THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

This Circular has been reviewed by M&A Securities Sdn Bhd as the Sponsor and Principal Adviser to Siab Holdings Berhad ("**Siab**" or the "**Company**"). Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular. The admission of Siab to the ACE Market of Bursa Securities was advised and sponsored by M&A Securities Sdn Bhd.

You should rely on your own evaluation to assess the merits and risks of the Proposals (as defined below).

SIAB HOLDINGS BERHAD

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

(I) PROPOSED PRIVATE PLACEMENT OF 100,000,000 NEW ORDINARY SHARES IN SIAB ("SHARE(S)" OR "SIAB SHARE(S)") ("PLACEMENT SHARES") REPRESENTING APPROXIMATELY 20.42% OF SIAB'S EXISTING ISSUED SHARES TO INDEPENDENT THIRD PARTY INVESTOR(S) TO BE IDENTIFIED AND AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT");

(II) RENOUNCEABLE RIGHTS ISSUE OF 766,524,307 NEW SIAB SHARES ("RIGHTS SHARES") TOGETHER WITH 383,262,153 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 13 RIGHTS SHARES FOR EVERY 10 EXISTING SIAB 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"); AND

(III) PROPOSED ACQUISITION OF 2,000,000 ORDINARY SHARES IN TAGHILL PROJECTS SDN BHD ("TAGHILL") FROM CHU YEE HONG, WONG YIH MING AND YAP KEK SIUNG, REPRESENTING 100.00% OF THE EQUITY INTEREST IN TAGHILL, FOR A TOTAL PURCHASE CONSIDERATION OF RM122,000,000 TO BE SATISFIED VIA A COMBINATION OF RM96,000,000 IN CASH AND RM26,000,000 THROUGH THE ISSUANCE OF 200,000,000 NEW SIAB SHARES AT THE ISSUE PRICE OF RM0.1300 PER SHARE ("PROPOSED ACQUISITION").

(COLLECTIVELY, REFERRED TO AS "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser	Financial Adviser
M & A SECURITIES SDN BHD Registration No. 197301001503 (15017-H) (A Participating Organisation of Bursa Malaysia Securities Berhad)	**ECO ASIA CAPITAL ADVISORY SDN BHD** Registration No. 201801022562 (1284581-H) (A Corporate Finance Adviser licensed by Securities Commission Malaysia)

The resolutions in respect of the above Proposals will be tabled at the Extraordinary General Meeting ("**EGM**") of the Company which will be conducted entirely through live streaming from the broadcast venue at from Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**TIIH**") via TIIH Online website at https://tiih.online on Friday, 1 December 2023, at 3.30p.m. The Notice of the EGM together with the Form of Proxy are enclosed in this Circular.

Last date and time for lodging the Form of Proxy	:	29 November 2023 at 3.30 p.m.
Date and time of EGM	:	1 December 2023 at 3.30 p.m.

This Circular is dated 16 November 2023

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

ACE Market	:	ACE Market of Bursa Securities
ACE Market LR	:	ACE Market Listing Requirements of Bursa Securities
Act	:	Companies Act 2016 and includes amendments made thereto, from time to time
Board or Directors	:	Board of Directors of Siab
BIM	:	Building Information Modelling
Bimtech	:	Bimtech Solutions Sdn Bhd [Registration No. 201901046247 (1355577-D)]
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd [Registration No. 198701006854 (165570-W)]
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Cash Consideration	:	Cash payment of RM96,000,000 as part of the Purchase Consideration pursuant to the Proposed Acquisition
CDS	:	Central depository system
Circular	:	This circular to shareholders dated 16 November 2023 in relation to the Proposals
Consideration Issue Price	:	Issue price of RM0.1300 per Consideration Share
Consideration Shares	:	200,000,000 new Siab Shares to be issued at the Consideration Issue Price as part of the Purchase Consideration pursuant to the Proposed Acquisition
Code	:	The Malaysian Code on Take-Overs and Mergers, 2016
Constitution	:	Constitution of our Company
COVID-19	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
Deed Poll	:	The deed poll constituting the Warrants and governing the rights of Warrant holders to be executed by our Company
Eco Asia	:	Eco Asia Capital Advisory Sdn Bhd [Registration No. 201801022562 (1284581-H)]
EGM	:	Extraordinary general meeting
Entitlement Date	:	A date (after the completion of the Proposed Private Placement), to be determined by our Board and announced later, in which the names of shareholders of Siab must appear in the Record of Depositors of Siab as at the close of business on that date in order to be entitled to participate in the Proposed Rights Issue with Warrants

Entitled Shareholders	:	Shareholders of Siab whose names appear in the Record of Depositors of Siab on the Entitlement Date
EPS or LPS	:	Earnings / (losses) per share
Fairness Opinion Letter	:	Fairness Opinion Letter by Eco Asia dated 5 October 2023 on the valuation of 100.00% equity interest in Taghill Group
First Announcement	:	Announcement dated 18 July 2023 in relation to the Previous Proposals
FYE	:	Financial year ended/ending 31 December, where relevant
Government	:	The Government of Malaysia
GP	:	Gross profit
IMR Report	:	Independent Market Research Report titled" Overview and Outlook of the Construction Industry and Property Development Industry in Malaysia" dated 1 November 2023
Indicative Placement Price	:	RM0.1200 per Placement Share, being the indicative issue price for the Placement Shares used for illustrative purposes.
LTD	:	17 July 2023, being the last trading date immediately prior to the First Announcement
LPD	:	1 November 2023, being the latest practicable date prior to the date of this Circular
Market Day	:	A day on which the stock market of Bursa Securities is open for trading of securities
MCO	:	Movement control order (including all versions and phases) issued by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
M & A Securities	:	M & A Securities Sdn Bhd [Registration No. 197301001503 (15017-H)]
NA	:	Net assets
Official List	:	The list specifying all securities listed on the ACE Market of Bursa Securities
PAT/ (LAT)	:	Profit/ (Loss) after taxation
PATMI / (LATMI)	:	PAT/LAT and minority interest
PBT/ (LBT)	:	Profit/ (Loss) before taxation
PG Period	:	FYE 2024 and FYE 2025, being the period of the Profit Guarantee
Placement Shares	:	100,000,000 new Siab Shares to be issued pursuant to the Proposed Private Placement

Previous Proposals	:	Comprises the Proposed Acquisition and the proposed renounceable rights issue of 919,512,111 new Siab Shares together with 459,756,056 free detachable warrants on the basis of 4 rights shares for every 3 existing Siab Shares held on an entitlement date to be determined later together with 1 warrant for every 2 rights shares subscribed
Profit Guarantee	:	Profit guarantee by the Vendors to Siab that Taghill shall attain consolidated PATMI of not be less than RM24,000,000.00 for the FYE 2024 and FYE 2025 on a cumulative basis
Proposals	:	Collectively, the Proposed Private Placement, Proposed Rights Issue with Warrants and Proposed Acquisition
Proposed Acquisition	:	Proposed acquisition of Taghill Shares by Siab from the Vendors for the Purchase Consideration
Proposed Private Placement	:	Proposed Private Placement of 100,000,000 Placement Shares representing approximately 20.42% of Siab's existing issued shares to independent third party investor(s) to be identified at an issue price to be determined later
Proposed Rights Issue with Warrants	:	Proposed renounceable rights issue of 766,524,307 Rights Shares together with 383,262,153 Warrants on the basis of 13 Rights Shares for every 10 existing Siab Shares held on the Entitlement Date together with 1 Warrant for every 2 Rights Shares subscribed
Protégé or IMR	:	Protégé Associate Sdn Bhd [Reg No.: 200401037256 (675767-H)], the independent market researcher
Purchase Consideration	:	Purchase consideration of RM122,000,000, to be satisfied via a combination of RM96,000,000 in cash and RM26,000,000 through the issuance of 200,000,000 Consideration Shares at the Consideration Issue Price in relation to Proposed Acquisition
Record of Depositors	:	A record of securities holders established and maintained by Bursa Depository under the rules of Bursa Depository
Restated SSA	:	Amended and restated share sale agreement dated 15 September 2023 entered into between Company and the Vendors to amend, restate, specify and/or supplement the relevant provisions of the SSA
Rights Share(s)	:	766,524,307 new Siab Shares to be issued pursuant to the Proposed Rights Issue with Warrants
Rights Issue Price	:	Issue price of the Rights Shares under the Proposed Rights Issue with Warrants which has been fixed at RM0.1200 per Rights Share
RM and sen	:	Ringgit Malaysia and sen, respectively
Rules	:	The Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
SC	:	Securities Commission Malaysia
Siab or Company	:	Siab Holdings Berhad [Registration No.: 202001043548 (1399869-A)]

Siab Group or Group	:	Siab and its subsidiaries, collectively
Siab Share(s) or Share(s)	:	Ordinary share(s) in Siab
SSA	:	Conditional share sale agreement dated 18 July 2023 entered with the Vendors for the Proposed Acquisition
Stakeholder	:	Messrs. Teh & Lee
Taghill	:	Taghill Projects Sdn Bhd [Registration No.: 201001036909 (920832-W)]
Taghill Group	:	Taghill and its subsidiary, Bimtech
Taghill Shares or Sale Shares	:	2,000,000 ordinary shares in Taghill, representing 100.00% of the equity interest in Taghill
TERP	:	Theoretical ex-rights price
Vendors	:	Chu Yee Hong, Wong Yih Ming and Yap Kek Siung, collectively
Warrants	:	383,262,153 free new detachable warrants to be issued pursuant to the Proposed Rights Issue with Warrants
Warrants Exercise Price	:	The exercise price of the Warrants under the Proposed Rights Issue with Warrants which has been fixed at RM0.2000 per Warrant
5D-VWAMP	:	5-day volume weighted average market price

For the purpose of this Circular, all references to a time of day shall be a reference to Malaysian time unless otherwise stated. In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations.

Certain figures included in this Circular have been subject to rounding adjustments. References to "we", "us", "our" and "ourselves" are to our Company save where the context otherwise requires, our subsidiaries and to "you" or "your" are to the shareholders of the Company.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. OUR SHAREHOLDERS ARE ADVISED TO READ THE CIRCULAR AND ITS APPENDICES FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSALS BEFORE VOTING AT THE EGM

Our Board is recommending our shareholders to vote **IN FAVOUR** of the resolutions in relation to the Proposals to be tabled at our forthcoming EGM to be convened.

Key information		Description	Reference to Circular
Summary of the Proposals	:	**<u>Proposed Private Placement</u>** Proposed private placement of 100,000,000, representing approximately 20.42% of the existing number of issued Siab's Shares, to independent investor(s) to be identified at an issue price to be determined later. The issue price will be based on the 5D-VWAMP of Siab Shares immediately preceding the price fixing date(s) with a discount of not more than 20.00% (but subject to a minimum issue price of RM0.1200 per Share). Based on the Indicative Placement Price, the Proposed Private Placement will raise gross proceeds of up to RM12.00 million, intended for the Cash Consideration for Proposed Acquisition. It is the intention of the Company to complete the Proposed Private Placement prior to the implementation of the Proposed Rights Issue with Warrants. For avoidance of doubt, the Placement Shares will also be entitled to the Proposed Rights Issue with Warrants. **<u>Proposed Rights Issue with Warrants</u>** Basis and entitlement : <u>Rights Shares</u> ▪ 766,524,307 Rights Shares ▪ 13 Rights Shares for every 10 existing Shares held <u>Warrants</u> ▪ 383,262,153 Warrants ▪ 1 free Warrant for every 2 Rights Shares subscribed Price : <u>Rights Shares</u> ▪ Issue price of RM0.1200 ▪ Discount of 4.69% to the TERP of Siab Shares of RM0.1259 based on 5D-VWAMP of Siab Shares up to LTD of RM0.1335	Section 2 and Appendix I

Key information	Description	Reference to Circular

Price (Cont'd) : Warrants
- Exercise price of RM0.2000
- Premium of 58.86% to the TERP of Siab Shares of RM0.1259 based on 5D-VWAMP of Siab Shares up to LTD of RM0.1335

Underwriting : The Rights Shares will be fully underwritten

Utilisation of proceeds

(a) Aggregate proceeds from the Proposed Private Placement and Rights Issue of RM103.98 million:
- Cash consideration for Proposed Acquisition – RM96.00 million
- Working capital – RM3.67 million
- Expenses for the Proposals – RM4.32 million

(b) Proceeds from exercise of Warrants of RM76.65 million to be utilised for additional working capital

The salient terms of the Warrants are set out in Section 2.2.3.

Proposed Acquisition

(i) Siab intends to acquire 100.00% of Taghill from the Vendors for the total consideration of RM122.00 million to be satisfied via the Cash Consideration and Consideration Shares.

(ii) Taghill Group is principally involved in the building construction services.

(iii) As at the LPD, Taghill Group's current unbilled orderbook stood at RM1.67 billion. Kindly refer to Appendix I for further information on Taghill Group.

(iv) Key financial information of the Taghill Group:

	Audited			Unaudited
	FYE 2020	FYE 2021	FYE 2022	FPE2023*
	RM '000	RM '000	RM '000	RM '000
Revenue	167,504	225,324	399,704	165,159
GP	13,205	12,314	8,161	3,701
PBT	11,983	10,608	4,322	1,177
PAT	8,141	7,453	4,372	928

*financial period ended 30 June 2023

Key information		Description	Reference to Circular
Rationale for the Proposals	:	**<u>Proposed Private Placement and Proposed Rights Issue with Warrants</u>** (i) the Proposed Private Placement and the Proposed Rights Issue with Warrants will increase the number of Siab Shares in circulation which may potentially enhance the liquidity and marketability of Siab Shares on the ACE Market; (ii) the Proposed Private Placement and the Proposed Rights Issue with Warrants will enable the Company to raise the requisite funds required as stated in Section 2.6 of this Circular expeditiously without incurring additional bank borrowings or the issuance of debt instruments as well as increasing the capital base of the Company which is expected to strengthen the financial position of the Company; (iii) the proceeds to be raised from the Proposed Private Placement and the Proposed Rights Issue with Warrants are intended to be utilised mainly for the funding of the Proposed Acquisition and the working capital of the Group; (iv) the Warrants attached to the Rights Shares are expected to enhance the attractiveness of the Rights Shares; and (v) the Warrants will also provide the Company with additional capital when they are exercised. The exercise of the Warrants will allow the Company to raise fresh proceeds without incurring additional financing cost and minimise any potential cash outflow in respect of interest servicing. **<u>Proposed Acquisition</u>** The Proposed Acquisition form parts of the Group's long-term business expansion and growth strategy. As both the Group and Taghill Group are currently involved in the building construction services, the Proposed Acquisition will enable both companies to leverage on their combined strengths and expertise in the construction industry as well as respective business relationship with various industry stakeholders. The Proposed Acquisition represents a strategic opportunity for the Company to further strengthen its remaining orderbook to approximately RM1.89 billion post Proposed Acquisition, given that Siab's and Taghill's current unbilled orderbook stood at RM220.92 million and RM1.67 billion, respectively. In addition, the Profit Guarantee has been put in place to mitigate any potential losses or uncertainties associated with the Proposed Acquisition.	Section 3
Approvals required	:	The Proposals are subject to the following approvals being obtained: (i) approval of Bursa Securities for the listing of and quotation for the following: (a) the Placement Shares to be issued pursuant to the Proposed Private Placement;	Section 7

Key information		Description	Reference to Circular
		(b) the Rights Shares and Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; (c) admission of the Warrants on the Official List; (d) new Siab Shares to be issued pursuant to the exercise of the Warrants; and (e) the Consideration Shares to be issued pursuant to the Proposed Acquisition; on the ACE Market of Bursa Securities, which has been obtained vide its letter dated 27 October 2023; (ii) approval of our shareholders for the Proposals at the forthcoming EGM to be convened; and (iii) approval, waiver and/or consent of any other relevant authorities and/or persons, if required.	
Conditionality of the Proposals	:	The Proposed Private Placement is not conditional upon the Proposed Rights Issue with Warrants and the Proposed Acquisition. The Proposed Rights Issue with Warrants is conditional upon the Proposed Private Placement as the Proposed Rights Issue with Warrants will only be implemented after the completion of the Proposed Private Placement. As such, the Placement Shares shall be issued and allotted prior to the implementation of the Proposed Rights Issue with Warrants in order for the placee(s) to be entitled for the Rights Shares and Warrants. However, the Proposed Rights Issue with Warrants is not conditional upon the Proposed Acquisition. The Proposed Acquisition is conditional upon the completion of the Proposed Private Placement and the Proposed Rights Issue with Warrants as the proceeds from the Proposed Private Placement and the Proposed Rights Issue with Warrants will be primarily utilised to finance the Proposed Acquisition. As such, the completion sequence for the Proposals is as follows: (i) Proposed Private Placement; (ii) Proposed Rights Issue with Warrants; and (iii) Proposed Acquisition. The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.	Section 7
Directors' statement/ recommendation	:	The Board is of the opinion that the Proposals are in the best interest of the Company and recommends that you vote in favour of the resolutions pertaining to the Proposals at the forthcoming EGM of the Company.	Section 10

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

Registered Office:

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

16 November 2023

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

To: The shareholders of Siab

Dear Sir/ Madam,

(I) PROPOSED PRIVATE PLACEMENT;
(II) PROPOSED ACQUISITION; AND
(III) PROPOSED RIGHTS ISSUE WITH WARRANTS

(COLLECTIVELY REFERRED TO AS "PROPOSALS")

1. INTRODUCTION

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

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

On 15 September 2023, the Company and Vendors had mutually agreed to vary certain terms relating to Proposed Acquisition as summarised below:

	SSA	**Restated SSA**
Mode of payment	The Proposed Acquisition shall be satisfied by the issuance of the Consideration Shares before the book closing date of the Proposed Rights Issue with Warrants and thereafter payment of the Cash Consideration within 4 months after the Vendors provide the duly executed share transfer form of the Sale Shares to Siab.	The Proposed Acquisition shall be satisfied by the payment of the Cash Consideration and the issuance of the Consideration Shares within the Completion Period (as defined in in Section 2.3.2(iii)) when the Vendors provide the duly executed share transfer form of the Sale Shares to Siab.

	SSA	Restated SSA
Ranking of Consideration Shares	The Consideration Shares shall be entitled to participate in the Proposed Rights Issue with Warrants.	The Consideration Shares are not entitled to participate in the Proposed Rights Issue with Warrants.

In relation to this, the parties had entered into the Restated SSA. In view of the above, the Board had resolved to revised the Previous Proposals to the Proposals.

On 4 October 2023, the Company proposes to vary the details of the Proposed Private Placement and Proposed Rights Issue with Warrants as summarised below:

	Proposals as announced on 15 September 2023	Variation
Issue price of the Placement Shares	Issue price of the Placement Shares was fixed upfront at RM0.12 per Share.	Issue price of the Placement Shares shall be determined and fixed by the Board at a later date after obtaining the relevant approvals. Kindly refer to Section 2.1 of this Circular for further details on the Proposed Private Placement.
Rounding down the number of Rights Shares and Warrants	Renounceable rights issue of 766,524,308 Rights Shares together with 383,262,154 free detachable Warrants on the basis of 13 Rights Shares for every 10 existing Siab Shares held on the Entitlement Date together with 1 Warrant for every 2 Rights Shares subscribed.	Renounceable rights issue of 766,524,307 Rights Shares together with 383,262,153 free detachable Warrants on the basis of 13 Rights Shares for every 10 existing Siab Shares held on the Entitlement Date together with 1 Warrant for every 2 Rights Shares subscribed.
Undertaking and underwriting arrangement	The Placees for the Proposed Private Placement are required to provide irrevocable written undertaking(s), to subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants of 130,000,000 Rights Shares ("**Undertakings**"), whilst the balance 636,524,308 Rights Shares will be underwritten.	The entire 766,524,307 Rights Shares will be fully underwritten. The Placees will no longer be required to provide Undertakings to subscribe for the Proposed Rights Issue with Warrants.

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

(i) listing of and quotation for the Placement Shares;

(ii) listing of and quotation for the Rights Shares and Warrants;

(iii) admission of the Warrants on the Official List;

(iv) listing of and quotation for the new Siab Shares to be issued pursuant to the exercise of the Warrants; and

(v) listing of and quotation for the Consideration Shares.

on the ACE Market of Bursa Securities.

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

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

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

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS ON THE PROPOSALS, TO SET OUT OUR BOARD'S OPINION AND RECOMMENDATION ON PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Private Placement

As at the LPD, Siab's has an issued share capital of RM72,335,818 comprising 489,634,083 Siab Shares. The Proposed Private Placement will entail the issuance of 100,000,000 Placement Shares, representing 20.42% of the existing issued share capital of Siab. It is the intention of the Company to complete the Proposed Private Placement prior to the implementation of the Proposed Rights Issue with Warrants. For avoidance of doubt, the Placement Shares will also be entitled to the Proposed Rights Issue with Warrants.

2.1.1 Basis of arriving at the issue price of the Placement Shares

The Proposed Private Placement may be implemented in multiple tranches, if required, after the date of approval of Bursa Securities for the Proposed Private Placement, or any extended period as may be approved by Bursa Securities which is subject to prevailing market conditions and depending on investors' interest at the point of implementation.

The issue price of each tranche of the Placement Shares, where applicable, shall be determined and fixed by the Board at a later date after obtaining the relevant approvals for the Proposed Private Placement.

The Placement Shares will be issued at a price based on the 5D-VWAMP of Siab Shares immediately preceding the price fixing date(s) with a discount of not more than 20.00% (but subject to a minimum issue price of RM0.1200 per Share), after taking into consideration, amongst others, the following:

(i) the historical share price of Siab;

(ii) the immediate funding requirements of the Group as stipulated under Section 2.6 of the Circular; and

(iii) to provide the Board the flexibility to fix the issue price within the range of up to a maximum discount of 20.00% in order to entice investors to subscribe for the Placement Shares.

