



SIAB HOLDINGS BERHAD

202001043548 (1399869-A)



ANNUAL **REPORT** 2023

CORPORATE AND **BUSINESS REVIEW**

02	Corporate Profile
03	Vision, Mission & Core Values
04	Corporate Information
05	Group Structure
06	Financial Highlights
07	Profile of Directors
14	Profile of Key Senior Management
16	Chairman's Statement
19	Management Discussion & Analysis
23	Sustainability Statement

CORPORATE **GOVERNANCE**

40	Corporate Governance Overview Statement
55	Audit & Risk Management Committee Report
61	Nomination Committee Report
64	Statement on Risk Management and Internal Control
68	Additional Compliance Requirements
71	Statement of Directors' Responsibility in relation to the Financial Statements

FINANCIAL **STATEMENTS**

73	Directors' Report & Audited Financial Statements
138	List of Properties
141	Analysis of Shareholdings

CORPORATE PROFILE

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

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

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

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

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

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

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

With a 39-year track record, we can provide our clients with builder and cost-effective solutions, as well as control timely delivery and quality.





VISION, MISSION & CORE VALUES

Our Vision

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

Our Mission

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

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

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

Core Values

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



CORPORATE INFORMATION

<div>Board of Directors</div>	TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN Independent Non-Executive Chairman	LIM MEI HWEE Executive Director
	NG WAI HOE Group Managing Director	TAN SOK MOI Executive Director
		DATO' SRI DR. SHAHRIL BIN MOKHTAR Independent Non-Executive Director
		ANDREA HUONG JIA MEI Independent Non-Executive Director
		BEN LEE KAM FOO Independent Non-Executive Director

Company Secretaries

Lau Yen Hoon
(MAICSA 7061368)
(SSM PC No. 202008002143)

Liew Shu Ning
(MAICSA 7074561)
(SSM PC No. 202408000033)

Registered Office

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

Head/Management Office

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

Registrar

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

Auditors

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

Audit and Risk Management Committee

Chairwoman

Andrea Huong Jia Mei

Member

Dato' Sri Dr. Shahril Bin Mokhtar
Ben Lee Kam Foo

Remuneration Committee

Chairman

Ben Lee Kam Foo

Member

Andrea Huong Jia Mei
Dato' Sri Dr. Shahril Bin Mokhtar

Nomination Committee

Chairman

Dato' Sri Dr. Shahril Bin Mokhtar

Member

Ben Lee Kam Foo
Andrea Huong Jia Mei

Principal Bankers

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

Sponsor

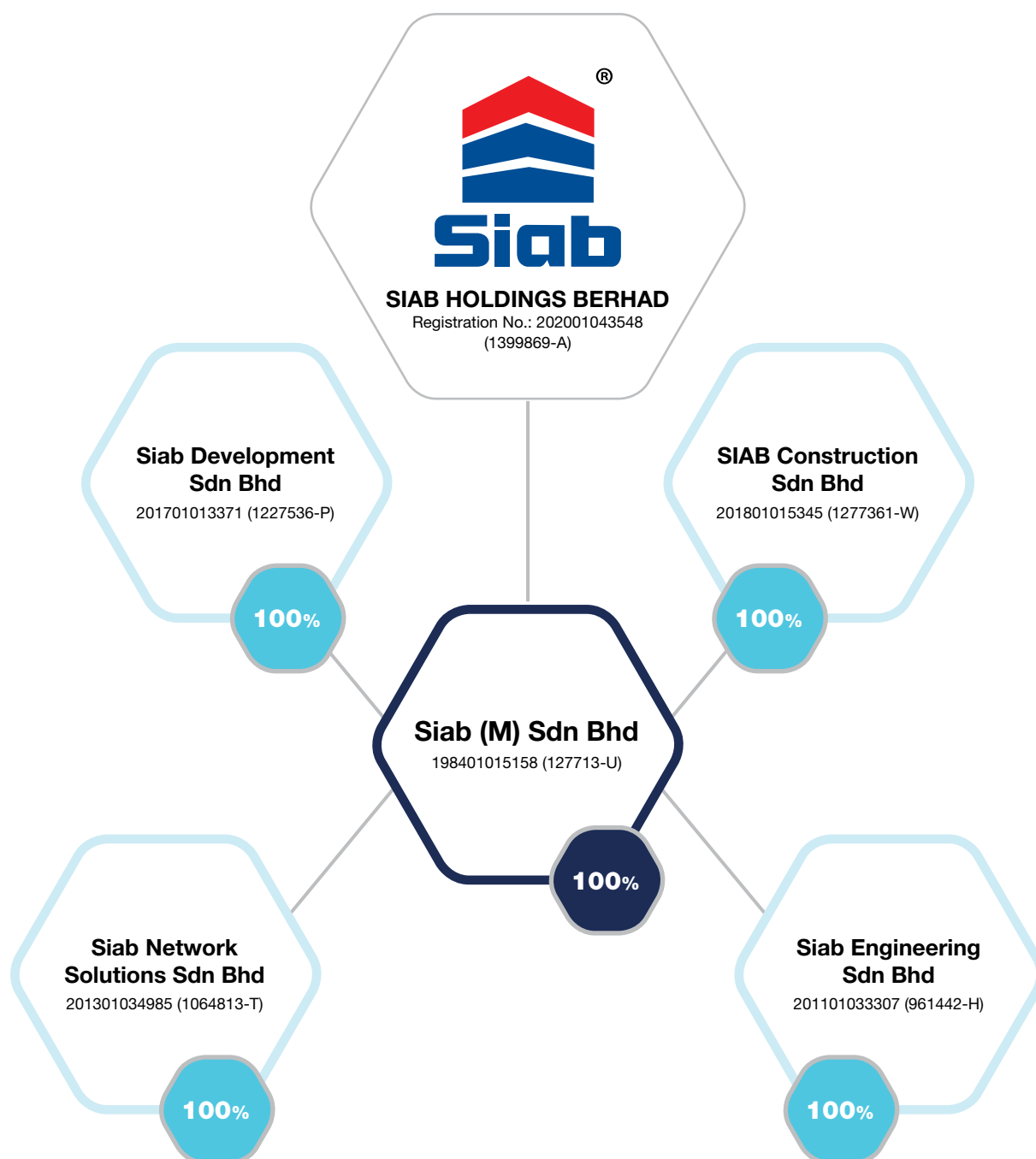
M & A Securities Sdn Bhd
45-11, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : +603 2284 2911

Stock Exchange

ACE Market of
Bursa Malaysia
Securities Berhad

Stock Name : SIAB
Stock Code : 0241

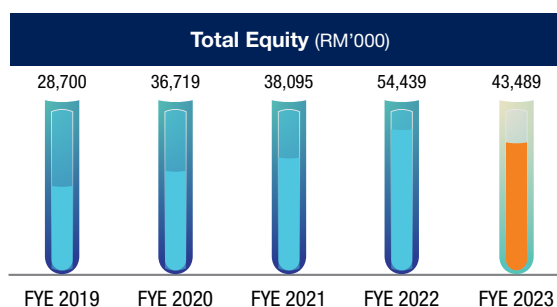
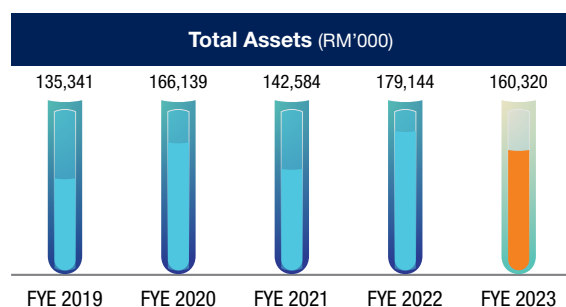
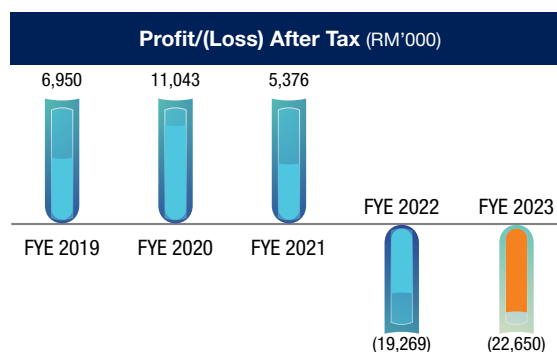
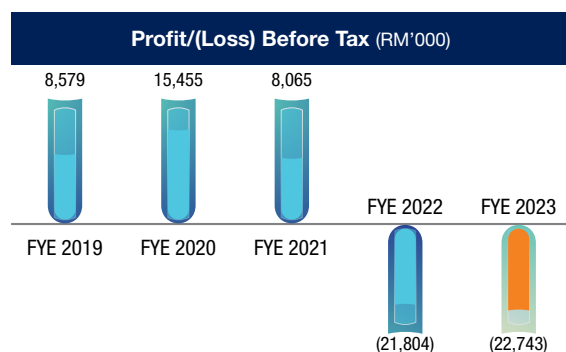
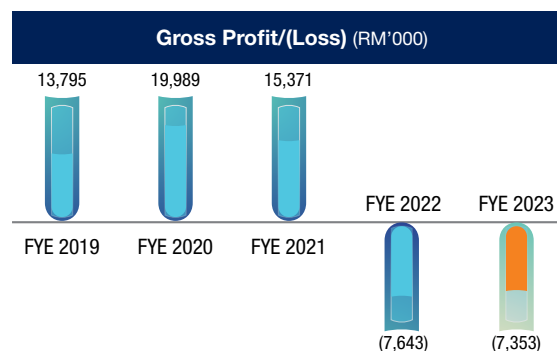
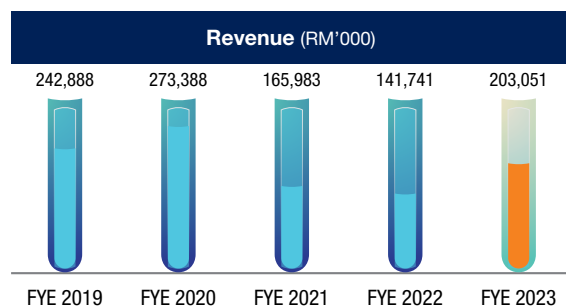
GROUP STRUCTURE





FINANCIAL HIGHLIGHTS

	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000
FINANCIAL PERFORMANCE					
Revenue	242,888	273,388	165,983	141,741	203,051
Gross Profit/(Loss)	13,795	19,989	15,371	(7,643)	(7,353)
Profit/(Loss) Before Tax	8,579	15,455	8,065	(21,804)	(22,743)
Profit/(Loss) After Tax	6,950	11,043	5,376	(19,269)	(22,650)
FINANCIAL POSITION					
Total Assets	135,341	166,139	142,584	179,144	160,320
Total Borrowings	18,628	12,247	22,121	44,199	28,855
Total Equity	28,700	36,719	38,095	54,439	43,489
Cash and Cash Equivalents	14,897	13,379	10,702	31,441	18,894
FINANCIAL RATIOS					
Profit/(Loss) After Tax Margin (%)	2.86%	4.04%	3.24%	(13.59%)	(11.15%)
Basic Earnings/(Loss) per Share (sen)	40.63	64.57	31.43	(4.10)	(4.61)
Net Assets per Share (sen)	167.80	214.69	222.73	11.58	8.85



PROFILE OF DIRECTORS



TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN

Independent Non-Executive Chairman

Nationality  / Gender  / Age 

Date of Appointment **24 June 2021**

Qualifications

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

Working experience

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

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

Other directorships of public companies and listed issuers

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

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

Nil

Conflict of interest with the Company

Nil

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

Nil

Committee

Nil



PROFILE OF DIRECTORS

(CONT'D)



NG WAI HOE

Group Managing Director

Nationality  / Gender  / Age **51**

Date of Appointment **30 December 2020**

Qualifications

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

Working experience

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

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

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

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

Other directorships of public companies and listed issuers

Nil

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

Nil

Conflict of interest with the Company

Nil

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

Nil

Committee

Nil



PROFILE OF DIRECTORS

(CONT'D)



LIM MEI HWEЕ

Executive Director

Nationality  / Gender  / Age  50

Date of Appointment **30 December 2020**

Qualifications

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

Working experience

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

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

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

Other directorships of public companies and listed issuers

Nil

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

Nil

Conflict of interest with the Company

Nil

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

Nil

Committee

Nil



PROFILE OF DIRECTORS

(CONT'D)



TAN SOK MOI

Executive Director

Nationality  / Gender  / Age  47

Date of Appointment **30 December 2020**

Qualifications

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

Working experience

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

Other directorships of public companies and listed issuers

Nil

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

Nil

Conflict of interest with the Company

Nil

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

Nil

Committee

Nil



PROFILE OF DIRECTORS

(CONT'D)



DATO' SRI DR. SHAHRIL BIN MOKHTAR

Independent Non-Executive Director

Nationality  / Gender  / Age 52

Date of Appointment 24 June 2021

Qualifications

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

Working experience

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

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

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

In December 2018, he left Mass Rapid Transit Corporation Sdn Bhd and in April 2019, joined CSH Alliance Berhad as its Managing Director, responsible for overseeing the company's property construction, investment, development, and technology services businesses. In April 2020 he became the Managing Director of Sungai Kelang Expressway Sdn Bhd, a company that operates a highway concession, which he held until September 2023. He joined Green Packet Berhad as Group Managing Director in October 2023 to date.

Apart from executive positions, he was called up to spearhead UiTM Holdings Sdn Bhd and UiTM Private Healthcare Sdn Bhd, both as Chairman in November 2021. He left both positions in May 2023 where he was asked to lead UTM Holdings Sdn Bhd as Chairman which he joined in July 2023. Additionally, he serves as the Football Association of Malaysia (FAM) as its EXCO Member, Chairman of the Marketing & Sponsorship Committee and Team Manager for Malaysia National Team Under-23. He is also the Deputy President and Treasurer of the Football Association of Selangor (FAS).

Other directorships of public companies and listed issuers

- Group Managing Director of Green Packet Berhad

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

Nil

Conflict of interest with the Company

Nil

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

Nil

Committee

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

PROFILE OF DIRECTORS

(CONT'D)



ANDREA HUONG JIA MEI

Independent Non-Executive Director

Nationality  / Gender  / Age **42**

Date of Appointment **24 June 2021**

Qualifications

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

Working experience

Andrea Huong Jia Mei, a Malaysian, female, aged 42, is our Independent Non-Executive Director. She was appointed to our Board on 2 August 2021. She is the Chairwoman of our Audit and Risk Management Committee and a member of our Remuneration and Nomination Committees.

Andrea obtained her Diploma in Commerce (Financial Accounting) and Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Malaysia in 2003 and 2005 respectively. She has been a Member of the Association of Chartered Certified Accountants since 2011, and a Chartered Accountant with the Malaysian Institute of Accountants since 2018.

Andrea started her career as an Audit Assistant with Sha, Tan & Co in 2005, and was promoted to Audit Semi-Senior in 2007. She was subsequently promoted and held the post of Audit Senior between 2008 and 2011, where she was responsible for managing audits of companies, including public listed companies. Between July 2011 to September 2014, she was on a career break. In September 2014, she was appointed as a director of T & S Secretarial Services Sdn Bhd and held this directorship until March 2021. T & S Secretarial Services Sdn Bhd is involved in the provision of secretarial and management services. She is currently a Director of T&S Boardroom Sdn Bhd, a company which provides secretarial support services and a Director of Social Green Governance Sdn Bhd, a company providing internal control review and sustainability review services. She is also a director of several private limited companies providing tax, accounting and consultancy services.

Other directorships of public companies and listed issuers

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

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

Nil

Conflict of interest with the Company

Nil

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

Nil

Committee

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



PROFILE OF DIRECTORS

(CONT'D)

**BEN LEE KAM FOO**

Independent Non-Executive Director

Nationality  / Gender  / Age Date of Appointment **1 July 2023****Qualifications**

- Advocate & Solicitor (High Court of Malaya)
- LLB. (Bachelor of Laws) from University of London
- Diploma in International Arbitration from Chartered Institute of Arbitrators

Working experience

Mr. Ben Lee was called and admitted as an Advocate and Solicitor of the High Court of Malaya in the year of 2000. After working as a Legal Assistant in a firm in Kuala Lumpur until the year of 2004, he has set up his own firm, Messrs. Ben Lee & Co and subsequently formed a partnership with Mr. Alizal bin Abdul Razak in the year of 2008 under the name of Messrs. Ben Lee Alizal & Co. Upon the merger exercise of 3 legal firms in the year of 2014, Mr. Ben Lee accepted the position of Head of Dispute Resolution under the partnership of Messrs. Gan & Zul.

Mr. Ben Lee has over 20 years of experience in legal practice. He specializes in civil litigation, particularly corporate commercial disputes, construction disputes, contractual disputes and tax disputes. He also takes a very active part in statutory adjudication under CIPAA and domestic arbitration, often representing well-known domestic and international companies.

In the year of 2024, Mr. Ben Lee embarked upon a pivotal advancement in his legal career by merging his expertise and resources with Mr. Sharen bin Rosli, an esteemed legal practitioner specializing in civil and criminal litigation. This merger marked the formation of a formidable partnership of Messrs. Lee Sharen.

Other directorships of public companies and listed issuers

Nil

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

Nil

Conflict of interest with the Company

Nil

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

Nil

Committee

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

PROFILE OF KEY SENIOR MANAGEMENT



KOO SEONG HOE

Chief Financial Officer

Nationality  / Gender  / Age 46

KEVIN YAU KOK KENG

Project Director

Nationality  / Gender  / Age 60

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

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

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

Kevin Yau joined Siab (M) Sdn Bhd in mid of January 2024 as Project Director. He is taking the leading roles in the overall project performance of all ongoing construction projects of the company.

He obtained a Diploma in Building Technology from Tunku Abdul Rahman College in 1989. Subsequently, after working in the construction industry for several years, he went on to pursue his higher educations in Heriot Watt University in Edinburgh Scotland in year 1995 and graduated with a Master Degree in Construction Management in year 1996.

Kevin Yau has over 30 years leadership experiences with some established developers and main contractors in directing, managing and successfully delivery of multiple construction projects towards achieving timely completion, above budgeted profits, and high qualities end products.

He also well versed in rolling out strategies to drive highly effective project management, cost control as well as contracts management coupled with strong exposure in working with both local and international consultants and stakeholders. Recognized as a tactful and efficient professional with solid people management skills and capabilities.

Prior to joining the company, Kevin Yau has previously worked with Sunway Construction Berhad, Crest Builder Holding Berhad, Ahmad Zaki Resources Berhad in Riyadh Saudi Arabia and CapitaLand in Bahrain.

He also worked as the Project Director cum Senior Vice President in Pacific Star Property Sdn Bhd from 2001 to 2007 in which he played the key leading roles in the timely completion of the high quality and luxury and multiple awards winning Puteri Cove Residences mixed development project with total GDV of RM1.8 billion, in Puteri Harbour, Nusajaya, Johor.



PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)



TS. FONG KOK YEW

Senior Commercial Manager

Nationality  / Gender  / Age 40

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

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

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

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



Note:

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



In the face of formidable challenges encountered throughout FY2023, SIAB stayed true to its core values of dedication, transparency, and resilience. We faced our fair share of challenges, but we never lost sight of our commitment to doing things the right way. Looking back, we are proud of how far we have come and the lessons we have learned. And as we look ahead to 2024, we are filled with hope and determination. With our core values (Care, Integrity, Tenacity, Innovative, Proactive) as our guide, we're ready to tackle whatever comes our way and make the most of the opportunities that lie ahead.

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun
Chairman

CHAIRMAN'S STATEMENT

Dear Fellow Shareholders and Stakeholders

On behalf of the Board of Directors, it is with both reflection and optimism that I present you our annual report and the audited financial statements of SIAB Holdings Berhad ("SIAB") and its subsidiaries ("the Group") for the financial year ended 31 December 2023 ("FY2023"). Despite the challenges encountered throughout the year, we have continued to demonstrate resilience, adaptability, and a commitment to our core values.

INDUSTRY AND BUSINESS OVERVIEW

2023 was a year marked by resilience and adaptation in the face of adversity. Despite lingering effects from the pandemic, such as supply chain disruptions and labour shortages, the construction sector demonstrated perseverance, driven by government stimulus measures and a gradual recovery in construction activities. Throughout the year, the Malaysian construction industry experienced both setbacks and successes. Challenges such as rising material costs, inflationary pressures, and geopolitical instability posed significant hurdles for construction firms. However, amid these challenges, the industry benefited from the government's expansionary fiscal policies, which aimed to stimulate economic growth through increased infrastructure spending and support for key construction projects.

One notable trend in 2023 was the continued growth of the civil engineering segment, fuelled by infrastructure projects aimed at enhancing connectivity and driving economic development. The residential construction sector also saw sustained demand, driven by factors such as urbanisation, population growth, and government



CHAIRMAN'S STATEMENT (CONT'D)



initiatives to promote affordable housing. While the construction industry faced headwinds throughout the year, there were also notable achievements and milestones. Companies that embraced innovation, digitalisation, and sustainable practices found themselves better equipped to navigate challenges and capitalise on emerging opportunities.

Looking ahead, the Malaysian construction sector enters 2024 with cautious optimism, buoyed by positive economic indicators and ongoing government support. However, uncertainties persist, and industry players must remain vigilant and adaptable to effectively navigate the evolving landscape. By embracing innovation, sustainability, and collaboration, the Malaysian construction industry is well-positioned to overcome challenges and contribute to the nation's continued growth and development in the years to come.

HOW WE DID IN FY2023?

In FY2023, SIAB navigated a complex economic landscape, recording a total revenue of RM203.05 million, marking a notable increase from the previous year's revenue of RM141.74 million. This growth reflects our resilience and adaptability in the face of industry challenges and uncertainties, underscoring our commitment to sustained progress. The Group's revenue was primarily driven by the construction and civil engineering segments in the Malaysian market, which contributed approximately 99% of total revenue for FY2023. This underscores the robust performance of our core business areas, highlighting our strong foothold and expertise within the local market.



