buildings RM'000	Store, site equipment, portable cabins and computers RM'000	Plant and machineries RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost								
At 1 January 2018	576	4,455	6,827	645	589	551	209	13,852
Additions	-	-	1,020	-	70	97	-	1,187
Disposals	-	-	-	-	-	(66)	-	(66)
Disposal of subsidiary (Note 20)	-	-	(1)	-	(24)	-	(63)	(88)
At 31 December 2018, *as previously stated*	576	4,455	7,846	645	635	582	146	14,885
Adjustment on initial application of MFRS 16	(576)	-	-	-	-	-	-	(576)
At 1 January 2019, *as restated*	-	4,455	7,846	645	635	582	146	14,309
Additions	-	-	1,298	-	40	214	-	1,552
Disposals	-	-	(79)	-	(16)	-	(4)	(99)
At 31 December 2019/1 January 2020	-	4,455	9,065	645	659	796	142	15,762
Additions	-	-	34	-	8	92	-	134
Disposals	-	-	-	-	-	(51)	-	(51)
At 31 December 2020/1 January 2021	-	4,455	9,099	645	667	837	142	15,845
Additions	-	-	70	-	32	-	-	102
At 31 July 2021	-	4,455	9,169	645	699	837	142	15,947

3. Property, plant and equipment (continued)

	Leasehold land RM'000	Buildings RM'000	Store, site equipment, portable cabins and computers RM'000	Plant and machineries RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Accumulated depreciation								
At 1 January 2018	75	230	2,742	581	363	364	90	4,445
Charge for the year	7	89	1,319	64	82	66	18	1,645
Disposals	-	-	-	-	-	(47)	-	(47)
Disposal of subsidiary (Note 20)	-	-	(1)	-	(24)	-	(35)	(60)
At 31 December 2018, *as previously stated*	82	319	4,060	645	421	383	73	5,983
Adjustment on initial application of MFRS 16	(82)	-	-	-	-	-	-	(82)
At 1 January 2019, *as restated*	-	319	4,060	645	421	383	73	5,901
Charge for the year	-	89	1,509	-	77	107	14	1,796
Disposals	-	-	(72)	-	(16)	-	(3)	(91)
At 31 December 2019/1 January 2020	-	408	5,497	645	482	490	84	7,606
Charge for the year	-	90	1,349	-	77	102	14	1,632
Disposals	-	-	-	-	-	(51)	-	(51)
At 31 December 2020/1 January 2021	-	498	6,846	645	559	541	98	9,187
Charge for the period	-	52	534	-	37	64	8	695
At 31 July 2021	-	550	7,380	645	596	605	106	9,882
Carrying amounts								
At 1 January 2018	501	4,225	4,085	64	226	187	119	9,407
At 31 December 2018	494	4,136	3,786	-	214	199	73	8,902
At 31 December 2019	-	4,047	3,568	-	177	306	58	8,156
At 31 December 2020	-	3,957	2,253	-	108	296	44	6,658
At 31 July 2021	-	3,905	1,789	-	103	232	36	6,065

3. Property, plant and equipment (continued)

3.1 Security

Buildings of the Group with a carrying amount of RM3,905,000 (31.12.2020: RM3,957,000; 31.12.2019: RM4,047,000 and 31.12.2018: RM4,136,000) are pledged as security for bank facilities granted to the Group (see Note 13).

3.2 Hire purchase arrangements

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

	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Motor vehicles	229	290	291	116
Site equipment	1,643	2,135	2,978	2,967

4. Right-of-use assets

	Site equipment RM'000	Leasehold land RM'000	Office building RM'000	Total RM'000
At 31 December 2018, *as previously stated*	-	-	-	-
Adjustment on initial application of MFRS 16	424	544	-	968
At 1 January 2019, *as restated*	424	544	-	968
Additions	1,622	66	66	1,754
Depreciation	(1,159)	(75)	(14)	(1,248)
At 31 December 2019/ 1 January 2020	887	535	52	1,474
Transfer to investment properties (Note 5)	-	(445)	-	(445)
Depreciation	(735)	(56)	(33)	(824)
At 31 December 2020/ 1 January 2021	152	34	19	205
Additions	99	-	98	197
Depreciation	(152)	(1)	(42)	(195)
At 31 July 2021	99	33	75	207

The Group leases a number of site equipment, leasehold land and office building that run between 1 year and 3 years. For the leasehold land and office building, there is an option to renew the lease after the contract end date.

4. Right-of-use assets (continued)

4.1 Variable lease payments based on occupancy (usage)

Certain leases of office building and site equipment contain variable lease payments based on occupancy (usage). The total variable rental payments for the period ended 31 July 2021 amounted to RM1,705,000 (Unaudited 31.7.2020: RM2,731,000; Audited 31.12.2020: RM5,843,000; Audited 31.12.2019: RM4,466,000 and Audited 31.12.2018: Nil). The Group is not able to estimate the future occupancy (usage) as it depends on the project status and the usage requirements.

4.2 Extension options

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

The extension options of all leases are currently included in the lease term as the Group assessed that it is reasonably certain to exercise the extension options. Hence, as at 31 July 2021, 31 December 2020 and 31 December 2019, there are no potential future lease payments not included in lease liabilities.

4.3 Significant judgements and assumptions in relation to leases

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

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

4.4 Transfer to investment property

During the financial year ended 31 December 2020, a leasehold land was transferred to investment property as the land was no longer in use by the Group.

5. Investment properties

	Leasehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 January 2018/31 December 2018/ 1 January 2019	-	-	-
Additions	-	4,847	4,847
At 31 December 2019/1 January 2020	-	4,847	4,847
Additions	-	303	303
Transfer from right-of-use assets (Note 4)	518	-	518
At 31 December 2020/1 January 2021/ 31 July 2021	518	5,150	5,668
Accumulated depreciation			
At 1 January 2018/31 December 2018/ 1 January 2019/31 December 2019/ 1 January 2020	-	-	-
Depreciation for the year	1	25	26
Transfer from right-of-use assets (Note 4)	73	-	73
At 31 December 2020/1 January 2021	74	25	99
Depreciation for the period	4	60	64
At 31 July 2021	78	85	163
Carrying amounts			
At 1 January 2018/31 December 2018/ 1 January 2019	-	-	-
At 31 December 2019/1 January 2020	-	4,847	4,847
At 31 December 2020/1 January 2021	444	5,125	5,569
At 31 July 2021	440	5,065	5,505

During the financial year ended 31 December 2019, depreciation on investment property has not commenced as it was still under construction.

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases contains a non-cancellable period of 3 years. As at 31 December 2020, 2019 and 2018, the investment properties were held for capital appreciation purpose and did not generate lease income. Hence, the disclosures required by MFRS 16 for lessor were not presented.

The investment properties of the Group are pledged as security for term loans granted to the Group as referred in Note 13.

5. Investment properties (continued)

The following are recognised in profit or loss:

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Lease income	154	-	-	-	-
Direct operating expenses:					
- income generating investment properties	8	-	-	-	-
- non-income generating investment properties	-	-	3	-	-

The operating lease payments to be received are as follows:

	31.7.2021 RM'000
Less than one year	309
One to two years	309
Two to three years	154
Total undiscounted lease payments	772

Fair value information

Fair value of investment properties is categorised as follows:

	31.7.2021		31.12.2020		31.12.2019		31.12.2018	
	Level 3 RM'000	Total RM'000	Level 3 RM'000	Total RM'000	Level 3 RM'000	Total RM'000	Level 3 RM'000	Total RM'000
Buildings	6,070	6,070	6,070	6,070	4,847	4,847	4,847	4,847
Leasehold land	1,000	1,000	1,000	1,000	-	-	-	-

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

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

5. Investment properties (continued)

Valuation processes applied by the Group for Level 3 fair value

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

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

6. Combining entities

Details of the combining entities are as follows:

Name	Principal place of business/ country of incorporation	Principal activities	Effective ownership interest and voting interest 31.7.2021 %	31.12.2020 %	31.12.2019 %	31.12.2018 %
Siab (M) Sdn. Bhd.	Malaysia	Constructions and civil engineering	100	100	100	100
and its subsidiaries,						
Siab Construction Sdn. Bhd.	Malaysia	Constructions and civil engineering	100	100	100	100
Siab Network Solutions Sdn. Bhd.	Malaysia	Information and Communications Technology ("ICT") solutions	100	100	80	80
Siab Engineering Sdn. Bhd.	Malaysia	Construction support services	100	100	100	100
Siab Development Sdn. Bhd.	Malaysia	Dormant	100	100	100	100

During the year ended 31 December 2020, the Group acquired the remaining 20% equity interest from non-controlling interest in Siab Network Solutions Sdn. Bhd. for a total consideration of RM24,000.