For illustrative purposes, we have assumed that the Placement Shares are issued at an Indicative Placement Price of RM0.1200 per Placement Share based on an approximate of 10.11% discount to the 5D-VWAMP of Siab Shares of up to LTD of RM0.1335 per Siab Shares. The mechanism to determine the issue price of each tranche of the Placement Shares shall be in accordance with market-based principles. Based on the Indicative Placement Price, the Proposed Private Placement will raise gross proceeds of RM12.00 million.

2.1.2 Private Placement arrangement

The Placement Shares will be placed to independent investor(s) ("**Placees**"), where the Placees shall be person(s) or party(ies) who/which qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007, who shall be identified at a later date.

The Placement Shares will not be placed to the interested director, interested major shareholder, interested chief executive of Siab or a holding company of Siab or persons connected with such director, major shareholder or chief executive of Siab.

2.2 Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants entails the issuance of 766,524,307 Rights Shares together with 383,262,153 Warrants on the basis of 13 Rights Shares for every 10 existing Siab Shares held on the Entitlement Date together with 1 Warrant for every 2 Rights Shares subscribed based on the enlarged issued share capital of Siab of RM84,335,818 comprising 589,634,083 Siab Shares after taking into consideration of the followings:

(i) existing issued share capital of Siab of RM72,335,818 comprising 489,634,083 shares; and

(ii) the issuance of Placement Shares.

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

(i) the amount of proceeds to be raised from the subscription of the Rights Shares (based on the Rights Issue Price) which is to be channeled towards the purposes as set out in Section 2.6 of this Circular; and

(ii) pursuant to Rule 6.51 of the ACE Market LR which states that the number of new Shares which will arise from the exercise or conversion of all outstanding convertible equity securities (i.e. warrants and convertible preference shares (if any)) does not exceed 50.00% of the total number of issued Shares of our Company (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

The Rights Shares will be offered to our Entitled Shareholders. The Entitlement Date will be determined by the Board after obtaining the approvals for the Proposed Rights Issue with Warrants from all relevant authorities and the shareholders of the Company.

The indicative salient terms of the Warrants are set out in Section 2.2.3 below.

2.2.1 Basis of determining the issue price of the Rights Shares and exercise price of the Warrants

(i) Rights Shares

The Rights Issue Price has been fixed at RM0.1200 per Rights Share after taking into consideration, amongst others, the following:

(i) the historical share price of Siab;

(ii) discount of 4.69% to the TERP of Siab Shares of RM0.1259 based on the 5D-VWAMP of Siab Shares up to and including the LTD (being the market day prior to the First Announcement) of RM0.1335. The discount was determined by the Board to encourage existing Siab shareholders to participate in the Proposed Rights Issue with Warrants, allowing the Company to raise the required funds; and

(iii) the funding requirements of the Group as set out in Section 2.6 below.

Illustration of the Derivation of TERP

$$TERP = \frac{(P \times Y) + (X \times Z)}{Y + Z}$$

$$TERP = \frac{(0.1335 \times \ 589{,}634{,}083) + (0.1200 \times 766{,}524{,}307)}{589{,}634{,}083 + 766{,}524{,}307}$$

$$TERP = 0.1259$$

Where:

P	=	5-DVWAMP of Existing Shares up to and including the LTD
Y	=	Total number of enlarged issued shares of Siab after the Proposed Private Placement
X	=	Rights Issue Price
Z	=	Number of Rights Shares

(ii) Warrants

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

(a) the Warrants will be issued at no cost to the Entitled Shareholders and/ or their renouncee(s) who successfully subscribe for the Rights Shares;

(b) the issue price of RM0.2000 per Warrant is at a premium of 58.86% to the TERP of Siab Shares of RM0.1259, calculated based on the 5D-VWAMP of Siab Shares up LTD of RM0.1335 per share based on the Rights Issue Price; and

(c) the rationale for the Proposed Rights Issue with Warrants as set out in Section 3 of this Circular; and

(d) the proceeds that may be raised for future usage by the Group.

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

2.2.2 Entitlements to the Rights Shares

The Rights Shares and Warrants will be provisionally allotted and issued to the Entitled Shareholders. For the avoidance of doubt, the Warrants are attached to the Rights Shares without any cost to the Entitled Shareholders and renouncee(s). The Proposed Rights Issue with Warrants is renounceable in full or in part. The Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. The renounciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renounciation of the Warrants to be issued together with the Rights Shares. If the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the number of Warrants in proportion to their acceptance of their Rights Share entitlements.

Any Rights Shares which are not validly taken up shall be offered to other Entitled Shareholders and/or their renouncee(s) under excess shares applications. It is the intention of the Board to reduce the incidence of odd lots and to allocate excess Rights Shares in a fair and equitable manner and on a basis to be determined by the Board and announced later by the Company.

Any fractional entitlement under the Proposed Rights Issue with Warrants will be disregarded and dealt with in such manner and on such terms and conditions as the Board shall in its absolute discretion deems fit or expedient in order to minimise the incidence of odd lots and in the best interest of Siab.

2.2.3 Salient terms of the Warrants

The salient terms of the Warrants are set out below:

Issuer	:	Siab
Issue size	:	383,262,153 Warrants
Form and denomination	:	The Warrants will be issued in registered form and constituted by a Deed Poll.
Tenure	:	5 years commencing from and inclusive of the date of the issuance of the Warrants ("**Issue Date**").
Exercise Period	:	The Warrants may be exercised at any time within the Tenure of the Warrants including and commencing from the Issue Date and ending at 5.00 p.m. (Malaysia time) on the Expiry Date. Any Warrant which is not exercised at the close of business of the Expiry Date will thereafter lapse and cease to be valid.
Exercise Price	:	The exercise price of the Warrants has been fixed at RM0.2000 per Warrant. Kindly refer to Section 2.2.1(ii) of this Circular for the basis of determining the Warrants Exercise Price
Exercise Rights	:	Each Warrant shall entitle Warrant Holders to subscribe for 1 new Siab Share at any time during the Exercise Period and at the Warrants Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.
Expiry Date	:	The close of business at 5.00 p.m. in Malaysia on the day immediately preceding the 5th anniversary of the Issue Date. If such day is not a market day, then it shall be on the immediately preceding market day.
Board lot	:	For the purpose of trading on Bursa Securities, and subject to such conditions which Bursa Securities may impose from time to time, a board lot of Warrants shall be 100 Warrants carrying the right to subscribe for 100 new Siab Shares at any time during the Exercise Period, or such other denomination as determined by Bursa Securities.
Mode of exercise	:	The Warrant Holders are required to lodge an exercise form with the Company' registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the exercise price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Adjustment in the Exercise Price and/or the number of Warrants	:	The Warrants Exercise Price and/or the number of Warrants held by each Warrant holder may from time to time be adjusted in the event of any alteration to the share capital of the Company in accordance with the provisions as set out in the Deed Poll. Any adjustments to the exercise price and/or number of Warrants must be done in full compliance with Rule 6.55(3)(b) of the ACE Market LR.
Status of the new Siab Shares to be issued pursuant to the exercise of the Warrants	:	The new Siab Shares to be issued upon the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Siab shares, save an except that they shall not be entitled to participate in any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new Siab Shares.

Modification of rights of Warrant Holder	:	Subject to the approval of any relevant authority as required under law, any modification, amendment or addition to the Deed Poll must be: - (a) approved by the Warrant Holders sanctioned by special resolution (b) effected by a supplemental deed poll; (c) executed by the Company and expressed to be supplemental; and (d) comply with the requirements of the Deed Poll. The Company may without the consent of the Warrant Holders but in accordance with the terms of the Deed Poll, effect: - (a) any modification to the Warrant or the Deed Poll which, in the opinion of the Company, is not materially prejudicial to the interest of the Warrant Holders; or (b) any modification to the Warrant or the Deed Poll, which in the opinion of the Company, is to correct a manifest error or to comply with mandatory provisions of Malaysian law, Rules of the Bursa Depository and/or ACE Market LR. Notice of every modification, amendment or addition to the Deed Poll is to be given to the Warrant Holders within 21 days from the date of such modification, amendment or addition in accordance with the Deed Poll.
Rights of Warrants Holders	:	The Warrants do not entitle the Warrant Holders to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of further securities in the Company until and unless such Warrant Holders become shareholders of the Company by exercising their Warrant for new Siab Shares.
Rights in the event of winding-up, liquidation or an event of default	:	As long as any of the Exercise Rights remain exercisable, where a resolution has been passed for a members' voluntary winding-up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for reconstruction of the Company or the amalgamation of the Company with one or more companies, then: - (a) if such winding-up, compromise or scheme of arrangement is one in which the Warrant Holders, or some persons designated by them for such purpose by a special resolution shall be a party, the terms of such winding-up, compromise or scheme of arrangement shall be binding on all the Warrant Holders; or (b) in any other case and to the extent permitted by law, every Warrant Holder shall be entitled, upon and subject to the terms and conditions of the Warrants at any time, within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or 6 weeks after (whichever is later) from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/her Warrants together with the duly completed exercise form and payment of the relevant Warrants Exercise Price, to elect to be treated as if he/she had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the Exercise Rights represented by such Warrant to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares arising from the exercise of the Warrant, to

which he/she would have become entitled to receive out of the assets of the Company which would be available in liquidation, and the liquidator of the Company shall give effect to such election accordingly. All Exercise Rights, which have not been exercised within the above 6 weeks of either passing of such resolution for the winding-up or the granting of the court order for the approval of such compromise or arrangement, as the case may be, shall lapse and the Warrant will cease to be valid for any purpose.

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

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

2.2.4 Proposed subscription basis and underwriting

The Company intends to raise RM91.98 million from the Proposed Rights Issue with Warrants to meet the funding requirements of the Group, which will be channelled towards the proposed utilisation as set out in Section 2.6.

In view of the above, the Proposed Rights Issue with Warrants will be undertaken on full subscription basis, underwriting arrangement(s) will be made on the entire 766,524,307 Rights Shares ("**Underwriting(s)**"). The underwriting commission payable to underwriter(s) and all other costs in relation to the Underwritings will be fully borne by the Company. The Underwritings will be finalised at a later date prior to the announcement of the Entitlement Date.

The Company will ensure that the underwriting arrangements will not result in the following:

(a) any breach in the public shareholding spread requirement by the Company under Rule 8.02(1) of the ACE Market LR, which stipulates that a listed corporation must ensure that at least 25.00% of its total listed shares (excluding treasury shares) are in the hands of public shareholders; and

(b) any consequences of mandatory general offer obligations pursuant to the Code and the Rules immediately after completion of the Proposed Rights Issue with Warrants.

Further, the Company will procure assurance from the underwriter(s) that they will at all times observe and ensure compliance with the provisions of the Code and the Rules and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

2.3 Proposed Acquisition

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

The summary of the Purchase Consideration is as follow:

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

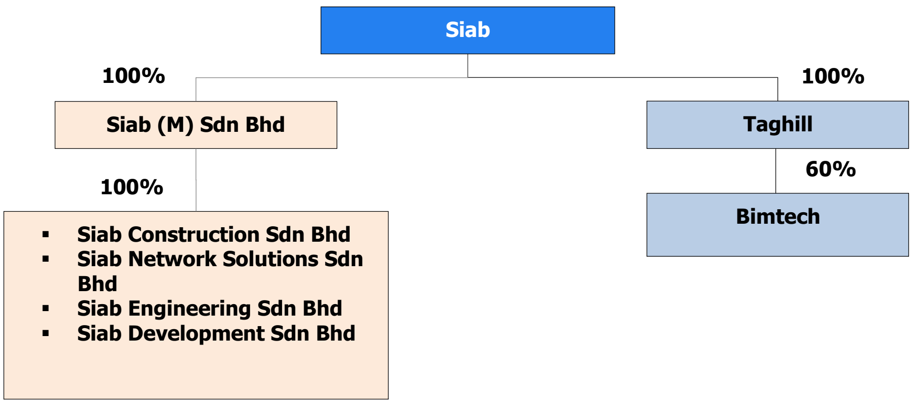
Notes:

^ To be paid within the Completion Date (as defined herein) and no later than 7 days upon the fulfilment of the Conditions For Completion (as defined herein) as set out in Section 2.3.2(iii);

Within the Completion Period and no later than 7 days upon the fulfilment of the Conditions For Completion (as defined herein) as set out in Section 2.3.2(iii), the Company shall issue and allot the Consideration Shares into a nominee securities account registered under the Stakeholder ("**Escrow Account**") to be held on trust for the Vendors while pending Taghill's attainment of the Profit Guarantee (as defined herein). The Vendors shall be entitled to request for the Escrow Account to be opened and maintained either in three separate nominee securities accounts registered under the Stakeholder for each Vendor or in one nominee securities account registered under the Stakeholder for a private limited company held only by the Vendors. Please refer to Section 2.3.2(i) for further details.

The issue price of the Consideration Shares of RM0.1300 is arrived at based on a discount of 2.62% to the 5D–VWAMP of Siab Shares up to and including LTD of RM0.1335. In arriving at the issue price, the Board took into consideration the LAT position of the Group for the audited FYE 2022 of RM19.27 million and the unaudited financial period ended 31 March 2023 of RM2.33 million as well as the issuance of the Consideration Shares to satisfy part of the Purchase Consideration will allow the Group to conserve its cash to facilitate the working capital requirements of the Group.

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



Further information on Taghill Group are set out in Appendix I of this Circular.

2.3.1 Information on the Vendors

(i) Wong Yih Ming

Wong Yih Ming, a Malaysian male aged 48, is the managing director of Taghill. He oversees and manages Taghill Group's overall activities, operational performance and profitability. He holds a Higher National Diploma in Quantity Surveying and a Bachelor of Science in Quantity Surveying (Honours), both awarded by the Nottingham Trent University, United Kingdom.

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

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

(ii) Chu Yee Hong

Chu Yee Hong, a Malaysian male aged 52, is the deputy managing director of Taghill. He is jointly responsible with the executive director, Yap Kek Siung for Taghill's day-to-day project management of building construction works to ensure timely delivery, cost efficiency and high quality. He completed his secondary education at Maxwell Secondary School, Kuala Lumpur and obtained his Malaysian Certificate of Education in 1989.

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

In 2014, he joined Taghill as a director and shareholder. He has 27 years of hands-on working experience in all types of major building works which include residential terrace houses, commercial and retail shop lots, high rise-service apartments, condominiums, landed factories, roadworks and railway stations.

(iii) Yap Kek Siung

Yap Kek Siung, a Malaysian male aged 48, is the executive director of Taghill. He is jointly responsible with the deputy managing director, Chu Yee Hong for Taghill's day-to-day project management of building construction works to ensure timely delivery, cost efficiency and high quality. He holds a Bachelor of Science in Building Construction Management (Honours) from Sheffield Hallam University, United Kingdom.

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

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

2.3.2 Salient terms of the Restated SSA

The salient terms of the Restated SSA include the following:

(i) Mode of Payment

Siab and the Vendors agree that the Purchase Consideration shall be satisfied in the following time and manner:

(a) Within the Completion Period and no later than 7 days upon fulfilment of all the Conditions For Completion (as defined herein), Siab shall pay the Cash Consideration to the Vendors.

(b) Within the Completion Period and no later than 7 days upon fulfilment of all the Conditions For Completion (as defined herein), Siab shall issue and allot the Consideration Shares into the Escrow Account registered under Stakeholder to be held on trust for the Vendors while pending Taghill's attainment of the Profit Guarantee.

(c) The Vendors shall be entitled to, by way of notice in writing to the Stakeholder during the Completion Period, request for the Escrow Account to be opened and maintained by the Stakeholder in either one of the following manners:

(aa) separate nominee securities accounts registered under the Stakeholder for each of the Vendors in the form of "Teh & Lee for [Name of the Vendor]" ("**Individual Escrow Account**"); or

(bb) one nominee securities account registered under the Stakeholder for a private limited company held by the Vendors ("**Vendors' Holding Company**") in the form of "Teh & Lee for [Name of the Vendors' Holding Company]" provided that the Vendors' Holding Company must be incorporated in Malaysia with all issued shares held by the Vendors in shareholding percentage identical to the Vendors' respective proportion of the Sale Shares ("**Corporate Escrow Account**").

(d) Subject to the attainment of the Profit Guarantee within the PG Period, the Stakeholder shall be authorised to release the Consideration Shares together with all dividends, rights, allotment and/or other form of distributions which may be declared, made or paid during the PG Period to the Vendors. However, if the Profit Guarantee is not satisfied, the Vendors shall be liable to pay the PG Shortfall (as defined hereunder) in cash to Siab before the Consideration Shares are released to the Vendors.

(ii) Conditions Precedent

The Restated SSA shall be conditional upon each of the following conditions precedent being obtained, procured and/or fulfilled by Siab and/or the Vendors, as the case may be (each a "**Condition Precedent**" and collectively "**Conditions Precedent**"), within 6 months from the execution of the Restated SSA with an automatic extension of 4 months upon expiry of the initial 6 months or such further period as the parties may mutually agree in writing ("**Conditional Period**"):

(a) Siab being satisfied with the legal, financial and/or business due diligence findings of Taghill;

(b) the approvals of Bursa Securities for the listing and quotation of the Placement Shares, the Rights Shares, Warrants and the Consideration Shares as well as the admission of Warrants on the ACE Market of Bursa Securities;

(c) the approval of Siab's shareholders for the Proposed Acquisition;

(d) the consent and/or approval from the existing financier of Taghill in relation to the change in equity structure and directorship of Taghill arising from the Proposed Acquisition (if applicable);

(e) the completion of the Proposed Private Placement and the Proposed Rights Issue with Warrants by the Company;

(f) the execution of an escrow agreement by the Company and the Vendors to appoint the Stakeholder to hold the Consideration Shares on trust for the Vendors while pending Taghill's attainment of the Profit Guarantee; and

(g) such other waivers, consents or approvals as may be required by any parties hereto from any third party or governmental, regulatory body or competent authority having jurisdiction over any part of the transactions contemplated under the Restated SSA to the effect that if such waivers, consents, approvals are not obtained, the sale and purchase of Taghill Shares will be rendered null and void by law.

The Restated SSA shall be deemed unconditional upon fulfilment of all the Conditions Precedent whereas the date the Conditions Precedent are fulfilled or waived, as applicable, shall be referred to as the "**Unconditional Date**".

(iii) Completion

Within 30 days after the Unconditional Date ("**Completion Period**"), Siab and the Vendors shall cause and procure the following conditions for completion to be obtained, procured and/or fulfilled (each a "**Condition For Completion**" and collectively "**Conditions For Completion**"):

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

(b) there has been no material adverse change in the financial condition or operation of Taghill since the date of the Restated SSA;

(c) all debts or advances owing by or to the Vendors, the directors of Taghill, their affiliated companies and/or affiliated persons had been settled, waived or forgiven (if applicable);

(d) each of the representations and warranties set out in the Restated SSA remains accurate at the Completion Date as if given on that date by reference to the facts and circumstances then existing;

(e) the Vendors have not breached any material undertakings, representations, warranties and covenants under the Restated SSA, unless waived by Siab; and

(f) no governmental entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other order, whether temporary, preliminary or permanent, which is in effect and which has or would have the effect of making the transactions contemplated by the Restated SSA illegal or restraining or prohibiting consummation of such transaction.

Within the Completion Period and no later than 7 days upon fulfilment of all the Conditions For Completion, the Vendors shall deliver or cause to be delivered the followings to Siab ("**Vendors' Completion Obligations**"):

(a) valid and registrable forms of transfer of securities in respect of Taghill Shares ("**Share Transfer Forms**") duly executed by the Vendors in favour of Siab, subject only to stamp duty (to be paid by Siab);

(b) the relevant duly sealed original share certificates to the Sale Shares (if applicable);

(c) the common seal, statutory books, books of account and documents of record of Taghill shall be readily accessible by Siab;

(d) a certified true copy of the directors' resolutions by Taghill approving the transfer of the Sale Shares to Siab;

(e) such waivers, consents or other documents as may be required to effect the transfer and give good title to Taghill Shares to enable the Company to become the registered holder.

Within the Completion Period and no later than 7 days upon fulfilment of all the Conditions For Completion, Siab shall deliver or cause to be delivered the followings to the Vendors ("**Purchaser's Completion Obligations**"):

(a) a certified true copy of Siab's directors' resolution authorising the Company to execute the Restated SSA and to effect the transactions contemplated therein, on the terms and conditions contained in the Restated SSA and all other relevant documents;

(b) a certified true copy of Siab's shareholders' resolution authorising the Company to effect the transactions contemplated therein, on the terms and conditions contained in the Restated SSA and all other relevant documents;

(c) proof of payment of the Cash Consideration; and

(d) proof of issuance and allotment of the Consideration Shares into the Escrow Account.

Siab and the Vendors agree that the sale and purchase of Taghill Shares shall be deemed completed ("**Completion**") after:

(a) all the Conditions For Completion have been fulfilled or waived (as the case may be); and

(b) all the Vendors' Completion Obligations and the Purchaser's Completion Obligations have been discharged accordingly,

whereby such date where the Completion takes place shall be known as the "**Completion Date**".