Despite the revenue growth, SIAB reported a loss before tax of RM22.74 million for FY2023, compared to a loss before tax of RM21.80 million in FY2022. This outcome reflects the challenges encountered throughout the year, including rising construction costs, project delays, and market volatility. The loss before tax for FY2023 can be mainly attributed to factors such as elevated project expenses, provision of liquidated ascertained damages amounting to RM4.22 million whereby the Group back-charged to subcontractors of RM2.61 million, and a one-off impairment loss of RM7.04 million. Additionally, external factors such as supply chain disruptions and continued increase in labour costs, further impacted our financial performance, underscoring the need for proactive risk management and strategic planning.

As we reflect on the challenges and achievements of FY2023, SIAB remains committed to driving sustainable growth and value creation for our stakeholders. Moving forward, we will continue to prioritise operational excellence, innovation, and stakeholder engagement, positioning SIAB for long-term success in the dynamic construction industry landscape.



CHAIRMAN'S STATEMENT

(CONT'D)



DIVIDEND

The Board of Directors has not recommended any dividend to be paid for the financial year ended 31 December 2023.

OUTLOOK AND PROSPECTS

The construction sector in Malaysia is anticipated to maintain its growth trajectory in 2024, with all subsectors expected to perform better. Forecasts suggest a robust 6.8% increase, driven by several factors across various segments.

The non-residential buildings subsector should benefit from the implementation of the National Investment Aspirations 2030, which is expected to attract more investments into the country. This strategic plan will likely stimulate demand for commercial and industrial spaces, fostering growth in this segment. On the residential front, initiatives such as the Mid-Term Review of the Twelfth Plan and the MADANI Neighbourhood scheme, coupled with private sector launches, are projected to bolster the residential buildings subsector. These efforts aim to address the growing demand for affordable housing, catering to various income segments and driving expansion in the sector.

Meanwhile, the civil engineering subsector is set to receive significant boosts from ongoing strategic infrastructure and utilities projects, including the Central Spine Road, the Pan Borneo Sabah Highway, and initiatives outlined in the Twelfth Malaysia Plan (2021 – 2025). Moreover, the introduction of new solar power plant projects under the Corporate Green Power Programme will further amplify growth prospects within this subsector.

In light of the promising outlook for the construction sector in 2024, SIAB is strategically positioned to capitalise on the anticipated growth opportunities and contribute to the sector's expansion. As one of the players in the Malaysian construction industry, SIAB is committed to leveraging its expertise, resources, and capabilities to ride on the positive momentum forecasted for the year.

CORPORATE GOVERNANCE

Information pertaining to corporate governance at SIAB is shown in pages 40 to 54.

APPRECIATION AND ACKNOWLEDGEMENT

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

As we move forward, it is imperative that we remain vigilant, adaptable, and proactive in our approach to business. We must continue to embrace innovation, diversity, and sustainability as core pillars of our corporate strategy, ensuring that we are well-positioned to thrive in an ever-evolving marketplace. Together, we will continue to build a brighter future for our company, our communities, and all those we serve.

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

Thank you.

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun
Chairman





OVERVIEW OF SIAB HOLDINGS BERHAD

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

SIAB Group is primarily involved in the implementation of construction projects, which includes daily management of all the works required for timely completion of the projects. SIAB Group engages sub-contractors to provide certain services such as supply and installation of construction materials, machinery and equipment, and other specialised trade work such as mechanical and electrical engineering works, piping and plumbing works, external paint works, water proofing works and other related works. SIAB Group also provides information and communications technology ("ICT") solutions and services such as design and implementation of wired and wireless enterprise-wide network infrastructure as well as ICT security solutions for the ICT system.

To date, SIAB Group has achieved significant milestones, successfully completing numerous projects valued at over RM2 billion. In June 2023, SIAB Group secured a contract from ISP Builder Sdn. Bhd. for a proposed centralised living quarters development project, with a total contract sum of RM64.98 million. Similarly, in November 2023, Murni Lapisan Sdn. Bhd. awarded SIAB Group a contract for proposed a residential development project, with a total contract value of RM106.80 million.

As of December 31, 2023, the Group's order book stands at RM246.73 million, reflecting a resilient portfolio despite fluctuations (2022: RM295.75 million).

MANAGEMENT DISCUSSION AND ANALYSIS

OBJECTIVES AND STRATEGIES

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

- (i) establishing our own storage facility that will provide additional capacity for storage, which is in line with our future plans of investing and purchasing additional construction related machinery and equipment as well as to serve as 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:
 - SIAB intends to further expand its building construction activities by participating in tenders for higher value high-rise construction projects and other types of buildings. To enhance SIAB's capacity and capability to tender for more building construction projects and to cater for future projects, we intend to invest and purchase new construction machinery and equipment to support our expansion plans; and
 - SIAB also intends to expand its presence into the civil engineering segment, focusing on the construction of roads, bridges and highways.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

- (iii) enhance SIAB's design and build services through the hiring of experienced individuals to strengthen SIAB Group's technical capabilities and the procurement of a Building Information Modelling ("BIM") software. The application of a BIM software is expected to contribute to more efficient project management.

FINANCIAL REVIEW

For current financial year 2023, SIAB Group reported a total revenue of RM203.05 million, marking a notable increase from the previous year's revenue of RM141.74 million. However, despite this revenue growth, the Group incurred a loss before tax of RM22.74 million, compared to a loss before tax of RM21.80 million in previous financial year 2022. This outcome reflects the challenges encountered throughout the year, including rising construction costs, project delays, and market volatility.

The loss before tax for FY2023 is primarily attributed to various factors, including reduced profitability from projects due to elevated construction material costs, higher expenses for defect rectification in completed projects, provision of liquidated ascertained damages amounting to RM4.22 million (with a corresponding back-charge to subcontractors of RM2.61 million), continued increase in labour costs, and a one-off impairment loss of RM7.04 million.

In contrast, the loss for the preceding year-to-date stemmed from different factors, including lower revenue, reduced profitability from ongoing projects due to elevated construction material costs, higher expenses for defect rectification, listing expenses, and fair value loss on investments in quoted shares.

Despite these challenges, SIAB Group remains committed to driving sustainable growth and value creation for its stakeholders. Moving forward, the Group will intensify efforts to enhance operational efficiency, foster innovation, and strengthen stakeholder engagement to navigate the dynamic construction industry landscape effectively.

SEGMENTAL REVIEW

SIAB Group's revenue was primarily derived from the construction and civil engineering segments in the Malaysian market, contributing approximately 99% of total revenue for both FY2023 and FY2022.

As SIAB Group is predominantly involved in construction and civil engineering, which constitutes the only reportable segment, the other non-reportable segment encompasses operations related to ICT solutions and services.

CHALLENGES

In the face of a positive outlook for the construction sector in 2024, SIAB Group may confront various challenges that could impact its operations and financial performance. One significant challenge arises from increased competition within the construction industry. As the sector is expected to expand, the competition among construction companies for projects is likely to intensify. This increased competition could exert downward pressure on profit margins as construction firms may need to reduce prices to secure contracts, posing a potential challenge for SIAB Group's profitability.

Moreover, challenges related to project execution and cost management may emerge. The escalating costs of construction materials, as highlighted in the financial review, could strain project budgets and profitability. Additionally, increased defect rectification costs and liquidated damages incurred for completed projects may further exacerbate financial pressures for the Group.

Effectively managing SIAB Group's order book could pose another challenge. While SIAB Group boasts a stable order book, actively participating in tenders for real estate and infrastructure projects necessitates meticulous resource allocation and project prioritisation. Successfully balancing operational efficiency and cost control strategies will be imperative for SIAB Group to navigate through these challenges and uphold its competitiveness in the industry.

In summary, while the construction sector presents promising growth prospects, SIAB Group must address these challenges proactively to ensure sustained growth and value creation for its stakeholders.

PROSPECTS AND INDUSTRY OUTLOOK

The construction sector in Malaysia is anticipated to maintain its growth trajectory in 2024, fuelled by favourable market conditions and government initiatives aimed at stimulating economic growth. Despite challenges such as rising interest rates and external uncertainties, the real estate construction activities in Malaysia expanded by 3.1% in 2023, reaching a total value of RM24.99 billion. This growth, driven by higher demand for properties, sets a solid foundation for the industry's outlook in the coming year.

Looking ahead to 2024, the construction industry is expected to experience expansion, with forecasts projecting a 6.8% increase to RM60.69 billion. The commitment of the government to infrastructure development and housing projects, as outlined in the Budget 2024 ("2nd Belanjawan MADANI"), is a key driver of this growth. With a record allocation of RM99.0 million for development expenditure, the government aims to bolster the local construction industry and stimulate economic activity.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

The Malaysian government's focus on promoting homeownership is evident in the 2nd Belanjawan MADANI, with significant allocations dedicated to housing projects in 2024. These initiatives include a special guarantee fund of RM1 billion to revive abandoned projects, as well as allocations for programmes such as Program Perumahan Rakyat and Program Rumah Mesra Rakyat. These efforts aim to address housing needs across various segments of society, driving demand for residential construction projects.

As of 31 December 2023, SIAB Group's order book stands at RM246.73 million, providing a solid foundation for future growth. The Group is well-positioned to capitalise on opportunities in the real estate, infrastructure, and institutional building sectors. Management remains committed to enhancing cost control strategies and operational efficiency, ensuring continued competitiveness in the dynamic construction landscape.

In light of the promising outlook for the construction sector in 2024, SIAB Group will continue to leverage its expertise, resources, and capabilities to capitalise on growth opportunities and contribute to the sector's expansion. By aligning with government initiatives and remaining agile in response to market dynamics, SIAB Group aims to sustain its momentum and drive sustainable growth in the coming year.

STATEMENT OF CASH FLOWS

Operating Activities

Net cash used in operating activities for SIAB Group in FY2023 was RM8.40 million (FY2022: RM25.47 million). This reduction was primarily driven by an increase in trade payables and reduction of the trade receivables balance due to one-off impairments amounting to RM7.04 million.

Investing Activities

During FY2022, SIAB Group acquired machinery and site equipment amounting to RM4.31 million in accordance with the proposed utilisation of proceeds raised from the initial public offering. In current FY2023, SIAB Group has acquired right-of-use assets of a piece of leasehold lands amounting to RM4.50 million which is also in accordance with the proposed utilisation of proceeds raised from the initial public offering.

Financing Activities

In FY2023, SIAB Group generated RM5.49 million in net cash from financing activities, a decrease from RM44.38 million in FY2022. This decline was primarily driven by a reduction in net proceeds received from the issuance of shares during the initial public offering exercise, which amounted to approximately RM35.61 million in FY2022. Additionally, there was a decrease in the drawdown of loans (net of repayment) this year as compared to FY2022.

IDENTIFICATION OF RISKS

Sustained cost escalation of building materials is a critical risk facing SIAB Group and the Malaysian construction industry at large is the sustained cost escalation of building materials. SIAB Group, being an end-to-end construction entity, heavily depends on various materials like steel bars, wire mesh, concrete, and timber. The ongoing increase in the prices of these materials directly affects the overall expenses of construction projects, creating a substantial challenge for companies. Despite implementing risk management strategies and maintaining an extensive network of suppliers to address these cost escalations, the persistent rise in material costs remains a significant concern for SIAB Group and other industry participants.

Liquidity risk

Another significant risk confronting SIAB Group is the risk of cash flow liquidity arises from the credit exposure to its customers from outstanding receivables. As per the norm of the construction industry, SIAB Group relies on interim payments from our clients during the construction period to discharge the debt accrued. When an interim payment is delayed or not paid, it inevitably affects SIAB Group's ability to continue with the construction project in full capacity and may even result in intermittent work stoppages.

While the Group's liquidity position will be tight in the near term, the position will gradually improve in line with the debt recoverability efforts by the management such as arrangement of repayment plan with our clients and expanding our financing sources. The cash flow management of SIAB Group is a prioritised focus of the Board and management regularly assess sources of liquidity risk and mitigate this risk to safeguard the Group against liquidity mismatches that could threaten our financial stability.

Economic Uncertainty

The construction industry is susceptible to economic fluctuations and uncertainties, both domestically and globally. Economic downturns, changes in government policies, trade tensions, and geopolitical conflicts can impact the demand for construction services and projects. These uncertainties can lead to project delays, cancellations, or disruptions, affecting SIAB Group's revenue and profitability. To mitigate this risk, SIAB Group closely monitors economic indicators and diversifies its project portfolio to reduce dependency on specific market segments or regions. Additionally, the Group maintains a flexible cost structure and implements contingency plans to adapt to changing economic conditions swiftly.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

CAPITAL MANAGEMENT

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

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

No significant changes were made to the objectives, policies or processes of SIAB Group in relation to its approach on capital management during the financial year ended 31 December 2023.

DIVIDEND POLICY

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

The Board of Directors has not recommended any dividend to be paid for the financial year ended 31 December 2023 (FY2022: Nil).

ACKNOWLEDGEMENT

I want to express my sincere appreciation to the exceptional team at SIAB Group, whose dedication has been pivotal from the early stages of our listing process to our current operations today. Since our debut on the ACE Market of Bursa Securities on 28 February 2022, their unwavering commitment has been the cornerstone of where we are today. As we continue to navigate through challenges and pursue growth opportunities, I am grateful for their ongoing support and contributions to the advancement of SIAB Group.

Furthermore, I wish to express my sincere appreciation to our esteemed customers, shareholders, business partners, associates, and suppliers for their continuous support. Their trust and collaboration have been invaluable in propelling SIAB Group forward amidst the challenges we face. I am also deeply thankful to the regulatory authorities for their guidance and oversight, which have played a crucial role in ensuring our compliance and adherence to industry standards.

Lastly, I extend my gratitude to my fellow Board members for their unwavering support and invaluable guidance. Their collective wisdom and leadership have been instrumental in steering SIAB Group through various challenges, and I am confident that their stewardship will lead us to greater resilience and success in the future.

Ng Wai Hoe
Managing Director

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

The Board is pleased to present SIAB Holdings Berhad's Sustainability Statement for the financial year ended 31 December 2023 ("FY2023").

Sustainability forms an integral part of the corporate strategy at SIAB Holdings Berhad ("SIAB") and its subsidiaries ("SIAB Group"). With growth, comes realisation of the significance and impacts of SIAB Group's core businesses present to the economy, environment and society.

SIAB aspires to achieve sustainability best practices in its business activities by integrating sustainable practices into its core businesses and aligning them to its core values. The Board of Directors ("Board") and management believes in the long-term sustainability of its business operations and emphasizes the importance of sustainability in our business strategies and operations in achieving the Group's objectives.

This Sustainability Statement is prepared in accordance with the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), following the Malaysian Code on Corporate Governance issued by the Securities Commission of Malaysia on 28 April 2021. Guidance has also been drawn from Guidance Note 11 of ACE LR and the Sustainability Reporting Guide (3rd edition) issued by Bursa Securities.

The information provided in this Sustainability Statement covers our sustainability efforts in respect of the economy, environment, and our societal contributions. The reporting period spans from 1 January 2023 to 31 December 2023, adhering to an annual reporting cycle and encompassing the entire SIAB Group.

ABOUT OUR SUSTAINABILITY POLICY, PRINCIPLES AND GOVERNANCE

The Board recognises the importance of SIAB Group adopting and continuously practicing good governance throughout its operations. This commitment ensures accountability and transparency, fundamental in fulfilling our responsibilities to protect and enhance shareholders' value, as well as the financial performance of SIAB Group.

Our Sustainability Policy, anchored in our core values, vision, and mission, reinforces our commitment to improving environmental, social, and corporate governance performance, and disclosure to pursue long-term sustainability.

In managing SIAB Group businesses, we adhere to the following principles:



SUSTAINABILITY STATEMENT

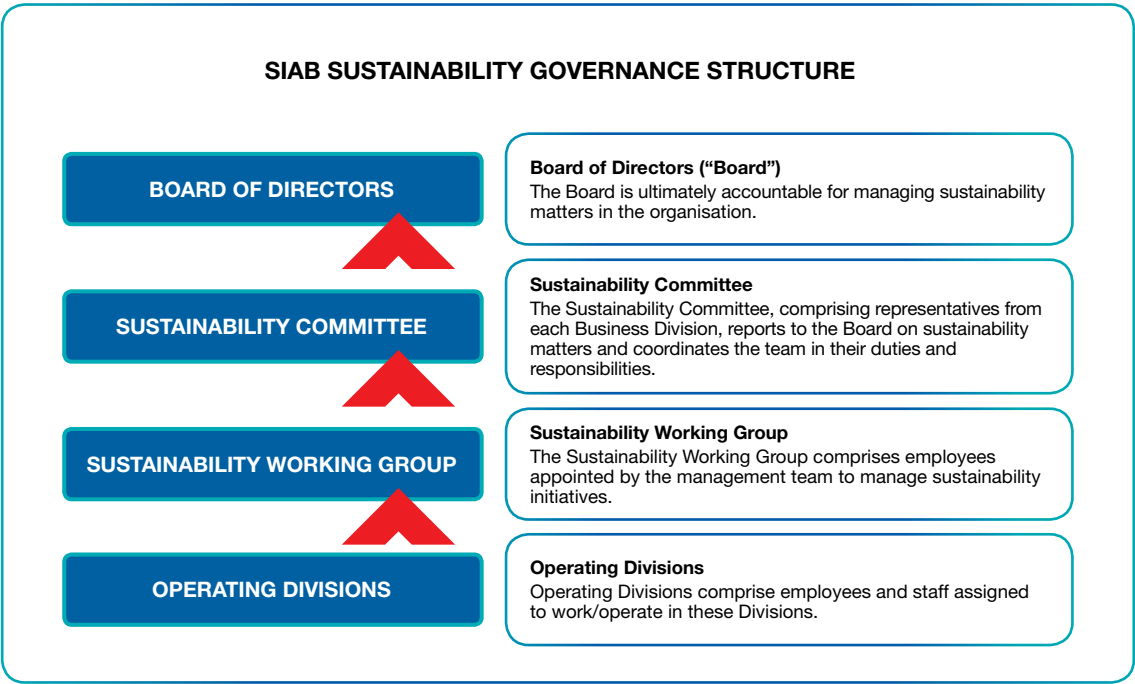
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ABOUT OUR SUSTAINABILITY POLICY, PRINCIPLES AND GOVERNANCE (CONT'D)

To integrate sustainability, SIAB Group has established a clear governance model to effectively steer us towards achieving our sustainability objectives and reviewing the progress of our future sustainability initiatives. This model also ensures that SIAB Group focuses on embedding relevant and material sustainability practices into all the business areas in which we operate.

Our sustainability governance structure is designed to facilitate the following :

- Management of the economic, environmental, and social risks and opportunities (“Sustainability Matters”) is integral for the Board’s deliberations and decisions.
- Sustainability considerations are embedded into the overall business strategy.
- Sustainability performance indicators are considered in determining the remuneration of directors and senior management.



The Sustainability Committee was established by the Board of SIAB on 27 November 2023 with the purpose of assisting the Board in overseeing the Sustainability or Environmental, Social and Governance (“ESG”) related framework, strategy, priorities, targets, policies, and practices of the Group. This ensures that the Group’s sustainability initiatives are aligned with and promote its commitment towards sustainability.

The Sustainability Committee is composed of the Managing Director, Executive Directors, and members of key senior management. The Sustainability Committee is responsible for the strategic management of sustainability matters. It reports to the Board on sustainability matters annually and convenes meetings at least once a year, with additional meetings held as necessary. The inaugural meeting of the Sustainability Committee was held on 12 December 2023.

The Sustainability Working Group, comprising employees appointed by the Sustainability Committee and management, is responsible for implementing sustainability strategies, policies, and initiatives across all business operations. This working group also identifies sustainability risks and opportunities, sets sustainability performance indicators, and conducts data gathering, compilation, and reporting.



SUSTAINABILITY STATEMENT

(CONT'D)

ABOUT OUR ENGAGEMENT WITH STAKEHOLDERS

During the fiscal year, we actively engaged with our stakeholders as part of our sustainability assessment process. This engagement took place across various platforms, allowing us to identify their priorities and gather valuable feedback. By understanding the areas that are truly important to our stakeholders, we can develop initiatives that address their evolving needs.

Below is a summary table outlining the stakeholder groups, their areas of concern or material sustainability matters, and the type and frequency of engagement approaches employed:

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

This comprehensive engagement approach ensures that we remain responsive to the needs and expectations of all our stakeholders, driving continuous improvement in our sustainability practices.