7. Other investments

	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Non-current				
Fair value through profit or loss:				
Investment in unit trusts	107	107	97	97
Investment in fund investments	770	729	595	448
	877	836	692	545

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

8. Trade and other receivables

	Note	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Trade					
Trade receivables	8.1	68,675	78,887	85,137	55,322
		68,675	78,887	85,137	55,322
Non-trade					
Other receivables		1,332	952	1,490	4,509
Prepayments		63	102	121	146
		1,395	1,054	1,611	4,655
		70,070	79,941	86,748	59,977

8.1 The Group's normal trade credit term ranges from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis. Included in the trade receivables of the Group are retention sums relating to construction work-in-progress. Retention sums are unsecured, interest free and are expected to be collected as follows:

	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Within 1 year	12,669	5,150	6,317	7,369
More than 1 year	21,262	27,867	20,680	12,076
	33,931	33,017	26,997	19,445

9. Contract assets/(Contract liabilities)

	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Contract assets	36,142	59,514	18,527	7,878
Contract liabilities	(1,015)	(6,625)	(12,977)	(4,422)

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

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

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

	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Contract liabilities at the beginning of the period recognised as revenue	(6,625)	(12,977)	(4,422)	(1,731)
Contract assets at the beginning of the period not transferred to trade receivables due to change in time frame	15,564	1,626	-	-

10. Cash and cash equivalents

	Note	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Fixed deposits with licensed banks	10.1	10,517	8,326	7,355	10,011
Cash and bank balances		10,828	5,053	7,542	1,049
		21,345	13,379	14,897	11,060

10.1 Fixed deposits with licensed banks

The entire deposits placed with licensed banks are pledged as security for banking facilities granted to the Group (see Note 13).

11. Share capital

	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At date of incorporation	*	*	-	-
At 31 July/31 December	*	*	-	-

	Number of ordinary shares			
	31.7.2021 '000	31.12.2020 '000	31.12.2019 '000	31.12.2018 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At date of incorporation	#	#	-	-
At 31 July/31 December	#	#	-	-

* Denotes RM3
# Denotes 3

On 30 December 2020, the Company was incorporated with an issued and paid-up share capital of RM3 comprising 3 ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12. Invested equity

For the purpose of these combined financial statements, the invested equity at the end of the respective financial years is the aggregate of the share capital of combining entities constituting the Group.

The invested equity constitutes the share capital of Siab (M) Sdn. Bhd ("Siab (M)").

13. Loans and borrowings

	Note	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Non-current					
Term loans	13.1	11,303	7,074	2,416	2,710
Hire purchase liabilities	13.2	516	773	1,101	500
		11,819	7,847	3,517	3,210
Current					
Term loans	13.1	1,068	684	4,197	271
Hire purchase liabilities	13.2	591	886	1,144	782
Bank overdrafts	13.3	3,035	2,830	9,770	3,879
		4,694	4,400	15,111	4,932
		16,513	12,247	18,628	8,142

13.1 Term loans

The term loans are secured over buildings (see Note 3) and investment properties (see Note 5).

13.2 Hire purchase liabilities

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

13.3 Bank overdrafts

The securities are as follows:-

(i) Pledge of first party fixed deposit receipt together with Memorandum of Legal Charge over Deposit and Letter Charges over Deposit (see Note 10); and
(ii) Joint and several guarantee executed by directors.

14. Deferred tax liabilities

14.1 Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets			
	31.7.2021 RM'000	**31.12.2020 RM'000**	**31.12.2019 RM'000**	**31.12.2018 RM'000**
Property, plant and equipment	-	-	-	13
Unutilised business losses	33	25	13	-
Unabsorbed capital allowances	7	7	5	-
Lease liabilities	42	43	240	-
Others	55	55	-	-
Deferred tax assets	137	130	258	13

	Liabilities			
	31.7.2021 RM'000	**31.12.2020 RM'000**	**31.12.2019 RM'000**	**31.12.2018 RM'000**
Property, plant and equipment	(537)	(548)	(231)	(319)
Right-of-use assets	(42)	(41)	(237)	-
Deferred tax liabilities	(579)	(589)	(468)	(319)

	Net			
	31.7.2021 RM'000	**31.12.2020 RM'000**	**31.12.2019 RM'000**	**31.12.2018 RM'000**
Property, plant and equipment	(537)	(548)	(231)	(306)
Unutilised business losses	33	25	13	-
Unabsorbed capital allowances	7	7	5	-
Right-of-use assets	(42)	(41)	(237)	-
Lease liabilities	42	43	240	-
Others	55	55	-	-
Deferred tax liabilities	(442)	(459)	(210)	(306)

14. Deferred tax liabilities (continued)

14.1 Recognised deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the financial year/period

	At 1.1.2018 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31.12.2018/ 1.1.2019 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31.12.2019/ 1.1.2020 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31.12.2020/ 1.1.2021 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31.7.2021 RM'000
Property, plant and equipment	(103)	(203)	(306)	75	(231)	(317)	(548)	11	(537)
Unutilised business losses	-	-	-	13	13	12	25	8	33
Unabsorbed capital allowances	-	-	-	5	5	2	7	-	7
Right-of-use assets	-	-	-	(237)	(237)	196	(41)	(1)	(42)
Lease liabilities	-	-	-	240	240	(197)	43	(1)	42
Others	-	-	-	-	-	55	55	-	55
	(103)	(203)	(306)	96	(210)	(249)	(459)	17	(442)

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

Based on the provisions in the Finance Bill 2021, unutilised tax losses carry forwards up to the year of assessment 2018 can be deductible against aggregate statutory income until the year of assessment 2028. Any unutilised tax losses for the year of assessment 2019 onwards can be carried forward for a maximum of 10 consecutive year of assessment.

Unutilised business losses (stated at gross) of RM56,000, RM47,000 and RM33,000 will expire in 2029, 2030 and 2031 respectively under the current tax legislation in Malaysia.

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

15. Trade and other payables

	Note	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Trade					
Trade payables	15.1	77,603	105,868	71,451	53,342
Non-trade					
Other payables		942	236	1,693	79
Dividends payable	22	4,000	2,000	-	-
Accruals		497	543	292	157
Amount due to directors	15.2	5	-	-	368
		5,444	2,779	1,985	604
		83,047	108,647	73,436	53,946

15.1 Trade payables

Included in trade payables are retentions of RM21,967,000 (31.12.2020: RM20,424,000; 31.12.2019: RM17,732,000 and 31.12.2018: RM14,023,000). Retentions are unsecured, interest free and are expected to be paid as follows:

	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Within 1 year	10,573	10,967	9,506	6,438
More than 1 year	11,394	9,457	8,226	7,585
	21,967	20,424	17,732	14,023

15.2 Amount due to directors

Amount due to directors is interest free, unsecured and repayable on demand.