(iv) Termination

(a) On the occurrence of any of the following defaulting events (each an "**Event of Default**") stated hereunder and provided that the Event of Default occurs before the Completion Date, the other non-defaulting Party ("**Non-Defaulting Party**") may give notice in writing to the defaulting Party ("**Defaulting Party**"), which in this context shall mean Siab or the Vendors, and shall include Taghill's conduct as listed below. In the event that such conduct of default relates to Taghill, then it shall be deemed to be the Vendors' default enabling the Non-Defaulting Party to send notice to the Defaulting Party for termination specifying the default or breach of the Defaulting Party and requiring the Defaulting Party to remedy the said default or breach within 14 business days or such extended period as may be allowed by the Non-Defaulting Party, of the receipt of such notice:

(aa) breach of any material or fundamental terms or conditions of the Restated SSA or a failure to perform or observe any material or fundamental undertaking, obligation or agreement expressed or implied in the Restated SSA including the breach of any material warranties; or (bb) a receiver, receiver and manager, trustee or similar official is appointed over any of the assets or undertaking of the Defaulting Party; or

(cc) the Defaulting Party enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, the Defaulting Party's creditors or any class of them; or

(dd) an application, petition or order is made for the winding-up or dissolution of the Defaulting Party, or a resolution is passed or any steps taken to pass a resolution for the winding-up or dissolution of the Defaulting Party, otherwise than for the purpose of an amalgamation or reconstruction which has prior written consent of the Non-Defaulting Party; or

(ee) the Defaulting Party ceases or threatens to cease carrying on a substantial portion of the Defaulting Party's business other than in compliance with the Defaulting Party's obligations under the Restated SSA; or

(ff) the Defaulting Party commits any act or omits to do an act which results in the breach or non-fulfilment of any term or condition of any banking, finance or credit facility which has the effect of causing the events specified in sub-clauses (bb), (cc), (dd) and (ee) above-mentioned to occur; or

(gg) any material representation, warranty or statement which is made (or acknowledged to have been made) by the parties in the Restated SSA or any information furnished, provided under or in connection herewith to be incorrect.

(b) If the Defaulting Party fails to remedy the relevant default or breach within the said 14 business days or such extended period as may be allowed by the Non-Defaulting Party after being given notice by the Non-Defaulting Party, to rectify such breach, the Non-Defaulting Party may elect to terminate the Restated SSA and claim damages or pursue its action as set out hereunder:

(aa) In the event of termination due to the default or breach of Siab, the Vendors shall have the option (in addition to and without prejudice to all other rights and remedies available under applicable laws, including the right to claim damages and the right to specific performance) of giving Siab a notice of termination at least 5 business days in advance. Upon such termination, the Vendors shall have the right to resell the Sale Shares to such person in such manner at such price and on such terms as the Vendors may think fit and Siab shall have no right to any part of the purchase money thereby arising.

(bb) In the event of termination due to the default or breach of the Vendors, Siab shall have the option of giving the Vendors a notice of termination at least 5 business days in advance, the Vendors shall refund all monies paid by Siab under the Restated SSA (if any) and Siab shall be at liberty to deal with all the Consideration Shares (if any) which includes but not limited to disposal of the Consideration Shares, whereby the Stakeholder is authorised to take instruction from Siab accordingly; and thereafter the Restated SSA shall come to an end and become null and void and be of no further effect and neither party shall have any claim whatsoever against the other under or in respect of the Restated SSA (save for the return of any documents belonging to the Vendors).

(c) Either party of the Restated SSA shall be entitled to claim specific performance against the other party and for this purpose the parties agree that an alternative remedy of monetary compensation shall not be regarded as sufficient compensation for such other party's default in the performance of the terms and conditions of the Restated SSA.

2.3.3 Profit Guarantee

In consideration of Siab acquiring Taghill Shares, the Vendors have jointly and severely provided the following Profit Guarantees to be achieved by Taghill:

(i) Taghill shall attain a consolidated PATMI of not less than RM24,000,000.00 for FYE 2024 and FYE 2025 on a cumulative basis.

(ii) In the event Taghill attains a consolidated PATMI of RM24,000,000.00 or more for the PG Period on a cumulative basis, the Profit Guarantee shall be deemed satisfied by the Vendors whereupon Siab shall not have any more claim against the Vendors in relation to the Profit Guarantee. The Vendors shall be entitled to receive all the Consideration Shares within 30 days after the audited financial statements for the PG Period are duly signed off by Taghill's auditors and presented to Taghill's board of directors.

(iii) Subject always to the satisfaction of the Profit Guarantee, the Stakeholder shall release the Consideration Shares to the Vendors in either one of the following manners:

(aa) if the Consideration Shares were held on trust by way of Individual Escrow Account, the Stakeholder shall transfer the Consideration Shares to each of the Vendors' personal CDS Accounts; or

(bb) if the Consideration Shares were held on trust by way of Corporate Escrow Account, the Stakeholder shall transfer all the Consideration Shares into a CDS Account registered under the Vendors' Holding Company.

(iv) In the event Taghill's consolidated PATMI for the PG Period is less than the Profit Guarantee, the Vendors shall pay in cash the shortfall amount between the consolidated PATMI of RM24,000,000.00 and the actual PATMI of Taghill for the PG Period ("**PG Shortfall**") to Siab within 14 business days from the date of which the Vendors are in receipt of Siab's notice in writing about the PG Shortfall or such further period mutually agreed between the parties. Subject always to Siab's receipt of the PG Shortfall fully in cash, the Vendors shall then be entitled to receive all the Consideration Shares whereby the Stakeholder shall be authorised to release the Consideration Shares to the Vendors.

Note: The PG Shortfall will include any LATMI recorded by Taghill for the PG Period. In the event Taghill records LATMI for the PG Period which results in PG Shortfall, the Vendors shall be liable to pay the PG Shortfall in cash to Siab, failing which Section 2.3.3(v) below shall apply.

(v) In the event of non-satisfaction of the Profit Guarantee and the Vendors fail, neglect or refuse to pay the PG Shortfall in cash to Siab, the Vendors shall not be entitled to any of the Consideration Shares. Siab shall then be at liberty to deal with the Consideration Shares at its absolute discretion without further reference to the Vendors which includes but not limited to disposal of the Consideration Shares to recoup the PG Shortfall whereby the Stakeholder shall take instruction from Siab accordingly subject to such costs to be borne by Siab. In the event the PG Shortfall is higher than the value of the Consideration Shares, Siab shall reserve its right to claim for such unrecouped losses against the Vendors.

Note: In the event, the disposal proceeds from the Consideration Shares exceeds the PG Shortfall, Siab is not obligated to release the excess proceeds or balance Consideration Shares to the Vendors. In the event, the disposal proceeds is lower than the PG Shortfall, Siab shall reserve its rights to claim for the differences against the Vendors.

(vi) The Vendors are all incumbent executive directors of Taghill and shall facilitate Taghill in attaining the Profit Guarantee. If so requested by Siab prior to the Completion Date, the Vendors shall enter into management services agreement(s) with Taghill for the PG Period on such terms and conditions to be agreed between the parties.

Notes:

The illustrative scenarios on the mechanism of the Profit Guarantee are as follows:

Scenario 1 – PATMI is more than RM24,000,000

Cumulative PATMI for FYE 2024 and 2025	Profit Guarantee	PG Shortfall	Shortfall of PATMI paid by Vendors in Cash
RM	RM	RM	RM
26,000,000	24,000,000	-	-

Under this scenario, the Vendors shall be deemed to have achieved the Profit Guarantee. Thus, the Vendors shall be entitled to receive all of the Consideration Shares.

Scenario 2 – PATMI is less than RM24,000,000

Cumulative PATMI for FYE 2024 and 2025	Profit Guarantee	PG Shortfall	Shortfall of PATMI paid by Vendors in Cash
RM	RM	RM	RM
16,000,000	24,000,000	(8,000,000)	8,000,000

Under this scenario, the Vendors shall compensate RM8.00 million of the shortfall in cash to Siab. Thereafter, the Vendors shall then be entitled to receive all of the Consideration Shares.

Scenario 3 – PATMI is less than RM24,000,000 and no cash payment by Vendors

Cumulative PATMI for FYE 2024 and 2025	Profit Guarantee	PG Shortfall	Shortfall of PATMI paid by Vendors in Cash
RM	RM	RM	RM
16,000,000	24,000,000	(8,000,000)	-

Under this scenario, the Vendors did not compensate the RM8.00 million of the shortfall in cash to Siab. Therefore, Siab will be entitled to dispose the Consideration Shares. In the event the disposal proceeds from the Consideration Shares exceeds RM8.00 million, Siab is not obligated to release the excess proceeds or balance Consideration Shares to the Vendors. In the event the disposal proceed is lower than RM8.00 million, Siab shall reserve its rights to claim for the differences against the Vendors.

Scenario 4 – LATMI

Cumulative LATMI for FYE 2024 and 2025	Profit Guarantee	PG Shortfall	Shortfall of PATMI paid by Vendors in Cash
RM	RM	RM	RM
(10,000,000)	24,000,000	(34,000,000)	34,000,000

Under this scenario, the Vendors shall compensate RM34.00 million of the shortfall in cash to Siab. Thereafter, the Vendors shall then be entitled to receive all of the Consideration Shares.

Scenario 5 – LATMI

Cumulative LATMI for FYE 2024 and 2025	Profit Guarantee	PG Shortfall	Shortfall of PATMI paid by Vendors in Cash
RM	RM	RM	RM
(10,000,000)	24,000,000	(34,000,000)	-

Under this scenario, the Vendors did not compensate the RM34.00 million of the shortfall in cash to Siab. Therefore, the Vendors shall not be entitled to receive any of the Consideration Shares. In the event the disposal proceeds from the Consideration Shares exceeds RM34.00 million, Siab is not obligated to release the excess proceeds or balance Consideration Shares to the Vendors. In the event the disposal proceed is lower than RM34.00 million, Siab shall reserve its rights to claim for the differences against the Vendors.

2.3.4 Basis and justification for the Purchase Consideration

The Purchase Consideration was arrived at based on a willing-buyer willing-seller basis after taking into account the following:

(i) the Vendor's guarantee of the Taghill's PAT for FYE 2024 and FYE 2025 shall be no less than (on cumulative basis) RM24.00 million on a cumulative basis for the 2 consecutive financial years as set out in Section 2.3.3 of this Circular;

(ii) the implied price-to-earnings ("**P/E**") multiple of 10.17 times based on the Purchase Consideration of RM122.00 million and average Profit Guarantee of RM12.00 million for each of the FYE 2024 and FYE 2025 ("**Implied P/E**");

Note:

Implied P/E compared to the trading P/E of the selected listed companies, which business activities are considered broadly comparable to the business of Taghill operates in, namely construction services as well as profitable based on the latest audited financial statements ("**Comparable Companies**").

Details of the Comparable Companies as extracted from the Fairness Opinion Letter are as follows:

Comparable Companies	Principal activities	Market capitalisation[(a)] (RM million)	P/E[(b)] (times)
Haily Group Berhad	The group is involved in the construction of residential buildings consisting of single and multi-dwelling buildings as well as non-residential buildings such as commercial, purpose-built, industrial and institutional buildings.	74.00	11.31
Lebtech Berhad	The group is involved in civil and building construction works. It develops townships, corporate offices, and official buildings, as well as infrastructure and mixed development projects.	107.82	2,695.50[(c)]
Inta Bina Group Berhad	The group is involved in building various types of buildings including high-rise residential and commercial properties, industrial as well as leisure properties.	147.33	10.51
Gabungan AQRS Berhad	The group is involved in building and civil engineering construction sub-sectors such as the construction of commercial buildings, residential construction, roads, bridges, flyovers, interchanges, schools and special purpose buildings.	206.25	12.43

Comparable Companies	Principal activities	Market capitalisation[(a)] (RM million)	P/E[(b)] (times)
TRC Synergy Berhad	The group is involved in the provision of building and infrastructure construction services. It is also involved in the business of property development and hotel operation services.	183.80	7.28
GDB Holdings Berhad	The group is involved in the provision of construction services, focusing on high rise residential, commercial and mixed development projects.	206.25	29.38[(c)]
		Average	**10.38**
		Taghill	**10.17**[(d)]

Notes:

(a) Based on the closing market prices of the respective companies as at 22 September 2023.

(b) P/E multiple is calculated by the respective companies' market capitalisation (which is computed by multiplying the total number of shares in issue (excluding treasury shares) with the closing market price of the shares of the respective companies as at 22 September 2023) over its PAT (based on the latest available trailing 12 months financial results as at 22 September 2023) as per the formula below:

$$\textit{P/E multiple} = \frac{\textit{No. of shares in issue x closing price as at 22 September 2023}}{\textit{PAT}}$$

(c) Deemed as outlier and has been excluded form the computation of the average P/E multiple as it is significantly higher than the P/E multiple of other Comparable Companies.

(d) Based on the Implied P/E

The selected Comparable Companies were based on the following criteria:

(a) listed companies on Bursa Securities which are mainly in the business of construction of building and/or infrastructure projects;

(b) comparable with Taghill Group in terms of size, ranging within 60.00% above and below the implied market capitalisation of RM122.00 million based on the Purchase Consideration; and

(c) excluding loss making companies, resulting in a negative PE which would not be meaningful.

It should be recognised that there is no company which is considered to be identical to Taghill Group in terms of, among others, composition of business activities, scale of business operation, asset base, accounting and tax policies, risk and financial profile, profit track record, capital structure, competitive environment, financial positions and that such business may have fundamentally different profitability objectives.

In addition, the selection of the comparable companies is highly subjective and judgmental in view that the comparable companies may not be entirely comparable to Taghill Group due to various factors such as geographical factors, product market segment, client base and technical know-how. It should be noted that any comparison made with respect to the comparable companies is merely to provide an indicative current market expectation with regards to the implied valuation range of Taghill Group.

Based on the above the Implied P/E of 10.17 is below the average P/E multiple of the Comparable Companies of 10.38 and is within the range of 7.28 and 12.43 of the Comparable Companies.

(iii) the Fairness Opinion Letter by Eco Asia dated 18 July 2023 had estimated the fair value for Taghill's entire equity interest of between RM99.54 million and RM129.72 million. Subsequently, Eco Asia had on 5 October 2023 updated the Fairness Opinion Letter based on the date of opinion of 22 September 2023 which estimated the fair value for Taghill's entire equity interest of between RM124.56 million and RM151.66 million, derived based on the P/E multiple methodology and enterprise value (EV) / earnings before interest, tax, depreciation and amortisation (EBITDA) multiple methodology. Please refer to Appendix IV for the Fairness Opinion Letter for further details;

(iv) the historical financial performance of Taghill Group as set out in Appendix I of this Circular;

(v) the potential earnings and growth of Taghill Group;

(vi) the rationale for the Proposed Acquisition as set out in Section 3 of this Circular; and

(vii) the prospects and outlook of the property market and the construction industry in Malaysia prepared by Protégé in relation to Taghill's business as set out in Section 4 of this Circular.

The issue price of the Consideration Shares of RM0.1300 was arrived at based on a discount of 2.62% to the 5D–VWAMP of Siab Shares up to and including the LTD of RM0.1335. In arriving at the issue price, the Board took into consideration the LAT position of the Group for the audited FYE 2022 of RM19.27 million and the unaudited financial period ended 31 March 2023 of RM2.33 million as well as the issuance of the Consideration Shares to satisfy part of the Purchase Consideration will allow the Group to conserve its cash to facilitate the working capital requirements of the Group.

The Board is of the view the Purchase Consideration is reasonable and the Profit Guarantee is realistic, taking into consideration the historical performance and future prospects of Taghill Group as well as the existing projects and orderbook of Taghill Group as set out in Appendix I. Despite, the decline in Taghill Group's PAT from FYE 2020 to FYE 2022, the revenue during the period had increased by 34.51% in FYE 2021 and 77.39% in FYE 2022. Furthermore, Taghill's strong order book of RM1.67 billion as at the LPD will ensure that Taghill will be able to meet its Profit Guarantee. As such, the Board is of the view that the Proposed Acquisition will be earning accretive and will continuously deliver sustainable value to Siab's shareholders in the medium and long term, given the established business and positive historical financial performance of Taghill Group.

2.3.5 Source of funding

The Cash Consideration of RM96.00 million will be funded from the proceeds to be raised from the Proposed Private Placement and Proposed Rights Issue with Warrants.

2.3.6 Liabilities to be assumed by Siab

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

2.3.7 Additional financial commitment

There is no additional financial commitment required to put Taghill Group existing operations on-stream as Taghill Group is already in operation and generating stable income and cash flow.

2.4 Ranking of the Placement Shares, Rights Shares, Consideration Shares, and new Siab Shares to be issued arising from the exercise of Warrants

The Placement Shares, Rights Shares, Consideration Shares and new Siab Shares from the exercise of Warrants shall, upon allotment, issuance and payment of the issue price, rank equally in all respects with the then existing issued and fully paid-up Shares, save and except that these shares shall not be entitled to any dividend, rights, allotments and or other distributions, the entitlement date of which is prior to the date of allotment of these shares.

For avoidance of doubt, the Placement Shares shall be entitled to participate in the Proposed Rights Issue with Warrants. Whereas, the Consideration Shares shall not be entitled to participate in the Proposed Rights Issue with Warrants.

2.5 Listing of and quotation for the Placement Shares, Rights Shares, Consideration Shares and Warrants

Approval-in-principle has been obtained from Bursa Securities, vide its letter dated 27 October 2023, for the listing of and quotation for the following on the ACE Market of Bursa Securities:

(i) Placement Shares;

(ii) Rights Shares;

(iii) Warrants;

(iv) new Siab Shares to be issued from the exercise of the Warrants; and

(v) Consideration Shares.

2.6 Utilisation of proceeds from the Proposed Private Placement and Proposed Rights Issue

The Proposed Private Placement and the Proposed Rights Issue with Warrants will raise gross aggregate proceeds of RM103.98 million (being RM12.00 million based on the Indicative Placement Price from the Proposed Private Placement and RM91.98 million based on the Rights Issue Price from the Proposed Rights Issue with Warrants), to be utilised by the Group in the following manner:

	RM'000	Note	Expected time frame for utilisation of proceeds (from listing date)
Proposed Private Placement			
▪ Cash consideration of the Proposed Acquisition	12,000	(i)	Within 24 months
Proposed Rights Issue with Warrants			
▪ Cash consideration of the Proposed Acquisition	84,000	(i)	Within 24 months
▪ Working capital	3,668	(ii)	Within 24 months
▪ Estimated expenses for the Proposals	4,315	(iii)	Within 1 month
Total estimated proceeds	**103,983**		

Notes:

(i) Proposed Acquisition

The Group intends to utilise approximately RM96.00 million of the proceeds to fund the Cash Consideration of the Proposed Acquisition.

(ii) Working Capital

The Group intends to allocate proceeds of approximately RM3.67 million from the Proposed Rights Issue with Warrants to finance working capital requirements of the Group. As at the unaudited financial period of 30 June 2023, the Group has cash and bank balances of RM3.83 million and bank overdraft of RM11.13 million, thus the injection of additional equity is necessary to strengthen the Group's financial position. The proceeds allocated to finance the Group's working capital requirements will enable the Group to meet the short-term obligations of the Group for ongoing projects as and when they fall due and enhance its ability to bid for new projects, ultimately facilitating the expansion of the Group's construction portfolio.

Description	RM'000
Defect rectification costs for completed projects[(a)]	2,000
Other operating and administrative expenses[(b)]	1,667
	3,667

Notes:

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

Project Name/ Client	Description	Contract value RM'000	Commencement/ completion date	Commencement/ ending of defect liability period date
Gravit8 (Phase 2B) Project/ Vibrantline Sdn Bhd	Construction of 2 blocks of 34-storey with 605 units of serviced apartment building Phase 2B with carpark podium and recreation at level 8, in Kota Bayu Emas, Mukim Klang, Daerah Klang.	118,000	December 2018/ October 2021	October 2021/ April 2024
Amverton Cove Project/ T.G. Development Sdn Bhd	Construction of 1 block of 10-storey apartment building with 250 serviced apartment units, 1 penthouse, common facilities and amenities in Kuala Langat, Selangor.	50,150	August 2018/ August 2022	August 2022/ August 2024
Chambers Residence Project/ Matrix Concepts (Central) Sdn Bhd	Construction of 1 block of 33-storey apartment building with 509 serviced apartment units, which includes 8-storey car park and common facilities and amenities in Jalan Ipoh, Kuala Lumpur.	102,500	April 2019/ April 2023	April 2023/ May 2025
Cubic Botanical Tower A Project/ Ancubic Capital Sdn Bhd	Construction of 1 block of 33-storey serviced apartment with 509 units in Bangsar South, Kuala Lumpur.	64,800	February 2021/ June 2023	June 2023/ June 2025

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

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

In the event the actual expenses for the defect rectification costs is lower than the allocated amount, the excess will be utilised for the working capital for the Group as mentioned above in Section 2.6(ii), Note (b), the breakdown of which cannot be determined at this juncture.

(iii) Estimated expenses for the Proposals

The breakdown of the estimated expenses for the Proposals are as follows:

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

Note:

[(a)] Comprises the professional fees of the Principal Adviser, Financial Adviser, Solicitors, Reporting Accountants, Share Registrar and Company Secretary as well as the estimated underwriting fees.

In the event the actual expenses are higher than the allocated amount, the deficit will be funded out of the portion allocated for the Group's working capital. Conversely, if the actual expenses are lower than the allocated amount, the excess will be utilised for the working capital for the Group as mentioned above in Section 2.6(ii), Note (b), the breakdown of which has not been determined at this juncture.

Pending utilisation of the proceeds from the Proposals for the above purposes, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional general working capital for the Group as mentioned above in Section 2.6(ii), Note (b), the breakdown of which has not been determined at this juncture.