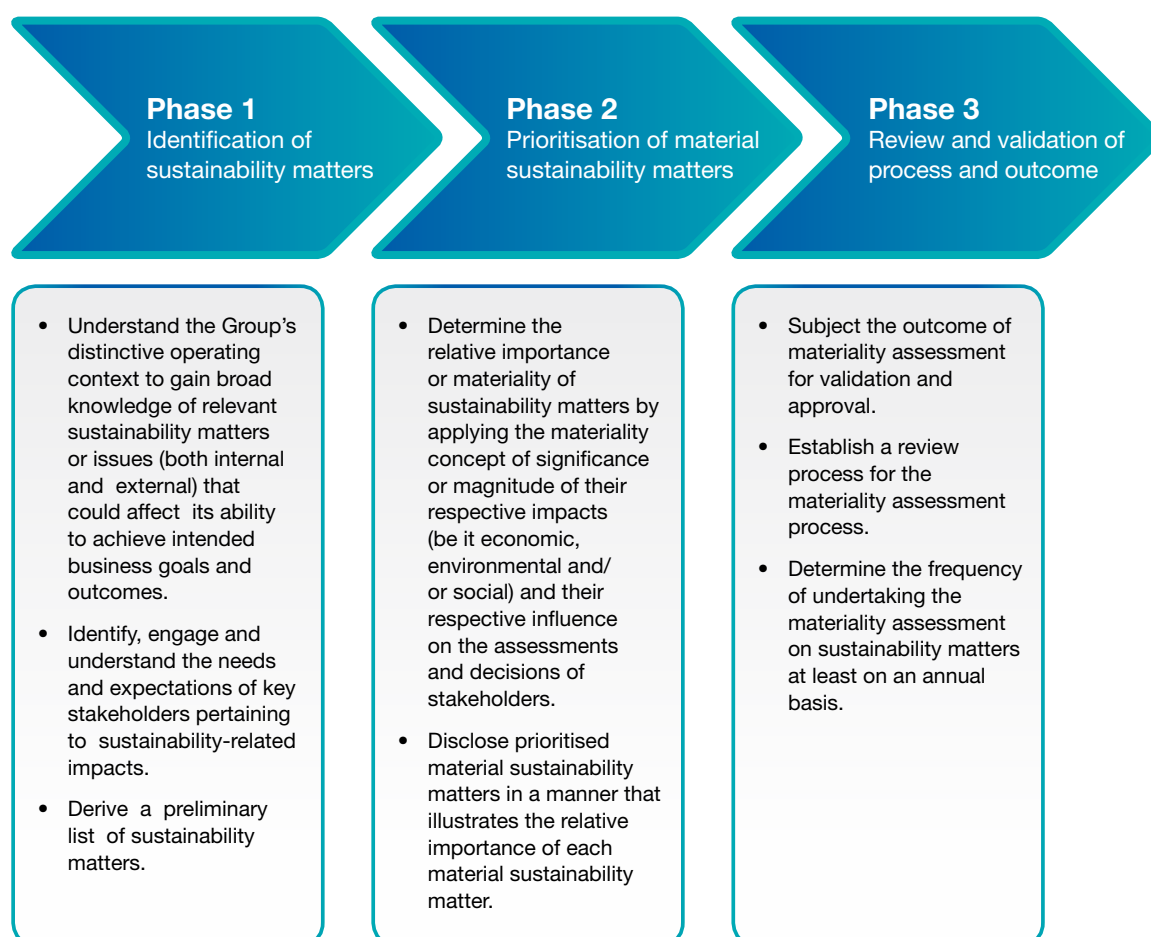
SUSTAINABILITY STATEMENT

(CONT'D)

ABOUT OUR MATERIALITY ASSESSMENT

Materiality plays a crucial role in shaping our corporate sustainability strategy as it ensures that we focus on providing stakeholders with the most relevant sustainability information aligned with our business objectives. To identify the sustainability matters most significant to our stakeholders and our business, we have conducted a thorough materiality assessment process. By following this structured materiality assessment process, we can effectively identify and prioritise the sustainability matters that are most relevant and impactful for SIAB Group and its stakeholders. This ensures that our sustainability strategy is aligned with stakeholder expectations and contributes to long-term value creation.

During the year, SIAB Group has undertaken a materiality assessment to capture the views of our stakeholders on sustainability matters. The materiality assessment process is typically made up of three distinctive phases:

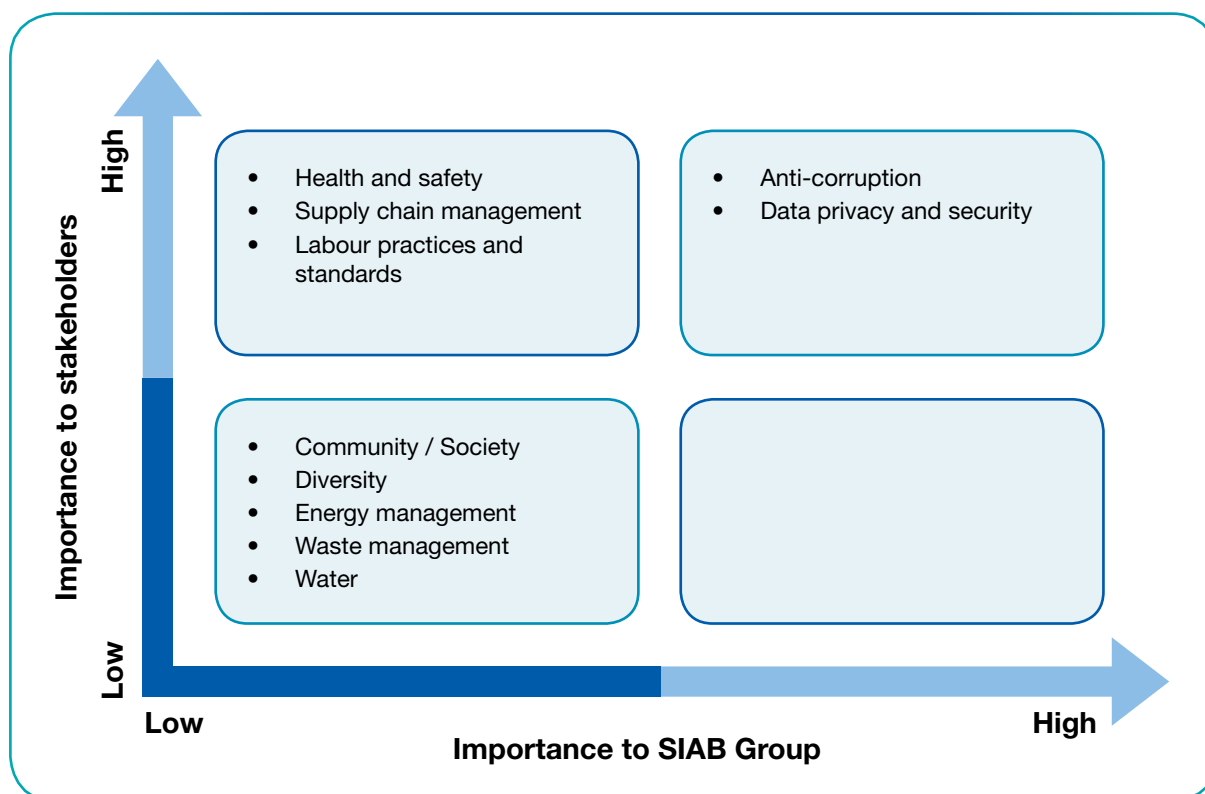


ABOUT OUR MATERIALITY MATRIX

After conducting a review of our material sustainability matters, we have ensured their continued relevance to industry Environmental, Social, and Governance ("ESG") trends. In alignment with Bursa Malaysia's enhanced sustainability reporting framework, we have incorporated common sustainability matters into our materiality assessment process. Through this review, we identified 10 material sustainability matters for our FY2023 materiality assessment. The results of this assessment are depicted in the materiality matrix below. Subsequently, we have provided detailed discussions on how we are addressing these material matters in the subsequent pages of this report.

SUSTAINABILITY STATEMENT (CONT'D)

ABOUT OUR MATERIALITY MATRIX (CONT'D)



This process enables us to focus our sustainability efforts on the issues that are most significant to our stakeholders and business operations. By addressing these material matters, we aim to enhance our overall sustainability performance and contribute to long-term value creation for all our stakeholders.

ABOUT OUR ECONOMIC ENHANCEMENTS

Supplier Chain Management and Procurement Practices

At SIAB Group, we are committed to fostering a sustainable supply chain to ensure the continuous and uninterrupted supply of construction materials and machinery, aligning with our sustainability objectives. Over the years, we have implemented various measures within our supply chain to encourage responsible and sustainable business practices among our suppliers and contractors.

Our procurement function plays a pivotal role in guiding and directing our approach to maximise value creation. We focus on reducing supply chain costs, streamlining transactional processes, fostering long-term relationships with suppliers, ensuring compliance with laws and regulations, and enhancing overall efficiency while prioritising sustainable solutions. This comprehensive approach is embedded throughout our procurement function, emphasising operational effectiveness, cross-functional collaboration, and transparency in savings.

Throughout FY2023, we have exclusively engaged local suppliers, further supporting our commitment to the local economy. In addition, we have established minimum requirements for environmental, safety, and health standards in all contracts with subcontractors. Furthermore, subcontractors are mandated to adhere to our anti-bribery and corruption policy, ensuring ethical business practices across our supply chain.



SUSTAINABILITY STATEMENT

(CONT'D)

ABOUT OUR ECONOMIC ENHANCEMENTS (CONT'D)

Indirect Economic Enhancements

The growth of SIAB Group has contributed to the creation of various job opportunities within the local community. Many of our employees have been part of the SIAB family for over 15 years, demonstrating our dedication to nurturing long-term careers. Our senior management and leadership team are committed to fostering a culture of well-being, providing employees with opportunities for growth and prosperity within our organisation.

We prioritise offering competitive salaries and benefits to our employees, along with providing a conducive, healthy, and safe working environment. By investing in our workforce, we aim to not only enhance economic prosperity within the community but also foster a positive and supportive workplace culture that drives sustained growth and success for SIAB Group.

ABOUT OUR ENVIRONMENTAL IMPACTS

At SIAB, we recognise the crucial importance of minimizing our environmental footprint and are dedicated to environmental stewardship across all aspects of our operations. Led by our key senior management team, SIAB is proud to hold ISO 14001:2015 certification for Environmental Management Systems. This underscores our commitment to environmental protection and sustainability.

Our environmental objectives are centered around several key principles:

- continuously enhance our environmental performance by implementing robust monitoring mechanisms and setting improvement targets for aspects that are material to our operation;
- integration of environmental concerns and impacts are integral considerations in our decision-making processes and daily activities; and
- dedicated to fostering environmental awareness among our employees, empowering them to contribute to our sustainability efforts.

Over the years, SIAB Group has implemented a range of sustainable practices aimed at resource efficiency and waste management in construction activities. Investments in automation and process engineering have not only reduced costs but also minimised resource wastage and waste production.

Energy Consumption

Efficient energy usage is a top priority for SIAB Group, as we recognise the importance of minimising our energy consumption and carbon footprint. Throughout our operations, we prioritise energy efficiency measures to enhance operational cost-effectiveness and environmental sustainability.

To minimise energy usage, we have adopted energy-saving LED lighting solutions across our business operations. We also actively promote energy-efficient behaviours among our employees, such as reducing air-conditioning usage during operational hours to mitigate carbon emissions. Our employees are fully engaged in energy-saving initiatives and are accountable for integrating energy-saving practices into their daily routines. For instance, our administrative personnel ensure that all lights and air-conditioning units are switched off when not in use. Furthermore, at our head office, we have installed solar panels to harness green renewable energy, further promoting sustainable energy generation and usage within our organisation.



Solar panel at SIAB head office



SUSTAINABILITY STATEMENT

(CONT'D)

ABOUT OUR ENVIRONMENTAL IMPACTS (CONT'D)

Waste Management

At SIAB Group, we recognise our environmental responsibility and are committed to ensuring proper waste disposal in compliance with relevant laws and regulations, such as the Environmental Quality Act, 1974. Our waste management approach is guided by the principles of reducing waste generation at the source and handling waste materials responsibly, following the 3R principles: reduce, reuse, and recycle.

We actively implement measures to minimise waste generation and promote the reuse and recycling of waste materials, including paper, plastic, and glass. Non-contaminated materials such as papers, paper cartons, and cardboard boxes are reused whenever possible or sent to designated recycling centers for processing.

In addition to our internal waste management efforts, SIAB has established and implemented construction waste management practices covering the entire waste lifecycle, from generation to storage, collection, treatment, and reuse of recyclables. We prioritise the segregation and proper handling of construction waste to facilitate recycling and minimise the environmental impact of our operations. Any waste materials that cannot be recycled are disposed of responsibly in authorised landfills, ensuring compliance with regulatory requirements and our commitment to environmental sustainability.

Water Consumption

Given that our construction sites are typically situated in areas with ample rainfall and low water stress, SIAB Group did not encounter significant water-related risks in FYE2023. Consequently, we experienced no difficulties in sourcing water for our operational needs. Despite this favourable situation, we remain committed to promoting efficient water usage throughout our construction activities.

At SIAB Group, we recognise the importance of responsible water resource management and strive to optimise our water consumption practices. While we did not face water scarcity issues in FYE2023, we remain proactive in monitoring and managing our water usage to minimise any potential environmental impact and contribute to sustainable water management practices. Through continuous attention to water conservation efforts, we aim to uphold our commitment to environmental stewardship and operational efficiency.

ABOUT OUR PEOPLE

SIAB Group adheres to the fundamental principles outlined by the Human Rights Commission of Malaysia (Suhakam and Suruhanjaya Hak Asasi Malaysia) and is committed to upholding good workplace practices. These practices include but are not limited to non-discrimination, fair employment conditions, health and safety, workplace security, the prohibition of child or forced labour and human trafficking, prevention of sexual harassment, effective grievance handling, respect for community rights, and data privacy or protection. In addition, SIAB Group has implemented separate policies on whistle-blowing and diversity.

All employees, regardless of their position within the organisation, are expected to conduct themselves responsibly, honestly, and with integrity in carrying out their duties. They are also required to comply with SIAB Group's policies, procedures, as well as applicable laws and regulations. SIAB Group has established a Code of Conduct and Ethics for Directors ("CCED"), available on the Company's website at www.siabmy.com, and a Code of Conduct and Discipline for Employees outlined in the employees' handbook. These documents serve to maintain a uniform set of values and ethics across the organisation.

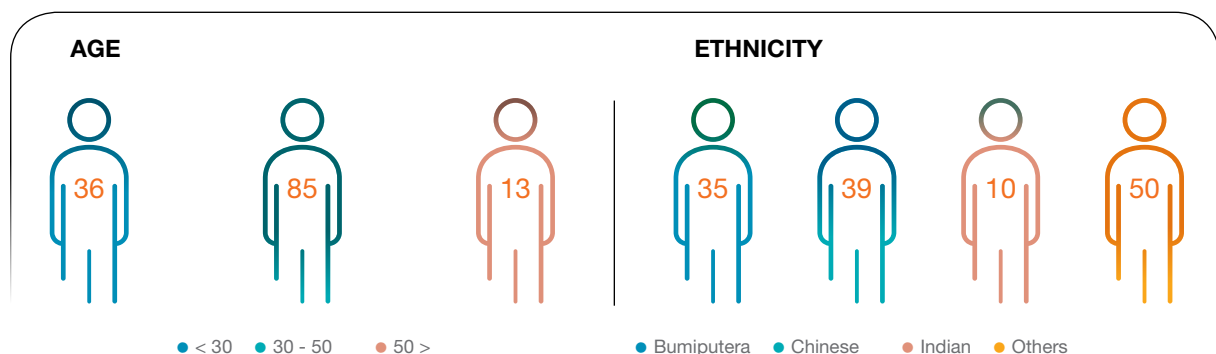
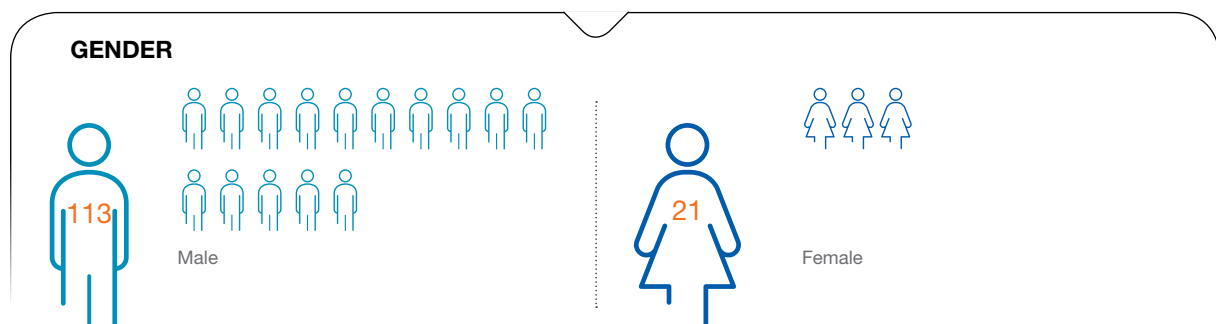
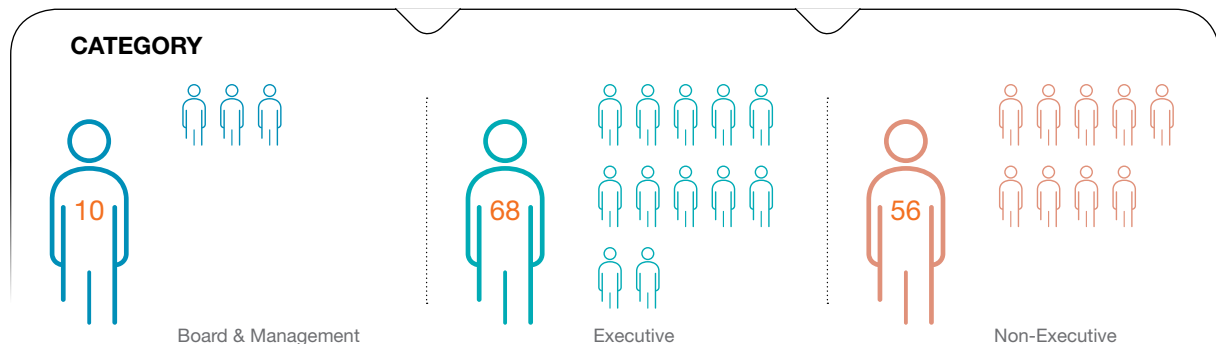
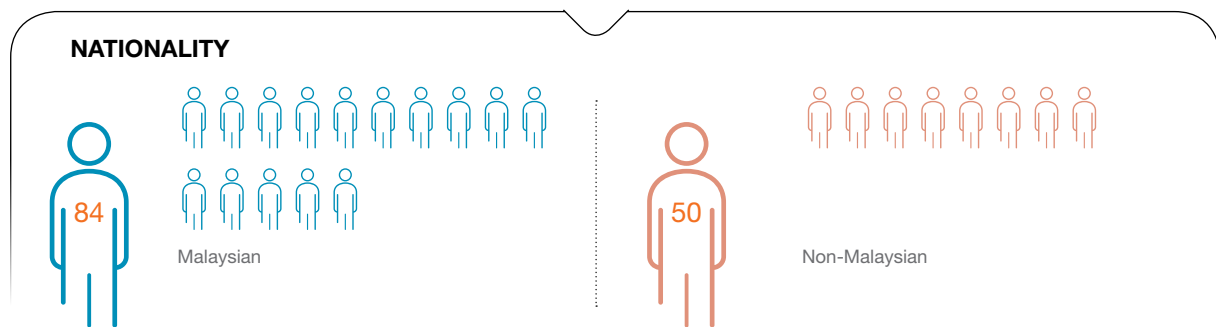
SUSTAINABILITY STATEMENT

(CONT'D)

ABOUT OUR PEOPLE (CONT'D)

Workplace Diversity and Inclusion

SIAB Group recognises that discrimination hinders individuals from realising their full potential and contributes to inequality and less stable societies. As such, we are firmly committed to fostering diversity, equality, and inclusivity while maintaining zero tolerance for discrimination. SIAB Group endeavors to cultivate a diverse workforce by providing equal opportunities and career prospects to individuals regardless of gender, race, or nationality.





SUSTAINABILITY STATEMENT (CONT'D)

ABOUT OUR PEOPLE (CONT'D)

While men currently outnumber women within SIAB Group, we strive to achieve better gender representation across all levels, particularly in management positions, over the long term. The leadership at SIAB Group actively encourages all employees to perform to the best of their abilities by fostering motivation, fostering connections, and recognising and valuing their contributions. Through these efforts, we aim to create an inclusive work environment where every individual feels empowered to succeed and contribute positively to the organisation.

As part of our tradition and commitment to fostering unity, SIAB Group organises annual dinners each year. These events serve as a reward for our employees and aim to cultivate strong rapport and interactions among all team members. Moreover, in our celebration of diversity and to promote inclusivity among individuals of varying beliefs and cultures, SIAB Group continues to observe major festivals such as Chinese New Year and Hari Raya Aidilfitri with all employees. By doing so, we ensure a conducive and harmonious working environment where every employee feels valued and respected.



Internal sports competition, Bowling Day participated by Directors and employees.



Annual Dinner 2024

SUSTAINABILITY STATEMENT (CONT'D)

ABOUT OUR PEOPLE (CONT'D)

Occupational Safety and Health

Ensuring safety and health is a paramount focus and top priority for SIAB Group. We recognise it as our primary responsibility as a responsible organisation. To achieve this, SIAB Group is dedicated to establishing a “Safety First” culture throughout the organisation. We plan to enhance training, coaching, and recognition mechanisms to continually encourage a culture of safety among our workforce. Rigorous safety protocols are in place to safeguard the well-being of our employees, workers, and subcontractors. This includes the mandatory use of personal protective equipment (“PPE”) and a zero-tolerance policy for unsafe practices. Furthermore, SIAB Group’s management is actively planning various activities focusing on safety and health to support our employees’ overall well-being and ensure a healthier, more positive, and engaged workforce.

In addition to prioritising safety, SIAB Group provides comprehensive medical coverage and insurance benefits for its employees. We continuously review our policies and management systems on Occupational Safety & Health (“OSH”) to ensure they remain adequate, effective, and appropriate for our organisation’s needs.

As part of our commitment to employee well-being, SIAB Group has partnered with Healthmetrics to provide convenient cashless medical treatment. Through this collaboration, employees have access to a digital platform that allows them to monitor their medical history in real-time via the Healthmetrics app. This modern approach enhances accessibility, improves convenience, and reduces the potential for human errors in managing medical records.

Overall, we are committed to embed occupational safety and health as a culture and behaviour in the daily work of all its employees, prioritising their well-being and safety above all else.



Training on working at heights

Labour practices and standards

SIAB Group places a high priority on workplace growth and development, recognising them as significant factors in nurturing a high-quality certified workforce. We strictly adhere to statutory training and certification requirements, with mandatory induction training provided for all head office and site employees.