16. Revenue

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Revenue from contracts with customers	104,498	124,302	273,388	242,888	145,419

16. Revenue (continued)

16.1 Disaggregation of revenue

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Primary geographical market					
Malaysia	104,498	124,302	273,388	242,888	145,419
Major products and service lines					
Construction contracts	104,094	124,276	273,048	242,880	143,682
ICT solutions	366	-	301	-	1,708
Hardware & software and IT services	38	26	39	8	8
Maintenance services	-	-	-	-	21
	104,498	124,302	273,388	242,888	145,419
Timing and recognition					
Over-time	104,460	124,276	273,349	242,880	145,390
At a point in time	38	26	39	8	29
	104,498	124,302	273,388	242,888	145,419

16.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

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

There are no obligation for returns or refunds in the construction contract.

16. Revenue (continued)

16.3 Transaction price allocated to the remaining performance obligations

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

	1.8.2021 - 31.7.2022 RM'000	1.8.2022 - 31.7.2023 RM'000	1.8.2023 - 31.7.2024 RM'000	Total RM'000
31.7.2021				
Revenue from construction contract	337,024	88,501	-	425,525

	2021 RM'000	2022 RM'000	2023 RM'000	Total RM'000
31.12.2020				
Revenue from construction contract	232,432	28,617	-	261,049

	2020 RM'000	2021 RM'000	2022 RM'000	Total RM'000
31.12.2019				
Revenue from construction contract	251,662	201,580	-	453,242

	2019 RM'000	2020 RM'000	2021 RM'000	Total RM'000
31.12.2018				
Revenue from construction contract	433,191	154,942	4,900	593,033

The Group applies the following practical expedients:

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

16. Revenue (continued)

16.4 Significant judgements and assumptions arising from revenue recognition

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

Variable Consideration

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

Liquidated Ascertained Damages ("LAD")

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

Total Contract Cost

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

17. Finance costs

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	559	251	555	741	413
Interest expense on lease liabilities	3	16	21	51	-
	562	267	576	792	413

18. Profit before tax

	Note	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Profit before tax is arrived at after charging/(crediting):						
Material expenses/(income)						
Depreciation of property, plant and equipment		695	1,065	1,632	1,796	1,645
Depreciation of right-of-use assets		195	625	824	1,248	-
Depreciation of investment properties		64	-	26	-	-
Personnel expenses (including key management personnel):						
- Directors' remuneration		1,123	696	1,172	1,059	999
- Contributions to Employees' Provision Fund		399	221	364	344	301
- Wages, salaries and others		4,581	4,587	6,338	5,036	3,245
Initial public offering expenses		613	-	344	-	-
Government grants	18.1	-	(158)	(224)	-	-
(Gain)/Loss in fair value change of other investments		-	-	(104)	(82)	89
(Gain)/Loss on disposal of property, plant and equipment		-	(20)	(20)	8	(29)
Gain on disposal of subsidiary		-	-	-	-	(1,168)
Interest income of financial assets calculated using the effective interest method that are at amortised cost		(122)	(154)	(211)	(275)	(192)
Expenses arising from leases						
Expenses relating to short-term leases	18.2	736	572	1,385	3,146	-
Expenses relating to leases of low-value assets	18.2	237	1,475	2,128	3,352	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities	18.2	1,705	2,731	5,843	4,466	-
Rental expenses		-	-	-	-	4,072
Net loss on impairment of financial instruments						
Financial assets at amortised cost		-	-	5	403	-

18. Profit before tax (continued)

18.1 Government grants

The government grants were related to the Wage Subsidy Programme introduced by the Government of Malaysia ("GoM") in response to the Covid-19 pandemic. Under this programme, eligible employers will receive a wage subsidy of RM600 for each employee earning less than RM4,000. The grants were recognised in profit or loss as other income. The related wages and salaries have been recognised as expenses during the period/year.

18.2 Expenses arising from leases

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

19. Tax expense

Recognised in profit or loss

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Current tax expense					
- Current period/year	2,124	2,011	3,861	2,115	1,746
- Under/(Over) provision in prior year	154	-	302	(390)	573
Total current tax recognised in profit or loss	2,278	2,011	4,163	1,725	2,319
Deferred tax expense					
- Current period/year	51	-	(4)	(55)	203
- (Over)/Under provision in prior year	(68)	-	253	(41)	-
Total deferred tax recognised in profit or loss	(17)	-	249	(96)	203
Total income tax expense	2,261	2,011	4,412	1,629	2,522
Reconciliation of tax expense					
Profit before tax	7,244	8,345	15,455	8,579	7,784
Income tax calculated using Malaysian tax rate at 24%	1,739	2,003	3,709	2,059	1,868
Non-deductible expenses	465	8	342	244	977
Non-taxable income	(29)	-	(194)	(243)	(896)
Under/(Over) provision in prior years	86	-	555	(431)	573
	2,261	2,011	4,412	1,629	2,522

20. Disposal of subsidiary

In 2018, the Group disposed of all of its equity interest in a subsidiary, Johan Kembara Sdn. Bhd., for a consideration of RM200,000.

The effects of the disposal have been included in the combined statement of comprehensive income and cash flows as follows:-

	31.12.2018 RM'000
Cash consideration received	200
Assets and liabilities derecognised:	
Property, plant and equipment	28
Receivables	269
Cash and cash equivalents	571
Payables	(977)
Current tax liabilities	(1,644)
	(1,753)
Non-controlling interest derecognised	785
Group's shares of net asset derecognised	(968)
Gain on disposal in profit or loss	1,168
Net cash outflow, net of cash disposed, presented as investing activities in the statements of cash flows	(371)

21. Earnings per ordinary share

Basic earnings per ordinary share

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

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Profit attributable to ordinary shareholders	4,983	6,334	11,022	6,956	5,243

21. Earnings per ordinary share (continued)

Basic earnings per ordinary share (continued)

	31.7.2021 Audited '000	31.7.2020 Unaudited '000	31.12.2020 Audited '000	31.12.2019 Audited '000	31.12.2018 Audited '000
Weighted average number of ordinary shares (including invested equity)					
Issued shares at 1 January	1,000	1,000	1,000	1,000	1,000
Weighted average number of ordinary shares at period/year end (basic)	1,000	1,000	1,000	1,000	1,000
Basic earnings per share (RM)	4.98	6.33	11.02	6.96	5.24

Diluted earnings per ordinary share

Diluted earnings per ordinary share as at 31 July 2021, 31 December 2020, 2019 and 2018 are identical with basic earnings per ordinary share as the Group does not have any dilutive potential ordinary shares.

22. Dividends

Dividends recognised by the Group:

	Per share RM	Total amount RM'000	Date of payment
31.7.2021			
Final 2020 ordinary	4.00	4,000	Dividends payable
31.12.2020			
Interim 2019 ordinary	1.00	1,000	14 December 2020
Interim 2019 ordinary	2.00	2,000	5 March 2021
Total amount		3,000	

The directors did not recommend any dividend to be paid for the year ended 31 December 2018.