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

Any proceeds arising from the exercise of the Warrants in the future shall be utilised for the working capital of the Group which includes but is not limited to salaries, rentals of equipment and machineries such as formwork, passenger hoist and scaffolds to tackle various construction needs, purchase of construction materials such as concrete, cement, steel bars and BRC, transportation costs for construction material and other related administrative expenses such as traveling cost for site visit and meetings, utilities charges, statutory payment such as EPF and SOCSO and office and office maintenance for its ordinary course of business, the breakdown of which has yet to be determined. The exact details of the utilisation of such proceeds, including the breakdown of the utilisation have not been determined. Barring any unforeseen circumstances, such proceeds are expected to be utilised within 24 months from the date of receipt of the funds. Pending utilisation of such proceeds, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional general working capital for the Company as mentioned above in Section 2.6(ii), Note (b), the breakdown of which has not been determined at this juncture.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Private Placement and Proposed Rights Issue with Warrants

After considering other methods of fundraising available, as well as the capital structure of Siab, the Board is of the opinion that the Proposed Private Placement and the Proposed Rights Issue with Warrants is the most appropriate method of raising funds, after taking into account the following:

(i) the Proposed Private Placement and the Proposed Rights Issue with Warrants will increase the number of Siab Shares in circulation which may potentially enhance the liquidity and marketability of Siab Shares on the ACE Market;

(ii) the Proposed Private Placement and the Proposed Rights Issue with Warrants will enable the Company to raise the requisite funds required as stated in Section 2.6 above expeditiously without incurring additional bank borrowings or the issuance of debt instruments, thereby allowing the Company to reduce its gearing level and strengthen its financial position;

(iii) the proceeds to be raised from the Proposed Private Placement and the Proposed Rights Issue with Warrants are intended to be utilised mainly for the funding of the Proposed Acquisition and the working capital of the Group. Based on the prospects and outlook of the property market and construction industry in Malaysia as set out in Sections 4.2 and 4.3 of this Circular, the utilisation of proceeds to be raised from the Proposed Private Placement and the Proposed Rights Issue with Warrants are expected to contribute positively to the future earnings of the Group;

(iv) the Proposed Private Placement and the Proposed Rights Issue with Warrants will increase the capital base of the Company which is expected to strengthen the financial position of the Company;

(v) the Warrant attached to the Rights Shares are expected to enhance the attractiveness of the Rights Shares. It provides the shareholders with the option to further participate in the equity of the Company at a pre-determined price and enable them to benefit from the future growth of the Company and any potential capital appreciation arising thereof; and

(vi) the Warrants will also provide the Company with additional capital when they are exercised. The exercise of the Warrants will allow the Company to raise fresh proceeds without incurring additional financing cost and minimise any potential cash outflow in respect of interest servicing.

There is no fund-raising exercise undertaken by Siab in the past 12 months prior to the date of this Circular.

3.2 Proposed Acquisition

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

The Proposed Acquisition represents a strategic opportunity for the Company to further strengthen its remaining orderbook to approximately RM1.89 billion post Proposed Acquisition, given that Siab's and Taghill's unbilled orderbook as at the LPD stood at RM220.92 million and RM1.67 billion, respectively. In addition, the Profit Guarantee has been put in place to mitigate any potential losses or uncertainties associated with the Proposed Acquisition.

The Proposed Acquisition is expected to enhance the Group's earning base over the PG Period. The achievement of the Profit Guarantee by Taghill is expected to improve the consolidated profit post-acquisition, given that Siab registered a loss after tax of RM19.27 million during the FYE 2022 whereas Taghill recorded a PAT of RM4.37 million during the FYE 2022. Furthermore, Taghill's strong order book of RM1.67 billion as at the LPD, will ensure that Taghill will be able to meet its Profit Guarantee. The Proposed Acquisition is expected to be earning accretive and will continuously deliver sustainable value to Siab's shareholders in the medium and long term, given the established business and positive historical financial performance of Taghill.

4. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

4.1 Overview and outlook of the Malaysian economy

The economy continued to expand amid persistent challenges in the external environment. During the first half of 2023, gross domestic product ("**GDP**") posted a growth of 4.2% supported by resilient domestic demand. In the first half of 2023, domestic demand registered a growth of 4.5% contributed by strong private and public expenditures. Domestic demand is expected to expand by 4.9% for the whole year, contributing 4.5 percentage point to GDP growth. Propelled by both consumption and investment spending, private and public sector expenditures are expected to expand by 5.3% and 2.8%, respectively, in 2023.

The services sector, the largest contributor to the economy, continued to lead growth following higher tourist arrivals and improved consumer spending. The construction sector continued to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. These developments helped to cushion the negative impact from the external sector following slow external demand, particularly from Malaysia's major trading partners.

Despite escalating uncertainties in the global landscape, Malaysia's economy remains resilient. The GDP is forecast to expand by approximately 4% in 2023 and between 4% and 5% in 2024. The Government acknowledged the World Bank's forecast that Malaysia's growth will be 4.3% in 2024, which is slightly higher than its initial estimate. This is in line with Malaysia's 2024 growth projection, which will be achieved through robust domestic demand, effectively offsetting the challenges posed by the moderate global growth, supported by the implementation of measures in the new National Energy Transition Roadmap, New Industrial Master Plan 2030 and the Mid-Term Review of the Twelfth Malaysia Plan.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

4.2 Overview and outlook of the property development market in Malaysia

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

In 2022, real estate construction activities in Malaysia rebounded into positive territory against the backdrop of a resurgence in economic activities and improved consumer sentiment following the mass inoculation efforts against COVID-19 and the easing of lockdown measures as the country entered the 'Transition to Endemic' phase on 1 April 2022. Total value of real estate construction activities in the country stood at RM24.24 billion in 2022, which was an increase from RM22.94 billion registered in 2021. The growth was largely attributed to the robust performance of the non-residential building subsector, which saw double-digit expansion. This surge was fuelled by heightened demand for industrial buildings, driven by improvements in private investment and a strong domestic economy. However, during the period from 2018 to 2021, real estate construction activities in Malaysia experienced a slowdown, primarily due to challenges associated with high property prices and home ownership issues, as well as the more recent COVID-19 pandemic.

In terms of project ownership, the construction of both residential and non-residential buildings in Malaysia is primarily led by the private sector. In 2022, the private sector accounted for 84.1% of the total value of real estate construction projects, while the remaining portion was attributed to the public sector, encompassing government and public corporations. Within the public sector, the category of public corporations encompasses both statutory and non-statutory bodies. These entities are established under laws enacted by the Parliament Act or the State Legislative Assembly, granting them a level of operational and managerial independence to oversee government programs.

Real estate construction activities typically exhibit a positive correlation with growth in the property market. A higher demand for properties can lead to higher level of construction activities for real estate. In 2022, the Malaysian property market registered a total transaction volume of 389,107, reflecting a 29.5% growth in total transaction volume as compared to 300,497 in 2021. The value of property transactions in Malaysia surged in tandem with a higher number of property transactions, registering a 23.6% increase from RM144.87 billion in 2021 to RM179.07 billion in 2022. The property market in Malaysia was boosted by various stimulus provided by the Malaysian Government as well as an increase in economic activities and improved consumer sentiment following the country's transition into the 'Transition to Endemic' phase.

In 2022, residential sub-sector continued to dominate market activity in terms of volume, accounting for 62.5% of total transactions, followed by agriculture (21.1%), commercial (8.4%), development land and others (5.9%) and industrial (2.1%). In terms of value of transactions, residential sub-sector also dominated in 2022 by accounting for 52.6% of total transaction value, followed by commercial (18.2%), industrial (11.8%), agriculture (10.0%) as well as development land and others (7.3%).

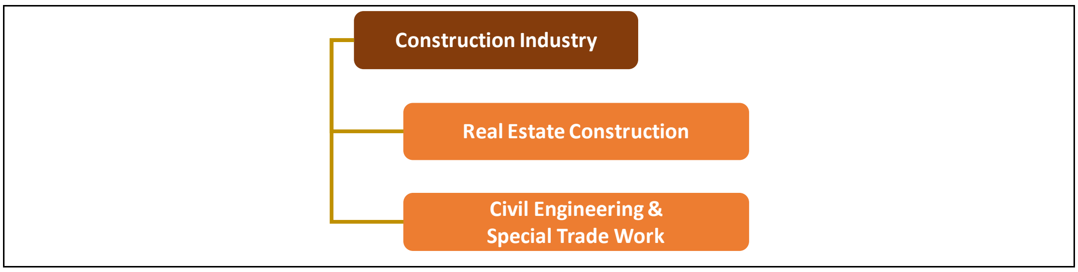
Moving forward, the growth in the local property development industry is expected to be muted in 2023 as the industry faces subdued demand for properties, compounded by an elevated rate environment and heightened uncertainty in external landscape. However, the property development industry is projected to grow at a faster pace in 2024 and keep expanding throughout the remaining forecast period until 2027 driven by factors including accommodative policies, ongoing economic expansion and the implementation of additional government-led housing and infrastructure projects, all contributing to the momentum for industry advancement. Nonetheless, a rising interest rate environment presents a potential challenge for property developers in Malaysia, as it could dampen the demand for properties. Total value of real estate construction activities in Malaysia is forecast to reach RM26.94 billion in 2027, registering a compound annual growth rate ("**CAGR**") of 2.1% for the forecast period of 2023 to 2027 (base year of 2022). In 2023, the Malaysian property market is projected to register a total transaction volume of 368,280 and total value of property transactions of RM170.74 billion, reflecting a decline of 5.4% and 4.7% respectively as compared to the figures in 2022.

(Source: Independent Market Research Report prepared by Protégé)

4.3 Overview and outlook of the construction industry in Malaysia

The construction industry in Malaysia expanded from RM50.89 billion in 2021 to RM53.44 billion in 2022. Construction refers to the conversion of raw materials using labour into various forms of buildings and infrastructures. It typically covers new work, repair, additions and alterations, the erection of prefabricated buildings or structures on the site as well as construction of a temporary nature.

Segmentation in the Construction Industry



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

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

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

Growth in the local construction industry was primarily supported by robust non-residential buildings and specialised construction activities. Improvements in private investment and stronger domestic economic activities had also spurred the demand for industrial buildings. Besides that, the performance of the local construction industry was also supported by the acceleration of infrastructure projects such as Rapid Transit System ("**RTS**") Link and East Coast Rail Link ("**ECRL**").

In 2023, the construction industry in Malaysia is expected to expand by 3.5% to RM55.33 billion, supported by infrastructure construction and specialised construction activities. As outlined in the revised Budget 2023 ("**Belanjawan MADANI**"), the allocation for development expenditure stands at RM99.0 million (inclusive of RM2 billion as contingency savings) – the largest ever, is expected to drive growth in the local construction industry. Meanwhile, the Malaysian Government's focus on home ownership remains evident in Belanjawan MADANI. On-going initiatives include the development of New Program Perumahan Rakyat projects, with an allocation of RM367 million, and the Rumah Mesra Rakyat programme, which involves the construction of 4,250 housing units with an allocation of RM358 million. In addition, Syarikat Jaminan Kredit Perumahan is prepared to extend government guarantees of up to RM5 billion in loan value in 2023, specifically to assist borrowers without fixed incomes. Besides that, the Malaysian Government continues to offer stamp duty exemptions for first-time homeownership. This entails a complete exemption for homes valued at RM500,000 and below, and a 75% exemption for homes valued between RM500,000 and RM1 million, further incentivising home ownership.

Moving forward, the local construction industry is forecast to reach RM64.89 billion in 2027, registering a CAGR of 4.0% for the forecast period of 2023 to 2027 (base year of 2022). Growth within the industry is expected to be supported by broad-based growth across all subsectors. The industry is also expected to be further boosted by the additional RM15 billion in development expenditure for the 12MP period (2021-2025) announced in the Mid-Term Review of the 12MP. An increase in the supply of affordable houses and the continuous i-MILIKI incentive aimed at fostering home ownership are poised to spur demand for residential buildings. Concurrently, approved investments in manufacturing projects are anticipated to fuel the demand for non-residential structures. In the civil engineering subsector, the implementation of new projects such as the upgrading of the Klang Valley Double Track Phase 2 and the acceleration of ongoing infrastructure projects such as ECRL, Light Rail Transit Line 3 and the fifth-generation cellular network rollout are expected to spearhead industry growth.

(Source: Independent Market Research Report prepared by Protégé)

4.4 Prospects of the enlarged Siab Group

As both Siab and Taghill are principally involved in the provision of building construction services, the Proposed Acquisition will offer opportunities to Siab and Taghill, as well as benefits arising from complementary synergies, as follows:

(i) Siab and Taghill serves different clients and as such, the enlarged Group will be able to increase its market presence by combining the client bases, networks and geographical coverage of both companies;

(ii) the enlarged Group will have the capability to offer a broader range of construction services to its clients including information and communication technology ("**ICT**") solutions and services, BIM solutions as well as construction consultancy. Siab and Taghill can capitalise on their combined operations and resources, including streamlining processes, optimising the supply chain and allocating resources efficiently that can potentially lead to cost savings and improved profitability; and

(iii) able to bring together the industry expertise, experience and knowledge of both companies, whereby the exchange of skills and best practices can enhance the overall capabilities of the enlarged Group, resulting in improved project execution while fostering new innovation. In particular, Taghill Group utilises Industrialised Building System as well as implements BIM that leverages digital technologies from the design stage to post-construction and building management phases.

The enlarged Siab Group will continue to focus on provision of building construction services. As at the LPD, as Taghill Group still has unbilled orderbook of RM1.67 billion, both Siab and Taghill will continue to focus on completing these on-going projects within the expected completion date as set out in Section 10(i) of Appendix I. There is no additional financial commitment required to finance Taghill Group's operations as Taghill Group is able to finance its on-going projects. Both Taghill and Siab, will also continue to tender and secure more construction projects to replenish their orderbook.

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

(Source: The management of Siab)

5. RISK FACTORS

5.1 Non-completion of the Proposed Acquisition

The completion of the Proposed Acquisition is subject to, among others, the fulfilment of the conditions precedent of the Restated SSA. The Proposed Acquisition may not be completed if any of the conditions precedent cannot be fulfilled and/or waived, as the case may be, within the stipulated timeframe. Any delay in the fulfilment of the conditions precedent of the Restated SSA may lead to a delay in the completion and/or termination of the Proposed Acquisition. To mitigate such risk, the Company will take reasonable steps to ensure and/or procure that the conditions precedent of the Restated SSA are fulfilled within the stipulated timeframe and that every reasonable effort is made to fulfil the conditions.

5.2 Risk of not achieving the Profit Guarantee

While the Board has taken reasonable steps to assess the achievability of the Profit Guarantee, there can be no assurance that the Profit Guarantee will be met. To mitigate this risk, the Consideration Shares shall be retained and deposited with the Stakeholder as prescribed in Section 2.3.3 of this Circular, where in the event Taghill Group's actual PAT is less than the Profit Guarantee, Siab shall be entitled to be reimbursed in cash by the Vendors to an amount equivalent to the shortfall. However, if the Vendors fail to fulfill their payment obligation on the PG Shortfall, Siab has the rights to dispose of all the Consideration Shares in order to compensate for the financial shortfall.

5.3 Investment risk

Although the inclusion of Taghill Group is expected to contribute positively to the earnings of the Siab Group as illustrated in Section 6.4 of this Circular, there is no guarantee that the expected benefits from the Proposals will materialise or that the Siab Group would be able to generate sufficient returns from Taghill Group to offset the associated cost of investment. The Board will exercise due care in considering the potential risks and benefits associated with the Proposed Acquisition, and the Board believes that the Proposed Acquisition will be value accretive and synergistic to the Siab Group, after taking into consideration among others, both Siab and Taghill are involved in the same core business of construction services, the enlarged prospects of the enlarged Group as set out in Section 4 and Taghill Group's strong order book of RM1.67 billion as at the LPD.

5.4 Business and operational risk

The Proposed Acquisition are subject to inherent risks in the construction industry and property market, of which the Group is already involved in and will be addressed as part of the Group's ordinary course of business. Some of these risks may include, amongst others: (i) prevailing market conditions as well as changes in government policy and regulations, which may affect the performance of the property market and the value of properties; (ii) changes in economic and political conditions; and (iii) fluctuations in the prices of building materials, cost of labour charges. Adverse changes in these conditions can have an adverse impact on the construction industry and property market in Malaysia and the Group. However, no assurance can be given that any changes in these factors will not have a material adverse effect on the Group's business and financial performance.

6. EFFECTS OF THE PROPOSALS

6.1 Share capital

The pro forma effects of the Proposals on the issued share capital of Siab are as follows:

	No. of Shares	RM'000
Issued share capital as at LPD	489,634,083	72,336
Placement Shares to be issued	100,000,000	(i)12,000
Enlarged share capital after the Proposed Private Placement	**589,634,083**	**84,336**
Rights Shares to be issued	766,524,307	(ii)88,824
Enlarged share capital after Proposed Rights Issue with Warrants	**1,356,158,390**	**173,160**
Consideration Shares to be issued	200,000,000	(iii)26,000
Enlarged share capital after the Proposed Acquisition	**1,556,158,390**	**199,160**
To be issued assuming full exercise of Warrants	383,262,153	(iv)76,652
Enlarged share capital	**1,939,420,543**	**275,812**

Notes:

(i) Based on the Indicative Placement Price.

(ii) Based on the Rights Issue Price deducting the estimated expenses directly related to the issuance of the Placement Shares and Rights Shares amounting to RM3.16 million.

(iii) Based on the Consideration Issue Price.

(iv) Based on the Warrant Exercise Price

6.2 NA and gearing

For illustrative purposes, the pro forma effects of the Proposals on the NA and gearing of our Group based on its audited consolidated financial statements as at 31 December 2022 are as follows:

		(I)	(II)	(III)	(IV)
	Audited as at 31 December 2022	**[i]After the Proposed Private Placement**	**After (I) and the Proposed Rights Issue with Warrants**	**After (II) and the Proposed Acquisition**	**After (III) and assuming full exercise of all Warrants**
	RM	**RM**	**RM**	**RM**	**RM**
Share capital	72,335,818	84,335,818	[ii]173,159,519	[iv]199,159,519	[vi]275,811,950
Reserves	(35,722,508)	(35,722,508)	(35,722,508)	(35,722,508)	(35,722,508)
Retained earning	17,825,833	17,825,833	[iii]16,669,159	16,669,159	16,669,159
Total equity	**54,439,143**	**66,439,143**	**154,106,170**	**180,106,170**	**256,758,601**
Number of Shares in issue	489,634,083	589,634,083	1,356,158,390	1,556,158,390	1,939,420,543
NA per Share (RM)	0.11	0.11	0.11	0.12	0.13
Borrowings (interest-bearing)	44,198,821	44,198,821	44,198,821	[v]158,965,727	[v]158,965,727
Gearing ratio (times)	0.81	0.67	0.29	0.88	0.62

Notes:

(i) Adjusted for issuance of 100,000,000 Placement Shares at the Indicative Placement Price.

(ii) Adjusted for the issuance of 766,524,307 Rights Shares at the Rights Issue Price and after deducting estimated expenses directly related to the issuance of the Placement Shares and Rights Shares amounting to RM3.16 million.

(iii) After deducting estimated expenses incidental to the Proposals of approximately RM1.16 million (being expenses not directly related to the issuance of the Placement Shares and Rights Shares).

(iv) Adjusted for issuance of 200,000,000 Consideration Shares at the Consideration Price.

(v) Adjusted for Taghill Group's borrowings of RM114.77 million audited as at 31 December 2022.

(vi) Assuming the exercise of all 383,262,153 Warrants at the Warrant Exercise Price.

6.3 Substantial shareholders' shareholdings

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

	(i) As at LPD				(I) (ii) After the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Wai Hoe	40,582,025	8.29	(vi) 63,652,316	13.00	40,582,025	6.88	(vi) 63,652,316	10.80
Makmur Baru Holdings Sdn Bhd	63,652,316	13.00	-	-	63,652,316	10.80	-	-
Lim Mei Hwee	62,428,217	12.75	-	-	62,428,217	10.59	-	-
Tan Sok Moi	46,515,163	9.50	-	-	46,515,163	7.89	-	-
Alam Kota Sdn Bhd	55,083,762	11.25	-	-	55,083,762	9.34	-	-
Dato' Dr Chang Lik Sean	-	-	(vii) 55,083,762	11.25	-	-	(vii) 55,083,762	9.34
Placees	-	-	-	-	100,000,000	16.96	-	-
Vendors (Collectively)	-	-	-	-	-	-	-	-

	(II) (iii) After (I) and the Proposed Rights Issue with Warrants*				(III) (iv) After (II) and the Proposed Acquisition			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Wai Hoe	93,338,657	6.88	(vi) 146,400,326	10.80	93,338,657	6.00	(vi) 146,400,326	9.41
Makmur Baru Holdings Sdn Bhd	146,400,326	10.80	-	-	146,400,326	9.41	-	-
Lim Mei Hwee	143,584,899	10.59	-	-	143,584,899	9.23	-	-
Tan Sok Moi	106,984,874	7.89	-	-	106,984,874	6.87	-	-
Alam Kota Sdn Bhd	126,692,652	9.34	-	-	126,692,652	8.14	-	-
Dato' Dr Chang Lik Sean	-	-	(vii) 126,692,652	9.34	-	-	(vii) 126,692,652	8.14
Placees	230,000,000	16.96	-	-	230,000,000	14.78	-	-
Vendors (Collectively)	-	-	-	-	200,000,000	12.85	-	-

	(IV)			
	(v)After (III) and assuming full exercise of all Warrants			
	Direct		Indirect	
Substantial shareholders	No. of Shares	%	No. of Shares	%
Ng Wai Hoe	119,716,973	6.17	(vi)187,774,331	9.68
Makmur Baru Holdings Sdn Bhd	187,774,331	9.68	-	-
Lim Mei Hwee	184,163,240	9.50	-	-
Tan Sok Moi	137,219,729	7.08	-	-
Alam Kota Sdn Bhd	162,497,097	8.38	-	-
Dato' Dr Chang Lik Sean	-	-	(vii)162,497,097	8.38
Placees	295,000,000	15.21		
Vendors (Collectively)	200,000,000	10.31	-	-

Notes:

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

(i) Based on the existing issued share capital of 489,634,083 Shares.