SIAB Group offers a comprehensive array of development opportunities, including on-the-job training, skills-based training, and sponsorship for further education and/or certifications. Our goal is to provide continuous training and professional development to our employees to cultivate talents from within the Group, ensuring sustainable growth in the future. Additionally, we support and encourage employees to pursue training courses that meet identified or mandatory training needs relevant to their current roles and future career aspirations.



SUSTAINABILITY STATEMENT (CONT'D)

ABOUT OUR PEOPLE (CONT'D)

Labour practices and standards (Cont'd)

During FY2023, essential training programs and initiatives related to occupational safety and health awareness for employees carried out include:

- Internal QCLASSIC Training; 15 March 2023 and 30 March 2023
- Webinar on building defect and QCLASSIC; 14 February 2023
- Occupational Safety and Health Performance Indicator; 14 - 15 March 2023
- Talk on Compliance for the Employment Act 1955 (Amendments) in the construction sector; 21 March 2023
- Forklift Safety Competency Training; 17 June 2023
- Safe Lifting Operation: Crane, Hoisting & Lifting Gears Inspection; 23 September 2023
- Safety, Health and Environment (SHE) Induction; 21 March 2023, 26 June 2023 and 22 September 2023



Frill drill at Head Office



Training on safe lifting



SUSTAINABILITY STATEMENT (CONT'D)

ABOUT OUR PEOPLE (CONT'D)

Labour practices and standards (Cont'd)



Plumber was invited as participant for this training as they are the one who uses this material.

Plumber is briefed on the chemical properties of the materials and also the material data sheet so that they are aware of the danger and types of PPE to be worn when dealing with the chemical.



For this training, we have replaced the chemical with a bottle of soft drink to imitate chemical spillage. This is as we do not want to generate Scheduled Waste for training purposes.



Sand is used as absorbent to absorb the chemical spillage.



Once the chemical has been fully absorbed by the sand, the sand is then scooped and put in a container. The sand has to be scooped fully without leaving any residue on the ground. Once all is scooped, the sand will then be treated as Scheduled Waste and registered in eSWIS.



SUSTAINABILITY STATEMENT (CONT'D)

ABOUT OUR SOCIAL CONTRIBUTIONS

Contribution to the Underprivileged

SIAB Group recognises its role in society and views contribution to the community as a social responsibility. We fulfill this responsibility through active engagement with the local community and donations and contributions to the underprivileged. All employees of SIAB Group are encouraged to volunteer for community projects.

During FY2023, SIAB Group has actively engaged with the local Orang Asli community located in Slim River, Perak. We made several visits to the Orang Asli Village to donate building materials, food, and daily necessities, demonstrating our commitment to supporting those in need.



SIAB Group contributes building materials such as zinc roofing sheets to Orang Asli Village for them to repair and built new houses. During the fiscal year 2023 and up to the first quarter of the year 2024, the Group delivered total of 4 batches of building materials.



SUSTAINABILITY STATEMENT (CONT'D)

ABOUT OUR SOCIAL CONTRIBUTIONS (CONT'D)

Contribution to the Underprivileged (Cont'd)



*Food distribution and donations to the Orang Asli Village
Our Siab Cares Team shall always continuously give back to our community*



SUSTAINABILITY STATEMENT (CONT'D)

ABOUT OUR SOCIAL CONTRIBUTIONS (CONT'D)

Contribution to the Underprivileged (Cont'd)



As token of appreciation, the Orang Asli Village performed their cultural dance

SIAB Group also made contribution to Persatuan Insan Istimewa Cheras as part of an initiative to help the underprivileged.



Donations of wheelchair, mattresses and other daily necessities

During the fiscal year, our contributions to the local communities are approximately RM25,000 and has benefited up to 210 beneficiaries.



SUSTAINABILITY STATEMENT

(CONT'D)

ABOUT OUR SOCIAL CONTRIBUTIONS (CONT'D)

Data Privacy and Security

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

SIAB Group has also installed anti-virus software and firewalls to minimise any cyber-attacks where applicable. No complaints were received concerning any breach of customer privacy and loss of customer data in FY2023.

Compliance

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

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

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

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

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

Whistle Blowing Policy

Our Whistle Blowing policy provides a clear reporting channel for all employees and members of the public to disclose any improper conduct or any action that is harmful to the reputation of SIAB Group and/or compromise the interest of stakeholders. Any concerns about malpractices can be escalated in writing through SIAB's corporate website at <http://www.siabmy.com>. All reports are treated with high confidentiality and whistle blowers making the allegation will remain anonymous. No whistleblowing cases have been reported in FY2023.

Anti-Bribery and Corruption Policy

SIAB Group adopts a strong stance against all forms of bribery and corruption throughout our value chain. To further reinforce our commitment towards zero bribery and corruption across the Group, the Anti-Bribery and Corruption Policy has been adopted effective 23 February 2022, setting out the relevant measures to prevent any form of bribery and corruption throughout the Group. All employees and workers must not solicit, accept, or offer any gratification. Any concerns or breaching of the Anti-Bribery and Corruption Policy will be escalated to the Audit & Risk Management Committee, where the report will be investigated.

Continuous reminders of this Anti-Bribery and Corruption Policy are communicated to all employees and workers via internal communication of emails, bi-annual appraisals and staff intranet dashboard. During FY2023, there were zero corruption or bribery incidents reported to the Audit & Risk Management Committee.



SUSTAINABILITY STATEMENT

(CONT'D)

CONCLUSION

With the various initiatives carried out in FY2023 and planned for the coming financial year ending 31 December 2024, SIAB Group is working towards striking a sustainable balance between its commitments to customers and also other stakeholders in the economic environment, while maintaining continuous growth and creating a mutually beneficial relationship with suppliers. SIAB Group is also taking conscious efforts to create and sustain employment opportunities for our local communities, empower our own employees through various career development initiatives and promote a conducive, healthy and safe working environment throughout the Group.

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

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





CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

INTRODUCTION

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

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

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

This CG Overview Statement is supplemented with a Corporate Governance Report (“CG Report”), based on a prescribed format as outlined in Rule 15.25(2) of the ACE LR so as to map the application of the Company’s CG practices against the MCCG. The detailed application by SIAB Group for each corporate governance practice during the financial year ended 31 December 2023 is reported separately in the CG Report, which is available on the Company’s website at www.siabmy.com.

With that, the Board is pleased to present the CG Overview Statement for the financial year ended 31 December 2023, outlining the manner and extent to which SIAB Group has adopted and applied the relevant principles and recommended practices as set out above.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1) Board roles and responsibilities

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

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

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

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

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**2) Separation of functions between the Chairman and the Managing Director**

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

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

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

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

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

3) Board meetings

The Board meets quarterly, with additional meetings convened as necessary to address urgent proposals or matters requiring consideration. Off-site board meetings discussing specific topics will be arranged when necessary to allow more time for discussion and sharing of views. Utilizing various virtual meeting platforms, the Board successfully continued planned meetings virtually and engaged effectively. Web and teleconferencing served as the primary tools for conducting meetings throughout the year.

A comprehensive corporate calendar for the full year is prepared, outlining the dates for board meetings, board committees, the Annual General Meeting ("AGM"), the Extraordinary General Meeting ("EGM"), and the closed period to restrict dealings in the Company's securities by the directors. This calendar is circulated to the directors before the start of each calendar year, enabling them to plan attendance at these meetings. During these gatherings, the Board deliberates and considers matters related to SIAB Group's financial performance, significant investments, corporate developments, strategic issues, and business plans. The Company Secretaries are responsible for ensuring that all proceedings of the Board and board committees are recorded, and draft minutes are circulated to the Directors for confirmation before approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

3) Board meetings (Cont'd)

Throughout the financial year ended 31 December 2023, the board had seven board meetings and the attendance of each director at those meetings is as follows:

Name of Director	No. of meetings attended*
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	7/7
Ng Wai Hoe	7/7
Lim Mei Hwee	7/7
Tan Sok Moi	7/7
Dato' Sri Dr. Shahril Bin Mokhtar	7/7
Andrea Huong Jia Mei	7/7
Datuk Lim Tong Lee (resigned on 7 July 2023)	3/3
Ben Lee Kam Foo (appointed on 1 July 2023)	3/4

* all board meetings were held virtually.

Directors' commitment, resources and time allocated to the Company are evident from the attendance records. All board members have met the minimum attendance requirement of at least 50%, as stipulated in the ACE LR of Bursa Securities, by attending more than 50% of the board meetings during the financial year, with almost all its board members recorded full attendance.

During board meetings, the Board reviews management reports on SIAB Group's business and financial performance and discusses major operational and financial issues. The Chairman of the Board chairs the meetings, with the Group Managing Director leading the presentation and providing explanations on the management reports. The Executive Directors and key members of the senior management team were invited to attend these meetings to explain and clarify matters.

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**4) Access to Information**

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

In addition to handling administrative matters, the Company Secretaries advise the Board on corporate governance matters, corporate disclosures, and ensure adherence to relevant statutory and regulatory requirements. The Company Secretaries are qualified Chartered Secretaries and members of The Malaysian Institute of Chartered Secretaries and Administrators. They facilitate the convening of all board and board committee meetings, as well as the processes pertaining to the Company's forthcoming third AGM to be held in June 2024. The Company Secretaries also attend and record minutes of all of the board and board committees' meetings, as well as the AGM and EGM. They continuously undertake professional development and details of their roles and responsibilities are disclosed in the CG Report.

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

The Board recognises the importance of providing timely, relevant, and up-to-date information to ensure an effective decision-making process. Therefore, the Board is provided not only with quantitative information but also with qualitative information pertinent to discharging its duties effectively.

Prior to scheduled board and/or board committees' meetings, directors will receive a structured agenda, management reports, and board papers at least five business days prior to the meeting. To enhance the effectiveness of meetings, the agenda is organised considering the complexity of the proposals or matters to be deliberated. An indication will also be provided to guide the Board and board committees as to whether the matters are for approval, discussion, or notation purposes, ensuring efficient conduct of meetings.

Where necessary, members of the key senior management team are invited to attend such board and/or board committees' meetings to report and update on areas of business within their responsibilities, providing insights to the board members and clarifying any issues raised by the directors regarding SIAB Group's operations. Directors are encouraged to share their views and insights during deliberations and participate in discussions.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

5) Directors' training

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

For the financial year ended 31 December 2023, the directors have attended the following seminars and/or training programmes:

Director	Seminars and/or training programmes	Dates
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	• CyberSecurity - A Boardroom Agenda	9 March 2023
	• A Dialogue with Bursa Malaysia - FTSE4Good ESG Rating	14 April 2023
	• Sustainability for Boards: Capacity Building	28 August 2023
	• At-A-Glance: Board's Oversight Role on Bursa Malaysia's Enhance Sustainability Reporting Framework	9 September 2023
	• Mandatory Accreditation Programme Part II (MAP)	13 September 2023 & 14 September 2023
Ng Wai Hoe	• Baker Tilly Tax & Budget Webinar	1 November 2023
	• Integration of Corporate Social Due Diligence Directive (CSDDD)	14 November 2023
Lim Mei Hwee	• Construction Claims & CIPAA Conference Malaysia 2023	27 July 2023 & 28 July 2023
	• Baker Tilly Tax & Budget Webinar	1 November 2023
	• Integration of Corporate Social Due Diligence Directive (CSDDD)	14 November 2023
Tan Sok Moi	• Construction Claims & CIPAA Conference Malaysia 2023	27 July 2023 & 28 July 2023
	• Baker Tilly Tax & Budget Webinar	1 November 2023
	• Integration of Corporate Social Due Diligence Directive (CSDDD)	14 November 2023
	• YYC Tax Consultants: Top 11 Landmines That Make Tax Authorities Target Your Business Confirmation	3 November 2023
Dato' Sri Dr. Shahril Bin Mokhtar	• Doctorate in Philosophy in Political Science, Universiti Utara Malaysia	20 November 2023
Andrea Huong Jia Mei	• MIA Webinar Series: Practical Secretarial Workshop Series (Workshop 3) - Meeting, Minutes and Resolutions	27 February 2023
	• Sustainability, Risk Management and Corporate Liability Under Corruption and Bribery	14 March 2023
	• The Ultimate Guide to RPT Analysis (Vol. 1)	6 April 2023
	• MIA: Integrating Environmental, Social and Governance (ESG) into Organisational Financial Reporting Framework	9 May 2023
	• MIA: Chapter 10 Series: Computation of Percentage Ratios	19 June 2023 & 20 June 2023
	• ESG Auditing Techniques: Providing Assurance on the Sustainability Statement or Report	12 September 2023
	• ESG Auditing Techniques: Providing Assurance on the Sustainability Statement or Report	3 November 2023



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

5) Directors' training (Cont'd)

Director	Seminars and/or training programmes	Dates
Ben Lee Kam Foo	• AIAC CIPAA Conference 2023: Prospects of Adjudication in Malaysia	22 June 2023
	• AIAC Adjudicators CCD Workshop Series 2023: Analysis and Evaluation of Various Claims Arising in Adjudication Proceedings	8 July 2023
	• AIAC Arbitration-in-Practice (AIP) Workshop Series 2023: The Fundamentals and the Rise of Third-Party Funding in Arbitration	15 July 2023
	• 'Practical Approach on Handling Procedural, Factual, Legal Issues in Adjudication and Advancing Adjudication Decision Writing Skills'	9 September 2023
	• Society of Construction Law (Malaysia): Navigating the complexities of concurrent delays in construction Confirmation	27 September 2023
	• ADNDRC Annual Conference	14 December 2023

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

6) Code of Conduct and Ethics for Directors

The Board has established and adopted a Code of Conduct and Ethics for Directors ("CCED") and a separate Code of Conduct and Discipline for Employees. The CCED, as incorporated in the Board Charter, has been formulated to enhance the standard of corporate governance and promote ethical conduct among the directors. The CCED is to be observed by all directors of SIAB Group, and the core areas of conduct are disclosed in the CG Report. This CCED is reviewed by the Board every three years or as required when internal or external events warrant a more frequent review to be undertaken.

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

7) Board Composition

The Board currently consists of seven members, including the Group Managing Director, two Executive Directors, and four Independent Non-Executive Directors. Consequently, the Company meets the prescribed requirements for one-third of the Board membership to consist of independent members, as stipulated in the ACE LR. The current composition also satisfies MCCG's recommendation of having at least half of the Board comprising independent directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

8) Board Diversity

The Board recognises the significance of boardroom diversity in terms of age, gender, and ethnicity, as well as acknowledges the benefits of such diversity. Moreover, the Board acknowledges that having board members with diverse backgrounds, skills, and experiences is crucial to ensuring a broad range of viewpoints, facilitating optimal and effective decision-making, and governance. While promoting boardroom diversity is deemed essential, the Board maintains that the normal selection criteria of a director, based on an effective blend of competencies, skills, and extensive experience to strengthen the Board, should remain a priority.

The Company has incorporated boardroom diversity into the Board Charter, which is accessible on the Company's website at www.siabmy.com.

The Board is well-balanced, with an effective mix of executive directors and independent non-executive directors, in alignment with MCG standards. Additionally, it is of the appropriate size with the right mix of skills and experience. This balance enables the Board to provide clear and effective leadership to SIAB Group, bringing informed and independent judgement on various aspects of SIAB Group's strategies and performances. It also ensures the maintenance of the highest standards of professionalism, conduct, transparency, and integrity within SIAB Group.

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

Independent directors play a pivotal role in corporate accountability. They do not engage in the day-to-day management of SIAB Group. The Board acknowledges the presence of independent directors as crucial in providing unbiased and independent opinions, advice, and judgements to ensure that the interests of SIAB Group, shareholders, stakeholders, employees, customers, suppliers, and other communities in which SIAB Group conducts its business are well represented and considered.

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

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

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

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

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**9) Board Effectiveness Assessment**

The effectiveness of the Board is vital to the success of SIAB Group. As such, the Board, through its NC, conducts a rigorous evaluation process to assess the performance of the Board, board committees, and each individual board member on an annual basis. For FY2022, an external consultant was engaged to facilitate the first board effectiveness assessment, ensuring objectivity and candid evaluation of the Board. For FY2023, the NC conducted the board effectiveness assessment through circulation of assessment questionnaire and forms.

The assessment comprised an evaluation of the Board as a whole, board committees, and directors, focusing on main areas such as board mix and composition, quality of information and decision-making, boardroom activities, relationship of the Board with management, environmental, social, and governance ("ESG") issues, as well as performance evaluation of the board committees. For individual directors' self/peer evaluations, the assessment criteria included fit and proper, contribution and performance, as well as calibre and personality.

The overall results of the board effectiveness assessment conducted for FY2023 were positive, with all evaluated areas rated as either "average" or "above average", reflecting strong performance by the Board, board committees, individual directors, and members of the board committees. The NC was satisfied that all board members were effective in their discharge of functions, roles, and duties and had also met the performance criteria in the relevant areas of assessments. The Board has also identified certain key areas, particularly related to succession planning and ESG, for further enhancement in the future.

10) Appointment and re-election of board members

The Board appoints its members through a formal process that is consistent with the Company's Constitution. The NC has been entrusted with the responsibility for proposing and recommending the right candidates to the Board for appointment. In addition, the NC also has the function of assessing the effectiveness of the Board, reviewing the skills, professionalism, integrity and competencies of individual directors and the composition of the various board committees. In FY2022, the Board has adopted the Directors' Fit and Proper Policy which forms the basis and yardstick for the NC and the Board in the fit and proper assessment prior to the appointment of any candidate as a director or making recommendation for the re-election of an existing director.

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

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

In FY2023, the Board reviewed and approved the appointment of a director to the Board, as recommended by the NC. The Board also reviewed and approved the composition of the NC. At the forthcoming third AGM of the Company, three directors shall retire from the office at the conclusion of the AGM.

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

11) Board Committees

The Board, in order to assist in fulfilling its stewardship role, has established board committees namely the ARMC, NC, and RC, which comprise solely independent non-executive directors. These board committees have been delegated certain responsibilities as well as the authority to examine specific issues and operate within their respective Terms of Reference ("TORs") as approved by the Board. They are also required to report to the Board with their proceedings, deliberations, and recommendations. However, the ultimate responsibility for decision-making lies with the Board.

The board committees for the financial year ended 31 December 2023 are as follows:

(a) Audit & Risk Management Committee

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

The composition, attendance for meetings and work of activities of the ARMC are set out in the ARMC Report on pages 55 to 60 of this annual report. The ARMC's TOR is published on the Company's website at www.siabmy.com.

(b) Nomination Committee

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

The composition, attendance for meetings and work of activities of the ARMC are set out in the NC Report on pages 61 to 63 of this annual report. The NC's TOR is published on the Company's website at www.siabmy.com.

(c) Remuneration Committee

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

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

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

As of 31 December 2023, the composition of the RC is as follows:

- i) Ben Lee Kam Foo (Independent Non-Executive Director) – Chairman
- ii) Dato' Sri Shahril bin Mokhtar (Independent Non-Executive Director) – Member
- iii) Andrea Huong Jia Mei (Independent Non-Executive Director) – Member

The RC meeting is held as and when required, but at least once a year. In FY2023, the RC met once, and all recommendations of the RC were approved by the Board.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

12) Directors' remuneration

The Board recognises that fair remuneration is critical to attracting, retaining, and motivating the directors of SIAB Group, as well as directors serving on board committees. Therefore, the Board has established formal and transparent remuneration policies and procedures for the Board and board committees.

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

The remuneration of non-executive directors comprises fees that reflect their expected roles and responsibilities, including any additional work and contributions required. In addition, each director is paid a meeting allowance for each board and board committee's meeting he or she attends.

The Company will seek shareholders' approval at the forthcoming third AGM for directors' fees and benefits payable to the directors for the financial year ending 31 December 2024 until the conclusion of the next AGM of the Company in 2025. This is to facilitate the payment of the directors' fees and benefits on a monthly basis and/or as and when incurred and shall be applicable to the subsequent financial year.

Details of directors' remuneration of the Company (including the Managing Director) who served during the financial year ended 31 December 2023 are as follows :

Name of director	Ringgit Malaysia (RM)						
	Allowances	Fees	Salaries	Bonuses	Contributions to Employees' Provident Fund	Benefits-in-kind	Total
Managing Director							
Ng Wai Hoe	120,000	–	540,000	–	126,559	–	786,559
Executive Directors							
Lim Mei Hwee	120,000	–	480,000	–	115,159	–	715,159
Tan Sok Moi	120,000	–	420,000	–	103,759	–	643,759
Non-Executive Chairman / Directors							
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	–	120,000	–	–	–	–	120,000
Dato' Sri Shahril Bin Mokhtar	–	48,000	–	–	–	–	48,000
Ben Lee Kam Foo	–	24,000	–	–	–	–	24,000
Andrea Huong Jia Mei	–	48,000	–	–	–	–	48,000
Datuk Lim Tong Lee	–	24,903	–	–	–	–	24,903
Total	360,000	264,903	1,440,000	–	345,477	–	2,410,380

Note: Directors' remuneration and benefits are received and receivable on a group basis.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

12) Directors' remuneration (Cont'd)

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

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

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1) Audit and Risk Management Committee

The ARMC comprises three members of the Board, all of whom are independent non-executive directors. Andrea Huang Jia Mei, who succeeded Datuk Lim Tong Lee as the Chair of the ARMC, is not the Chair of the Board. This is to ensure the Board's objectivity of the ARMC's findings and recommendations. The members of the ARMC are financially literate and have sufficient understanding of SIAB Group's businesses. Details of the composition of the ARMC are set out in the ARMC Report on pages 55 to 60 of this annual report.

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

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

The Board, through the NC, assesses the composition and performance of the ARMC annually, as part of the annual board committee effectiveness assessment. In FY2023, the NC conducted the board effectiveness assessment internally, facilitated by the Company Secretaries. The Board was satisfied that they had been effective in their discharge of functions, roles, and duties, and had also met the performance criteria in the relevant areas of assessment. The Board has also reviewed and approved the ARMC's TOR in FY2021 to reflect the requirements of the applicable practices of MCCG. The Board will review the ARMC's TOR periodically as and when the need arises to keep it current and relevant, in accordance with the requirements of MCCG and ACE LR, at all times.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**1) Audit and Risk Management Committee (Cont'd)**

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

A summary of activities and the role of the ARMC in relation to both the internal and external auditors are described in the ARMC Report on pages 55 to 60 of this annual report.