23. Operating segments

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

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

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

23. Operating segments (continued)

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

Segment assets and liabilities

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

Segment capital expenditure

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

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Total additions to property, plant and equipment	102	26	134	1,552	1,187
Total additions to investment properties	-	-	303	4,847	-
Total additions to right-of-use assets	197	-	-	1,754	-
	299	26	437	8,153	1,187

Segment profit

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Segment profit	5,523	6,368	11,000	6,812	4,139
Included in the measure of segment profit are:					
Revenue from external customers	104,094	124,276	273,048	242,880	143,682
Finance income	122	154	211	275	192
Finance costs	(562)	(267)	(576)	(792)	(413)
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(954)	(1,690)	(2,482)	(3,044)	(1,645)
Income tax expense	(2,269)	(2,011)	(4,401)	(1,641)	(2,461)
Net loss on impairment of financial instruments	-	-	(5)	(403)	-

23. Operating segments (continued)

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

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Revenue					
Total external revenue for reportable segment	104,094	124,276	273,048	242,880	143,682
Other non-reportable segments	404	26	340	8	1,737
Combined total	104,498	124,302	273,388	242,888	145,419
Profit/(loss)					
Total profit for reportable segment	5,523	6,368	11,000	6,812	4,139
Other non-reportable segments	(540)	(34)	43	138	(45)
Gain on disposal of subsidiary	-	-	-	-	1,168
Combined total	4,983	6,334	11,043	6,950	5,262
Income tax expense					
Total income tax expense for reportable segment	(2,269)	(2,011)	(4,401)	(1,641)	(2,461)
Other non-reportable segments	8	-	(11)	12	(61)
Combined total	(2,261)	(2,011)	(4,412)	(1,629)	(2,522)

Major customers

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

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000	Segment
Customer A	1,067	-	-	67,015	87,326	Construction and civil engineering
Customer B	14,745	12,119	24,797	27,474	17,295	Construction and civil engineering
Customer C	3,126	10,646	15,073	51,642	18,159	Construction and civil engineering
Customer D	11,215	10,117	22,732	14,453	1,295	Construction and civil engineering
Customer E	-	50,053	105,939	46,576	7,275	Construction and civil engineering
Customer F	32,465	24,944	61,034	23,588	-	Construction and civil engineering
Customer G	19,733	11,432	30,426	9,777	-	Construction and civil engineering

24. Financial instruments

24.1 Categories of financial instruments

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

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

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
31.7.2021			
Financial assets			
Other investments	877	-	877
Trade and other receivables *****	70,007	70,007	-
Cash and cash equivalent	21,345	21,345	-
	92,229	91,352	877
Financial liabilities			
Trade and other payables	(83,047)	(83,047)	-
Loans and borrowings	(16,513)	(16,513)	-
	(99,560)	(99,560)	-
31.12.2020			
Financial assets			
Other investments	836	-	836
Trade and other receivables *****	79,839	79,839	-
Cash and cash equivalent	13,379	13,379	-
	94,054	93,218	836
Financial liabilities			
Trade and other payables	(108,647)	(108,647)	-
Loans and borrowings	(12,247)	(12,247)	-
	(120,894)	(120,894)	-

24. Financial instruments (continued)

24.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
31.12.2019			
Financial assets			
Other investments	692	-	692
Trade and other receivables *****	86,627	86,627	-
Cash and cash equivalent	14,897	14,897	-
	102,216	101,524	692
Financial liabilities			
Trade and other payables	(73,436)	(73,436)	-
Loans and borrowings	(18,628)	(18,628)	-
	(92,064)	(92,064)	-
31.12.2018			
Financial assets			
Other investments	545	-	545
Trade and other receivables*	59,831	59,831	-
Cash and cash equivalent	11,060	11,060	-
	71,436	70,891	545
Financial liabilities			
Trade and other payables	(53,946)	(53,946)	-
Loans and borrowings	(8,142)	(8,142)	-
	(62,088)	(62,088)	-

*Exclude prepayments

24. Financial instruments (continued)

24.2 Net gains and losses arising from financial instruments

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Net gains/(losses) on:					
Financial assets measured at fair value through profit or loss	-	-	104	82	(89)
Financial assets measured at amortised cost	122	154	206	(128)	192
Financial liabilities measured at amortised cost	(559)	(251)	(555)	(741)	(413)
	(437)	(97)	(245)	(787)	(310)

24.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

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

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

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

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

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

24. Financial instruments (continued)

24.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Exposure to credit risk, credit quality and collateral

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

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

Recognition and measurement of impairment losses

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

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

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

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

24. Financial instruments (continued)

24.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
31.7.2021			
Trade receivables			
Current (not past due)	42,375	-	42,375
1 – 30 days past due	5,603	-	5,603
31 – 60 days past due	4,006	-	4,006
61 – 90 days past due	3,939	-	3,939
More than 90 days past due	16,375	(3,623)	12,752
	72,298	(3,623)	68,675
Contract assets			
Current (not past due)	36,142	-	36,142
31.12.2020			
Trade receivables			
Current (not past due)	55,981	-	55,981
1 – 30 days past due	3,930	-	3,930
31 – 60 days past due	2,669	-	2,669
61 – 90 days past due	1,918	-	1,918
More than 90 days past due	18,012	(3,623)	14,389
	82,510	(3,623)	78,887
Contract assets			
Current (not past due)	59,514	-	59,514
31.12.2019			
Trade receivables			
Current (not past due)	41,861	-	41,861
1 – 30 days past due	19,944	-	19,944
31 – 60 days past due	5,104	-	5,104
61 – 90 days past due	486	-	486
More than 90 days past due	21,360	(3,618)	17,742
	88,755	(3,618)	85,137
Contract assets			
Current (not past due)	18,527	-	18,527

24. Financial instruments (continued)

24.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
31.12.2018			
Trade receivables			
Current (not past due)	28,414	-	28,414
1 – 30 days past due	2,051	-	2,051
31 – 60 days past due	790	-	790
61 – 90 days past due	1,771	-	1,771
More than 90 days past due	25,511	(3,215)	22,296
	58,537	(3,215)	55,322
Contract assets			
Current (not past due)	7,878	-	7,878

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

	Trade receivables Credit impaired RM'000
Balance at 1 January 2018/31 December 2018	3,215
Net remeasurement of loss allowance	403
Balance at 31 December 2019/1 January 2020	3,618
Net remeasurement of loss allowance	5
Balance at 31 December 2020/1 January 2021/31 July 2021	3,623

Other receivables

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

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

24. Financial instruments (continued)

24.4 Credit risk (continued)

Cash and cash equivalents

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

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

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured financial guarantees to contract customers in relation to construction contracts.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group amounts to RM23,094,000 (31.12.2020: RM14,243,000; 31.12.2019: RM23,210,000 and 31.12.2018: RM21,424,000) representing the outstanding performance guarantee as at the end of the reporting period.

Recognition and measurement of impairment loss

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

The financial guarantee of the Group has not been recognised since the fair value on initial recognition is not material.

24.5 Liquidity risk

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

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

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

24. Financial instruments (continued)

24.5 Liquidity risk (continued)

Maturity analysis

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

	Carrying amount RM'000	Contractual interest rate/ discount rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
31.7.2021							
Non-derivative financial liabilities							
Hire purchase	1,107	2.35% - 4.76%	1,160	634	426	100	-
Bank overdrafts	3,035	#	3,035	3,035	-	-	-
Term loans	12,371	*	15,223	1,669	2,205	6,564	4,785
Trade and other payables	83,047	-	83,047	83,047	-	-	-
Lease liabilities	174	3.00% - 4.55%	177	159	18	-	-
Financial guarantee	-	-	23,094	23,094	-	-	-
	99,734		125,736	111,638	2,649	6,664	4,785
31.12.2020							
Non-derivative financial liabilities							
Hire purchase	1,659	2.35% - 4.76%	1,748	957	599	192	-
Bank overdrafts	2,830	#	2,830	2,830	-	-	-
Term loans	7,758	*	9,678	1,024	1,060	3,181	4,413
Trade and other payables	108,647	-	108,647	108,647	-	-	-
Lease liabilities	177	4.55%	178	178	-	-	-
Financial guarantee	-	-	14,243	14,243	-	-	-
	121,071		137,324	127,879	1,659	3,373	4,413

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

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

24. Financial instruments (continued)

24.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate/ discount rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
31.12.2019							
Non-derivative financial liabilities							
Hire purchase	2,245	2.35% - 4.76%	2,398	1,241	930	227	-
Bank overdrafts	9,770	#	9,770	9,770	-	-	-
Term loans	6,613	*	7,073	4,301	401	1,603	768
Trade and other payables	73,436	-	73,436	73,436	-	-	-
Lease liabilities	1,000	4.55%	1,025	846	179	-	-
Financial guarantee	-	-	23,210	23,210	-	-	-
	93,064		116,912	112,804	1,510	1,830	768
31.12.2018							
Non-derivative financial liabilities							
Hire purchases	1,282	2.35% - 4.76%	1,335	782	421	132	-
Bank overdrafts	3,879	#	3,879	3,879	-	-	-
Term loans	2,981	*	3,574	401	401	1,202	1,570
Trade and other payables	53,946	-	53,946	53,946	-	-	-
Financial guarantee	-	-	21,425	21,425	-	-	-
	62,088		84,159	80,433	822	1,334	1,570