(ii) Based on the issued share capital of 589,634,083 Shares after the Proposed Private Placement.

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

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

(v) Based on the issued share capital of 1,939,420,543 Shares assuming full exercise of the Warrants.

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

(vii) Deemed interested by virtue of Section 8 of the Act through his interest held in Alam Kota Sdn Bhd.

6.4 LPS

Barring any unforeseen circumstances and taking into consideration of the proceeds from the Proposed Private Placement and the Proposed Rights Issue with Warrants will be primarily utilised to finance the Proposed Acquisition, both the Proposed Private Placement and Proposed Rights Issue with Warrants, if implemented, are expected to contribute positively to the long-term future earnings and EPS of the Company for the FYE 2023 and FYE 2024.

The pro forma effects of the Proposals on the consolidated losses and LPS of the Company for the FYE 2022 will depend on, amongst others, the number of Rights Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Proposed Private Placement and Proposed Rights Issue with Warrants.

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

For illustration purposes only, based on Siab's latest audited consolidated financial statements for the FYE 2022, the pro forma effects of the Proposals on the earnings and LPS of the Group, assuming that the Proposals had been completed at the beginning of the financial year, is as follows:

		(I)	**(II)**	**(III)**	**(IV)**
	Audited as at 31 December 2022 RM'000	**After the Proposed Private Placement RM'000**	**After (I) and the Proposed Rights Issue with Warrants RM'000**	**After (II) and the Proposed Acquisition RM'000**	**After (III) and assuming full exercise of all Warrants RM'000**
LAT for FYE 2022	(19,269)	(19,269)	(19,269)	(19,269)	(19,269)
Add: Average annual Profit Guarantee	-	-	-	(v)4,225	(v)4,225
Less: Estimated expenses incidental to the Proposals	-	-	(1,157)	(1,157)	(1,157)
Pro forma LAT	**(19,269)**	**(19,269)**	**(20,426)**	**(16,201)**	**(16,201)**
Number of shares in issue	489,634,083	(i)589,634,083	(ii)1,356,158,390	(iii)1,556,158,390	(iv)1,939,420,543
LPS (RM)	0.04	0.03	0.02	0.01	0.01

Notes:

* Expenses which are non-recurring in nature and being expenses not directly related to the issuance of the Placement Shares and Rights Shares.

(i) After incorporating the effects of issuance of 100,000,000 Placement Shares.

(ii) After incorporating the effects of issuance of 200,000,000 Consideration Shares.

(iii) Issuance of 766,524,307 Rights Shares at the Right Issue Price.

(iv) After exercise of all 383,262,153 Warrants at the Warrant Exercise Price.

(v) Based on the audited PAT attributable to owners of Taghill Group for the FYE 2022.

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

6.5 Convertible securities

Our Company does not have any other outstanding convertible securities as at LPD.

7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

(i) approval of Bursa Securities for the listing of and quotation for the following:

(a) the Placement Shares to be issued pursuant to the Proposed Private Placement;

(b) the Rights Shares and Warrants to be issued pursuant to the Proposed Rights Issue with Warrants;

(c) admission of the Warrants on the Official List;

(d) new Siab Shares to be issued pursuant to the exercise of the Warrants; and

(e) the Consideration Shares to be issued pursuant to the Proposed Acquisition.

on the ACE Market of Bursa Securities, which has been obtained vide its letter dated 27 October 2023;

(ii) approval of our shareholders for the Proposals at the forthcoming EGM to be convened; and

Note:

*Pursuant to Section 85(1) of the Act read together read together with Rule 7.08 of the ACE Market LR and Clause 12(3) of the Constitution of the Company, Siab shareholders have statutory pre-emptive rights to be offered any new Shares which rank equally to the existing Shares ("**Statutory Pre-Emptive Rights**"). By voting in favour of the resolution on the Proposed Private Placement and the Proposed Acquisition, i.e. Ordinary resolution I and Ordinary resolution III, Siab shareholders will in effect be waiving their Statutory Pre-Emptive Rights to be first offered the new Shares to be issued by the Company which they are entitled to pursuant to Clause 12(3) of the Constitution of the Company and read together with Section 85(1) of the Act, with such waiver resulting in a dilution to their shareholding percentage in the Company and agreeing to Siab's issue of the Private Placement Shares to Placees and Consideration Shares to the Vendors in accordance with the Restated SSA.*

(iii) approval, waiver and/or consent of any other relevant authorities and/or persons, if required.

Further to the above, the implementation of the Proposed Rights Issue with Warrants is subject to the registration of the abridged prospectus by Bursa Securities.

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the ACE Market LR is 224.10%, which is the aggregate value of consideration for the Proposed Acquisition of RM122.00 million compared with the audited net asset of Siab as at 31 December 2022 of RM54.44 million.

The Proposed Acquisition is not classified as a "significant change in the business direction or policy" of Siab due to the following factors:

(i) Both Siab Group and Taghill Group are primarily engaged in the same core business of building construction services, with 99.88% and 99.41% of their respective revenues were derived from construction services;

	Siab Group		Taghill Group	
	Audited FYE 2022			
	RM'000	**%**	**RM'000**	**%**
Revenue	**141,741**		**399,704**	
• Construction	141,576	99.88	397,337	99.41
• Others*	165	0.12	2,367	0.59
(LAT)/PAT	**(19,269)**		**4,372**	
• Construction	(14,710)	76.34	4,004	91.58
• Others*	(4,559)	23.66	368	8.42

Note:

* Others:

- Siab comprises of ICT solutions and services.
- Taghill comprises of BIM solutions and construction consultancy.

(ii) The Proposed Acquisition will not result in the change of controlling shareholders of Siab. As at the LPD, the controlling shareholders of Siab, namely Ng Wai Hoe, Makmur Baru Holdings Sdn Bhd, Lim Mei Hwee, Tan Sok Moi, Alam Kota Sdn Bhd and Dato' Chang Lik Sean collectively holds 54.79% equity interest in Siab. Upon completion of the Proposed Acquisition, the existing controlling shareholders of Siab is expected to still hold 39.65% of equity interest in Siab whilst the Vendors will hold 12.85% equity interest in Siab

Further, the Proposed Rights Issue with Warrants will be fully underwritten. Consequently, the controlling shareholders of Siab have not provided any undertakings to subscribe to the Proposed Rights Issue with Warrants. Which, in turn, offers them financial flexibility regarding the amount of rights they subscribe to, considering market sentiment and the prevailing market price of Siab Shares. Although no undertakings were provided, the Siab Shares held by the controlling shareholders are entitled to the Proposed Rights Issue with Warrants. This is in contrast to the Consideration Shares, which will be issued to the Vendors and are not entitled to the Proposed Rights Issue with Warrants. For illustrative purposes, assuming the controlling shareholders do not subscribe to the Proposed Rights Issue with Warrants, their shareholding may dilute from 54.79% equity interest to 17.24% equity interest upon completion of the Proposals. However, this will still be higher than the eventual shareholding of the Vendors of 12.85% equity interest in Siab upon completion of the Proposals.

Based on the illustration above, the current controlling shareholders of Siab are expected to remain as the controlling shareholders (as defined in the ACE Market LR) as they are likely to be in a position to control the composition of a majority of the Board after taking into account the following:

(a) they continue to be the largest group of shareholders; and
(b) all the Executive Directors of Siab are members of the controlling shareholders group;

We wish to highlight that the dilution of the controlling shareholders shareholdings in Siab to 17.24% equity interest is purely for illustrative purposes. The controlling shareholders' shareholdings in Siab are entitled to the Proposed Rights Issue with Warrants which will allow them the opportunity to maintain a shareholding level of 39.65% upon completion of the Proposals.; and

(iii) The Proposed Acquisition will not result in a change in the composition of the Board of Siab.

The Proposed Private Placement is not conditional upon the Proposed Rights Issue with Warrants and the Proposed Acquisition.

The Proposed Rights Issue with Warrants is conditional upon the Proposed Private Placement as the Proposed Rights Issue with Warrants will only be implemented after the completion of the Proposed Private Placement. As such, the Placement Shares shall be issued and allotted prior to the implementation of the Proposed Rights Issue with Warrants in order for the placee(s) to be entitled for the Rights Shares and Warrants. However, the Proposed Rights Issue with Warrants is not conditional upon the Proposed Acquisition.

The Proposed Acquisition is conditional upon the completion of the Proposed Private Placement and the Proposed Rights Issue with Warrants as the proceeds from the Proposed Private Placement and the Proposed Rights Issue with Warrants will be primarily utilised to finance the Proposed Acquisition.

As such, the completion sequence for the Proposals is as follows:
(i) Proposed Private Placement;
(ii) Proposed Rights Issue with Warrants; and
(iii) Proposed Acquisition.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

8. OUTSTANDING CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there is no other corporate exercise/scheme being undertaken by our Company which has been announced but is pending completion as at the date of this Circular.

9. INTERESTS OF OUR DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

None of our Directors, major shareholders, chief executive of Siab and/or persons connected with them have any interest direct or indirect in the Proposals, except for their respective entitlements as shareholders of our Company under the Proposed Rights Issue with Warrants including the right to apply for additional Rights Shares under the excess Rights Shares application, which are also available to all our existing shareholders.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

After having considered all aspects of the Proposals, including its rationale, the funding requirements of our Group and the proposed manner of utilisation of the proceeds of the Proposals, our Board is of the opinion that the Proposals are in the best interest of our Company and accordingly recommends that you vote **IN FAVOUR** of the resolutions pertaining to the Proposals to be tabled at our forthcoming EGM.

11. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timetable in relation to the Proposals are as follows:

Event	Date
EGM to approve the Proposals	1 December 2023
The Restated SSA becomes unconditional	Early December 2023
Listing of and quotation for the Placement Shares on the ACE Market	Mid-December 2023
Completion of the Proposed Private Placement	End December 2023
Announcement to Bursa Securities of Entitlement Date	Mid-January 2024
Issuance of abridged prospectus	End January 2024

Event	Date
Closing date for acceptance and applications of the Proposed Rights Issue with Warrants	Early February 2024
Listing of and quotation for the Rights Shares and Warrants on the ACE Market	End February 2024
Completion of the Proposed Rights Issue with Warrants	Early March 2024
Listing of and quotation for the Consideration Shares on the ACE Market	Mid-March 2024
Completion of the Proposed Acquisition	End March 2024

Barring any unforeseen circumstances and subject to receipt of all relevant approvals, the Proposals are expected to be completed by the first quarter of 2024.

12. ADVISERS

M & A Securities has been appointed as the Principal Adviser for the Proposals.

Eco Asia has been appointed as the Financial Adviser for the Proposals on 14 July 2023. Eco Asia's scope of work as Financial Adviser includes the following:

(i) advising our Group on the optimum strategy for the Proposals;

(ii) conducting financial due diligence review on Taghill Group; and

(iii) preparing the Fairness Opinion Letter.

Eco Asia together with M & A Securities are also responsible to coordinate and manage the overall Proposals to ensure a smooth and timely implementation of the Proposals.

13. EGM

Our EGM, the Notice of which is enclosed with this Circular, will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia using the RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at https://tiih.online on Friday, 1 December 2023 at 3.30 p.m..

You are encouraged to attend, participate, speak (in the form of real time submission of typed texts) and vote remotely at our forthcoming EGM using RPV facilities. If you are unable to participate in the online EGM, you may appoint a proxy or proxies to participate and vote on your behalf. The Form of Proxy may be submitted by hand or by post to our Company's Share Registrar Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding our EGM or any adjournment thereof, otherwise the Form of Proxy shall be treated as invalid. Alternatively, the Form of Proxy may also be electronically submitted via TIIH Online at https://tiih.online. The lodging of the Form of Proxy shall not preclude you from participating in the online EGM should you subsequently wish to do so.

Please refer to the enclosed Administrative Guide for the EGM for further information on the procedures of RPV facilities and electronic submission of Form of Proxy.

14. FURTHER INFORMATION

You are advised to refer to the ensuing appendices set out in this Circular for further information.

Yours faithfully,
for and on behalf of our Board of Directors,
SIAB HOLDINGS BERHAD

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

1. INCORPORATION AND HISTORY

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

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

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

Under the management of the Vendors, Taghill has successfully completed 8 construction projects with a total contract value of RM1.34 billion. Presently, Taghill has 12 on-going projects, of which 7 in Kuala Lumpur, 2 in Penang, 1 in Melaka and 2 in Perak.

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

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

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

Throughout the years, Taghill has put in place quality management system ("**QMS**") to assist in its quality control and assurance measures. Its QMS was assessed and accredited with ISO 9001:2015 and ISO 45001:2018 in 2019, as well as ISO 14001:2015 in 2020, under the scope "project management for building construction and civil engineering works".

Taghill has also obtained the following Quality Assessment System in Construction ("**QLASSIC**") and Safety and Health Assessment System in Construction ("**SHASSIC**") certificates scores:

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

2. SHARE CAPITAL, SHAREHOLDER AND DIRECTORS

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

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

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

3. SUBSIDIARY AND ASSOCIATED COMPANY

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

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

4. FINANCIAL INFORMATION

The summary of the financial information of Taghill Group for the past FYE 2020 to FYE 2022 and unaudited 6-months financial period ended 30 June 2023 ("**FPE 2023**") are set out below:

	Audited				Unaudited
	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	247,012	167,504	225,324	399,704	165,159
GP	28,042	13,205	12,314	8,161	3,701
PBT	27,800	11,983	10,608	4,322	1,177
PAT	21,841	8,141	7,453	4,372	928
PAT attributable to owners of the Taghill Group	21,841	8,134	7,342	4,225	768
GP margin (%)	11.35	7.88	5.47	2.04	2.24
PBT margin (%)	11.25	7.15	4.71	1.08	0.71
EPS (RM)	21.84	4.07	3.67	2.11	0.38
Paid-up capital	1,000	2,000	2,000	2,000	2,000
No. of Taghill Shares in issue ('000)	1,000	2,000	2,000	2,000	2,000
Shareholders' funds/ NA	34,852	43,992	51,445	55,817	56,746
Shareholders' funds/ NA attributable to owners of the Taghill Group	34,852	43,985	51,326	55,551	56,321
NA per share attributable to owners of the Taghill Group (RM)	34.85	21.99	25.66	27.78	28.16
Borrowings	58,654	51,367	83,306	114,767	129,972
Gearing ratio (times)	1.68	1.17	1.62	2.06	2.29
Current ratio (times)	1.05	1.27	1.12	1.13	1.14

<u>Commentary on past performance</u>

Revenue

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

	FYE 2022		FPE 2023	
	RM'000	**%**	**RM'000**	**%**
Construction projects	397,337	99.41	163,497	98.99
BIM solutions and construction consultancy	2,367	0.59	1,662	1.01
	399,704	**100.00**	**165,159**	**100.00**

Taghill Group's revenue for FYE 2019 to FYE 2022 and FPE 2023 was mainly derived from construction projects. Taghill Group's revenue decreased by RM79.51 million or 32.19% from RM247.01 million in FYE 2019 to RM167.50 million in FYE 2020. It then increased by RM57.82 million or 34.52% from RM167.50 million in FYE 2020 to RM225.32 million in FYE 2021. Taghill's revenue further increased by RM174.38 million or 77.39% from RM225.32 million in FYE 2021 to RM399.70 million in FYE 2022. Taghill Group reported RM165.16 million in revenue for FPE 2023.

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

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Construction projects:					
PPAM @ Putrajaya	6,007	21,608	36,354	28,112	2,855
The Arcuz	20,255	23,968	48,901	84,464	31,449
The Valley, Skysierra	-	43,394	88,190	145,072	28,442
The Horizon @Fair Park Ipoh	-	8,588	24,117	17,656	69
Uno P2	-	577	6,851	12,667	9,214
Rosewoodz P2	-	-	10,556	25,837	19,865
Fiddlewoodz P2	-	-	7,587	33,295	2,296
Fiddlewoodz P3	-	-	-	16,571	13,517
Alaia	-	-	-	6,741	665
Macalisterz	-	-	-	12,792	8,722
Skyline KL	-	-	-	12,222	39,790
The Stallionz P1	-	-	-	1,911	3,290
Cove Residence @ Melaka	-	-	-	-	648
D'Velada @ Bukit Jalil	-	-	-	-	2,488
Rosewoodz P1	-	8,817	1,547	-	-
Uno Sungai Besi P1	143	112	23	(32)[(a)]	-
Cezlonz Suites	74,615	19,634	-	-	-
Nidoz Residences	135,654	37,169	-	29	-
L House @ Damaisari, Bangsar	1,080	1,263	76	-	-
Expressionz Suites	1,609	215	-	-	-
Others[(b)]	7,389	1,770	-	-	187
Subtotal	246,752	167,115	224,202	397,337	163,497
BIM solutions and construction consultancy	260	389	1,122	2,367	1,662
Total	**247,012**	**167,504**	**225,324**	**399,704**	**165,159**

Notes:

(a) The negative revenue was mainly due to reversal of revenue over recognised in prior years, as a result of variation orders which reduced the work scope and total contract value upon completion of the project.

(b) Comprise of mainly 5 small projects where the construction period is less than 12 months and contract value less than RM2.00 million each.

FYE 2020 vs FYE 2019

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

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

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

(i) commencement of 4 new projects in FYE 2020, namely The Valley, Skysierra Project, The Horizon @ Fair Park Ipoh Project, Rosewoodz Project and Uno P2, which collectively increased the revenue by RM61.38 million; and

(ii) Project PPAM @ Putrajaya of RM15.60 million as the percentage of completion increases from 11.44% in FYE 2019 to 33.42% in FYE 2020 as more construction works were performed in FYE 2020.

FYE 2021 vs FYE 2020

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

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

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

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

FYE 2022 vs FYE 2021

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

(i) Commencement of 5 new projects in FYE 2022, namely Fiddlewoodz P3 Project, Alaia Project, Macalisterz Project, Skyline KL Project and The Stallionz P1 Project, which collectively increased the revenue by RM50.24 million;

(ii) the Valley, Skysierra Project which increased by RM56.88 million, mainly due to increase in its percentage of completion from 40.00% in FYE 2021 to 91.00% in FYE 2022 as Taghill Group works towards completing this project by first half of 2023;

(iii) The Arcuz Project which increased by RM35.56 million, mainly due to increase in its percentage of completion from 43.00% in FYE 2021 to 83.00% in FYE 2022 as Taghill Group work towards completing this project by first half of 2023; and

(iv) Fiddlewoodz P2 Project which increased by RM25.71 million. This project commenced in FYE 2021 and higher level of construction activities involving structural works and mechanical & engineering works were performed in FYE 2022.

FPE 2023

For the FPE 2023, Taghill Group recorded revenue of RM165.16 million. The revenue was mainly contributed by:

(i) on-going projects mainly Skyline KL Project of RM39.79 million, Rosewoodz P2 Project of RM19.87 million and Fiddlewoodz P3 Project of RM13.52 million, as the percentage of completion for these project increases in FYE 2023;

(ii) The Arcuz Project of RM31.45 million and the Valley, Skysierra Project of RM28.44 million as Taghill Group work towards completing both projects in July 2023; and

(iii) Commencement of 2 new projects in FYE 2023, namely Cove Residences @ Melaka and D'Velada @ Bukit Jalil, which collectively contributed RM3.14 million.

GP and PAT

Taghill Group's construction projects are priced based on contract cost estimate which depends on amongst others, the complexity and scale of the construction project. The prices of certain construction contracts are fixed at the time Taghill submit the tender bid or during negotiations of the contract terms, with the exception of any approved variation orders. As such, the GP and GP margin are dependent on the accuracy of Taghill's pricing during the tender and/or negotiation stage. The GP and GP margin during the financial year are dependent on Taghill Group's overall project mix as each project has different project duration, profit margin, costs and construction stages involved. Taghill Group's GP and GP margin may fluctuate throughout the construction period as and when there is a need to revise the cost estimates or update the cost estimate to reflect the actual cost of construction. The analysis of GP and GP margin by business activities is as follows:

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

	FYE 2022		**FPE 2023**	
	GP	**GP Margin**	**GP**	**GP Margin**
	RM'000	**%**	**RM'000**	**%**
Construction projects	6,999	1.76	2,897	1.77
BIM solutions and construction consultancy	1,162	49.09	804	48.38
Total	**8,161**	**2.04**	**3,701**	**2.24**

FYE 2020 vs FYE 2019

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

Group had to revise upwards its costs estimates in FYE 2020 to reflect the actual cost of construction, resulting in lower profit margins for its projects.

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

FYE 2021 vs FYE 2020

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

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

FYE 2022 vs FYE 2021

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

FPE 2023

For the FPE 2023, Taghill Group recorded a GP of RM3.70 million. Taghill Group's GP margin maintained at 2.24% for the FPE 2023 vis-à-vis 2.04% in FYE 2022 mainly due to the increased in material and labour costs which adversely impacted the profit margins of Taghill Group. Consequently, Taghill Group achieved a PAT of RM0.93 million for the FPE 2023.