2) Suitability and independence of external auditors

The Board through the ARMC has established a transparent and professional relationship with SIAB Group's external auditors. The ARMC has an explicit authority to communicate directly with the external auditors. The ARMC will meet with the external auditors at least twice a year to discuss their audit plan and audit findings in relation to SIAB Group's financial statements. Private sessions between the ARMC and the external auditors will be held without the presence of the MD and the key senior management team to discuss audit findings and any other observations they might have during the audit process for the next financial year ending 31 December 2024.

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

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

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

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

In FY2023, Messrs. KPMG PLT also undertook the following non-audit related reviews:

- Review of the Statement on Risk Management and Internal Control



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

3) Risk Management and Internal Control Framework

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

The internal audit function has been outsourced to an independent consulting company, Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), a corporate member of the Institute of Internal Auditors Malaysia. This enables the ARMC to assume the task of internal control review and risk assessment functions of SIAB Group for the financial year ended 31 December 2023. Any areas of improvement and the implementation of recommendations are reviewed and monitored by the ARMC. The outsourced internal auditors report directly to the ARMC.

The Board believes that the overall risk management and internal control systems in place for the financial year ended 31 December 2023 are operating adequately and effectively for the purpose of safeguarding SIAB Group's assets, as well as shareholders' investments and the interests of employees and other stakeholders. The key features of the risk management and internal control systems are outlined in the Statement on Risk Management and Internal Control on pages 64 to 67 of this annual report.

4) Financial Reporting

In presenting the quarterly financial reports and the annual audited financial statements to the stakeholders, primarily the shareholders, investors and regulatory authorities, the Board is committed to provide a clear, balanced and meaningful assessment of SIAB Group's financial position and prospects. The Board, as assisted by the ARMC, oversees the financial reporting of SIAB Group. The ARMC reviews SIAB Group's quarterly financial reports and the annual audited financial statements for the financial year ended 31 December 2023, as well as the appropriateness of SIAB Group's accounting policies and the changes to these policies, to ensure compliance with the financial reporting standards and other regulatory requirements.

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

The Board is satisfied that in preparing the financial statements for the financial year ended 31 December 2023, SIAB Group has adopted and applied consistently the appropriate accounting policies and presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information. SIAB Group had also implemented the relevant internal controls to ensure the financial statements are free from material misstatement. The Board also considered that all applicable approved accounting standards in Malaysia were being adopted and the financial statements were prepared on a going concern basis.

The Chairman's Statement and the Management Discussion and Analysis in this annual report provide additional analysis and insights on the state of SIAB Group's business. A Statement of Directors' Responsibilities in respect of the audited financial statements is presented on page 71 of this annual report.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

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

1) Communication with Stakeholders

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

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

Meetings with institutional investors, fund managers and analysts from time to time provide an additional avenue for the Board and management to convey information about SIAB Group's performance, strategy and other matters affecting shareholders' interests.

2) Leveraging Information Technology for Effective Dissemination of Information

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

3) Conduct of General Meetings

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

In accordance with the recommendation of the MCGG, the Notice of the first AGM of the Company was circulated 28 days prior to the date of the meeting, which provided shareholders ample time to read through the annual report. The second AGM was conducted virtually through live streaming from the broadcast venue at Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. All resolutions set out in the Notice of AGM had been put to vote via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd via TIH Online website at <https://tiih.online> on 21 June 2023.

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



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

3) Conduct of General Meetings (Cont'd)

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

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

The Company will continue to leverage on technology to facilitate remote shareholders' participation and e-voting for the conduct of polls on all resolutions via remote participation and voting facilities for its forthcoming third AGM to be held in June 2024.

4) Corporate Disclosure Policy

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

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

FUTURE PRIORITIES IN KEY AREAS OF CORPORATE GOVERNANCE PRACTICES

Corporate governance is clearly an imperative for SIAB Group in the year of 2023 against the backdrop of regulatory changes in the domestic corporate governance realm and a relatively challenging economic environment that is characterised by volatile market conditions and commodity prices.

Since the last financial year, the Board continues to place an even greater emphasis and focus on the Company's corporate governance practices for the financial year ending 31 December 2024. Moving forward, the Board will continue to work towards achieving high quality outcomes in the realm of corporate governance.



AUDIT & RISK MANAGEMENT COMMITTEE REPORT

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

INTRODUCTION

The Board is pleased to present the Audit & Risk Management Committee (“ARMC”) Report for the financial year ended 31 December 2023.

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

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

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

COMPOSITION OF THE ARMC

Name	Designation	Directorship
Andrea Huong Jia Mei*	Chairwoman	Independent Non-Executive Director
Datuk Lim Tong Lee**	Chairman	Independent Non-Executive Director
Dato’ Sri Dr. Shahril Bin Mokhtar	Member	Independent Non-Executive Director
Ben Lee Kam Foo#	Member	Independent Non-Executive Director

* Redesignated as Chair on 18 July 2023

** Resigned on 7 July 2023

Appointed on 1 July 2023

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

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

The Board through the Nomination Committee, evaluates the composition and performance of the ARMC and its members annually through a board committee effectiveness assessment. Based on the evaluation conducted for the financial year ended 31 December 2023, the Board was satisfied that the current composition of the ARMC is appropriate. The Board has also expressed satisfaction with the ARMC and its members, stating that they discharged their functions, duties, and responsibilities in accordance with the ARMC’s Terms of Reference.



AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

MEETINGS OF THE ARMC

During the financial year ended 31 December 2023, the ARMC had five meetings and the attendance of each ARMC member at those meetings is as follows:

Name of Director	Designation	No. of meetings attended*
Meetings on 25 February, 19 April and 29 May 2023		
Datuk Lim Tong Lee	Chairman, Independent Non-Executive Director	3/3
Andrea Huong Jia Mei	Independent Non-Executive Director	3/3
Dato' Sri Dr. Shahril Bin Mokhtar	Independent Non-Executive Director	3/3
Meetings on 28 August and 27 November 2023		
Andrea Huong Jia Mei	Chairwoman, Independent Non-Executive Director	2/2
Dato' Sri Dr. Shahril Bin Mokhtar	Independent Non-Executive Director	2/2
Ben Lee Kam Foo	Independent Non-Executive Director	0/2

* all five meetings were held virtually via video conferencing.

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

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

The ARMC met with the Group's external auditors to discuss the external audit plan prior to the commencement of the audit and audit findings and any other observations they had during the audit process.

The ARMC also met with the external auditors in a separate private session without the presence of the Managing Director and key senior management on 19 April 2023 and 27 November 2023. The ARMC enquired about management's cooperation with the external auditors, their sharing of information, the proficiency and adequacy of resources in financial reporting functions as well as the operational efficiencies of the Group.

The ARMC is chaired by an independent non-executive director ("INED") and its members comprise all INEDs. The ARMC Chairperson reports to the Board on matters deliberated at every ARMC meeting and recommendations made by the ARMC.



AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

TERMS OF REFERENCE OF THE ARMC

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

SUMMARY OF WORK OF THE ARMC

The ARMC carried out its duties in accordance with its Terms of Reference. The main activities carried out by the ARMC during the financial year ended 31 December 2023 were as follows:

1. Financial Reporting

- a) Reviewed the unaudited quarterly financial results of SIAB and its subsidiaries ("the Group") and the relevant announcements to Bursa Securities and recommended them for approval by the Board.
- b) Reviewed the unaudited annual financial statements of the Group for the financial year ended 31 December 2022 and recommended them for approval by the Board.

In reviewing the financial results and statements, the ARMC focused particularly on changes in or implementation of major accounting policy or accounting standards and significant matters highlighted including financial reporting issues, key judgement and significant estimates made by management on items that may affect the financial results and statements and significant or unusual events and any exceptional transactions. The ARMC also deliberated on management's explanations and recommendations of the external auditors on those issues. The reviews were to ensure that financial reporting and disclosures are in compliance with the ACE LR, provisions of the Companies Act 2016, Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and any other relevant legal and regulatory requirements.

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

Date of Meeting	Review of quarterly results and annual financial statements
25 February 2023	Fourth quarter results as well as the unaudited annual financial statements of the Group and the Company for financial period/year ended 31 December 2022.
19 April 2023	Draft audited financial statements for the financial year ended 31 December 2022.
29 May 2023	First quarter results for the financial period ended 31 March 2023.
28 August 2023	Second quarter results for the financial period ended 30 June 2023.
27 November 2023	Third quarter results for the financial period ended 30 September 2023.



AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

SUMMARY OF WORK OF THE ARMC (CONT'D)

The ARMC carried out its duties in accordance with its Terms of Reference. The main activities carried out by the ARMC during the financial year ended 31 December 2023 were as follows: (Cont'd)

2. External Audit

- a) Reviewed the audit plan of the external auditors which outlined the materiality, audit scope, audit methodology, audit focus areas, timing of audit, and audit fees prior to the commencement of the annual statutory audit.
- b) Discussed with the external auditors the key audit focus areas, impacts of new or proposed changes in accounting standards and regulatory requirements applicable to the Group and the plans, processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards.
- c) Reviewed the reports on the progress of the statutory audit, the key audit matters where the audit has focused on and the audit processes for the areas of concern, including management's responses to audit findings raised by the external auditors.
- d) Assessed the independence and objectivity of the external auditors in carrying out statutory audit for the Group and prior to the engagement of the external auditors for ad-hoc non-audit services.

The ARMC received confirmation on 25 February 2023 from the external auditors, Messrs. KPMG PLT, that they adhered to the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") in relation to communication of breaches of auditor independence, in which they have not identified any breach of independence and they were in compliance with the independence requirements set out in the By-Laws and the IESBA Code. Based on this, the ARMC was satisfied that Messrs. KPMG PLT were unlikely to create any conflict of interest nor impair the independence and objectivity of the external audit.

The ARMC also assessed the performance of the external auditors for the financial year ended 31 December 2022, covering areas such as scope of work, calibre, quality control processes, professionalism of the audit team, communication with the audit team, audit governance and independence as well as the audit fees of the external auditors. The ARMC was satisfied that Messrs. KPMG PLT are unlikely to create any conflict of interest nor impair the independence, suitability and performance of Messrs. KPMG PLT.

3. Internal Audit

- a) The ARMC reviewed four internal audit reports which covered the following areas:
 - i) Commercial and contracts;
 - ii) Project management;
 - iii) Two (2) Follow-up status reports on previously reported audit findings.

The ARMC also reviewed the Risk Registry which covers the risk matrix and change log of the enterprise risks of the Group. The ARMC reviewed the audit findings and recommendations to improve any weaknesses or non-compliance and the respective management responses thereto. The internal auditors monitored the implementation of management action plan on outstanding issues through follow-up reports to ensure that all key risks and control weaknesses are being properly addressed.

- b) The ARMC reviewed and approved the Internal Audit Charter proposed by the outsourced internal auditors. The ARMC also reviewed and approved the Internal Audit Plan for the financial year ended 31 December 2023 to ensure there is adequate scope and comprehensive coverage over the activities of SIAB Group and the significant risk areas identified are audited annually.



AUDIT & RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK OF THE ARMC (CONT'D)

The ARMC carried out its duties in accordance with its Terms of Reference. The main activities carried out by the ARMC during the financial year ended 31 December 2023 were as follows: (Cont'd)

4. Related Party Transactions and Conflict of Interest

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

The ARMC is satisfied that:

- the procedures are sufficient to ensure that all related party transactions undertaken were on an arm's length basis and on terms that are not more favourable to the related parties than those generally available to the public, nor were they detrimental to SIAB's minority shareholders; and
- there is no COI situation that arose, persisted or may have arisen during the financial year that required measures to resolve, eliminate or mitigate such COI.

The ARMC is also satisfied that the Group has in place adequate procedures and processes to identify, monitor, track and report RPTs, RRPTs and any potential COI situations in a timely and orderly manner.

5. Other Activities

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



AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

THE INTERNAL AUDIT FUNCTION

The ARMC is supported by an outsourced internal audit function in discharging its duties and responsibilities. The internal audit function is an integral part of the assurance framework and its principal role is to undertake independent and systematic reviews on the Group's internal control system so as to provide reasonable assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance. The ARMC reviews the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it is adequately resourced with competent and proficient internal auditors.

The internal audit function is outsourced to an independent consulting company specialised in internal audit services, Sterling Business Alignment Consulting Sdn Bhd ("Sterling"). Sterling assists the ARMC in ensuring the adequacy and effectiveness of the Group's internal controls. Each internal audit review is engaged by approximately two to three internal auditors depending on the areas audited. From the review, opportunities for improvement to the system of internal control were identified and presented to the ARMC via internal audit reports, whilst management formulated the relevant action plans to address the issues noted.

Internal audit reports are reviewed and adopted by the ARMC on a quarterly basis. During the financial year, Sterling has reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness of the state of internal control of a major subsidiary and recommended possible areas for improvement. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

Internal audit reviews emphasise on the best practices and management assurance that encompasses all business risks. Thus, the reviews provide a valuable resource to evaluate processes and give assurances concerning the internal control effectiveness.

For the financial year ended 31 December 2023, the following activities were carried out:

- 1) Tabled the internal audit plan for the financial year ended 31 December 2023 for ARMC's review and endorsement.
- 2) Conducted internal audit reviews based on the approved internal audit plan.
- 3) Performed follow-up reviews on previously reported findings and recommendations.
- 4) Presented and issued internal audit reports incorporating audit recommendations and management responses in relation to audit findings on weaknesses in the systems and controls to the ARMC.

The total costs incurred by SIAB in respect of the internal audit services for the financial year ended 31 December 2023 performed by Sterling was RM37,372.

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



NOMINATION COMMITTEE REPORT

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

INTRODUCTION

The Board of Directors (“the Board”) of Siab Holdings Berhad (“SIAB” or “the Company”) is pleased to present the Nomination Committee (“NC”) Report for the financial year ended 31 December 2023. This report has been prepared in accordance with Rule 15.08A of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), and the practices of the Malaysian Code on Corporate Governance (“MCCG”) issued and updated by the Securities Commission on 28 April 2021.

The NC, established by the Board of SIAB, has been entrusted with the responsibility of overseeing the selection and recruitment process and recommending new nominees to the Board, and assessing individual directors on an on-going basis.

COMPOSITION OF THE NC

In 2023, the following changes in the composition of the Board of SIAB took place:

Name	Nature of change	Effective date	Source of candidacy
Ben Lee Kam Foo (Independent Non-Executive Director)	Appointment	1 July 2023	Nomination by major shareholders
Datuk Lim Tong Lee (Independent Non-Executive Director)	Resignation	7 July 2023	N/A

The successful execution of the above change to the composition of the Board of SIAB in 2023 has enabled the NC to achieve the following objectives:

- make positive progress with the Board nomination process and succession plan; and
- bolster the diversity of skills and experience represented on the Board.

As of 31 December 2023, the composition of the NC of SIAB is as follows:

Name	Designation	Directorship
Dato’ Sri Dr. Shahril Bin Mokhtar	Chairman	Independent Non-Executive Director
Andrea Huong Jia Mei	Member	Independent Non-Executive Director
Ben Lee Kam Foo	Member	Independent Non-Executive Director

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



NOMINATION COMMITTEE REPORT

(CONT'D)

MEETINGS OF THE NC

During the financial year ended 31 December 2023, the NC had two meetings and the attendance of each NC member at those meetings is as follows:

Name of Director	Designation	No. of meetings attended*
Dato' Sri Dr. Shahril Bin Mokhtar	Chairman, Independent Non-Executive Director	2/2
Andrea Huong Jia Mei	Member, Independent Non-Executive Director	2/2
Datuk Lim Tong Lee (resigned on 7 July 2023)	Member, Independent Non-Executive Director	2/2
Ben Lee Kam Foo (appointed on 1 July 2023)	Member, Independent Non-Executive Director	N/A

* two virtual meetings were held.

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

TERMS OF REFERENCE OF THE NC

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

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

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

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



NOMINATION COMMITTEE REPORT

(CONT'D)

SUMMARY OF WORK BY THE NC

The NC carried out its duties in accordance with its TOR. The main activities carried out by the NC during the financial year ended 31 December 2023 are as follows:

- reviewed and recommended to the Board on the appointment of an independent director to the Board and considered matters in relation to the composition of the NC;
- reviewed the tenure of each director and recommend to the Board the re-election of directors who retire by rotation pursuant to the Company's Constitution and eligible for re-election at the forthcoming third Annual General Meeting, based on satisfactory evaluation of the director's performance and contribution to the Board;
- reviewed and assessed the mix of skills, expertise, experience, composition and size of the Board;
- reviewed and assessed the performance of the Board, Board Committees and individual directors through an internally facilitated board effectiveness assessment;
- reviewed and recommended for Board's consideration the NC Report incorporating the NC's activities for inclusion in the 2023 annual report; and
- reviewed the training needs of directors and was satisfied that the directors have attended the relevant training programmes as well as having been updated with market developments and related issues, apprised on a continuing basis by the company secretaries on new and/or revised statutory and regulatory requirements, have adequately met the training needs of each of the directors towards enhancing their skills and knowledge in discharging their duties and role as a director.

Appointment to the Board and the effectiveness of the Board

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

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

For FY2022, an external consultant was engaged to facilitate the first board effectiveness assessment, ensuring objectivity and candid evaluation of the board. For FY2023, the NC conducted the board effectiveness assessment internally.

The assessment comprised an evaluation of the Board as a whole, board committees, and directors, focusing on main areas such as board mix and composition, quality of information and decision-making, boardroom activities, relationship of the Board with management, environmental, social, and governance ("ESG") issues, as well as performance evaluation of the board committees. For individual directors' self/peer evaluations, the assessment criteria included fit and proper, contribution and performance, as well as calibre and personality.

The overall results of the board effectiveness assessment conducted for FY2023 were positive, with all evaluated areas rated as either "average" or "above average", reflecting strong performance by the Board, board committees, individual directors, and members of the board committees. The NC was satisfied that all board members were effective in their discharge of functions, roles, and duties and had also met the performance criteria in the relevant areas of assessments.

The Board is cognisant that a formal, rigorous, and transparent process for the appointment and re-election of directors should be put in place based on objective criteria, merit, and with due regard for diversity in skills, experience, age, cultural background, and gender, in evaluating whether a director has the character, experience, integrity, competence, and is timely in discharging his or her role effectively.

The Board has in place a Director's Fit and Proper policy, which was adopted and approved by the Board in FY2022. The Director's Fit and Proper policy is available on the Company's website at www.siabmy.com.

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



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of Siab Holdings Berhad (“the Company”) is pleased to present the Statement on Risk Management and Internal Control (“Statement”) which outlines the nature and scope of risk management and internal control system of the Company and its subsidiaries (“the Group”) for the financial year ended 31 December 2023.

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

BOARD RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

RISK MANAGEMENT

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

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

The respective risk owners are entrusted to identify risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing significant risks is embedded in the various work processes and procedures of the respective operational functions and the management team. The key risk categories for the financial year ended 31 December 2023 encompass business and strategic risks, financial risks, operational risks and regulatory or compliance risks.

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

The Group’s Internal Audit Function assists the Board and ARMC by providing an independent assessment of the adequacy and effectiveness of the Group’s risk management and internal control systems.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

KEY ELEMENTS OF INTERNAL CONTROLS

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

- **Organisational Structure**

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

- **Limits of Authority**

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

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

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

- **Talent Management**

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

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

- **Board Committees**

The Board has established the following Board Committees:

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

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

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

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

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

- **Whistle-Blowing Policy**

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

- **Safety and Health Management**

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

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



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

INTERNAL AUDIT FUNCTION

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

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

The Internal Auditor conducted an internal audit review in two cycles, highlighting any identified risks in the risk management and internal control system. For current financial year, the Internal Auditor performed the following internal audit reviews:

Reported on	Company	Audited area
August 2023	SIAB Construction Sdn Bhd	<ul style="list-style-type: none"> Safety and Health
February 2024	SIAB Construction Sdn Bhd	<ul style="list-style-type: none"> Post-Contract Management

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

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

The total cost of the outsourced internal audit function for the financial year ended 2023 was RM37,372.

ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROL

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

ASSURANCE TO THE BOARD

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



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement for inclusion in the Annual Report of the Company for the financial year ended 31 December 2023 pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report as issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Company, in all material respect:

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

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

CONCLUSION

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

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



ADDITIONAL COMPLIANCE INFORMATION

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

MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as otherwise disclosed in Note 24 *Related Parties* to the Audited Financial Statements of this annual report, there were no material contracts entered into by the Company and/or its subsidiaries involving the interest of the directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the Group's external auditors and a firm or corporation affiliated to the external auditors' firm by the Group and the Company for the financial year ended 31 December 2023 are as follows:

	Group RM'000	Company RM'000
Audit fees:		
- Statutory audit	195	20
Non-audit fees:		
- Review of Statement of Risk Management and Internal Control	10	10
- Tax advisory services	33	3
- Transfer pricing documentation review	13	2

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The details of the RRPTs are disclosed in Note 24 *Related Parties* to the Audited Financial Statements for the financial year ended 31 December 2023.



ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

UTILISATION OF PROCEEDS

Proceeds from the initial public offering ("IPO")

SIAB was successfully listed on the ACE Market of Bursa Securities on 28 February 2022. The Company has raised a total amount of RM36.72 million from the corporate exercise at an issue price of RM0.30 per share. On 22 May 2023, the Board had decided to vary the intended utilisation of the proceeds raised from the IPO exercise. The status of the utilisation of these proceeds as of 31 December 2023 is set out below:

Details	Proposed utilisation RM'000	Deviation ⁽¹⁾ RM'000	Variation ⁽²⁾ RM'000	Actual unutilised RM'000	Balance unutilised RM'000	Estimated timeframe for utilisation
Purchase of land and construction of storage facility	6,098	–	–	(4,504)	1,594	Within 24 months
Purchase of machinery and equipment	13,125	–	(2,934)	(7,394)	2,797	Within 24 months
Purchase of Building Information Modelling software	3,066	–	(3,066)	–	–	Within 24 months
Upgrade software and systems	810	–	–	(810)	–	Within 18 months
Office expansion	300	(37)	–	(263)	–	Within 24 months
Working capital	9,300	473	–	(9,773)	–	Within 12 months
Listing expenses	4,023	(436)	–	(3,587)	–	Within 3 months
Repayment of bank borrowings and suppliers	–	–	6,000	(6,000)	–	Within 3 months
Total	36,722	–	–	(32,331)	4,391	

Notes :

- (1) Following the completion of office expansion in December 2022, the actual office expansion expenses were lower than the estimated amount, hence the excess of RM0.037 million was re-allocated for working capital purposes. The actual listing expenses were lower than the estimated amount, hence the excess of RM0.44 million was re-allocated for working capital purposes.
- (2) The initial IPO Proceeds of RM3.07 million to purchase BIM system software and RM2.93 million to purchase 2 units of tower crane and 1 unit of truck-mounted concrete pump have been re-allocated for the repayment of bank borrowings and suppliers.

On 27 February 2024, the Board had decided to further vary the intended utilisation of the proceeds raised from the IPO exercise of RM2.30 million and to extend the timeframe for the utilisation of IPO Proceeds for an additional 24 months from 29 February 2024 which is the expiry date of the initial timeframe of the utilisation of IPO Proceeds.



ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

UTILISATION OF PROCEEDS (CONT'D)

Proceeds from the Private Placement

On 18 July 2023, the Company had entered into a share sale agreement for the proposed acquisition of 2,000,000 ordinary shares, representing 100.00% equity interest in Taghill Projects Sdn Bhd for a total purchase consideration of RM122.00 million to be fully satisfied via a combination of cash payment of RM96.00 million and RM26.00 million via the issuance of new ordinary shares in Siab ("Proposed Acquisition").

On 28 December 2023, the Company issued 100,000,000 new ordinary shares to eligible third-party investors at an issue price of RM0.12 per share ("Private Placement"). As at 31 December 2023, the status of the utilisation of proceed raised from the Private Placement are as follows:

Details	Proceeds raised RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Estimated timeframe for utilisation
Cash consideration for the Proposed Acquisition	12,000	–	12,000	Within 24 months from date of receipt of proceed on 28 December 2023
Total	12,000	–	12,000	



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The directors of the Siab Holdings Berhad ("the Company") are responsible for the preparation of the financial statements of the Company and its subsidiaries (collectively "the Group") that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 ("the Act") in Malaysia.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company and of the Group that are free from material misstatements, whether due to fraud or error. In preparing the financial statements of the Company and of the Group for the financial year ended 31 December 2023, the directors have:

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

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

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

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

Directors' Report & Audited Financial

STATEMENTS

73	Directors' Report	82	Statements of Cash Flows
78	Statements of Financial Position	87	Notes to the Financial Statements
79	Statements of Profit or Loss and Other Comprehensive Income	132	Statement by Directors
80	Consolidated Statement of Changes in Equity	132	Statutory Declaration
81	Statement of Changes in Equity	133	Independent Auditors' Report

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

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

SUBSIDIARIES

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

RESULTS

	Group RM	Company RM
Loss for the year attributable to owners of the Company	22,650	19,484

RESERVES AND PROVISIONS

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

DIVIDENDS

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year ended 31 December 2023.



DIRECTORS' REPORT

(CONT'D)

DIRECTORS OF THE COMPANY

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

Ng Wai Hoe
 Lim Mei Hwee
 Tan Sok Moi
 Tan Sri Dato' Sri Mohamad Fuzi Bin Harun
 Dato' Sri Dr. Shahril Bin Mokhtar
 Andrea Huang Jia Mei
 Ben Lee Kam Foo (appointed on 1 July 2023)
 Datuk Lim Tong Lee (resigned on 7 July 2023)

DIRECTORS' INTERESTS IN SHARES

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

	At 1.1.2023	Number of ordinary shares		At 31.12.2023
		Bought	Sold	
<i>Interests in the Company</i>				
Ng Wai Hoe				
- direct interest	90,582,025	–	(50,000,000)	40,582,025
- indirect interest ⁽¹⁾	63,652,316	–	–	63,652,316
Lim Mei Hwee				
- direct interest	62,428,217	–	–	62,428,217
Tan Sok Moi				
- direct interest	46,515,163	–	–	46,515,163
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun				
- direct interest	300,000	–	–	300,000

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

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

The other Directors holding office at 31 December 2023 did not have interest in the shares of the Company and of its related corporations during the financial year.



DIRECTORS' REPORT

(CONT'D)

DIRECTORS' BENEFITS

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

The directors' benefits paid to or receivable by the Directors of the Company and its subsidiaries in respect of the financial year ended 31 December 2023 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	265	–
Remuneration	–	1,800
Contributions to Employees' Provident Fund	–	345
	265	2,145

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 100,000,000 new ordinary shares to eligible investors at an issue price of RM0.12 per share pursuant to the Private Placement as disclosed in Note 25 to the financial statements.

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

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

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

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



DIRECTORS' REPORT

(CONT'D)

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT AND SUBSEQUENT EVENTS

Significant and subsequent events are disclosed in Note 25 to the financial statements.



DIRECTORS' REPORT
(CONT'D)

AUDITORS

The auditors' remuneration of the Group and the Company during the financial year are RM195,000 and RM20,000 respectively.

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

.....
Ng Wai Hoe
Director

.....
Lim Mei Hwee
Director

Kuala Lumpur

Date: 25 April 2024



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM'000	Group 2022 RM'000	2023 RM'000	Company 2022 RM'000
Assets					
Property, plant and equipment	3	10,680	12,157	–	–
Right-of-use assets	4	4,479	32	–	–
Investment properties	5	6,351	5,351	–	–
Investments in subsidiaries	6	–	–	42,225	60,723
Other investments	7	–	757	–	–
Deferred tax assets	13	3,538	3,633	–	–
Total non-current assets		25,048	21,930	42,225	60,723
Trade and other receivables	8	71,364	81,103	17,206	6,224
Contract assets	9	43,422	41,643	–	–
Current tax assets		1,592	631	211	–
Other investments	7	–	2,396	–	–
Cash and cash equivalents	10	18,894	31,441	205	488
Total current assets		135,272	157,214	17,622	6,712
Total assets		160,320	179,144	59,847	67,435
Equity					
Share capital	11	84,036	72,336	84,036	72,336
Merger reserve	11	(35,723)	(35,723)	–	–
(Accumulated losses)/ Retained earnings		(4,824)	17,826	(24,734)	(5,250)
Total equity attributable to owners of the Company		43,489	54,439	59,302	67,086
Liabilities					
Loans and borrowings	12	1,319	20,292	–	–
Deferred tax liabilities	13	270	281	–	–
Total non-current liabilities		1,589	20,573	–	–
Loans and borrowings	12	27,536	23,907	–	–
Trade and other payables	14	86,003	73,288	545	284
Contract liabilities	9	1,703	6,872	–	–
Current tax liabilities		–	65	–	65
Total current liabilities		115,242	104,132	545	349
Total liabilities		116,831	124,705	545	349
Total equity and liabilities		160,320	179,144	59,847	67,435

The notes on pages 87 to 131 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
Revenue	15	203,051	141,741	–	–
Cost of sales		(210,404)	(149,384)	–	–
Gross loss		(7,353)	(7,643)	–	–
Other income		1,824	552	–	–
Administrative expenses		(7,967)	(9,623)	(1,639)	(4,204)
Net loss on impairment of financial instruments	17	(7,041)	(3,360)	–	–
Other expenses		(494)	(411)	(18,498)	–
Results from operating activities		(21,031)	(20,485)	(20,137)	(4,204)
Finance income		895	495	473	877
Finance costs	16	(2,607)	(1,814)	–	–
Loss before tax	17	(22,743)	(21,804)	(19,664)	(3,327)
Taxation	18	93	2,535	180	(200)
Loss and total comprehensive expense for the year		(22,650)	(19,269)	(19,484)	(3,527)
Loss and total comprehensive expense attributable to:					
Owners of the Company		(22,650)	(19,269)	(19,484)	(3,527)
Loss and total comprehensive expense for the year		(22,650)	(19,269)	(19,484)	(3,527)
Basic loss per ordinary share (sen)	19	(4.61)	(4.10)		
Diluted loss per ordinary share (sen)	19	(4.61)	(4.10)		

The notes on pages 87 to 131 form an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

← Non-distributable →				
	Share capital RM'000	Merger reserve RM'000	Retained earnings/ earnings/ (Accumulated losses) RM'000	Total equity RM'000
Group				
At 1 January 2022				
Loss and total comprehensive expense for the year	36,723	(35,723)	37,095	38,095
Issue of shares pursuant to the initial public offering	–	–	(19,269)	(19,269)
New shares issuance expenses	36,723	–	–	36,723
	(1,110)	–	–	(1,110)
At 31 December 2022/1 January 2023				
Loss and total comprehensive expense for the year	72,336	(35,723)	17,826	54,439
Issue of shares pursuant to the private placement	–	–	(22,650)	(22,650)
New shares issuance expenses	12,000	–	–	12,000
	(300)	–	–	(300)
At 31 December 2023	84,036	(35,723)	(4,824)	(43,489)

The notes on pages 87 to 131 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Share capital RM'000	Non- Distributable Accumulated losses RM'000	Total equity RM'000
Company				
At 1 January 2022		36,723	(1,723)	35,000
Loss and total comprehensive expense for the year		–	(3,527)	(3,527)
Issue of shares pursuant to the initial public offering	11	36,723	–	36,723
New shares issuance expenses	11	(1,110)	–	(1,110)
At 31 December 2022/1 January 2023		72,336	(5,250)	67,086
Loss and total comprehensive expense for the year		–	(19,484)	(19,484)
Issue of shares pursuant to the private placement	11	12,000	–	12,000
New shares issuance expenses	11	(300)	–	(300)
At 31 December 2023		84,036	(24,734)	59,302

The notes on pages 87 to 131 form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
Cash flows from operating activities					
Loss before tax		(22,743)	(21,804)	(19,664)	(3,327)
Adjustments for:					
Depreciation of property, plant and equipment	3	2,428	1,543	–	–
Depreciation of right-of-use assets	4	57	107	–	–
Depreciation of investment properties	5	110	109	–	–
Finance income		(895)	(495)	(473)	(877)
Finance costs	16	2,607	1,814	–	–
Gain on disposal of other investments		(75)	–	–	–
Gain on disposal of property, plant and equipment		(75)	–	–	–
Property, plant and equipment written off		4	–	–	–
Net loss on impairment of financial assets	17	7,041	3,360	–	–
Impairment loss on investments in subsidiaries	6	–	–	18,498	–
Change in fair value of other investments		(1,158)	408	–	–
Operating loss before changes in working capital		(12,699)	(14,958)	(1,639)	(4,204)
Changes in working capital:					
Change in trade and other receivables and prepayments		5,646	(14,523)	(10,982)	(15,223)
Change in trade and other payables		12,715	(4,459)	261	(1,441)
Change in contract assets		(5,437)	4,935	–	–
Change in contract liabilities		(5,169)	6,872	–	–
Cash used in operations		(4,944)	(22,133)	(12,360)	(20,868)
Income tax paid		(849)	(1,565)	(96)	(135)
Income tax refunded		–	42	–	–
Interest paid		(2,607)	(1,814)	–	–
Net cash used in operating activities		(8,400)	(25,470)	(12,456)	(21,003)

STATEMENTS OF CASH FLOWS
(CONT'D)

	Note	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)(a)	(775)	(4,307)	–	–
Acquisition of right-of-use assets	4	(4,504)	–	–	–
Net changes in other investments		–	(62)	–	–
Interest income received		495	495	473	877
Subscription of shares in a subsidiary	(iii)	–	–	–	(15,000)
Proceeds from disposal of other investments		4,386	4	–	–
Proceeds from disposal of property, plant and equipment		75	–	–	–
Net cash (used in)/from investing activities		(323)	(3,870)	473	(14,123)
Cash flows from financing activities					
Change in deposits pledged		945	(3,532)	–	–
Dividends paid		–	(4,000)	–	–
Net proceeds from issuance of new shares		11,700	35,613	11,700	35,613
Net (repayment)/drawdown of loans and borrowings	(ii)	(7,156)	16,439	–	–
Payment of lease liabilities	(i),(ii)	–	(137)	–	–
Net cash from financing activities		5,489	44,383	11,700	35,613
Net (decrease)/increase in cash and cash equivalents		(3,234)	15,043	(283)	487
Cash and cash equivalents at 1 January		10,284	(4,759)	488	1
Cash and cash equivalents at 31 December	(v)	7,050	10,284	205	488



STATEMENTS OF CASH FLOWS

(CONT'D)

(i) Cash outflows for leases as a lessee

	Note	2023 RM'000	Group 2022 RM'000
Included in net cash used in operating activities:			
Payment relating to short-term leases	17	1,166	1,253
Payment relating to leases of low-value assets	17	46	75
Payment relating to variable lease payments not included in the measurement of lease liabilities	17	3,257	3,432
Interest paid in relation to lease liabilities	16	-	2
Included in net cash from financing activities:			
Payment of lease liabilities		-	137
Total cash outflows for leases		4,469	4,899

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

Group	Note	Term loans RM'000	Hire purchase liabilities RM'000	Recourse factoring RM'000	Revolving credit RM'000	Total loans and borrowings RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2022								
Net changes from financing cash flows		13,504	1,230	-	-	14,734	137	14,871
Acquisition of property, plant and equipment	(a)	7,696	(1,021)	4,764	5,000	16,439	(137)	16,302
		-	3,475	-	-	3,475	-	3,475
At 31 December 2022/1 January 2023								
Net changes from financing cash flows		21,200	3,684	4,764	5,000	34,648	-	34,648
Acquisition of property, plant and equipment	(a)	(3,396)	(1,335)	(2,425)	-	(7,156)	-	(7,156)
		-	180	-	-	180	-	180
At 31 December 2023		17,804	2,529	2,339	5,000	27,672	-	27,672

STATEMENTS OF CASH FLOWS
(CONT'D)

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

(a) Acquisition of property, plant and equipment

	Note	2023 RM'000	Group 2022 RM'000
Acquisition of property, plant and equipment	3	955	7,782
Less: Acquisition financed by hire purchase arrangements	(ii)	(180)	(3,475)
Acquisition of property, plant and equipment by cash		775	4,307

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

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

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

(iv) Reconciliation of investment properties

During the year ended 31 December 2023, the Group entered into a debt settlement arrangement with a customer to partially settle the outstanding trade receivable balances via contra of investment properties.

	Note	Group 2023 RM'000
Acquisition of investment properties	5	1,110
Less: Offset with trade receivables		(1,110)
Acquisition of investment properties by cash		–

STATEMENTS OF CASH FLOWS

(CONT'D)

(v) Cash and cash equivalents

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

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Fixed deposits with licensed banks	10	13,727	21,226	–	–
Less: Pledged deposits		(10,661)	(11,606)	–	–
Cash and bank balances	10	3,066 5,167	9,620 10,215	– 205	– 488
Bank overdrafts	12	8,233 (1,183)	19,835 (9,551)	205 –	488 –
Cash and cash equivalents in the statements of cash flows		7,050	10,284	205	488

The notes on pages 87 to 131 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

Principal place of business

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

Registered office

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”). The financial statements of the Company as at and for the financial year ended 31 December 2023 do not include other entities.

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

These financial statements were authorised for issue by the Board of Directors on 25 April 2024.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

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

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

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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

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

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

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024; and
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgements

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

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

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

- Note 13 – recognition of deferred tax assets
- Note 15 – revenue recognition
- Note 21.4 – measurement of expected credit loss (“ECL”)

2. CHANGES IN MATERIAL ACCOUNTING POLICIES

2.1 Global minimum top-up tax

The Group has adopted the amendments to MFRS 112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure.

The temporary mandatory relief applies retrospectively. However, there was no new legislation enacted or substantively enacted to implement the top-up tax at 31 December 2022 in the jurisdictions in which the Group operates. The retrospective application has no impact on the Group’s consolidated financial statements.

2.2 Material accounting policy information

The Group and the Company also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group and the Company’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.



NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT

	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
Group Cost							
At 1 January 2022	4,455	6,526	645	693	966	156	13,441
Additions	-	7,053	-	109	432	188	7,782
At 31 December 2022/1 January 2023	4,455	13,579	645	802	1,398	344	21,223
Additions	-	649	-	109	197	-	955
Disposals	-	-	-	-	(645)	-	(645)
Written off	-	(55)	-	(2)	-	-	(57)
At 31 December 2023	4,455	14,173	645	909	950	344	21,476
Accumulated depreciation							
At 1 January 2022	587	4,945	645	622	612	112	7,523
Charge for the year	88	1,219	-	44	166	26	1,543
At 31 December 2022/1 January 2023	675	6,164	645	666	778	138	9,066
Charge for the year	89	2,018	-	59	232	30	2,428
Disposals	-	-	-	-	(645)	-	(645)
Written off	-	(51)	-	(2)	-	-	(53)
At 31 December 2023	764	8,131	645	723	365	168	10,796
Carrying amounts							
At 1 January 2022	3,868	1,581	-	71	354	44	5,918
At 31 December 2022/1 January 2023	3,780	7,415	-	136	620	206	12,157
At 31 December 2023	3,691	6,042	-	186	585	176	10,680

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

Buildings of the Group with a carrying amount of RM3,691,000 (2022: RM3,780,000) are pledged as security for bank facilities granted to the Group (see Note 12).

3.2 Hire purchase and loan arrangements

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

	2023 RM'000	Group 2022 RM'000
Motor vehicles	574	619
Site equipment	3,328	4,279

3.3 Material accounting policy information**(a) Recognition and measurement**

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

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

(b) Depreciation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

4. RIGHT-OF-USE ASSETS

	Site equipment RM'000	Leasehold land RM'000	Office building RM'000	Total RM'000
Group				
At 1 January 2022	46	33	60	139
Depreciation	(46)	(1)	(60)	(107)
At 31 December 2022/1 January 2023	–	32	–	32
Addition	–	4,504	–	4,504
Depreciation	–	(57)	–	(57)
At 31 December 2023	–	4,479	–	4,479

The Group leases two leasehold land that have lease terms of 68 and 99 years.

4.1 Material accounting policy information

(a) Lease and non-lease components

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 price. However, for leases 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.

(b) Recognition exemption

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. INVESTMENT PROPERTIES

	Leasehold land RM'000	Buildings RM'000	Buildings under construction RM'000	Total RM'000
Group Cost				
At 1 January 2022/31 December 2022/ 1 January 2023	518	5,150	–	5,668
Additions	–	–	1,110	1,110
At 31 December 2023	518	5,150	1,110	6,778
Accumulated depreciation				
At 1 January 2022	79	129	–	208
Depreciation for the year	6	103	–	109
At 31 December 2022/1 January 2023	85	232	–	317
Depreciation for the year	7	103	–	110
At 31 December 2023	92	335	–	427
Carrying amounts				
At 1 January 2022	439	5,021	–	5,460
At 31 December 2022/1 January 2023	433	4,918	–	5,351
At 31 December 2023	426	4,815	1,110	6,351

5.1 Nature of leasing activities and security

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the lease contains a non-cancellable period of 3 years. The building under construction pertains to two units of condominium which are under construction. The condominium is obtained from the debt settlement arrangement between the Group and a customer (see Note 25).

Leasehold land with a carrying amount of RM31,000 (2022: RM32,000) and buildings with a carrying amount of RM4,815,000 (2022: RM4,918,000) are pledged as security for term loans granted to the Group (see Note 12).

5.2 Investment properties under construction

The condominium is currently under construction and the fair value of the property is unable to be determined as there are uncertainties in estimating its fair value.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

5.3 Other income/(expenses) recognised in profit or loss in relation to investment properties

	2023 RM'000	2022 RM'000
Group		
Lease income	309	309
Direct operating expenses:		
- income generating investment properties	(50)	(20)

5.4 Maturity analysis of operating lease payments

The operating lease payments to be received are as follows:

	2023 RM'000	2022 RM'000
Group		
Less than one year	25	309
One to two years	–	25
Total undiscounted lease payments	25	334

5.5 Fair value information

Fair value of investment properties is categorised as follows:

	Level 3 RM'000	Total RM'000
Group		
2023		
Buildings	6,070	6,070
Leasehold land	1,000	1,000
2022		
Buildings	6,070	6,070
Leasehold land	1,000	1,000

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

5.5 Fair value information (Cont'd)

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

Valuation processes applied by the Group for Level 3 fair value

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

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

5.6 Material accounting policy information

Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

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 are not depreciated until the assets are ready for their intended use.

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

• Buildings	50 years
• Leasehold land	68 - 99 years

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

6. INVESTMENTS IN SUBSIDIARIES

	Note	Company RM'000
Unquoted shares, at cost		
At 1 January 2022		36,723
Subscription of shares	6.1	24,000
At 31 December 2022/1 January 2023		60,723
Impairment loss		(18,498)
At 31 December 2023		42,225

6.1 Subscription of shares

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

6.2 Details of subsidiaries

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2023 %	2022 %
Direct subsidiary				
Siab (M) Sdn. Bhd.	Malaysia	Constructions and civil engineering	100	100
Indirect subsidiaries (Held through Siab (M))				
Siab Construction Sdn. Bhd.	Malaysia	Constructions and civil engineering	100	100
Siab Network Solutions Sdn. Bhd.	Malaysia	Information and Communications Technology (“ICT”) solutions	100	100
Siab Engineering Sdn. Bhd.	Malaysia	Construction support services	100	100
Siab Development Sdn. Bhd.	Malaysia	Dormant	100	100

6.3 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

7. OTHER INVESTMENTS

		2023 RM'000	Group 2022 RM'000
Non-current			
Fair value through profit or loss:			
Investment in unit trusts		–	39
Investment in fund investments		–	718
		–	757
Current			
Fair value through profit or loss:			
Investment in quoted shares		–	2,396
		–	3,153

Investments in unit trusts, fund investments and quoted shares were recognised as 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. The Group has divested all its investments during the financial year ended 31 December 2023.