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

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

24. Financial instruments (continued)

24.6 Market risk

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

24.6.1 Interest rate risk

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

Risk management objectives, policies and processes for managing the risk

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

Exposure to interest rate risk

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

	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Fixed rate instruments				
Financial assets				
Deposits placed with licensed banks	10,517	8,326	7,355	10,011
Financial liabilities				
Hire purchase liabilities	1,107	1,659	2,245	1,282
Lease liabilities	174	177	1,000	-
	1,281	1,836	3,245	1,282
Floating rate instruments				
Financial liabilities				
Bank overdrafts	3,035	2,830	9,770	3,879
Term loans	12,371	7,758	6,613	2,981
	15,406	10,588	16,383	6,860

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.1 Interest rate risk (continued)

Exposure to interest rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

	Post-tax profit/(loss)	
	100 bp increase RM'000	**100 bp decrease RM'000**
31.7.2021		
Floating rate instruments	(117)	117
31.12.2020		
Floating rate instruments	(80)	80
31.12.2019		
Floating rate instruments	(125)	125
31.12.2018		
Floating rate instruments	(52)	52

24.7 Fair value information

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and short-term borrowings reasonably approximate fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of hire purchase liabilities also approximate their fair values upon discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

24. Financial instruments (continued)

24.7 Fair value information (continued)

The table below analyses other financial instruments at fair value:

	Fair value of financial instruments carried at fair value Level 2 RM'000	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
31.7.2021				
Financial assets				
Other investments	877	-	877	877
Financial liabilities				
Term loans	-	12,371	12,371	12,371
31.12.2020				
Financial assets				
Other investments	836	-	836	836
Financial liabilities				
Term loans	-	7,758	7,758	7,758
31.12.2019				
Financial assets				
Other investments	692	-	692	692
Financial liabilities				
Term loans	-	6,613	6,613	6,613
31.12.2018				
Financial assets				
Other investments	545	-	545	545
Financial liabilities				
Term loans	-	2,981	2,981	2,981

Level 2 fair value

Other investments

The fair value of other investments is determined based on the net assets value as stipulated in the statements provided by the counterparties of the investments.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial period (31.12.2020, 31.12.2019 and 31.12.2018: no transfer in either directions).

24. Financial instruments (continued)

24.7 Fair value information (continued)

Level 3 fair value

Valuation process applied by the Group for Level 3 fair value

For financial instruments not carried at fair value, the Group has applied discounted cash flows valuation technique using a rate based on the current market rate of borrowings of respective Group entities at the reporting date in determination of fair values within Level 3.

25. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors capital using gearing ratio, which is total debt divided by total equity. The Group's policy is to keep the gearing ratio at an acceptable limit.

The debt-to-equity ratios at the end of the reporting periods were as follows:

	Note	31.7.2021 RM'000	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Loans and borrowings	13	16,513	12,247	18,628	8,142
Lease liabilities		174	177	1,000	-
Total debt		16,687	12,424	19,628	8,142
Total equity		37,702	36,719	28,700	21,750
Debt-to-equity ratio		0.44	0.34	0.68	0.37

There was no change in the Group's approach to capital management during the financial period.

26. Related parties

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its combining entities and key management personnel.

26. Related parties (continued)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group are shown below.

The balances related to the below transactions are shown in Note 15.

	1.1.2021 - 31.7.2021 Audited RM'000	1.1.2020 - 31.7.2020 Unaudited RM'000	1.1.2020 - 31.12.2020 Audited RM'000	1.1.2019 - 31.12.2019 Audited RM'000	1.1.2018 - 31.12.2018 Audited RM'000
Key management personnel					
Directors					
- Remuneration	1,123	696	1,172	1,059	999
- Contributions to Employees' Provision Fund	213	132	217	201	189
- Advance from directors	5	-	-	-	368

27. Significant event

Acquisition of Siab (M)

On 31 May 2021, the Company entered into a conditional share sale agreement ("SSA") to acquire the entire issued share capital of Siab (M) of RM1,000,000 comprising 1,000,000 ordinary shares from its existing shareholders for a purchase consideration of RM36,722,508. The said purchase consideration will be fully satisfied by the issuance of 367,225,080 new ordinary shares of the Company at an issue price of RM0.10 per share, which will be issued to the shareholders of Siab (M), namely Ng Wai Hoe, Lim Mei Hwee, Tan Sok Moi, Makmur Baru Holdings Sdn. Bhd. and Alam Kota Sdn. Bhd..

The completion of the SSA is conditional upon certain conditions precedent being obtained/fulfilled/waived, which includes the approval of Bursa Malaysia Securities Berhad for the admission of the share capital of Siab Holdings to the official list of Bursa Malaysia Securities Berhad for its Listing.

On 14 December 2021, the Company has completed the acquisition of Siab (M).

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

5 January 2022

Dear Sirs,

Reporting Accountants' opinion on the combined financial statements contained in the Accountants' Report of Siab Holdings Berhad ("Siab")

Opinion

We have audited the combined financial statements of Siab and the combining entities, Siab (M) Sdn Bhd and its subsidiaries (collectively referred to as "Siab Holdings" or the "Group"), which comprise the combined statements of financial position as at 31 July 2021, 31 December 2020, 31 December 2019 and 31 December 2018, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the period and years then ended, and notes to the accountants' report, including a summary of significant accounting policies, as set out on pages 1 to 68. The combined financial statements of the Group have been prepared for inclusion in the prospectus of Siab Holdings in connection with the listing of and quotation for the entire issued and paid-up share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and for no other purposes.

In our opinion, the accompanying combined financial statements give a true and fair view of the combined financial positions of the Group as of 31 July 2021, 31 December 2020, 31 December 2019 and 31 December 2018, and of its combined financial performances and combined cash flows for the period and years then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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 Combined Financial Statements* section of our reporting accountants' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Responsibilities of the Directors for the Combined Financial Statements

The Directors of the Company (the "Directors") are responsible for the preparation of the combined financial statements of the Group that give a true and fair view in accordance with the Malaysian Financial Reporting Standards and 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 combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the Group, the Directors are responsible for assessing the ability of the Group 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.

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

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

Reporting Accountants' Responsibilities for the Audit of the Combined 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined 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 internal control of the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 combined 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 auditors' 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 combined financial statements of the Group, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined 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 the internal controls that we identify during our audit.

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Other Matters

The comparative information for the combined statements of profit or loss and other comprehensive income, changes in equity and cash flows, and notes to the combined financial statements for the financial period ended 31 July 2020 has not been audited.