5. ACCOUNTING POLICIES

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

6. MATERIAL CONTRACTS

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

7. MATERIAL COMMITMENTS

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

(i) An undertaking given by Taghill Group to the Inland Revenue Board of Malaysia on 19 October 2022 wherein Taghill Group shall settle the additional tax liabilities (comprising of increased tax payable and penalties) for assessment years 2019 and 2020 amounting to RM2,742,013.50 by way of instalments with the last payment to be settled on or before 30 September 2024.

8. CONTINGENT LIABILITIES

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

(i) A corporate guarantee for a sum of RM5,564,656.93 issued by Taghill Group in favour of CIMB Bank Berhad on 19 May 2020 as security for the banking facilities granted to Precise Facade Sdn Bhd ("**Precise Facade**"). As the Vendors are also directors and shareholders of Precise Facade, the corporate guarantee was given so that Precise Façade can obtain the banking facilities. This corporate guarantee will be discharged prior to the completion of the Proposed Acquisition.;

(ii) A corporate guarantee for a sum of RM2,000,000.00 issued by Taghill Group in favour of CIMB Bank Berhad on 21 June 2021 as security for the Pemerkasa Plus Aid Payment Assistance Programme granted to Precise Façade. As the Vendors are also directors and shareholders of Precise Facade, the corporate guarantee was given so that Precise Façade can obtain Pemerkasa Plus Aid Payment Assistance. This corporate guarantee will be discharged prior to the completion of the Proposed Acquisition.;

(iii) A corporate guarantee for an amount or amounts in total not exceeding RM1,000,000.00 issued by Taghill Group to CMI Marketing Sdn Bhd on 22 March 2022 to guarantee payment for building materials supplied to Taghill Group.;

(iv) A corporate guarantee issued by Taghill Group in favour of CIMB Islamic Bank Berhad on 26 July 2022 as security for the banking facilities of RM3,000,000.00 granted to Exaco Marketing Sdn Bhd ("**Exaco**"). As the Vendors are also directors and shareholders of Exaco, the corporate guarantee was given so that Exaco can obtain the banking facilities. This corporate guarantee will be discharged prior to the completion of the Proposed Acquisition.;

(v) A corporate guarantee issued by Taghill Group in favour of CIMB Islamic Bank Berhad on 26 July 2022 as security for the banking facilities of RM500,000.00 granted to Exaco. As the Vendors are also directors and shareholders of Exaco, the corporate guarantee was given so that Exaco can obtain the banking facilities. This corporate guarantee will be discharged prior to the completion of the Proposed Acquisition.;

(vi) A guarantee and indemnity for a sum of up to RM3,000,000.00 given by Taghill Group in favour of Moneysave (M) Sdn Bhd ("**Moneysave**") on 28 July 2022 as security for the financing facilities granted to Exaco. As the Vendors are also directors and shareholders of Exaco, the corporate guarantee was given so that Exaco can obtain the banking facilities. This corporate guarantee will be discharged prior to the completion of the Proposed Acquisition.;

(vii) A guarantee and indemnity for a sum of up to RM3,000,000.00 given by Taghill Group in favour of CIMB Islamic Bank Berhad on 3 May 2023 as security for the financing facilities granted to Exaco. As the Vendors are also directors and shareholders of Exaco, the guarantee was given so that Exaco can obtain the financing facilities. This guarantee will be discharged prior to the completion of the Proposed Acquisition.; and

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

Note: Wong Yih Ming, Chu Yee Hong and Yap Kek Siung are directors and shareholders of Precise Facade and Exaco.

9. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

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

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10. PROJECTS UNDERTAKEN BY TAGHILL

(i) Ongoing Projects

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

No	Project name/ Client	Description / Location	Contract Value RM'000	Unbilled value RM'000	Defect Liability Period	Date of Award/ Commencement date/ Expected completion date	Stage of completion (% as at LPD)
1.	UNO Promenade @ Sungai Besi, KL / Promenade Development Sdn Bhd	Main building works for 1 block of 27-storeys apartment building with 137 units service apartments, 1 roof terrace and car parks at Mukim Petaling, Kuala Lumpur ("**KL**") / Sungai Besi, KL	45,000	3,983	27 months	8 October 2020 / 15 October 2020 / December 2023	91.15
2.	Rosewoodz @ KL / Jalilmax (OUG) Sdn Bhd	Main building works and infrastructure works for 1 block of 31-storeys apartment building with 329 units apartments, car parks and related amenities at Mukim Petaling, KL / Bukit Jalil, KL	125,048	18,757	27 months	9 September 2020 / 2 November 2020 / [(i)]December 2023	85.00
3.	Alaia @ Titiwangsa, KL / Black Lotus Development Sdn Bhd	Construction of 1 block of 40-storeys apartment building with 436 units of serviced apartments, 18 units of shops, car parks and related amenities at Mukim Setapak, KL / Taman Tiara Titiwangsa, KL	118,000	106,200	36 months	4 January 2022 / 17 January 2022 / March 2025	10.00
4.	Fiddlewoodz P3 @ KL Metropolis / Ivory Interpoint Sdn Bhd	Main building works and infrastructure works (Package 3) for 2 blocks of serviced apartments comprising 1 block of 43-storeys apartment building with 386 units apartments and 1 block of 42-storeys apartment building with 293 units apartments, car parks and related amenities at Mukim Batu, KL / KL Metropolis, KL	317,500	281,623	27 months	28 January 2022 / 1 April 2022 / September 2025	11.30

No	Project name/ Client	Description / Location	Contract Value RM'000	Unbilled value RM'000	Defect Liability Period	Date of Award/ Commencement date/ Expected completion date	Stage of completion (% as at LPD)
5.	Macalisterz @ Georgetown, Penang / Exsim Macalister Sdn Bhd	Construction of 1 block of 36-storeys apartment building with 418 units of serviced apartments, 3 units of retail lots, car parks and related amenities at Bandar George Town, Pulau Penang / George Town, Pulau Penang	95,000	66,234	27 months	28 February 2022 / 1 April 2022 / January 2025	30.28
6.	Skyline KL @ Jalan San Peng, KL / LTS Skyline Sdn Bhd	Construction of 4 blocks of apartment buildings comprising Block A of 51-storeys with 518 units apartment suites, Block B of 49-storeys with 591 units apartment suites, Block C of 49-storeys with 591 units apartment suites and Block D of 51-storeys with 518 units apartment suites, retail lots, car parks and related amenities at Mukim Bandar KL, KL / Jalan San Peng, KL	425,000	391,000	27 months	29 April 2022/ 2 July 2022 / October 2025	8.00
7.	The Stallionz P1 @ Ipoh White Times Square / Exsim Caldwell (Ipoh) Sdn Bhd	Earthworks, piling, pile cap and sub-structure works (Package 1) for 1 block of 11-storeys small office home office ("**SOHO**") comprising 424 units SOHO, 6 units of shops, car parks and related amenities at Bandar Ipoh(S), Daerah Kinta, Perak / Ipoh, Perak	14,550	3,135	27 months	2 August 2022 / 11 November 2022/ November 2023	78.45
8.	D'Velada @ Bukit Jalil, KL / Binastra Builders Sdn Bhd	Construction of 1 block of 42-storeys apartment building with 508 units serviced apartments, 3 units shops, car parks and related amenities at Mukim Petaling, KL / Bukit Jalil, KL	150,000	141,390	27 months	3 April 2023 / 10 April 2023 / January 2026	5.74
9.	The Cove @ Melaka / KEB Utama Sdn Bhd	Construction of 3 blocks apartment buildings comprising Block A of 649 units serviced apartments, Block B of 649 units serviced apartments and Block C of 649 units serviced apartments, 3 units retail lots, car parks and	317,500	314,325	24 months	1 June 2023 / 1 June 2023 / April 2026	1.00

No	Project name/ Client	Description / Location	Contract Value RM'000	Unbilled value RM'000	Defect Liability Period	Date of Award/ Commencement date/ Expected completion date	Stage of completion (% as at LPD)
		related amenities at Kawasan Bandar VI, Daerah Melaka Tengah, Melaka / Melaka					
10.	Permaisuri @ KL / Sri Tinggi Hartanah Sdn Bhd	Site preparation, earthworks and other general works Lot 481548, Jalan Sri Permaisuri, Mukim Kuala Lumpur / Bandar Sri Permaisuri, KL	80,000	50,000	27 months	1 August 2023 / 1 August 2023 / March 2024	37.50
11.	The Stallionz P2 @ Ipoh White Times Square / Exsim Caldwell (Ipoh) Sdn Bhd	Main building and infrastructure works (Package 2) for 1 block of 11-storeys small office home office ("**SOHO**") comprising 424 units SOHO, 6 units of shops, car parks and related amenities at Bandar Ipoh(S), Daerah Kinta, Perak / Ipoh, Perak	104,567	104,567	27 months	6 October 2023 / 15 January 2024 / May 2025	-
12.	Noordinz Suites @ Georgetown / Exsim Noordin Sdn Bhd	Main building works for: (i) alteration and addition 7 units of existing 2-storey heritage building; (ii) conversion of upper level of 2 units existing 2-storey heritage building from residential to commercial; and (iv) Construction of 1 block of 29-storey serviced apartment, on Lot 10, 105, 107, 315 and 316, Lebuh Noordin, Seksyen 11E, Bandar Georgetown, Daerah Timur Laut, Penang / Georgetown, Penang	185,576	185,576	27 months	17 October 2023/ 16 November 2023/ January 2027	-
		Total	**1,977,741**	**1,666,790**			

Note:

(i) In the midst of applying for extension of time.

(ii) Completed Projects

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

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

No	Project name/Client	Description / Location	Contract value (RM'000)	Commencement/ Completion date
7.	The Valley, Skysierra @ Setiawangsa, KL / Skysierra Development Sdn Bhd	Main building works for: Phase 1 - 2 blocks of apartments with total 1,309 units of apartments, car parks and related amenities; and Phase 2 – 1 block of apartments with related amenities, at Mukim Hulu Klang, KL / Setiawangsa, KL	332,334	16 January 2018 / 21 July 2023
8.	Fiddlewoodz P2 @ KL Metropolis / Ivory Interpoint Sdn Bhd	Earthworks, foundation works and basement carpark works (Package 2) for 2 blocks of serviced apartments comprising 1 block of 43-storeys apartment building with 386 units apartments and 1 block of 43-storeys apartment building with 293 units apartments, car parks and related amenities at Mukim Batu, KL / Taman Tiara Titiwangsa, KL / KL Metropolis, KL	61,250	1 March 2021 / 29 September 2023
		Total	**1,340,984**	

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TAGHILL

TAGHILL PROJECTS SDN BHD
201001036909 (920832-W)
D-21-0, Kinrara Niaga, Jalan BK 5A/2B,
Bandar Kinrara, 47180 Puchong,
Selangor Darul Ehsan, Malaysia.
T +603-8080 9088
F +603-8080 9882
E admin@taghill.my
W www.taghill.my

AGM 30043 AGM 40007 AGM 10353

Date : 16 November 2023

To: The Shareholders of Siab Holdings Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of Taghill Projects Sdn Bhd ("**Board**"), I report after due enquiries that during the period from 31 December 2022 (being the date to which the last audited financial statements of Taghill Projects Sdn Bhd have been made) to the date hereof, being a date not earlier than 14 days before the date of issue of this Circular:

(i) the business of Taghill Projects Sdn Bhd ("**Taghill**") and its subsidiary ("**Taghill Group**") has, in the opinion of the Board, been satisfactory maintained;

(ii) in the opinion of the Board, since the last audited financial statements of Taghill Group, there has been no circumstances which have adversely affected the trading or the value of the assets of Taghill Group;

(iii) the current assets of Taghill Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in Appendix A, as at the LPD, there are no other contingent liabilities by reason of any guarantees or indemnities given by Taghill Group;

(v) since the last audited financial statements of Taghill Group, the Board is not aware of any default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings; and

(vi) since the last audited financial statements of Taghill Group, there have been no material changes in the published reserves or any unusual factors affecting the profits of Taghill Group.

Yours faithfully,
For and on behalf of the Board of
Taghill Projects Sdn Bhd

TAGHILL PROJECTS SDN BHD 201001036909 (920832-W)

WONG YIH MING
Director

TAGHILL PROJECTS SDN BHD
201001036909 (920832-W)
D-21-0, Kinrara Niaga, Jalan BK 5A/2B,
Bandar Kinrara, 47180 Puchong,
Selangor Darul Ehsan, Malaysia.
T +603-8080 9088
F +603-8080 9882
E admin@taghill.my
W www.taghill.my
AGM 30043 AGM 40007 AGM 10353

Appendix A

Save as disclosed below, as at the LPD, there are no other contingent liabilities by reason of any guarantees or indemnities given by Taghill Group:

(i) A corporate guarantee for a sum of RM5,564,656.93 issued by Taghill in favour of CIMB Bank Berhad on 19 May 2020 as security for the banking facilities granted to Precise Facade Sdn Bhd ("**Precise Facade**");

(ii) A corporate guarantee for a sum of RM2,000,000.00 issued by Taghill in favour of CIMB Bank Berhad on 21 June 2021 as security for the Pemerkasa Plus Aid Payment Assistance Programme granted to Precise Facade;

(iii) A corporate guarantee for an amount or amounts in total not exceeding RM1,000,000.00 issued by Taghill to CMI Marketing Sdn Bhd on 22 March 2022 to guarantee payment for building materials supplied to Taghill;

(iv) A corporate guarantee issued by Taghill in favour of CIMB Islamic Bank Berhad on 26 July 2022 as security for the banking facilities of RM3,000,000.00 granted to Exaco Marketing Sdn Bhd ("**Exaco**"); and

(v) A corporate guarantee issued by Taghill in favour of CIMB Islamic Bank Berhad on 26 July 2022 as security for the banking facilities of RM500,000.00 granted to Exaco;

(vi) A guarantee and indemnity for a sum of up to RM3,000,000.00 given by Taghill in favour of Moneysave (M) Sdn Bhd ("**Moneysave**") on 28 July 2022 as security for the financing facilities granted to Exaco;

(vii) A guarantee and indemnity for a sum of up to RM3,000,000.00 given by Taghill in favour of CIMB Islamic Bank Berhad on 3 May 2023 as security for the financing facilities granted to Exaco; and

(viii) A guarantee and indemnity for a sum of up to RM6,000,000.00 given by Taghill in favour of Moneysave on 26 June 2023 as security for the financing facilities granted by Moneysave to Precise Facade.

Note: Wong Yih Ming, Chu Yee Hong and Yap Kek Siung are directors and shareholders of Precise Facade and Exaco.

ECOASIA

Eco Asia Capital Advisory Sdn Bhd
[Registration No. 201801022562 (1284581-H)]
Lot 1904, 19th Floor
Tower 1, Faber Towers
Jalan Desa Bahagia
Taman Desa
58100 Kuala Lumpur

Tel : 03-7971 1822
Fax: 03-7972 1821

5 October 2023

Siab Holdings Berhad
No. 82, Jalan BP 7/8
Bandar Bukit Puchong
47120 Puchong
Selangor

Attn: Board of Directors

Dear Sirs,

FAIRNESS OPINION ON THE PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN TAGHILL PROJECTS SDN BHD ("TAGHILL") AND ITS SUBSIDARY COMPANY BIMTECH SOLUTIONS SDN BHD ("BIMTECH") (COLLECTIVELY KNOWN AS "TAGHILL GROUP" OR "THE GROUP"), FOR A TOTAL CONSIDERATION OF RM122.0 MILLION ("PROPOSED ACQUISITION")

1. INTRODUCTION

Eco Asia Capital Advisory Sdn Bhd (**"Eco Asia"**) was appointed by the Board of Directors (**"Board"**) of Siab Holdings Berhad ("**Siab**" or "**the Company**") to provide an evaluation on the fairness of the total purchase consideration of the Proposed Acquisition amounting to RM122.0 million (**"Purchase Consideration"**).

On 18 July 2023, M&A Securities Sdn Bhd (**"M&A Securities"**) on behalf of the Board announced that the Company had entered into a share sale agreement (**"SSA"**) with vendors of Taghill for the Proposed Acquisition.

On 15 September 2023, M&A Securities on behalf of the Board announced that the Company and the vendors of Taghill had mutually agreed to vary certain terms relating to the mode of payment as set out in the SSA and had entered into an amended and restated share sale agreement to amend, restate, specify and/or supplement the relevant provisions of the SSA (**"Restated SSA"**).

As part of the terms in the SSA and the Restated SSA, the vendors of Taghill have provided a cumulative 2 years Profit Guarantee ("**PG**") to be achieved by Taghill Group for the financial year ended (**"FYE"**) 31 December 2024 and 31 December 2025 ("**PG Period**"). Under the terms of the profit guarantee, the vendors of Taghill jointly and severally guarantee that Taghill shall attain an aggregate PAT of not less than RM24.0 million on a cumulative basis over the PG Period.

This report (**"Report"**) has been prepared for the use by the Board and inclusion into the circular to shareholders of Siab in relation to the Proposed Acquisition (**"Circular"**). This Report must be read in conjunction with the Circular, the limitation and restrictions set out in paragraph 4 and 5 below respectively and the key bases of the valuation set out in paragraph 7.1 below.

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2. SOURCES OF INFORMATION

In preparation of this Report, Eco Asia has relied on the following sources of information and documents:

(i) Audited financial statements of Taghill Group for FYE 31 December 2022;

(ii) SSA dated 18 July 2023 and Restated SSA dated 15 September 2023 signed between Siab and the vendors of Taghill;

(iii) Siab's announcement dated 18 July 2023, 15 September 2023 and 5 October 2023;

(iv) Other relevant information, documents, representation and explanation furnished to us by the directors and management of Siab and Taghill Group (collectively referred to as "**the Management**");

(v) Financial data of the comparable public listed companies extracted from S&P Capital IQ, a platform that provides financial data, company performance data, market insights which is similar to Bloomberg; and

(vi) Other publicly available information in respect of the industry that Taghill Group is involved in.

3. DATE OF OPINION

The date of our opinion is 22 September 2023 (herein also referred to as the "**Date of Opinion**").

4. SCOPE AND LIMITATION TO THE EVALUATION

Eco Asia was not involved in the formulation of the Proposed Acquisition or any deliberation and negotiation on the terms and conditions of the Proposed Acquisition. Our scope is limited to expressing an opinion on the fairness of the Purchase Consideration of Taghill Group to the Board and shareholders of Siab based on the information and documents made available to us as mentioned in paragraph 2 above.

Our role does not extend to us expressing an opinion on the commercial merits of the Proposed Acquisition. The assessment of the commercial merits of the Proposed Acquisition is solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. Further, our terms of reference do not include us rendering an expert opinion on the legal, accounting and taxation issues relating to the Proposed Acquisition.

We have made all reasonable enquiries and conducted our own reviews, where possible, with regards to the information provided to us. We have also relied on the Management to exercise due care to ensure that all information and documents as mentioned above and that all relevant facts, information and representations necessary for our assessment have been disclosed to us and that such information is accurate, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate. This includes carrying out reasonableness checking and/or corroborating documents prepared by and/or signed off by independent parties where possible.

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4. SCOPE AND LIMITATION TO THE EVALUATION (CONT'D)

Our procedures and inquiries do not include any verification work that constitutes an audit on the information that we have relied upon in preparing this Report. Accordingly, we issue no warranty or any other form of assurance as to the accuracy or completeness of the information provided by the Management.

We have not undertaken an independent investigation into the business of Taghill Group. Based on the above and from our review of the relevant documents provided by the Management, we are satisfied that the information and documents provided to us by the Management are sufficient and we have no reason to believe that any such information provided to us are untrue, inaccurate or misleading or the disclosure of which might reasonably affect our assessment as set out in this Report.

The Directors of Siab have individually and collectively, accept full responsibility to all material facts, financial and other information contained in this Report, and for the accuracy of the information in respect of the Proposed Acquisition (save for those in relation to our evaluation and opinion) as prepared herein and confirmed that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein incomplete, false and/or misleading.

It should be noted that the evaluation in itself is highly dependent on, amongst others, the prevailing economic, market and other conditions that may change significantly over a relatively short period of time. It should also be highlighted that the evaluation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the valuation was based. As such, the adoption of such bases and assumptions does not imply that we warrant their validity or achievability.

No representation or warranty, whether expressed or implied, is given by Eco Asia that the information and documents provided will remain unaltered subsequent to the issuance of this Report.

5. RESTRICTIONS

This Report is prepared strictly and solely for the use by the Board and for the inclusion into the Circular and it is not intended for general circulation in whole or in part. Accordingly, we shall not be responsible or liable for any losses or damages as a result of reliance by any party contrary to the provision set out in this Report or our engagement letter.

Save for the purpose stated herein, this Report cannot be relied upon by any party other than the Board, Siab and its shareholders. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or used of, or reliance on this Report, in whole or in part.

Neither Eco Asia nor any of its partners, principals, directors, shareholders, agents or employees undertake responsibility arising in any way whatsoever to any person other than Siab in respect of this Report, including any error or omission therein, however caused. We are under no obligation to update our Report in respect of any events or information that come to our attention subsequent to the Date of Opinion.

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6. BACKGROUND INFORMATION OF TAGHILL GROUP

The background information of Taghill Group is summarised as follows:

Company Name	Incorporation Date	Paid-up Share Capital RM	Principal Activities
Taghill	03/11/2010	2,000,000	Principally involved in the provision of building construction services and solutions for clients and project owners across various segments and fields.
Bimtech [(i)]	20/12/2019	100	Activities of consultants other than architecture, engineering and management consultants.