8. TRADE AND OTHER RECEIVABLES

	Note	2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	2022 RM'000
Trade					
Trade receivables	8.1	68,762	72,556	–	–
		68,762	72,556	–	–
Non-trade					
Other receivables	8.2	2,396	8,314	4	2
Prepayments		206	233	–	–
Amount due from subsidiaries	8.3	–	–	17,202	6,222
		2,602	8,547	17,206	6,224
		71,364	81,103	17,206	6,224

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

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

	2023 RM'000	Group 2022 RM'000
Within 1 year	12,408	8,322
More than 1 year	17,387	21,951
	29,795	30,273

8.2 Other receivables

At 31 December 2023, other receivables of the Group include finance income receivable amounting to RM400,000.

8.3 Amount due from subsidiaries

The non-trade amount due from subsidiaries are unsecured, interest free and repayable on demand, except for loans to subsidiaries of RM17,202,000 (2022: RM5,923,000) which are subject to interest at 6.65% (2022: 6.40%) per annum.

8.4 Offsetting of financial assets and financial liabilities

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

	Note	Gross amount RM'000	Balances that are set off RM'000	Net carrying amount in the statement of financial position RM'000
Group				
2023				
Trade receivables		71,599	(2,837)	68,762
Trade payables	14	(87,686)	2,837	(84,849)
2022				
Trade receivables		73,074	(518)	72,556
Trade payables	14	(70,065)	518	(69,547)

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

9. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	2023 RM'000	Group 2022 RM'000
Contract assets	43,422	41,643
Contract liabilities	(1,703)	(6,872)

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

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

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

	2023 RM'000	Group 2022 RM'000
Contract liabilities at the beginning of the period recognised as revenue	(5,169)	–
Contract assets at the beginning of the period not transferred to trade receivables due to change in time frame	5,705	4,334

10. CASH AND CASH EQUIVALENTS

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Fixed deposits with licensed banks	10.1	13,727	21,226	–	–
Cash and bank balances		5,167	10,215	205	488
		18,894	31,441	205	488

10.1 Fixed deposits with licensed banks

Deposits placed with licensed banks amounting to RM10,661,000 (2022: RM11,606,000) are pledged as security for banking facilities granted to the Group (see Note 12).

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

11. SHARE CAPITAL AND MERGER RESERVE

(a) Share capital

	Amount 2023 RM'000	Number of shares 2023 '000	Amount 2022 RM'000	Number of shares 2022 '000
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Group and Company

Issued and fully paid shares

With no par value classified
as equity instruments:

Ordinary shares:

At 1 January	72,336	489,634	36,723	367,225
Issue of shares (Note 25)	12,000	100,000	36,723	122,409
New shares issuance expenses	(300)	–	(1,110)	–

At 31 December	84,036	589,634	72,336	489,634
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	2023 RM'000	2022 RM'000
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Group and Company

Share capital in legal form	85,446	73,446
Less: New shares issuance expenses	(1,410)	(1,110)

Share capital in the statements of financial position	84,036	72,336
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Ordinary shares

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

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

(b) Merger reserve

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

12. LOANS AND BORROWINGS

	Note	2023 RM'000	Group 2022 RM'000
Non-current			
Term loans	12.1	–	17,915
Hire purchase liabilities	12.2	1,319	2,377
		1,319	20,292
Current			
Term loans	12.1	17,804	3,285
Hire purchase liabilities	12.2	1,210	1,307
Bank overdrafts	12.3	1,183	9,551
Revolving credit	12.4	5,000	5,000
Recourse factoring	12.5	2,339	4,764
		27,536	23,907
		28,855	44,199

12.1 Term loans

Security

The term loans are secured by the following:

- (i) The Group's buildings (see Note 3) and investment properties (see Note 5);
- (ii) Corporate guarantee executed by the Company.

Breach of loan covenants

The Group have secured term loans that amount to RM17,804,000 at 31 December 2023. According to the terms of the agreements, the term loans are repayable in tranches over the next 3 to 13 years.

The loan agreements contain the following financial covenants:

- (i) at all time, the subsidiary's net debt (in the covenant defined as the subsidiary's loans and borrowings) cannot exceed 1 time of total equity. At 31 December 2023, the subsidiary's gearing ratio was 1.42 times.
- (ii) at all time, the subsidiary's tangible net worth is to be maintained at not less than RM20 million. At 31 December 2023, the subsidiary's net assets (representing the tangible net worth) was RM18,082,000.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

12. LOANS AND BORROWINGS (CONT'D)**12.1 Term loans (Cont'd)****Breach of loan covenants (Cont'd)**

Based on the terms of the agreements, if there is a breach or default in any loan, the term loan will immediately become payable on demand. Consequently, the term loans have been classified as current liabilities.

Subsequently on 23 January 2024 and 27 February 2024, the subsidiary has obtained indulgence on non-compliance with the financial covenants relating to gearing ratio from the respective banks, with outstanding balance totaling RM12,548,000. The Group is in the midst of applying for indulgence on non-compliance for the remaining outstanding balance.

12.2 Hire purchase liabilities

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

12.3 Bank overdrafts

The bank overdrafts are secured by the following:

- (i) Pledge over fixed deposits (see Note 10);
- (ii) Corporate guarantee executed by the Company;
- (iii) Pledged against assignment of rental proceeds; and
- (iv) Pledged against deed of assignment of investment properties (see Note 5).

12.4 Revolving credit

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

12.5 Recourse factoring

The Group has entered into a domestic recourse factoring arrangement with a licensed bank ("the facility").

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

13. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment	-	-	(860)	(870)	(860)	(870)
Unabsorbed business losses	3,868	3,868	-	-	3,868	3,868
Unabsorbed capital allowances	260	294	-	-	260	294
Others	-	60	-	-	-	60
Tax assets/(liabilities)	4,128	4,222	(860)	(870)	3,268	3,352
Set off of tax	(590)	(589)	590	589	-	-
Net deferred tax assets/(liabilities)	3,538	3,633	(270)	(281)	3,268	3,352

Movement in temporary differences during the financial year

	Recognised in profit or loss		At 31.12.2022/1.1.2023		At 31.12.2023	
	1.1.2022	31.12.2022/1.1.2023	1.1.2022	31.12.2022/1.1.2023	31.12.2023	31.12.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment	(605)	(265)	(870)	10	(860)	(860)
Unabsorbed business losses	51	3,817	3,868	-	3,868	3,868
Unabsorbed capital allowances	7	287	294	(34)	260	260
Right-of-use assets	(25)	25	-	-	-	-
Lease liabilities	33	(33)	-	-	-	-
Others	55	5	60	(60)	-	-
	(484)	3,836	3,352	(84)	3,268	3,268

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**Unrecognised deferred tax assets**

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

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

	2023 RM'000	Group 2022 RM'000
Unabsorbed business losses	23,425	4,103
Unabsorbed capital allowances	819	29
	24,244	4,132

The comparative figures have been restated to reflect the revised temporary differences of the Group based on the final tax computation for year assessment 2022.

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

	2023 RM'000	Group 2022 RM'000
Expiring in:		
YA 2032	4,054	4,103
YA 2033	19,371	–
	23,425	4,103

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

Significant judgements and assumptions

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

14. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade					
Trade payables	8.4, 14.1	84,849	69,547	–	–
		84,849	69,547	–	–
Non-trade					
Other payables		852	3,109	494	253
Accruals		302	632	51	31
		1,154	3,741	545	284
		86,003	73,288	545	284

14.1 Trade payables

Included in trade payables of the Group are retention sums of RM23,133,000 (2022: RM18,739,000). The retention sums are unsecured, interest free and are expected to be paid within the operating cycle as follows:

	Group	
	2023 RM'000	2022 RM'000
Within 1 year	12,172	8,035
More than 1 year	10,961	10,704
	23,133	18,739

15. REVENUE

	Group	
	2023 RM'000	2022 RM'000
Revenue from contracts with customers	203,051	141,741

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

15. REVENUE (CONT'D)

	Group	
	2023 RM'000	2022 RM'000
15.1 Disaggregation of revenue		
Primary geographical market		
Malaysia	203,051	141,741
Major products and service lines		
Construction contracts	202,427	141,576
ICT solutions	618	156
Hardware & software and IT services	6	9
	203,051	141,741
Timing and recognition		
Over time	203,045	141,732
At a point in time	6	9
	203,051	141,741

15.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

15. REVENUE (CONT'D)

15.3 Transaction price allocated to the remaining performance obligations

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

	2024 RM'000	2025 RM'000	2026 RM'000	Total RM'000
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**Group
2023**

Revenue from construction contracts	167,092	49,392	30,244	246,728
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	2023 RM'000	2024 RM'000	Total RM'000
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**Group
2022**

Revenue from construction contracts	276,361	19,390	295,751
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The Group applies the following practical expedients:

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

15.4 Significant judgements and assumptions arising from revenue recognition

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

Variable Consideration

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

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

15. REVENUE (CONT'D)

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

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: (Cont'd)

Total Contract Cost

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

16. FINANCE COSTS

	Group	
	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	2,607	1,812
Interest expense on lease liabilities	–	2
	2,607	1,814

17. LOSS BEFORE TAX

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
Audit fees:				
- KPMG PLT				
- Statutory audit	195	175	20	15
Non-audit fees:				
- KPMG PLT	10	120	10	120
- Local affiliates of KPMG PLT	41	57	10	2

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

17. LOSS BEFORE TAX (CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before tax is arrived at after charging/(crediting): (Cont'd)					
Material expenses/(income)					
Depreciation of property, plant and equipment	3	2,428	1,543	–	–
Depreciation of right-of-use assets	4	57	107	–	–
Depreciation of investment properties	5	110	109	–	–
Impairment loss on investments in subsidiaries	6	–	–	18,498	–
Personnel expenses (including key management personnel):					
- Directors' fees		265	264	265	264
- Directors' remuneration		1,800	2,040	–	2,040
- Contributions to Employees' Provision Fund		1,133	1,236	–	421
- Wages, salaries and others		7,050	8,762	–	278
Initial public offering expenses		–	748	–	748
Change in fair value of other investments		(1,158)	408	–	–
Gain on disposal of other investments		(75)	–	–	–
Gain on disposal of property, plant and equipment		(75)	–	–	–
Property, plant and equipment written off		4	–	–	–
Finance income		(895)	(495)	(473)	(877)
Expenses arising from leases					
Expenses relating to short-term leases	17.1	1,166	1,253	–	–
Expenses relating to leases of low-value assets	17.1	46	75	–	–
Expenses relating to variable lease payments not included in the measurement of lease liabilities	17.1	3,257	3,432	–	–
Net loss on impairment of financial instruments					
Financial assets at amortised cost		7,041	3,360	–	–

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

17. LOSS BEFORE TAX (CONT'D)

17.1 Expenses arising from leases

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

18. TAXATION

Recognised in profit or loss

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax (credit)/expense				
- Current year	20	1,228	20	200
- (Over)/Under provision in prior year	(197)	73	(200)	-
Total current tax recognised in profit or loss	(177)	1,301	(180)	200
Deferred tax expense/(asset)				
- Current year	126	(3,729)	-	-
- Over provision in prior year	(42)	(166)	-	-
- Write down of deferred tax asset	-	59	-	-
Total deferred tax recognised in profit or loss	84	(3,836)	-	-
	(93)	(2,535)	(180)	200

Reconciliation of taxation

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before tax	(22,743)	(21,804)	(19,664)	(3,327)
Income tax calculated using				
Malaysian tax rate at 24%	(5,458)	(5,233)	(4,719)	(799)
Non-deductible expenses	1,191	2,801	4,739	1,209
Non-taxable income	(414)	(258)	-	(210)
Effect of deferred tax assets not recognised	4,827	189	-	-
Write down of deferred tax asset	-	59	-	-
Over provision in prior years	(239)	(93)	(200)	-
	(93)	(2,535)	(180)	200

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

19. LOSS PER ORDINARY SHARE**Basic loss per ordinary share**

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

	2023 RM'000	2022 RM'000
Group		
Loss attributable to ordinary shareholders	(22,650)	(19,269)
	2023 '000	2022 '000
<i>Weighted average number of ordinary shares</i>		
Issued shares at 1 January	489,634	367,225
Effect of new shares issued	1,644	102,958
Weighted average number of ordinary shares at 31 December (basic)	491,278	470,183
	2023 sen	2022 sen
Basic loss per share	(4.61)	(4.10)

Diluted loss per ordinary share

Diluted loss per ordinary share as at 31 December 2023 and 2022 are identical with basic loss per ordinary share as the Group does not have any dilutive potential ordinary shares.

20. OPERATING SEGMENTS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

20. OPERATING SEGMENTS (CONT'D)

Segment assets and liabilities

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

Segment capital expenditure

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

	2023 RM'000	2022 RM'000
Group		
Total additions to property, plant and equipment	955	7,782
Total additions to investment properties	1,110	–
Total additions to right-of-use assets	4,504	–
	6,569	7,782
Segment loss		
Group		
Segment loss	(21,418)	(14,710)
Included in the measure of segment loss are:		
Revenue from external customers	202,427	141,576
Finance income	889	197
Finance costs	(2,607)	(1,814)
Depreciation of property, plant and equipment, right-of-use assets and investment properties	(2,595)	(1,759)
Tax (expense)/credit	(87)	2,791
Net loss on impairment of financial instruments	(6,348)	(3,360)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

20. OPERATING SEGMENTS (CONT'D)

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

	2023 RM'000	Group 2022 RM'000
Revenue		
Total external revenue for reportable segment	202,427	141,576
Other non-reportable segments	624	165
Consolidated total	203,051	141,741
Loss		
Total loss for reportable segment	(21,418)	(14,710)
Other non-reportable segments	(1,232)	(4,559)
Consolidated total	(22,650)	(19,269)
Income tax		
Total tax (expense)/credit for reportable segment	(87)	2,791
Other non-reportable segments	180	(256)
Consolidated total	93	2,535

Major customers

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

	Revenue		Segment
	2023 RM'000	2022 RM'000	
Customer A	77,055	37,159	Construction and civil engineering
Customer B	67,694	17,652	Construction and civil engineering
Customer C	39,377	29,485	Construction and civil engineering

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. FINANCIAL INSTRUMENTS**21.1 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	Carrying amount RM'000
2023		
Group		
Financial assets		
Trade and other receivables #	71,158	71,158
Cash and cash equivalents	18,894	18,894
	90,052	90,052
Financial liabilities		
Trade and other payables	(86,003)	(86,003)
Loans and borrowings	(28,855)	(28,855)
	(114,858)	(114,858)
Company		
Financial assets		
Trade and other receivables	17,206	17,206
Cash and cash equivalents	205	205
	17,411	17,411
Financial liabilities		
Trade and other payables	(545)	(545)

Exclude prepayments

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.1 Categories of financial instruments (Cont'd)

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

Exclude prepayments

21.2 Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net gains/(losses) on:				
Financial assets measured at fair value through profit or loss	1,233	(408)	–	–
Financial assets measured at amortised cost	(6,146)	(2,865)	473	877
Financial liabilities measured at amortised cost	(2,607)	(1,812)	–	–
	(7,520)	(5,085)	473	877



NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

21.4 Credit risk

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

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

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

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

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

Exposure to credit risk, credit quality and collateral

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

Concentration of credit risk

The Group has 4 (2022: 9) ongoing projects as at end of the reporting period. There is a concentration of credit risk with respect to trade receivables due from 3 (2022: 3) contract customers, which accounted for 49% (2022: 40%) of trade receivables (including retention sums) and contract assets due from 1 (2022: 2) contract customer which accounted for 64% (2022: 60%) of contract assets as at the end of the reporting period.

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment loss

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

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

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

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

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
2023			
Trade receivables			
Current (not past due)	39,207	–	39,207
1 – 30 days past due	5,649	–	5,649
31 – 60 days past due	2,358	–	2,358
61 – 90 days past due	476	–	476
More than 90 days past due	21,072	–	21,072
	68,762	–	68,762
Credit impaired			
Individually impaired	4,121	(4,121)	–
	72,883	(4,121)	68,762
Trade receivables	72,883	(4,121)	68,762
Contract assets	43,422	–	43,422
	116,305	(4,121)	112,184

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
2022			
Trade receivables			
Current (not past due)	46,929	–	46,929
1 – 30 days past due	8,769	–	8,769
31 – 60 days past due	3,835	–	3,835
61 – 90 days past due	1,716	–	1,716
More than 90 days past due	11,307	–	11,307
	72,556	–	72,556
Credit impaired			
Individually impaired	4,098	(4,098)	–
	76,654	(4,098)	72,556
Trade receivables	76,654	(4,098)	72,556
Contract assets	41,643	–	41,643
	118,297	(4,098)	114,199

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

	Trade receivables Credit impaired RM'000	Contract assets Credit impaired RM'000	Total RM'000
Group			
Balance at 1 January 2022	738	–	738
Net remeasurement of loss allowance	3,360	–	3,360
Balance at 31 December 2022/1 January 2023	4,098	–	4,098
Net remeasurement of loss allowance	3,383	3,658	7,041
Written off	(3,360)	(3,658)	(7,018)
Balance at 31 December 2023	4,121	–	4,121

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)**21.4 Credit risk (Cont'd)****Other receivables**

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

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

Cash and cash equivalents and deposits with licensed banks

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

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

Financial guarantees

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*.

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group and of the Company amounts to RM15,067,000 (2022: RM18,130,000) and RM34,100,000 (2022: RM43,786,000) respectively, representing the outstanding performance guarantees of the Group and the outstanding banking and credit facilities of the subsidiaries as at the end of the reporting period.

Recognition and measurement of impairment loss

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)**21.4 Credit risk (Cont'd)****Inter-company balances***Risk management objectives, policies and processes for managing the risk*

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

Exposure to credit risk, credit quality and collateral

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

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

Recognition and measurement of impairment loss

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

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

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

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

21.5 Liquidity risk

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.5 Liquidity risk (Cont'd)

Maturity analysis

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

	Carrying amount RM'000	Contractual interest rate/ discount rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Group						
2023						
<i>Non-derivative financial liabilities</i>						
Hire purchase liabilities	2,529	2.35% - 5.41 %	2,674	1,311	1,116	247
Bank overdrafts	1,183	#	1,183	1,183	-	-
Term loans	17,804	*	20,602	20,602	-	-
Revolving credit	5,000	^	5,000	5,000	-	-
Recourse factoring	2,339	&	2,339	2,339	-	-
Trade and other payables	86,003	-	86,003	86,003	-	-
Financial guarantees	-	-	15,067	15,067	-	-
	114,858		132,868	131,505	1,116	247

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest rate/ discount rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000
Company				
2023				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	545	–	545	545
Financial guarantees	–	–	34,100	34,100
	545		34,645	34,645
2022				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	284	–	284	284
Financial guarantees	–	–	43,786	43,786
	284		44,070	44,070

21.6 Market risk

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

21.6.1 Interest rate risk

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

Risk management objectives, policies and processes for managing the risk

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.6 Market risk (Cont'd)

21.6.1 Interest rate risk (Cont'd)

Exposure to interest rate risk

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

	Note	2023 RM'000	2022 RM'000
Group			
Fixed rate instruments			
Financial assets			
Deposits placed with licensed banks	10	13,727	21,226
Financial liabilities			
Hire purchase liabilities	12	(2,529)	(3,684)
Floating rate instruments			
Financial liabilities			
Bank overdrafts	12	(1,183)	(9,551)
Term loans	12	(17,804)	(21,200)
Revolving credit	12	(5,000)	(5,000)
Recourse factoring	12	(2,339)	(4,764)
		(26,326)	(40,515)
Company			
Floating rate instruments			
Financial assets			
Trade and other receivables			
- Amount due from subsidiaries (Interest-bearing)	8	17,202	5,923

*Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments*

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.6 Market risk (Cont'd)

21.6.1 Interest rate risk (Cont'd)

*Interest rate risk sensitivity analysis (Cont'd)**Cash flow sensitivity analysis for variable rate instruments*

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

	Post-tax profit/(loss)		Post-tax profit/(loss)	
	100 bp increase 2023 RM'000	100 bp decrease 2023 RM'000	100 bp increase 2022 RM'000	100 bp decrease 2022 RM'000
Group				
Floating rate instruments	(200)	200	(308)	308
Company				
Floating rate instruments	131	(131)	45	(45)

21.6.2 Other price risk

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

Risk management objectives, policies and processes for managing the risk

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

Equity price risk sensitivity analysis

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

At 31 December 2022, a 10% strengthening/(weakening) in FBMKLCI at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by RM182,000 for investments classified as fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of hire purchase liabilities also approximate their fair values upon discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

The table below analyses other financial instruments at fair value:

	Fair value of financial instruments carried at fair value Level 1 RM'000	Fair value of financial instruments carried at fair value Level 2 RM'000	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Group					
2023					
Financial liabilities					
Term loans	-	-	(17,804)	(17,804)	(17,804)
2022					
Financial assets					
Other investments					
- Unit trusts	-	39	-	39	39
- Fund investments	-	718	-	718	718
- Quoted shares	2,396	-	-	2,396	2,396
	2,396	757	-	3,153	3,153
Financial liabilities					
Term loans	-	-	(21,200)	(21,200)	(21,200)

Level 2 fair value*Other investments*

The fair values of investments in unit trusts and fund investments were determined based on the net assets value as stipulated in the statements provided by the counterparties of the investments.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2022: no transfer in either direction).