Restriction on Distribution and Use

This report is made solely to the Company and for inclusion in the prospectus of the Company in connection with the listing of and quotation for the entire issued and paid-up share capital of the Company on the ACE Market of Bursa Securities and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

KPMG PLT	**Lam Shuh Siang**
(LLP0010081-LCA & AF 0758)	Approval Number: 03045/02/2023 J
Chartered Accountants	Chartered Accountant

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

5 January 2022

Dear Sir/Madam,

Siab Holdings Berhad ("Siab Holdings" or the "Company") and its combining entities, Siab (M) Sdn Bhd and its subsidiaries ("Siab (M)") (collectively, the "Group")

Report on the compilation of pro forma combined statements of financial position for inclusion in the Company's prospectus in connection with the initial public offering of 122,409,000 ordinary shares in the Company in conjunction with the listing of and quotation for the entire issued share capital of the Company on the Ace Market of Bursa Malaysia Securities Berhad ("Prospectus") ("IPO")

We have completed our assurance engagement to report on the compilation of the pro forma combined statements of financial position of the Group as at 31 July 2021 ("Pro Forma Financial Position") prepared by the management of the Company. The Pro Forma Financial Position and the related notes as set out in Attachment A, have been stamped by us for identification purposes. The applicable criteria on the basis of which the Board of Directors of the Company (the "Directors") have compiled the Pro Forma Financial Position are described in the notes to the Pro Forma Financial Position. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position has been compiled by the Directors for inclusion in the Prospectus solely to illustrate the impact of the transactions as set out in the notes to the Pro Forma Financial Position in Attachment A on the Group's combined statements of financial position as at 31 July 2021, as if the transactions had taken place as at 31 July 2021. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's audited combined interim financial statements for the period ended 31 July 2021, on which a reporting accountants' report dated 5 January 2022 has been issued.

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Directors' Responsibility for the Pro Forma Financial Position

The Directors are responsible for compiling the Pro Forma Financial Position on the basis described in the notes to the Pro Forma Financial Position in Attachment A as required by the Prospectus Guidelines.

Reporting Accountants' 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)* (IESBA Code), 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 adopted by the Malaysian Institute of Accountants, 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 as required by the Prospectus Guidelines about whether the Pro Forma Financial Position has been compiled, in all material respects, by the Directors on the basis described in the notes to the Pro Forma Financial Position in Attachment A.

We conducted our engagement in accordance with International Standard on Assurance Engagement (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 have compiled, in all material respects, the Pro Forma Financial Position on the basis described in the notes to the Pro Forma Financial Position in Attachment A.

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 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 Financial Position.

The purpose of the Pro Forma Financial Position included in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

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Reporting Accountants' Responsibilities (continued)

A reasonable assurance engagement to report on whether the Pro Forma Financial Position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

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 Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Position.

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

Opinion

In our opinion, the Pro Forma Financial Position as at 31 July 2021 has been compiled, in all material respects, on the basis described in the notes to the Pro Forma Financial Position in Attachment A.

Other Matter

Our report on the Pro Forma Financial Position has been prepared for inclusion in the Company's Prospectus in connection with the IPO and should not be relied upon for any other purposes.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Lam Shuh Siang
Approval Number: 03045/02/2023 J
Chartered Accountant

Attachment A

Siab Holdings Berhad ("Siab Holdings" or the "Company") and its combining entities, Siab (M) Sdn. Bhd. and its subsidiaries ("Siab (M)") (collectively, "the Group")
Pro Forma Combined Statements of Financial Position and the notes thereon

Pro Forma Combined Statements of Financial Position

The pro forma combined statements of financial position of the Group as at 31 July 2021 ("Pro Forma Financial Position") as set out below have been prepared for illustrative purposes only to show the effects of the transactions referred to in Note 2 had these transactions been effected on 31 July 2021, and should be read in conjunction with the said notes to the Pro Forma Financial Position.

			Pro Forma I	Pro Forma II	Pro Forma III
	Notes	As at 31 July 2021* RM'000	After the Acquisition of Siab (M) RM'000	After Pro Forma I and the Initial Public Offering ("IPO") RM'000	After Pro Forma II and the use of proceeds RM'000
Assets					
Property, plant and equipment		6,065	6,065	6,065	6,065
Right-of-use assets		207	207	207	207
Investment properties		5,505	5,505	5,505	5,505
Other investments		877	877	877	877
Total non-current assets		12,654	12,654	12,654	12,654
Trade and other receivables		70,070	70,070	70,070	70,070
Contract assets		36,142	36,142	36,142	36,142
Current tax assets		46	46	46	46
Cash and cash equivalents	3(a)	21,345	21,345	58,067	55,001
Total current assets		127,603	127,603	164,325	161,259
Total assets		140,257	140,257	176,979	173,913

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Attachment A

Siab Holdings Berhad ("Siab Holdings" or the "Company") and its combining entities, Siab (M) Sdn. Bhd. and its subsidiaries ("Siab (M)") (collectively, "the Group")
Pro Forma Combined Statements of Financial Position and the notes thereon

	Notes	As at 31 July 2021* RM'000	Pro Forma I After the Acquisition of Siab (M) RM'000	Pro Forma II After Pro Forma I and the Initial Public Offering ("IPO") RM'000	Pro Forma III After Pro Forma II and the use of proceeds RM'000
Equity					
Share capital	3(b)	#	36,722	73,444	72,098
Invested equity	3(c)	1,000	-	-	-
Retained earnings	3(d)	36,702	36,702	36,702	34,982
Merger reserve	3(e)	-	(35,722)	(35,722)	(35,722)
Total equity		37,702	37,702	74,424	71,358
Liabilities					
Loans and borrowings		11,819	11,819	11,819	11,819
Lease liabilities		17	17	17	17
Deferred tax liabilities		442	442	442	442
Total non-current liabilities		12,278	12,278	12,278	12,278
Trade and other payables		83,047	83,047	83,047	83,047
Contract liabilities		1,015	1,015	1,015	1,015
Loans and borrowings		4,694	4,694	4,694	4,694
Lease liabilities		157	157	157	157
Current tax liabilities		1,364	1,364	1,364	1,364
Total current liabilities		90,277	90,277	90,277	90,277
Total liabilities		102,555	102,555	102,555	102,555
Total equity and liabilities		140,257	140,257	176,979	173,913

\# *Denotes RM3*

* *Extracted from Siab Holdings Accountants' Report on the combined financial statements for the financial period ended 31 July 2021.*

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Attachment A

Siab Holdings Berhad ("Siab Holdings" or the "Company") and its combining entities, Siab (M) Sdn. Bhd. and its subsidiaries ("Siab (M)") (collectively, "the Group")
Pro Forma Combined Statements of Financial Position and the notes thereon

Notes to the Pro Forma Combined Statements of Financial Position

The pro forma combined statements of financial position of the Group as at 31 July 2021 ("Pro Forma Financial Position") have been prepared for inclusion in the prospectus of the Company to be issued in connection with the initial public offering of 122,409,000 ordinary shares in the Company in conjunction with the listing of and quotation for the entire enlarged issued share capital of the Company on the Ace Market of Bursa Malaysia Securities Berhad ("Prospectus") ("IPO") and should not be relied upon for any other purposes.

1. Basis of preparation

The applicable criteria on the basis of which the Board of Directors of the Company ("Directors") has compiled the Pro Forma Financial Position are as described below. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position has been prepared based on the audited combined financial statements of the Group for the financial period ended on 31 July 2021, which was prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), and in a manner consistent with the format of the statement of financial position and the accounting policies adopted by the Group, and adjusted for the events and transactions detailed in Note 2.

The pro forma adjustments are appropriate for the purpose of preparing the Pro Forma Financial Position.

The auditors' report dated 5 January 2022 on the Group's audited combined interim financial statements for the period ended on 31 July 2021 was not subject to any qualification, modification or disclaimer of opinion.

The Pro Forma Financial Position is not necessarily indicative of the financial position that would have been attained had the IPO actually occurred at the respective dates. The Pro Forma Financial Position has been prepared for illustrative purposes only.

Attachment A

Siab Holdings Berhad ("Siab Holdings" or the "Company") and its combining entities, Siab (M) Sdn. Bhd. and its subsidiaries ("Siab (M)") (collectively, "the Group")
Pro Forma Combined Statements of Financial Position and the notes thereon

2. Pro forma adjustments to the Pro Forma Financial Position

The Pro Forma Financial Position illustrates the effects of the following events or transactions:

2.1 Pro Forma I - Acquisition of Siab (M) Sdn. Bhd. ("Siab (M)")

On 14 December 2021, the Company had completed the acquisition of the entire issued share capital of Siab (M) of RM1,000,000 comprising 1,000,000 ordinary shares from its existing shareholders for a purchase consideration of RM36,722,508 ("Acquisition of Siab (M)"). The said purchase consideration has been fully satisfied by the issuance of 367,225,080 new ordinary shares of the Company at an issue price of RM0.10 per share to the shareholders of Siab (M), namely Ng Wai Hoe, Lim Mei Hwee, Tan Sok Moi, Makmur Baru Holdings Sdn. Bhd. and Alam Kota Sdn. Bhd..