Note:

(i) Bimtech is a 60% owned subsidiary company of Taghill

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7. VALUATION

7.1 Basis of Valuation

The basis of our valuation is the fair market value which is defined as the arms' length price at which such assets would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell, in an open and unrestricted market and both having reasonable knowledge of relevant facts. The concept of market value means the cash equivalent price of an asset being valued assuming the transaction took place under conditions existing at the date of valuation of the assets. The amount would not be considered as market value if it was influenced by special motivation or characteristic of a typical buyer or seller.

The range of values that we have estimated is based on a going concern use and not, for example, on the break-up value of the business.

7.2 Method of Valuation

We took into consideration the nature of asset and the business of Taghill Group in determining the most appropriate methods of valuation amongst the following commonly used valuation methodologies in equity valuation: -

Valuation Methodologies	Discussion
Relative Valuation Approach (**"RVA"**)	RVA seeks to compare a company's implied trading multiple to that of comparable companies to determine the company's financial worth. General acceptable metric considered under the RVA are as follows: i. Price-to-Earnings (**"PE"**) Multiple: estimates a company's market value based on its profit after taxation (**"PAT"**) relative to its peers and is more likely to reflect the current sentiment of the market. PE Multiple has been adopted as the primary metric in this valuation in view that the Purchase Consideration is derived based on the PG. ii. Enterprise Value (**"EV"**)/ Earnings Before Interest, Tax, Depreciation and Amortisation (**"EBITDA"**) Multiple: estimates the market value of a company's business relative to its historical pre-tax operation performance, with regard to the company's capital structure. EV/EBITDA Multiple has been adopted as the secondary metric in this valuation as it is not affected by the differences in capital structures, borrowing costs and taxation as well as different depreciation and amortisation policies of the comparable companies. iii. Price-to-Book (**"PB"**) Multiple: values a company based on the value of its assets, net of all liabilities at a specific point in time and it indicates the premium which investors are willing to pay to invest in a company compared to its book value. This valuation metric was not adopted as it does not take into consideration the future income of a company.

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7.2 Method of Valuation (Cont'd)

Valuation Methodologies	Discussion
Net Asset Valuation (**"NAV"**) / Revalued Net Asset Valuation (**"RNAV"**)	NAV/RNAV is not adopted for this valuation as it may not reflect the potential value of Taghill Group since this valuation method focus on the book value of the company, without taking into consideration the potential value to be derived from its future business operations and the premium which investors are willing to pay.
Comparable Transaction Analysis (**"CTA"**)	CTA seeks to compare against other comparable transactions undertaken by companies listed on local and/or regional stock exchanges that had entered into proposed acquisitions of similar assets. It also reflects a reasonable estimate of multiples or premiums that others have paid for similar companies in the past. We have considered and adopted this as our tertiary valuation method by selecting the PE multiples of recently listed construction companies on Bursa Malaysia Securities Berhad (**"Bursa Securities"**).
Discounted Free Cash Flow to Equity (**"FCFE"**)	FCFE valuation method was not adopted as this is more appropriate for companies with a set of projected cash inflow and outflow that can be estimated with a high level of certainty. This method is not selected as the construction project of Taghill is relative short term in nature and fluctuation in labor and raw material prices makes things difficult for the Management to accurately project the future cashflow of Taghill Group.

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7.3 Valuation Results

Based on the RVA, the indicative valuation of Taghill Group is determined based on the valuation metrics of selected comparable companies which are broadly comparable to Taghill Group.

We have selected the comparable companies based on the following criteria:

(i) Listed companies on Bursa Securities which are mainly in the business of construction of building and/or infrastructure projects;

(ii) Comparable with Taghill Group in terms of size, ranging within 60% above and below the broad estimated market capitalisation of up to RM130.0 million (round-up to the nearest RM10.0 million based on the Purchase Consideration of RM122.0 million). Hence, the market capitalisation of selected comparable companies ranges from RM78.0 million to RM208.0 million; and

(iii) Excluding loss making companies, resulting in a negative PE and EV/EBITDA multiple which would not be meaningful.

It should be recognised that there is no company which is considered to be identical to Taghill Group in terms of, among others, composition of business activities, scale of business operation, asset base, accounting and tax policies, risk and financial profile, profit track record, capital structure, competitive environment, financial positions and that such business may have fundamentally different profitability objectives.

In addition, the selection of the comparable companies is highly subjective and judgmental in view that the comparable companies may not be entirely comparable to Taghill Group due to various factors such as geographical factors, product market segment, client base and technical know-how. It should be noted that any comparison made with respect to the comparable companies is merely to provide an indicative current market expectation with regards to the implied valuation range of Taghill Group.

Based on the selection criteria above, we have identified all comparable companies (**"Comparable Companies"**) which fulfilled the selection criteria as follows:

Comparable Companies	Listed on Bursa Securities	Principal Activities	(1) Market Capitalisation (RM' million)
Haily Group Berhad (**"Haily"**)	ACE Market	Involved in the construction of residential buildings consisting of single and multi-dwelling buildings as well as non-residential buildings such as commercial, purpose-built, industrial and institutional buildings.	74.00
Lebtech Berhad (**"Lebtech"**)	Main Market	Lebtech undertakes civil and building construction works. It develops townships, corporate offices, and official buildings, as well as infrastructure and mixed-development projects.	107.82

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7.3 Valuation Results (Cont'd)

Comparable Companies	Listed on Bursa Securities	Principal Activities	[1] Market Capitalisation (RM' million)
Inta Bina Group Berhad (**"Inta Bina"**)	Main Market	Involved in building various types of buildings including high-rise residential and commercial properties, industrial as well as leisure properties.	147.33
Gabungan AQRS Berhad (**"AQRS"**)	Main Market	Involved in building and civil engineering construction sub-sectors such as the construction of commercial buildings, residential construction, roads, bridges, flyovers, interchanges, schools and special purpose buildings.	206.25
TRC Synergy Berhad (**"TRC"**)	Main Market	Principally involved in the provision of building and infrastructure construction services. It is also involved in the business of property development and hotel operation services.	183.80
GDB Holdings Berhad (**"GDB"**)	Main Market	Involved in the provision of construction services, focusing on high rise residential, commercial and mixed development projects.	206.25

Note A:

(1) Extracted from S&P Capital IQ based on the closing share prices as at the Date of Opinion.

7.3.1 RVA - PE Multiple

The PE Multiple of the Comparable Companies are as follows:

Comparable Companies	[1] No. of Shares (Unit' million)	[1] Closing Market Price (RM)	[2] Market Capitalisation (RM' million)	[3] PAT (RM' million)	PE Multiple (Times)
Haily	178.32	0.415	74.00	6.54	11.31
Lebtech	136.48	0.790	107.82	0.04	[4]2,695.50
Inta Bina	535.76	0.275	147.33	14.02	10.51
AQRS	542.77	0.380	206.25	16.59	12.43
TRC	471.29	0.390	183.80	25.23	7.28
GDB	937.50	0.220	206.25	7.02	[4]29.38
				Average	**10.38**

Note B:

(1) Extracted from S&P Capital IQ as at the Date of Opinion.

(2) Computed based on the number of outstanding shares and closing market price as at the Date of Opinion, as extracted from S&P Capital IQ.

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7.3 Valuation Results (Cont'd)

7.3.1 RVA - PE Multiple (Cont'd)

Note B (Cont'd):

(3) Extracted from the quarterly announcement on Bursa based on the latest available trailing twelve (12) months financial results as at the Date of Opinion.

(4) Deemed as outlier and has been excluded from the computation of average PE Multiple as it is significantly higher than the PE Multiple of other Comparable Companies.

Based on the average PE Multiple of the Comparable Companies and the PG of RM24.00 million, the indicative value of Taghill Group is as follows:

	(RM' million)
Average PG [1]	12.00
Average PE Multiple of the Comparable Companies (times)	10.38
(-) Illiquidity discount [2]	-
Adjusted PE Multiple (times)	10.38
Valuation of 100% equity interest in Taghill Group	**124.56**

Note C:

(1) Computed based on the total PG of RM24.00 million over the PG Period of two (2) years.

(2) Based on "Investment Valuation: Tools and Techniques for Determining the Value of Any Assets" by Aswath Damodaran, a factor which may have an impact on the valuation is the liquidity of the asset i.e., the extent in which the asset can be freely bought or sold. Generally, shares of non-listed companies are not freely tradeable as compared to public listed companies. Illiquidity discount typically ranges from 20% - 30%. In the case of Taghill Group, we adopted a higher illiquidity discount of 30% after taking into consideration the cash flow position as well as the relatively high gearing ratio of 2.06 times of Taghill Group as at 31 December 2022.

We also took into consideration the control premium which refers to an amount a buyer is willing to pay in excess of the fair value to acquire control in a company. For information purposes, control premium generally ranges from 15% - 30%. In the case of Taghill Group, the control premium adopted of 30%, assessed based on the Purchase Consideration against the indicative fair value of Taghill Group (computed based on an illiquidity discount of 30%) is sufficient to set off the implied illiquidity discount. As such, we are of the opinion that for the purpose of this valuation, a net zero adjustment would be appropriate to reflect a fair equity value of Taghill Group.

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7.3 Valuation Results (Cont'd)

7.3.2 RVA – EV/EBITDA Multiple

As a secondary valuation metric, we have conducted an analysis of the EV/EBITDA Multiple of the Comparable Companies as follows:

Comparable Companies	(1) Market Capitalisation (RM' million)	(2) Enterprise Value (RM' million)	(3) EBITDA (RM' million)	EV/EBITDA Multiple (times)
Haily	74.00	65.19	12.08	5.40
Lebtech	107.82	104.79	0.51	(4)205.47
Inta Bina	147.33	173.29	36.01	4.81
AQRS	206.25	320.73	36.95	8.68
TRC	183.80	(127.51)	47.96	(4)(2.66)
GDB	206.25	161.36	15.37	10.50
			Average	**7.35**

Note D:

(1) As explained in Note B above.

(2) Computed based on the formula (enterprise value = market capitalisation + total borrowings + minority interest - cash and cash equivalent) as extracted from the quarterly announcement on Bursa based on the latest available trailing twelve (12) months financial results as at the Date of Opinion.

(3) Computed based on the latest available trailing 12 months financial results as at the Date of Opinion extracted from the quarterly announcement on Bursa.

(4) Deemed as outlier and has been excluded from the computation of average EV/EBITDA Multiple as it is significantly higher than the EV/EBITDA Multiple of other Comparable Companies or not meaningful for analysis purposes in view of the negative EV/EBITDA Multiple computed.

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ECOASIA

7.3 Valuation Results (Cont'd)

7.3.2 RVA – EV/EBITDA Multiple (Cont'd)

Note D (cont'd):

Based on the average EV/EBITDA Multiple of the Comparable Companies and the average PG of RM12.00 million, the indicative value of Taghill Group is as follows:

	(RM' million)
Average PG	12.00
(+) Taxation @ 24% [1]	3.79
(+) Finance cost [2]	0.76
(+) Amortisation and Depreciation [2]	12.57
EBITDA (a)	29.12
Average EV/EBITDA Multiple of Comparable Companies (times)	7.35
(-) Illiquidity discount [3]	-
Adjusted EV/EBITDA Multiple (times) (b)	7.35
Indicative EV (c) = (a) x (b)	214.03
(-) Total debts [2]	(114.77)
(+) Total cash and cash equivalents [2]	52.40
Valuation of 100% equity interest in Taghill Group	**151.66**

Note E:

(1) Based on corporation tax rate of 24%. The estimated tax was derived by dividing the average PG by 76% (i.e.: 1 – corporate tax rate), and thereafter, deducting the average PG.

(2) Extracted from the audited financial statements of Taghill Group for FYE 2022.

(3) As explained in Note C above.

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ECOASIA

7.3 Valuation Results (Cont'd)

7.3.3 CTA

As a tertiary valuation methodology, we have conducted an analysis of the PE Multiples of recently listed construction companies on Bursa Securities for the past two years from the Date of Opinion is as follows:

Companies	Principal Activities	Listing Date	(1) Closing Market Price	(2) No. of Shares	(3) Market Capitalisation	(2) Profit After Tax	(2) PE Multiple
			On Listing Date				
			(RM)	(Units' 000)	(RM'000)	(RM'000)	(Times)
Kumpulan Kitacon Berhad	G7 building construction contractor involved in the construction of residential and non-residential buildings.	17-Jan-23	0.75	500,000	375,000	41,833	8.10
Vestland Berhad	Principally engaged in the building construction serving as both the building contractor as well as design and build contractor.	31-Jan-23	0.39	944,309	368,281	10,635	(4)29.20
Siab Holdings Berhad	Principally involved in the provision of building construction services.	28-Feb-22	0.31	489,634	151,787	11,043	13.30
						Average PE multiple	**10.70**

Note F:

(1) Extracted from S&P Capital IQ

(2) Represents the number of shares after listing, profit after tax for the latest financial year and PE Multiple upon listing as extracted from the respective prospectus.

(3) Computed based on the closing market price on listing date multiply by the number of shares on listing date.

(4) Deemed as outlier and has been excluded from the computation of average PE Multiple as it is significantly higher than the PE Multiple of other comparable companies.

ECOASIA

7.3 Valuation Results (Cont'd)

7.3.3 CTA (cont'd)

Based on the average PE Multiple of the recently listed construction companies and the average PG of RM12.00 million, the indicative value of Taghill Group is as follows:

	(RM' million)
Average PG	12.00
Average PE Multiple (times)	10.70
(-) Illiquidity discount [1]	-
Adjusted PE Multiple (times)	10.70
Valuation of 100% equity interest in Taghill Group	**128.40**

Note G:

[1] As explained in Note C above.

8. CONCLUSION

As at the Date of Opinion, we are of the opinion that the Purchase Consideration of RM122.00 million for 100% equity interest in Taghill Group is fair to Siab as it is below the overall indicative valuation range of **RM124.56 million** and **RM151.66 million** based on the PE Multiple methodology and EV/EBITDA Multiple methodology.

These values are limited by the approaches as outlined in paragraph 7.2 above and any reference to the values will have to be read in the context of the approaches used in the valuation as well as the basis of the valuation as detailed in paragraph 7.1.

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgment. Because of the susceptibility of valuation inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook. These values represent the range that a well-informed general investor may pay. The final price of Taghill Group will reflect the specific circumstances of the buyer and seller, their perceptions of business and market factors as at the point of execution.

Yours faithfully,
For and behalf of
Eco Asia Capital Advisory Sdn Bhd

Kelvin Khoo
Managing Director

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

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

info@bakertilly.my
www.bakertilly.my

14 November 2023

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

Dear Sirs,

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

Opinion

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

In our opinion, the accompanying consolidated financial statements contained in the Accountants' Report give a true and fair view of the consolidated financial positions of the Group as at 31 December 2020, 31 December 2021 and 31 December 2022, and of its financial performance and cash flows for the financial years then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and Chapter 10 of the *Circular Guidelines - Equity* issued by the Securities Commission Malaysia.

Basis for Opinion

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

Baker Tilly and its related entities in Malaysia trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

TAGHILL PROJECTS SDN. BHD.
(Incorporated in Malaysia)

Basis for Opinion (continued)

Independence and Other Ethical Responsibilities

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

Responsibilities of the Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements of the Group, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a Reporting Accountants' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

TAGHILL PROJECTS SDN. BHD.
(Incorporated in Malaysia)

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

TAGHILL PROJECTS SDN. BHD.
(Incorporated in Malaysia)

Other Matters

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

Baker Tilly Monteiro Heng PLT	Paul Tan Hong
LLP0019411-LCA & AF 0117	No. 03459/11/2023 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur

Date: 14 November 2023

STATEMENT BY DIRECTORS

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

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

…………………………………………...
WONG YIH MING
Director

…………………………………………...
CHU YEE HONG
Director

Kuala Lumpur

Date: 14 November 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

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

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

* *Less than RM1,000*

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

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

* *Less than RM1,000*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

The consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 November 2023.

(a) Strike off of Techwall Resources

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(b) Non-controlling interests in subsidiaries

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

Equity interest held by non-controlling interests:

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION

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

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

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

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

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

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

\# *Consequential amendments as a result of MFRS 17 Insurance Contracts*

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

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

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

Amendments to MFRS 16 Leases

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

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

Amendments to MFRS 101 Presentation of Financial Statements

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

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

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

Amendments to MFRS 101 Presentation of Financial Statements (continued)

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

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

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

Amendments to MFRS 112 Income Taxes

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of combination

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

(a) Subsidiaries and business combination

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of combination (continued)

(a) Subsidiaries and business combination (continued)

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of combination (continued)

(a) Subsidiaries and business combination (continued)

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

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

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

(b) Non-controlling interests

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

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

(c) Transactions eliminated on combination

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments

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

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

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

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

(a) Subsequent measurement

The Group categorises the financial instruments as follows:

(i) Financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(a) Subsequent measurement (continued)

(i) Financial assets (continued)

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

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

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

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

- **Fair value through other comprehensive income (FVOCI)**
  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note3.8(a), Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(a) Subsequent measurement (continued)

(i) Financial assets (continued)

Debt instruments (continued)

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(a) Subsequent measurement (continued)

(ii) Financial liabilities

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

- Financial liabilities at FVPL
- Financial liabilities at amortised cost

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

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

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

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

(b) Financial guarantee contracts

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(c) Regular way purchase or sale of financial assets

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

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

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

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

(d) Derecognition

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(d) Derecognition (continued)

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

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

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

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

3.3 Property, plant and equipment

(a) Recognition and measurement

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (continued)

(a) Recognition and measurement (continued)

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

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

(b) Subsequent costs

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

(c) Depreciation

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (continued)

(d) Derecognition

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

3.4 Investment properties

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

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

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

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

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

	Useful lives (years)
Freehold building	50
Office suites	50

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Contract assets/(liabilities)

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

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

3.6 Leases

(a) Definition of lease

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

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

(b) Lessee accounting

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(b) Lessee accounting (continued)

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(b) Lessee accounting (continued)

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

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

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

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

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

Short-term leases and leases of low value assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(c) Lessor accounting

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

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

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

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

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

3.7 Cash and cash equivalents

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment of assets

(a) Impairment of financial assets

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment of assets (continued)

(a) Impairment of financial assets (continued)

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

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

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

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment of assets (continued)

(a) Impairment of financial assets (continued)

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

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

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

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Impairment of assets (continued)

(b) Impairment of non-financial assets (continued)

For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.9 Share capital

Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidence a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.10 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, the Group contributes to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Revenue and other income

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognition of the Group is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group reasonably expect that the effects on the consolidated financial statements would not differ materiality from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group measures revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as sales and services tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group uses the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group expects to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Company estimates it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the goods or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group has assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Revenue and other income (continued)

Financing component
The Group has applied the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Construction contracts

The Group constructs properties under long-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the properties is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date against the estimated total construction costs (an input method).

Sales are made with a credit term ranging between 30 to 120 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

(b) Consultancy fees

Revenue from consultancy fees is recognised at a point in time when the service is rendered to the customer, which is when the performance obligation in the contract with the customer is satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Revenue and other income (continued)

(b) Consultancy fees (continued)

Sales are made with a credit term ranging between 30 to 120 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the services rendered as the consideration in unconditional other than the passage of time before the payment is due.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

3.12 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.13 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, it is recognised as deferred income in the statements of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of "other income", on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Government grants (continued)

The benefit derived from a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.14 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the statement of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Income tax (continued)

(b) Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group and the Company are able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

3.16 Fair value measurements

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Determination of lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether they are reasonably certain to exercise the option to renew or terminate the lease. The Group considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(b) Depreciation and useful lives of property, plant and equipment

As disclosed in Note 3.3(c), the Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amount of the Group's property, plant and equipment are disclosed in Note 5.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(c) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group uses a provision matrix to calculate expected credit losses for trade receivables and contract assets. The provision rates are depending on the number of days that a trade receivable is past due. The Group uses the grouping according to the customer segments that have similar loss patterns. The criteria include geographical region, product type, customer type and rating, collateral or trade credit insurance.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's financial assets and contract assets are disclosed in Note 21(b).

(d) Measurement of income taxes

Significant judgement is required in determining the Group's estimation for current and deferred taxes. When the final outcome of the tax payable is determined with the tax authorities, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expenses of the Group is disclosed in Note 20.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(e) Impairment of non-financial assets

The Group assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may be irrecoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. The Group uses fair value less cost to sell as the recoverable amount. Fair values are determined at using comparison method and valuation technique method to suit the assets characteristic.

The carrying amounts of the non-financial assets are disclosed in Notes 5 and 6.