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

21. FINANCIAL INSTRUMENTS (CONT'D)

21.7 Fair value information (Cont'd)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and input used
Term loans	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

22. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group also provides continuous financial support to certain subsidiaries. The Directors monitor capital using a gearing ratio, which is total debt divided by total equity. The Group's policy is to keep the gearing ratio at an acceptable limit.

The debt-to-equity ratios at the end of the reporting periods were as follows:

	Note	2023 RM'000	Group 2022 RM'000
Loans and borrowings	12	28,855	44,199
Total debt		28,855	44,199
Total equity		43,489	54,439
Debt-to-equity ratio		0.66	0.81

There was no change in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. CAPITAL COMMITMENTS

	2023 RM'000	Group 2022 RM'000
Capital expenditure commitment		
Leasehold land		
Contracted but not provided for	–	4,331

24. RELATED PARTIES

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Note 8 and 14 to the financial statements.

	2023 RM'000	Group 2022 RM'000	2023 RM'000	Company 2022 RM'000
A. Key management personnel				
Directors				
Directors' Fees	265	264	265	264
Directors' Remuneration	1,800	2,040	–	2,040
Contributions to Employees' Provident Fund	345	388	–	388
Other emoluments	–	3	–	3
Estimated monetary value of any other benefits	–	7	–	7
B. Subsidiaries				
Payment on behalf by a subsidiary	–	–	–	1,211
Loans given to subsidiaries	–	–	11,880	23,345
Repayment of loan from subsidiaries	–	–	869	17,079
Advances received from a subsidiary	–	–	499	–
Interest charged to subsidiaries for loans given	–	–	468	578

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. SIGNIFICANT AND SUBSEQUENT EVENTS**Financial year 2023****(a) Proposed Acquisition, Proposed Special Issue and Proposed Rights Issue with Warrants (Collectively, the "Proposals")****(i) Proposed acquisition of 100% equity interest in Taghill Projects Sdn. Bhd. ("Taghill") ("Proposed Acquisition")**

On 18 July 2023, the Company entered into a share sale agreement ("SSA") with several third parties ("Vendors"), for the Proposed Acquisition for a total purchase consideration of RM122 million, to be fully satisfied via a combination of cash payment of RM96 million and issuance of 200,000,000 new ordinary shares in the Company at an issue price of RM0.13 per share.

Subsequently in September 2023, the Company and Vendors agreed to vary certain terms relating to the mode of payment for the Proposed Acquisition and had entered into an amended and restated share sale agreement.

The Proposed Acquisition is subject to the terms and conditions as stipulated in the SSA. Barring any unforeseen circumstances and subject to all the Conditions Precedent being obtained/fulfilled, the Proposed Acquisition is expected to complete during the financial year ending 2024.

(ii) Proposed Special Issue and Proposed Rights Issue with Warrants

During the year ended 31 December 2023, the Company proposed to undertake the following:

- Special Issue of 100,000,000 new ordinary shares of the Company at an issue price to be determined at a later date ("Proposed Special Issue"); and
- Renounceable rights issue of 766,524,307 new Siab Holdings Berhad shares ("Right Shares") together with 383,262,153 free detachable warrants on the basis of 13 rights shares for every 10 existing Siab Holdings Berhad shares held on an entitlement date to be determined later together with 1 warrant for every 2 Rights Shares subscribed ("Proposed Rights Issue with Warrants").

On 27 October 2023, Bursa Securities had conditionally approved the Proposals. The Special Issue of 100,000,000 shares at an issue price of RM0.12 per share has been completed on 28 December 2023 via private placement. The proposed Rights Issue with warrants is expected to complete during the financial year ending 2024.

(b) Debt settlement with Pioneer Haven Sdn. Bhd. ("PHSB")

On 2 April 2024, Siab (M) Sdn. Bhd. ("Siab (M)") entered into a debt settlement arrangement with Pioneer Haven Sdn. Bhd. ("PHSB") for the settlement of an aggregate amount of RM6,172,516 debt and RM400,000 late payment interest owing by PHSB to Siab (M) ("Settlement Amount").

The Settlement Amount shall be repaid via contra of properties valued at RM2,066,472. The remaining balance of RM4,506,044 will be settled over four instalments up to 28 June 2024. The first repayment of RM1.3 million has been received on 6 April 2024.

Both parties have also agreed that the work done amounting to RM1,458,153, being the contract assets recognised by Siab (M), shall be certified by PHSB's consultants on or before 30 April 2024. The payment for the interim certificate is expected to be received by 31 July 2024.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)**Financial year 2022****(a) Initial Public Offering (IPO)**

In conjunction with, and as an integral part of the listing of the Company's shares on the ACE Market of Bursa Malaysia Securities Berhad, the following listing scheme was undertaken by the Company:

- (i) Public issue of 122,409,000 new ordinary shares in the Company at an issue price of RM0.30 per share ("IPO Price") allocated in the following manner:-
 - 24,481,800 new shares available for application by the Malaysian Public;
 - 12,240,900 new shares available for application by the eligible directors and employees;
 - 24,481,800 new shares by way of private placement to selected investors; and
 - 61,204,500 new shares by way of private placement to identified Bumiputera investors approved by Ministry of International Trade and Industry, Malaysia.
- (ii) Offer for sale of 48,963,600 existing shares by way of private placement to selected investors at the IPO Price.

The Company's entire enlarged issued and paid-up share capital comprising 489,634,083 ordinary shares were listed on the ACE Market of Bursa Malaysia Securities Berhad on 28 February 2022.

(b) Debt settlement with Yong Tai Berhad ("YTB")

On 17 May 2022, a subsidiary of the Group, Siab (M) entered into a debt settlement agreement with Yong Tai Berhad ("YTB"), YTB Development Sdn. Bhd. ("YTBD") and YTB Impression Sdn. Bhd. ("YTBI") for the settlement of an aggregate amount of RM6 million debt owing by YTBD and YTBI ("the Debtors") to Siab (M) ("Settlement Amount"). The Settlement Amount shall be repaid by the Debtors via the issuance of 12,000,000 YTB shares at an issue price of RM0.50 per share.

On the date of share transfer, the fair value of YTB share was at RM0.22 per share. Accordingly, the shortfall of RM0.28 per share between the agreed share price and the fair value share price amounting to RM3,360,000 has been recognised as impairment loss during the financial year.

On 19 April 2023, Siab (M) entered into a debt settlement arrangement proposed by YTB for the settlement of an aggregate amount of RM3,367,580 debt owing by YTBD and Apple 99 Development Sdn. Bhd. (a subsidiary of YTB) to Siab (M) and its subsidiary ("Settlement Amount").

The Settlement Amount shall be repaid via contra of properties valued at RM2,981,200. The remaining balance of RM386,380 will be settled after deducting defect works, if any, which is required to be carried out by Siab (M) and its subsidiary.

(c) Acquisition of leasehold land

On 15 September 2022, Siab (M), entered into a sale and purchase agreement to acquire one parcel of leasehold vacant industrial land for a total cash consideration of RM4,331,053. The acquisition was fully funded by the initial public offering proceeds received by the Company and has been completed in March 2023.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

Financial year 2022 (Cont'd)

(d) Termination of Letter of Award ("LA") with YTB Development Sdn. Bhd. ("YTBD") and YTB Impression Sdn. Bhd. ("YTBI")

On 31 March 2023, Siab (M), together with its contract customers, YTB Development Sdn Bhd ("YTBD") and YTB Impression Sdn Bhd ("YTBI"), have mutually agreed in principle to terminate the following Letter of Awards ("LA"), subject to a Mutual Termination Agreement to be entered into at a later date:

- LA dated 20 May 2018 entered between Siab (M) and YTBD in relation to the appointment of Siab (M) as the Main Contractor of the Impressions U-Thant ("IUT") Project with a total contracted sum of RM75 million; and
- LA dated 24 March 2021 entered between Siab (M) and YTBI in relation to the appointment of Siab (M) as the Main Contractor of the Dawn Project with a total contracted sum of RM160 million.

The balance contract value of the IUT and Dawn Project as at 28 February 2023 amounted to RM38 million and RM153 million respectively, and as at that date, the percentage of completion was at 51% and 5% respectively. The quantity surveyor shall evaluate and prepare the final accounts for the work done within three months upon which the parties will finalise a settlement arrangement on the remaining outstanding amount.

STATEMENT BY

DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 78 to 131 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

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

.....
Ng Wai Hoe
Director

.....
Lim Mei Hwee
Director

Kuala Lumpur

Date: 25 April 2024

STATUTORY

DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Koo Seong Hoe**, the officer primarily responsible for the financial management of Siab Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 78 to 131 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Koo Seong Hoe, NRIC: 780503-08-6169, MIA CA 43796, at Kuala Lumpur, Wilayah Persekutuan on 25 April 2024.

.....
Koo Seong Hoe

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIAB HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Siab Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 78 to 131.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i) Revenue and profit recognition from construction contracts

Refer to Note 9 – Contract assets and Note 15 – Revenue.

The key audit matter

The Group has recorded revenue from construction contracts of RM202,427,000 for the financial year ended 31 December 2023.

Construction contract accounting is identified as a key audit matter due to significant judgements involved. This includes the determination of total estimated costs to complete and the measurement of progress which affects the amounts of revenue to be recognised. Revenue from construction contracts is recognised over time using the cost incurred method, which is based on the proportion of total cost incurred at the reporting date compared to the estimated total contract costs while the cost of construction is recognised as an expense in profit or loss in the accounting periods in which the work is performed.

Changes in judgement and the related estimates throughout a contract period could result in a material variance in the revenue and profits recognised on contracts to date and in the current period. This may have an individually and collectively significant impact on the financial statements.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

i) Revenue and profit recognition from construction contracts (Cont'd)

The key audit matter (Cont'd)

The key judgements over construction contract accounting arise from the following areas:

- Estimated costs to complete the contracts; and
- The ability to deliver the contract within the contractual timelines and whether there is any exposure to liquidated and ascertained damages.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Reviewed the Group policy on revenue recognition in order to ascertain that the revenue recognition policy meets the requirements of MFRS 15, *Revenue with Contract Customers*.
- Assessed the design and implementation of key controls over revenue recognition.
- Challenged the Group's key assumptions in the estimated costs to complete by performing the following procedures, among others:
 - Checked the estimated costs to complete to supporting documentation such as approved budgets, contracts and variation orders with sub-contractors; and
 - Corroborated the stage of completion and extent of costs incurred to date by comparing to external quantity surveyors' report.
- Discussed with management to understand the nature of contract modifications and variation orders and inspect the correspondences from customers including approved contract modifications and variation orders.
- Assessed the timing to complete projects through corroborative discussion with finance and operational units.
- Evaluated the merits of extension of time application submitted to the contract customers to assess the exposure to liquidated and ascertained damages by inspecting relevant correspondences, including on-going negotiations with contract customers and contract terms.

ii) Valuation of trade receivables (including retention sums) and contract assets

Refer to Note 8 – Trade and other receivables, Note 9 – Contract assets and Note 21.4 – Financial Instruments – Credit risk – Trade receivables and contract assets.

The key audit matter

The Group has trade receivables (including retention sums) and contract assets as at 31 December 2023 of RM68,762,000 and RM43,422,000 respectively.

The Group has assessed the allowance for impairment loss of trade receivables (including retention sums) and contract assets on an individual basis. We identified the valuation of trade receivables (including retention sums) and contract assets as a key audit matter due to significant judgement and the level of uncertainty involved in assessing customer's specific conditions and credit history.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

ii) Valuation of trade receivables (including retention sums) and contract assets (Cont'd)

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- Assessed the design and implementation of key controls over trade receivables.
- Checked the accuracy of trade receivables (including retention sums) ageing by checking samples of the ageing report to invoices, certificate of practical completion or certificate of make good defects respectively.
- Assessed the adequacy of impairment loss provided by the Group by evaluating the assumptions used, past 12 month's collection trend from contract customers as well as collections subsequent to the end of reporting period.
- Assessed the recoverability of the balance on overdue retention sums by inspecting subsequent progress certificate from contract customers and assessing the past payment trend of the contract customers.
- Inspected subsequent approved progress billings from contract customers to assess the recoverability of contract assets.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.



INDEPENDENT AUDITORS' REPORT

(CONT'D)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

.....
KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 25 April 2024

.....
Lam Shuh Siang
Approval Number: 03045/02/2025 J
Chartered Accountant



LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 DECEMBER 2023

No.	Location	Description/ Existing use	Tenure/ Expiry of Lease	Land area/ Built-up area (sq feet)	Date of Acquisition/ Date of CCC	NBV @ 31 December 2023 (RM'000)
1	No. 82, Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan (Title: Geran 72279, Lot No. 58893, Mukim of Petaling, District of Petaling, State of Selangor Darul Ehsan)	3-storey shopoffice/ Head Office	Freehold/ N/A	1,755/ 5,279	1 September 2015/ 23 December 2014	1,815
2	No. 80, Jalan BP 7/8, Bandar Bukit Puchong, 47120 Puchong, Selangor Darul Ehsan (Title: Geran 72279, Lot No. 58893, Mukim of Petaling, District of Petaling, State of Selangor Darul Ehsan)	3-storey shopoffice/ Head Office	Freehold/ N/A	1,755/ 5,279	1 September 2015/ 23 December 2014	1,815
3	No. 12, Jalan Sri Kenari 9, Taman Sri Kenari, Sg. Chua, 43000 Kajang, Selangor Darul Ehsan (Title: PN 59352, Lot No. 41501, Pekan of Kajang, District of Ulu Langat, State of Selangor Darul Ehsan)	One and a half storey of mid terraced factory/ Storage	Leasehold/ 11 April 2099	1,604/ 1,638	15 October 2009/ 9 June 2000	92
4	HSM 40093, PT 29948, Tempat of Revolusi Hijau Batu 5, Johan Setia, Mukim of Klang, District of Klang, State of Selangor Darul Ehsan	Piece of agriculture land/ Vacant	Leasehold/ 18 November 2092	87,123/ N/A	14 September 2009/ N/A	426
5	GL-05-01, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-05, Lot No. GL-05-01 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space/ Investment property	Freehold/ N/A	N/A/ 1,249	14 December 2018/ 8 November 2019	873



LIST OF PROPERTIES

(CONT'D)

No.	Location	Description/ Existing use	Tenure/ Expiry of Lease	Land area/ Built-up area (sq feet)	Date of Acquisition/ Date of CCC	NBV @ 31 December 2023 (RM'000)
6	GL-05-02, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-05, Lot No. GL-05-02 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space/ Investment property	Freehold/ N/A	N/A/ 1,281	14 December 2018/ 8 November 2019	896
7	GL-05-03, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-05, Lot No. GL-05-02 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space/ Investment property	Freehold/ N/A	N/A/ 1,281	14 December 2018/ 8 November 2019	896
8	GL-06, Gravit8, Jalan Bayu Laut/KS9, Kota Bayuemas Pendamar, 41200 Klang, Selangor Darul Ehsan Unit No. GL-06 (Title: Geran 333002, Lot 178754 (formerly HS(D) 156027 PT 148718) Mukim of Klang, District of Klang, State of Selangor Darul Ehsan)	A unit of retail space/ Investment property	Freehold/ N/A	N/A/ 3,003	14 December 2018/ 8 November 2019	2,150
9	PM12932, Lot 13833, Tempat Batu 34, Jalan Dengkil/Banting, District of Sepang, State of Selangor Darul Ehsan	Piece of industrial land/ Vacant	Leasehold/ 1 December 2090	67,673/ N/A	15 September 2022/ 3 March 2023	4,448



LIST OF PROPERTIES
(CONT'D)

No.	Location	Description/ Existing use	Tenure/ Expiry of Lease	Land area/ Built-up area (sq feet)	Date of Acquisition/ Date of CCC	NBV @ 31 December 2023 (RM'000)
10	B-B-08-02, Lot 169 and 170, Jalan U Thant, Taman U Thant, Ampang Hilir 55000 Kuala Lumpur Parcel No. B-B-08-02 (Title: Geran 79945, Lot 20010, Seksyen 89, Bandar Kuala Lumpur District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur)	Condominium/ Investment property	Freehold/ N/A	N/A/ 1,012	17 August 2023/ (construction in progress)	321
11	B-B-08-03, Lot 169 and 170, Jalan U Thant, Taman U Thant, Ampang Hilir 55000 Kuala Lumpur Parcel No. B-B-08-03 (Title: Geran 79945, Lot 20010, Seksyen 89, Bandar Kuala Lumpur District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur)	Condominium/ Investment property	Freehold/ N/A	N/A/ 1,012	17 August 2023/ (construction in progress)	789

ANALYSIS OF SHAREHOLDINGS

AS AT 17 APRIL 2024

Total Number of Issued Shares : 589,634,083 ordinary shares
Voting Rights : One (1) vote per ordinary share

ANALYSIS BY SIZE OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	22	0.611	358	0.000
100 - 1,000	632	17.565	177,207	0.030
1,001 - 10,000	1,562	43.413	8,672,420	1.470
10,001 - 100,000	1,085	30.155	41,882,675	7.103
100,001 - 29,481,703 (*)	292	8.115	291,221,965	49.390
29,481,704 AND ABOVE (**)	5	0.138	247,679,458	42.005
TOTAL	3,598	100.000	589,634,083	100.000

REMARK : * - LESS THAN 5% OF ISSUED SHARES
** - 5% AND ABOVE OF ISSUED SHARES

DIRECTORS' SHAREHOLDINGS

Names	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
NG WAI HOE (*)	40,582,025	6.883	63,652,316	10.795
LIM MEI HWEE	62,428,217	10.587	—	—
TAN SOK MOI	46,515,163	7.888	—	—
TAN SRI DATO' SRI MOHAMAD FUZI BIN HARUN	300,000	0.050	—	—
DATO' SRI DR. SHAHRIL BIN MOKHTAR	—	—	—	—
ANDREA HUONG JIA MEI	—	—	—	—
BEN LEE KAM FOO	—	—	—	—
TOTAL	213,177,721	36.153	98,736,078	16.745



ANALYSIS OF SHAREHOLDINGS

(CONT'D)

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

Names	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
NG WAI HOE (*)	40,582,025	6.883	63,652,316	10.795
MAKMUR BARU HOLDINGS SDN. BHD.	63,652,316	10.795	–	–
LIM MEI HWEE	62,428,217	10.587	–	–
ALAM KOTA SDN. BHD.	35,083,762	5.950	–	–
TAN SOK MOI	46,515,163	7.888	–	–
DATO' DR. CHANG LIK SEAN (**)	–	–	35,083,762	5.950
TOTAL	248,261,483	42.103	98,736,078	16.745

REMARK : * Deemed interest by virtue of his interest in Makmur Baru Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

** Deemed interest by virtue of his interest in Alam Kota Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

LIST OF TOP 30 HOLDERS AS AT 17 APRIL 2024

(Without Aggregating Securities from Different Securities Accounts Belonging to the Same Registered Holder)

NO.	NAME	HOLDINGS	%
1	MAKMUR BARU HOLDINGS SDN. BHD.	63,652,316	10.795
2	LIM MEI HWEE	62,428,217	10.587
3	TAN SOK MOI	46,515,163	7.888
4	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD.		
	PLEDGED SECURITIES ACCOUNT FOR NG WAI HOE	40,000,000	6.783
5	ALAM KOTA SDN. BHD.	35,083,762	5.950
6	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN. BHD.		
	PLEDGED SECURITIES ACCOUNT FOR TAN KAK SENG	28,580,000	4.847
7	LEE SENG YONG	28,500,000	4.833
8	LIM JEE GIN	28,500,000	4.833
9	MAYBANK NOMINEES (TEMPATAN) SDN. BHD.		
	PLEDGED SECURITIES ACCOUNT FOR LIM AIK HOE	28,500,000	4.833
10	KEJAYA KAYA SDN. BHD.		
	PLEDGED SECURITIES ACCOUNT FOR ALAM KOTA SDN. BHD.	20,000,000	3.391
11	MAYBANK NOMINEES (TEMPATAN) SDN. BHD.		
	PLEDGED SECURITIES ACCOUNT FOR LIM AIK KIAT	19,230,000	3.261
12	LIM AIK KIAT	9,000,000	1.526
13	YAP YOONG KUEN	7,690,000	1.304
14	HOW BEE LAY	3,024,100	0.512
15	LIM GEK SHAN	2,919,800	0.495
16	MOHAMMAD AZMAN BIN ZANUDIN	2,760,000	0.468
17	CHUAH KEE CHENG @ CHUAH KEE BENG	2,500,000	0.423
18	PUBLIC NOMINEES (TEMPATAN) SDN. BHD.		
	PLEDGED SECURITIES ACCOUNT FOR LOO HOCK YEAW (E-KLG)	2,415,000	0.409
19	TIU KEE GUAN	2,250,000	0.381
20	HEW CHIN THAI	1,928,800	0.327

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

LIST OF TOP 30 HOLDERS AS AT 17 APRIL 2024 (CONT'D)

(Without Aggregating Securities from Different Securities Accounts Belonging to the Same Registered Holder)

NO.	NAME	HOLDINGS	%
21	M & A NOMINEE (TEMPATAN) SDN. BHD. MAJESTIC SALUTE SDN. BHD. FOR YAHYA BIN RAZALI	1,791,895	0.303
22	KENANGA INVESTMENT BANK BERHAD IVT (23252) CHIN KEN YEW	1,650,600	0.279
23	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CINDY NG CHOW LI	1,600,000	0.271
24	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN	1,500,000	0.254
25	GAN KIAN CHONG	1,500,000	0.254
26	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TNTT REALTY SDN. BHD.	1,500,000	0.254
27	NG CHIN HOE	1,500,000	0.254
28	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. HEW CHIN THAI	1,250,000	0.211
29	PIONG YON WEE	1,250,000	0.211
30	TAN YOKE CHEONG	1,250,000	0.211
TOTAL		450,269,653	76.364



Siab Holdings Berhad

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

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