The Acquisition of Siab (M) is accounted for using book value accounting. Under book value accounting, the difference between the consideration paid and the share capital of the acquiree is accounted for as merger reserve.

2.2 Pro Forma II - IPO

(i) Public Issue

The public issue of 122,409,000 new ordinary shares in the Company ("Issue Share(s)") at a price of RM0.30 per Issue Share.

(ii) Offer for Sale

The offer for sale by Ng Wai Hoe, Lim Mei Hwee, Makmur Baru Holdings Sdn. Bhd. and Tan Sok Moi (collectively referred to as "the Offerors") of 48,963,600 existing ordinary shares in the Company ("Offer Share(s)") at a price of RM0.30 per Offer Share by way of private placement to selected investors.

The Company will not receive any proceeds from the Offer for Sale. The gross proceeds of RM14,689,080 from the Offer for Sale will accrue entirely to the Offerors.

2.3 Pro Forma III - Use of proceeds

The total gross proceeds from the Public Issue of RM36,722,000 are intended to be used as follows:

	RM'000
Capital expenditure[1]	23,399
Working capital	9,300
Estimated listing expenses[2]	4,023
	36,722

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Attachment A

Siab Holdings Berhad ("Siab Holdings" or the "Company") and its combining entities, Siab (M) Sdn. Bhd. and its subsidiaries ("Siab (M)") (collectively, "the Group")
Pro Forma Combined Statements of Financial Position and the notes thereon

2. Pro forma adjustments to the Pro Forma Financial Position (continued)

2.3 Pro Forma III - Use of proceeds (continued)

Notes:

(1) The breakdown of capital expenditure amounting to RM23,399,000 is set out below:

	RM'000
Purchase of site equipment	*13,125*
Purchase of land & construction of storage warehouse	*6,098*
Expansion of office	*300*
Purchase of IT & Software	*810*
Purchase of Building Information Modelling & Industrial Building System	*3,066*
	23,399

As at the latest practicable date, the Company has yet to enter into any contractual binding arrangements or issued any purchase orders in relation to the above capital expenditure. Accordingly, the use of proceeds earmarked for capital expenditure is not reflected in the Pro Forma Financial Position.

(2) The estimated listing expenses comprise the following:

	RM'000
Professional fees	*1,857*
Underwriting and placement fees	*1,640*
Printing and advertising	*205*
Contingencies	*321*
	4,023

The total listing expenses to be borne by the Company is estimated to be RM4,023,000. As of 31 July 2021, RM957,000 has been charged to the profit or loss account of the Group.

Upon completion of the IPO, out of the remaining estimated listing expenses of RM3,066,000, an estimated total of RM1,346,000 will be set-off against equity and an estimated total of RM1,720,000 will be charged out to the profit or loss account.

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Attachment A

Siab Holdings Berhad ("Siab Holdings" or the "Company") and its combining entities, Siab (M) Sdn. Bhd. and its subsidiaries ("Siab (M)") (collectively, "the Group")
Pro Forma Combined Statements of Financial Position and the notes thereon

3. Effects on the Pro Forma Financial Position

(a) Movement in cash and cash equivalents

	RM'000
Balance as at 31 July 2021 / Pro Forma I	21,345
Effects of Pro Forma II:	
- Proceeds from the Public Issue	36,722
Pro Forma II	58,067
Effects of Pro Forma III:	
- Estimated listing expenses	(3,066)
Pro Forma III	55,001

(b) Movement in share capital

	RM'000
Balance as at 31 July 2021	#
Effects of Pro Forma I	
- Acquisition of Siab (M)	36,722
Pro Forma I	36,722
Effects of Pro Forma II:	
- Shares issued under the Public Issue	36,722
Pro Forma II	73,444
Effects of Pro Forma III:	
- Estimated listing expenses	(1,346)
Pro Forma III	72,098

 # Denotes RM3

(c) Movement in invested equity

	RM'000
Balance as at 31 July 2021	1,000
Effects of Pro Forma I:	
- Acquisition of Siab (M)	(1,000)
Pro Forma I, II and III	-

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Attachment A

Siab Holdings Berhad ("Siab Holdings" or the "Company") and its combining entities, Siab (M) Sdn. Bhd. and its subsidiaries ("Siab (M)") (collectively, "the Group")
Pro Forma Combined Statements of Financial Position and the notes thereon

3. Effects on the Pro Forma Financial Position (continued)

(d) Movement in retained earnings

	RM'000
Balance as at 31 July 2021 / Pro Forma I / Pro Forma II	36,702
Effects of Pro Forma III:	
- Estimated listing expenses	(1,720)
Pro Forma III	34,982

(e) Movement in merger reserve

	RM'000
Balance as at 31 July 2021	-
Effects of Pro Forma I:	
- Acquisition of Siab (M)	(35,722)
Pro Forma I, II and III	(35,722)

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15. STATUTORY AND OTHER INFORMATION

15.1 SHARE CAPITAL

(i) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares;

(ii) Save for the Pink Form Allocations as disclosed in Section 4.3.3,

(a) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and

(b) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.

(iii) Save for the issuance of our subscribers' shares upon our incorporation and new Shares issued and to be issued for the Acquisition and Public Issue as disclosed in Sections 6.1, 6.2.2 and 4.3.1 respectively, no shares of our Company or our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus;

(iv) Other than our Public Issue as disclosed in Section 4.3.1, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus;

(v) As at the date of this Prospectus, we do not have any outstanding convertible debt securities; and

(vi) None of our Group's capital is under option, or agreed conditionally or unconditionally to be put under option.

15.2 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires. The following provisions extracted from our Constitution are based on the current Listing Requirements and the Act.

15.2.1 Changes in share capital and variation of class rights

The provisions in our Constitution dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

Clause 7 - Classes of Shares

(1) The capital of the Company shall consist of ordinary shares.

(2) A holder of ordinary share(s) shall have the following voting rights:

(a) Right to vote on a show of hands to 1 vote on any resolution of the Company; and

(b) Right to vote on a poll to 1 vote for every share held on any resolution of the Company.

Clause 8 - Variation of Rights

(1) If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

(a) with the consent in writing of the holders holding not less than 75% of the total voting rights of the holders of that class of shares; or

(b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

(2) The provisions of this Constitution relating to general meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that:

(a) for a meeting other than an adjourned meeting, a quorum is constituted by 2 persons present holding at least 1/3 of the number of issued shares of such class, excluding any shares of that class held as treasury shares;

(b) if that class of shares only has one holder, a quorum is constituted by 1 person present holding shares of such class; and

(c) for an adjourned meeting, a quorum is constituted by 1 person present holding share(s) of such class.

(3) The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

(a) the terms of the issue of the existing preference shares; or

(b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

Clause 12 - Issue of Securities

(1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:

(a) issue and allot shares in the Company; and

(b) grant rights to subscribe for shares or options over unissued shares in the Company.

(2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):

(a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;

(b) to any person, whether a member or not, in such numbers or proportions as the Directors may determine; and

(c) for such consideration as the Directors may determine.

(3) (a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

(b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.

(c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

(4) Subject to Rule 6.07 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds the prescribed limit set out in the Listing Requirements except where the shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.

(5) (a) The Company may pay commission (including brokerage) subject to the following:

(i) the commission shall not exceed the rate of 10% of the price at which the shares in respect whereof the same is paid are issued; or

(ii) the commission shall not exceed an amount equal to 10% of that price,

whichever is lesser;

(b) The rate of commission shall be disclosed in the manner prescribed in the Act; and

(c) The said commission may be satisfied by payment in cash or shares (fully or partly paid shares) or partly in one way and partly in the other. For the purpose of Clause 12(5), commission includes brokerage and the rates referred to in Clause 12(5)(a) shall not apply to brokerage.

(6) Subject to Section 130 of the Act, where any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest or returns on the amount of such share capital as is for the time being paid up and charge the interest or returns paid to share capital as part of the cost of construction of the works, buildings or the provision of any plant.

Clause 46 - Alteration of Capital

(1) Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given, as the Directors shall determine subject to the provisions of this Constitution and such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

(2) Section 85 of the Act shall not apply to the Company. Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible securities, from time to time to be created shall before they are issued, be offered in the first instance to all members in proportion as nearly as may be to the amount of existing shares or convertible securities held by them. In offering such new shares in the first instance to all members, the offer shall be made by notice specifying the number of shares or securities offered, and limiting the time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or convertible securities offered, the Directors may dispose of those shares or convertible securities in such manner as they think most beneficial to the Company. The Directors may, as they think most beneficial to the Company, dispose of any such new shares or convertible securities which (by reason of the proportion borne by them to the number of holders entitled to any such offer or by reason of any other difficulty in apportioning the same) cannot, in the opinion of the Directors, be conveniently offered under this clause.

(3) Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

(4) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:

(a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(b) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

(5) The Company may from time to time by special resolution and subject to other applicable requirements:

(a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or

(b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

(6) The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof.

15.2.2 Borrowing and voting powers of the directors

The provisions in our Constitution dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested in are as follows:

Clause 87 – Alternate Directors Entitled to receive notice of Board Meetings

An Alternate Director is entitled to receive notice of Board Meetings and, if the appointer is not present at such a meeting, is entitled to attend and vote in his stead.

Clause 90(3) – Associate Director may attend Board Meetings by invitation

A person appointed as an associate director does not have any right to attend or vote at any Board Meetings except by the invitation and with the consent of the Board.

Clause 95 - Directors' borrowing powers

Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

(1) borrow money;

(2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(3) issue debentures and other Securities whether outright or as security; and/or

(4) (a) lend and advance money or give credit to any person or company;

(b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company.

Clause 105 - Directors' Interest in Contracts

(a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.

(b) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.

Clause 107 - Passing of resolution by the Directors

(1) The Directors may pass a resolution without a Board Meeting, if a majority of the Directors entitled to vote and sign on the resolution signed the resolution, signifying their agreement to the resolution set out in the document.

(2) Any such resolution may consist of several documents in like form, each signed by 1 or more of the Directors, and shall be as valid and effectual as if it were a resolution duly passed at a Board Meeting.

Clause 118 - Voting at Board Meetings

(1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

(2) Each Director is entitled to cast 1 vote on each matter for determination.

Clause 119 - Casting Vote

In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where 2 Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only 2 Directors are competent to vote on the question at issue shall not have a casting vote.

15.2.3 Remuneration of directors

The provisions in our Constitution dealing with remuneration of Directors are as follows:

Clause 84 – Remuneration

A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine.

Clause 89 – Alternate Directors not entitled to receive remuneration

An Alternate Director:

(1) has no entitlement to receive remuneration from the Company and any fee paid by the Company to the Alternate Director shall be deducted from the Appointer's remuneration; and

(2) is entitled to be reimbursed for all the travelling and other expenses properly incurred by him in attending the Board Meetings on behalf of the Appointer from the Company.

Clause 90 (2)– Board to fix the terms of Associate Director

(2) The Board may fix, determine and vary the powers, duties and remuneration of any person appointed as an associate director.

Clause 93 – Remuneration of Directors

(1) The Company may from time to time by an ordinary resolution passed at a general meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.

(2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a general meeting.

(3) If the fee of each such non-executive Director is not specifically fixed by the members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(4) The following expenses shall be determined by the Directors:

(a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company; and

(b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

(5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover.

15.2.4 Transfer of shares

The provisions in our Constitution dealing with transfer of shares are as follows:

Clause 14 - Transfer of Securities

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

Clause 15 - Transmission of Securities

Where:

(a) the Securities of the Company are listed on another stock exchange; and

(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.

Clause 17 & 18 - Transfer of Shares or Debentures

17(1) Subject to this Constitution and other written laws, any shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act.

17(2) The instrument of transfer must be executed by or on behalf of the transferor and the transferee.

17(3) The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively.

18(1) To enable the Company to register the name of the transferee, the following items in relation to the transfer of shares or debentures must be delivered by the transferor to the office of the Company:

(a) the instrument of transfer duly executed and stamped;

(b) the certificate of the shares or debentures which the instrument of transfer relates; and

(c) any other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.

18(2) Upon receipt of the items referred to in Clause 18(1), the Company shall, upon the approval of the Board and unless otherwise resolved, register the name of the transferee in the Register of Members or register of debenture holders (as applicable).

15.3 GENERAL INFORMATION

(i) Save for the dividends paid to the shareholders of our subsidiaries as disclosed in Section 12.16, purchase consideration paid to the Vendors for the Acquisition as disclosed in Section 6.2.2 and Directors' remuneration as disclosed in Section 5.2.4, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoter, Director or substantial shareholder.

(ii) Save as disclosed in Section 10.1, none of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.

(iii) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 16.

(iv) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

15.4 CONSENTS

(i) The written consents of the Adviser, Sponsor, Underwriter, Placement Agent, Solicitors, Share Registrar, Company Secretaries and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn;

(ii) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma combined statements of financial position in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn; and

(iii) The written consent of the IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not been subsequently withdrawn.

15.5 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

(i) Constitution;

(ii) Audited financial statements of Siab, Siab (M), Siab Construction, Siab Development, Siab Engineering and Siab Network for FYE 2018, FYE 2019 and FYE 2020 (where applicable);

(iii) Audited financial statements of Siab for FPE 2021;

(iv) Accountants' Report as set out in Section 13;

(v) Reporting Accountants' report relating to our pro forma combined statements of financial position as set out in Section 14;

(vi) IMR Report as set out in Section 8;

(vii) Material contracts as set out in Section 6.4; and

(viii) Letters of consent as set out in Section 15.4.

15.6 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained herein. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 28 January 2022

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 16 February 2022

In the event of any changes to the date or time for closing, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by our eligible Directors, employees and persons who have contributed to the success of our Group	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only

16.2.2 Placement

Types of Application	**Application Method**
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions.

Selected investors and Bumiputera Investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities. **The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Application.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA. AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

16.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(i) You must be one of the following:

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(iii) You must submit Applications by using only one of the following methods:

(a) White Application Form; or

(b) Electronic Share Application; or

(c) Internet Share Application.

16.3.3 Application by eligible Directors, employees and persons who have contributed to the success of our Group

The eligible Directors, employees and persons (including any entities, wherever established) who have contributed to the success of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocation.

16.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.30 for each IPO Share.

Payment must be made out in favour of **"TIIH SHARE ISSUE ACCOUNT NO. 714"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

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

(ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

so as to arrive not later than 5.00 p.m. on 16 February 2022 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(i) reject Applications which:

(a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

(b) are illegible, incomplete or inaccurate; or

(c) are accompanied by an improperly drawn up or improper form of remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER/UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House, will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the issuing house to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the issuing house's website at https://tiih.online within 1 business day after the balloting date.

Under the Listing Requirements, at least 25.00% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market. In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.4 of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (i) and (ii) above (as the case may be).

(iv) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the 5th Market Day from the balloting date.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10th Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(i) Our IPO Shares allotted to you will be credited into your CDS Account.

(ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(iii) In accordance with Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the Central Depositories Act and Depository Rules.

(iv) In accordance with Section 29 of the Central Depositories Act, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at https://tiih.online, **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.