(f) Construction revenue and expenses

The Group recognised construction revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date against the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experiences and by relying on the work of specialists.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Signboard RM'000	Plant and machinery RM'000	Site equipment RM'000	Scaffolding and accessories RM'000	Freehold building RM'000	Freehold land RM'000	Building under construction RM'000	Right-of-use assets RM'000	Total RM'000
Cost															
At 1 January 2020		197	349	144	313	66	20	5,491	1,046	7,774	1,933	967	532	13,926	32,758
Additions		291	59	78	119	40	*	573	668	5,648	-	-	225	8,399	16,100
Disposal/ written off		-	-	-	(128)	-	-	(23)	-	-	-	-	-	(165)	(316)
Transfer to right-of-										-					
use asset		-	-	-	(113)	-	-	(1,485)	-	(32)	-	-	-	1,630	-
Transfer from right-of-										-					
use asset		-	-	-	-	-	-	1,859	-	-	-	-	-	(1,859)	-
Transfer to investment										-				-	
property		-	-	-	-	-	-	-	-	-	-	-	(757)	-	(757)
At 31 December 2020		488	408	222	191	106	20	6,415	1,714	13,390	1,933	967	-	21,931	47,785

* *Less than RM1,000*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Signboard RM'000	Plant and machinery RM'000	Site equipment RM'000	Scaffolding and accessories RM'000	Freehold building RM'000	Freehold land RM'000	Building under construction RM'000	Right-of-use assets RM'000	Total RM'000
Accumulated depreciation															
At 1 January 2020		105	182	57	81	35	6	3,298	496	4,595	155	-	-	5,389	14,399
Depreciation charge for the financial year	**18**	63	60	19	38	8	2	435	284	2,174	39	-	-	4,137	7,259
Disposals/ written off		-	-	-	(38)	-	-	(17)	-	-	-	-	-	(101)	(156)
Transfer to right-of-use asset		-	-	-	-	-	-	1,487	-	-	-	-	-	(1,487)	-
Transfer from right-of-use asset		-	-	-	(2)	-	-	(64)	-	(7)	-	-	-	73	-
At 31 December 2020		168	242	76	79	43	8	5,139	780	6,762	194	-	-	8,011	21,502
Carrying amount															
At 1 January 2020		92	167	87	232	31	14	2,193	550	3,179	1,778	967	532	8,537	18,359
At 31 December 2020		320	166	146	112	63	12	1,276	934	6,628	1,739	967	-	13,920	26,283

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Signboard RM'000	Plant and machinery RM'000	Site equipment RM'000	Scaffolding and accessories RM'000	Freehold building RM'000	Freehold land RM'000	Building under construction RM'000	Right-of-use assets RM'000	Total RM'000
Cost										-					
At 1 January 2021		488	408	222	191	106	20	6,415	1,714	13,390	1,933	967	-	21,931	47,785
Additions		469	24	8	-	13	-	521	881	5,175	-	-	-	20,757	27,848
Disposal/ written off		(2)	(34)	-	-	-	-	-	-	-	-	-	-	(83)	(119)
Transfer from right-of-use asset		-	-	-	-	-	-	2,536	-	5,069	-	-	-	(7,605)	-
At 31 December 2021		955	398	230	191	119	20	9,472	2,595	23,634	1,933	967	-	35,000	75,514
										-			-		
Accumulated depreciation															
At 1 January 2021		168	242	76	79	43	8	5,139	780	6,762	194	-	-	8,011	21,502
Depreciation charge for the financial year	**18**	126	63	23	38	12	2	1,133	391	3,439	39	-	-	5,164	10,430
Disposals/ written off		(2)	(33)	-	-	-	-	-	-	-	-	-	-	(35)	(70)
Transfer from right-of-use asset		-	-	-	-	-	-	2,195	-	2,345	-	-	-	(4,540)	-
At 31 December 2021		292	272	99	117	55	10	8,467	1,171	12,546	233	-	-	8,600	31,862
										-					
Carrying amount										-					
At 1 January 2021		320	166	146	112	63	12	1,276	934	6,628	1,739	967	-	13,920	26,283
At 31 December 2021		663	126	131	74	64	10	1,005	1,424	11,088	1,700	967	-	26,400	43,652

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Signboard RM'000	Plant and machinery RM'000	Site equipment RM'000	Scaffolding and accessories RM'000	Freehold building RM'000	Freehold land RM'000	Building under construction RM'000	Right-of-use assets RM'000	Total RM'000
Cost															
At 1 January 2022		955	398	230	191	119	20	9,472	2,595	23,634	1,933	967	-	35,000	75,514
Additions		232	24	20	68	-	-	198	771	4,225	-	-	-	935	6,473
Disposal/ written off		-	-	(5)	(10)	-	-	-	(9)	-	-	-	-	-	(24)
Derecognised due to										-					
early termination		-	-	-	-	-	-	-	-	-	-	-	-	(145)	(145)
Derecognised due to										-					
end of lease term		-	-	-	-	-	-	-	-	-	-	-	-	(86)	(86)
Transfer from/ (to)										-					
right-of-use assets		-	-	-	397	-	-	-	-	(2,784)	-	-	-	2,387	-
At 31 December 2022		1,187	422	245	646	119	20	9,670	3,357	25,075	1,933	967	-	38,091	81,732

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Computer RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Signboard RM'000	Plant and machinery RM'000	Site equipment RM'000	Scaffolding and accessories RM'000	Freehold building RM'000	Freehold land RM'000	Building under construction RM'000	Right-of-use assets RM'000	Total RM'000
Accumulated depreciation															
At 1 January 2022		292	272	99	117	55	10	8,467	1,171	12,546	233	-	-	8,600	31,862
Depreciation charge for the financial year	18	191	45	22	28	10	2	351	479	4,119	38	-	-	7,256	12,541
Disposals/ written off		-	-	(1)	(4)	-	-	-	-	-	-	-	-	-	(5)
Derecognised due to early termination		-	-	-	-	-	-	-	-	-	-	-	-	(91)	(91)
Derecognised due to end of lease term		-	-	-	-	-	-	-	-	-	-	-	-	(86)	(86)
Transfer from/ (to) right-of-use assets		-	-	-	315	-	-	-	-	(293)	-	-	-	(22)	-
At 31 December 2022		483	317	120	456	65	12	8,818	1,650	16,372	271	-	-	15,657	44,221
										-					
Carrying amount										-					
At 1 January 2022		663	126	131	74	64	10	1,005	1,424	11,088	1,700	967	-	26,400	43,652
At 31 December 2022		704	105	125	190	54	8	852	1,707	8,703	1,662	967	-	22,434	37,511

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Assets pledged as security

Feeehold land and building with a carrying amount of RM2,629,332 (2021: RM2,667,999 and 2020: RM2,706,666) have been pledged as security to secure term loans of the Group as disclosed in Note 13.

Leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 13.

(b) Right-of-use assets

The Group leases several assets including office building, workers quarters, motor vehicles, plant and machineries, and scaffolding and accessories.

Information about leases for which the Group is a lessee is presented below:

	Office equipment RM'000	Workers quarters RM'000	Tenanted land RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Scaffolding and accessories RM'000	Total RM'000
Carrying amount							
At 1 January 2020	-	166	-	208	1,986	6,177	8,537
Additions	86	143	-	-	4,149	4,021	8,399
Depreciation charge for the financial year	(38)	(147)	-	(79)	(1,739)	(2,134)	(4,137)
Derecognition due to end of lease term	-	(64)	-	-	-	-	(64)
Transfer	-	-	-	111	1,049	25	1,185
At 31 December 2020	**48**	**98**	**-**	**240**	**5,445**	**8,089**	**13,920**
Additions	-	54	-	-	1,260	19,443	20,757
Depreciation charge for the financial year	(43)	(64)	-	(79)	(1,475)	(3,503)	(5,164)
Derecognition due to end of lease term	-	(48)	-	-	-	-	(48)
Transfer	-	-	-	-	(341)	(2,724)	(3,065)
At 31 December 2021	**5**	**40**	**-**	**161**	**4,889**	**21,305**	**26,400**
Additions	290	30	615	-	-	-	935
Depreciation charge for the financial year	(85)	(16)	(205)	(79)	(1,489)	(5,382)	(7,256)
Derecognition due to end of lease term	-	(54)	-	-	-	-	(54)
Transfer	-	-	-	(82)	-	2,491	2,409
At 31 December 2022	**210**	**-**	**410**	**-**	**3,400**	**18,414**	**22,434**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets (continued)

The Group leases office building, workers quarters and land with lease term of 2 years.

The Group also leases plant and machineries and scaffolding and accessories with lease term of 3 to 5 years.

6. INVESTMENT PROPERTIES

	Note	Freehold land RM'000	Freehold building RM'000	Office suite RM'000	Total RM'000
Cost					
At 1 January 2020		1,337	2,673	-	4,010
Transfer from property, plant and equipment		-	-	757	757
Transfer to asset held for sale		(690)	(1,380)	-	(2,070)
At 31 December 2020		647	1,293	757	2,697
Accumulated depreciation					
At 1 January 2020		-	160	-	160
Depreciation charge for the financial year	**18**	-	53	9	62
Transfer to asset held for sale		-	(99)	-	(99)
At 31 December 2020		-	114	9	123
Carrying amount					
At 1 January 2020		1,337	2,513	-	3,850
At 31 December 2020		647	1,179	748	2,574

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENT PROPERTIES (CONTINUED)

	Note	Freehold land RM'000	Freehold building RM'000	Office suite RM'000	Total RM'000
Cost					
At 1 January 2021/ 31 December 2021		647	1,293	757	2,697
Accumulated depreciation					
At 1 January 2021		-	114	-	123
Depreciation charge for the financial year	**18**	-	27	15	42
At 31 December 2021		-	141	15	165
Carrying amount					
At 1 January 2021		647	1,179	757	2,574
At 31 December 2021		647	1,152	742	2,532

	Note	Freehold land RM'000	Freehold building RM'000	Office suite RM'000	Total RM'000
Cost					
At 1 January 2022		647	1,293	757	2,697
Disposal		(647)	(1,293)	-	(1,940)
At 31 December 2022		-	-	757	757
Accumulated depreciation					
At 1 January 2022		-	141	15	165
Depreciation charge for the financial year	**18**	-	11	15	26
Disposal		-	(152)	-	(152)
At 31 December 2022		-	-	30	39
Carrying amount					
At 1 January 2022		647	1,152	742	2,532
At 31 December 2022		-	-	727	718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENT PROPERTIES (CONTINUED)

Investment properties with a carrying amount of RM718,278 (2021: RM2,531,655 and 2020: RM2,574,265) has been pledged as security to secure credit facilities of the Group as disclosed in Note 13.

The following are recognised in profit or loss in respect of investment properties:

	As at 31 December		
	2020	**2021**	**2022**
	RM '000	**RM '000**	**RM '000**
Rental income	42	54	-
Direct operating expenses:			
- income generating investment properties	*	3	-

* *Less than RM1,000*

Fair value information

Fair values of investment properties are categorised as follows:

	Level 2	**Level 3**	**Total**
	RM '000	**RM '000**	**RM '000**
At 31 December 2020			
Freehold land	833	-	833
Freehold building	1,667	-	1,667
Office suite	-	980	980
At 31 December 2021			
Freehold land	-	833	833
Freehold building	-	1,667	1,667
Office suite	-	700	700
At 31 December 2022			
Office suite	-	700	700

There are no Level 1 and Level 2 investment properties or transfers between Level 1 and Level 2 during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENT PROPERTIES (CONTINUED)

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

	2020 RM '000	2021 RM '000	2022 RM '000
At 1 January	-	980	3,200
Transfer from property, plant and equipment	980	-	-
Transfer into Level 3	-	2,500	-
Disposals	-	-	(2,500)
Losses	-	(280)	-
At 31 December	980	3,200	700

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

Description	Valuation Technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Office suite	Sales comparison approach	Price per square feet	The higher the price per square foot, the higher the value

Valuation process applied by the Group

The Group's finance department includes a team that performs valuation analysis of land and buildings required for financial reporting purposes, including Level 3 fair values. The team report directly to the directors.

Highest and best use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. TRADE AND OTHER RECEIVABLES

	Note	As at 31 December 2020 RM '000	2021 RM '000	2022 RM '000
Trade	(a)			
Trade receivables		58,461	82,427	117,589
Retention sum		27,307	38,296	47,349
		85,768	120,723	164,938
Non-trade				
Other receivables		1,971	1,397	2,065
Deposits		2,511	2,399	4,301
Prepayments		7,361	4,462	12,804
Amount owing by related parties	(b)	3,891	16	646
Amount owing by director	(b)	68	101	213
		15,802	8,375	20,029
Total trade and other receivables		101,570	129,098	184,967

(a) Trade receivables/Retention sum

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 to 120 days from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

Whereas retention sum is receivables upon the expiry of the defect liability periods of the respective construction contracts. The defect liability period of the construction contracts is between 24 to 30 months.

(b) Amount owing by related parties and directors

Amount owing by related parties and directors are unsecured, non-trade in nature, repayable on demand and is expected to be settled net in cash.

The information about the credit exposures are disclosed in Note 21(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. CONTRACT ASSETS/(LIABILITIES)

	FYE 31 December		
	2020 RM'000	2021 RM'000	2022 RM'000
Contract assets relating to construction service contracts	25,705	68,590	87,071
Contract liabilities relating to construction service contracts	(7,444)	(32,986)	(26,697)

(a) Significant changes in contract balances

	FYE 31 December					
	2020		2021		2022	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities Increase/ (decrease) RM'000
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	22,568	-	7,444	-	32,986
Increase due to progress billlings, but revenue not recognised	-	(7,444)	-	(32,986)	-	(26,697)
Increases as a result of changes in the measure of progress	25,705	-	68,590	-	87,071	-
Transfers from contract assets recognised at the beginning of the period to receivables	(12,465)	-	(25,705)	-	(68,590)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(b) Revenue recognised in relation to contract balances

	FYE 31 December		
	2020	**2021**	**2022**
	RM'000	**RM'000**	**RM'000**
Revenue recognised that was included in contract liabilities at the beginning of the financial year	22,568	7,444	32,986

9. CASH AND SHORT-TERM DEPOSITS

	As at 31 December		
	2020	**2021**	**2022**
	RM '000	**RM '000**	**RM '000**
Cash and bank balances	4,825	25,531	28,933
Short-term deposits	7,676	12,145	23,466
	12,501	37,676	52,399

(i) For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise of the following:

	As at 31 December		
	2020	**2021**	**2022**
	RM '000	**RM '000**	**RM '000**
Short-term deposits	7,676	12,145	23,466
Less: Pledged deposits	(7,676)	(12,145)	(23,466)
	-	-	-
Cash and bank balances	4,825	25,531	28,933
Bank overdraft	(6,225)	(7,003)	(41,395)
	(1,400)	18,528	(12,462)

Included in the deposits placed with licensed banks of the Group, RM23,465,863 (2021: RM12,145,420 and 2020: RM7,675,658) are pledged to licensed banks as securities as disclosed in Note 13.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

(ii) Purchase of property, plant and equipment:

		FYE 31 December		
	Note	**2020 RM '000**	**2021 RM '000**	**2022 RM '000**
Purchase of property, plant and equipment	**5**	16,100	27,848	6,473
Financed by way of finance lease arrangements		(8,399)	(14,509)	(3,787)
Financed by way of other payables		(981)	(1,907)	-
Cash payments on purchase of property, plant and equipment		6,720	11,432	2,686

(iii) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1.1.2020 RM'000	**Cash flow RM'000**	**Non-cash RM'000**	**31.12.2020 RM'000**
Terms loans	8,137	1,400	(2,039)	7,498
Liability classifed as held for sale	-	-	2,039	2,039
Bankers' acceptance	1,682	318	-	2,000
Contract financing	43,556	(20,666)	-	22,889
Lease liabilities	5,279	(855)	8,331	12,755
Net changes in amount owing (by)/to related parties	(5,238)	2,145	-	(3,093)
Net changes in amount owing (by)/to directors	(842)	1,108	-	267
	52,574	(16,550)	8,331	44,355

	1.1.2021 RM'000	**Cash flow RM'000**	**Non-cash RM'000**	**31.12.2021 RM'000**
Terms loans	7,498	179	-	7,677
Liability classifed as held for sale	2,039	(2,039)	-	-
Bankers' acceptance	2,000	(858)	-	1,142
Contract financing	22,889	23,834	-	46,723
Lease liabilities	12,755	(6,401)	14,407	20,761
Net changes in amount owing (by)/to related parties	(3,093)	6,379	-	3,286
Net changes in amount owing to/(by) directors	267	610	-	877
	44,355	21,704	14,407	80,466

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

(iii) Reconciliation of changes in liabilities arising from financing activities are as follows: (continued)

	1.1.2022 RM'000	Cash flow RM'000	Non-cash RM'000	31.12.2022 RM'000
Terms loans	7,677	7,103	-	14,780
Banker's acceptance	1,142	3,616	-	4,758
Contract financing	46,723	(9,399)	-	37,324
Lease liabilities	20,761	(5,133)	882	16,510
Net changes in amount owing to/(by) related parties	3,286	(458)	(21)	2,807
Net changes in amount owing to/(by) directors	877	(530)	-	347
	80,465	(4,801)	860	76,525

10. ASSETS/(LIABILITIES) OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

As at the financial year ended 31 December 2020, the Group classified its investment property and associated term loan as asset and liability of a disposal group classified as held for sale due to a sale ad purchase agreement entered on 24 December 2020 by the Company to dispose the said asset for a total consideration of RM2,850,000. The sale of the said investment property was completed in April 2021.

The assets/liabilities classified as held for sale on the Group's statements of financial position as at 31 December 2020 are as follows:

<u>Assets of a disposal group classified as held for sale</u>

	FYE 31 December		
	2020 RM'000	2021 RM'000	2022 RM'000
Investment property	1,971	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. ASSETS/(LIABILITIES) OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Liabilities of a disposal group classified as held for sale

	FYE 31 December		
	2020 RM'000	2021 RM'000	2022 RM'000
Term loan	2,039	-	-

The investment property classified as held for sale have been pledged as security to secure term loan facility of the company.

11. SHARE CAPITAL

	Number of ordinary shares			Amount		
	2020 Unit	2021 Unit	2022 Unit	2020 RM'000	2021 RM'000	2022 RM'000
Issued and fully paid-up:						
At 1 January	1,000	2,000	2,000	1,000	2,000	2,000
Issued during the financial year	1,000	-	-	1,000	-	-
At 31 December	2,000	2,000	2,000	2,000	2,000	2,000

On 6 June 2020, the Company issued 1,000,000 new ordinary shares at a price of RM1 per ordinary share for working capital purposes.

The new existing ordinary shares issued during the financial years rank pari passu in all respects with the existing ordinary shares of the Company.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. DEFERRED TAX LIABILITIES

	At 1 January 2020 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31 December 2020 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31 December 2021 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31 December 2022 RM'000
Deferred tax liabilities:							
Property, plant and equipment	372	(1,092)	(719)	(1,076)	(1,795)	(1,092)	(2,887)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. LOANS AND BORROWINGS

	Note	2020 RM '000	2021 RM '000	2022 RM '000
		As at 31 December		
Non-current:				
Term loans	**(a)**	6,833	7,042	11,985
Lease liabilities	**(b)**	7,187	11,049	4,322
		14,020	18,091	16,307
Current:				
Term loans	**(a)**	665	635	2,795
Lease liabilities	**(b)**	5,568	9,712	12,188
Bankers' acceptance	**(c)**	2,000	1,142	4,758
Contract financing	**(d)**	22,889	46,723	37,324
Bank overdraft	**(e)**	6,225	7,003	41,395
		37,347	65,215	98,460
Total loans and borrowings:				
Term loans	**(a)**	7,498	7,677	14,780
Lease liabilities	**(b)**	12,755	20,761	16,510
Bankers' acceptance	**(c)**	2,000	1,142	4,758
Contract financing	**(d)**	22,889	46,723	37,324
Bank overdraft	**(e)**	6,225	7,003	41,395
		51,367	83,306	114,767

(a) Term loans

Term loan 1 of the Group of RM2,170,040 (2021: RM2,203,334 and 2020: RM2,222,657) bears interest at Base Lending Rate ("BLR") minus 2.2% per annum and is repayable by monthly instalments of RM14,220 (2021: RM15,662) over 20 years commencing from the day of first drawdown and is secured and supported as follows:
(i) Facilities agreement;
(ii) First party open charge;
(iii) Joint and severally guaranteed by the directors of the Company; and
(iv) Legal charge over an office building of the Group.

Term loan 2 of the Group of RM Nil (2021: RM1,820,256 and 2020: RM1,822,699) bears interest at BLR minus 1.80% per annum and is repayable by monthly instalments of RM12,746 over 20 years commencing from the day of first drawdown and is secured and supported as follows:
(i) Facilities agreement;
(ii) First party open charge;
(iii) Joint and severally guaranteed by the directors of the Company; and
(iv) Legal charge over an investment property of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 3 of the Group of RM888,465 (2021: RM918,528 and 2020: RM913,551) bears interest at BLR minus 2.10% per annum and is repayable by monthly instalments of RM5,013 over 25 years commencing from the day of first drawdown and is secured and supported as follows:
(i) Facilities agreement;
(ii) First party open charge;
(iii) Joint and severally guaranteed by the directors of the Company; and
(iv) Legal charge over an investment property of the Group.

Term loan 4 of the Group of RM851,982 (2021: RM912,075 and 2020: RM952,645) bears interest at Base Financing Rate ("BFR") minus 1.00% per annum and is repayable by monthly instalments of RM10,393 over 10 years commencing from the day of first drawdown and is secured and supported as follows:
(i) Facilities agreement;
(ii) First party open charge; and
(iii) Joint and severally guaranteed by the directors of the Company.

Term loan 5 of the Group of RM747,520 (2021: RM835,677 and 2020: RM426,360) bears interest at BLR plus 0.50% per annum and is repayable by monthly instalments of RM14,783 over 7 years commencing from the day of first drawdown and is secured and supported as follows:
(i) Facilities agreement;
(ii) First party open charge over short-term deposits of the Group;
(iii) Joint and severally guaranteed by the directors of the Company; and
(iv) Legal assignment over proceeds under contract between borrower and bank.

Term loan 6 of the Group of RM630,192 (2021: RM826,400 and 2020: RM1,000,000) bears interest at 3.5% per annum and is repayable by monthly instalments of RM18,500 over 5 years commencing from the day of first drawdown and is secured and supported as follows:
(i) Guaranteed by Credit Guarantee Corporation Malaysia; and
(ii) Joint and severally guaranteed by the directors of the Comapny.

Term loan 7 of the Group of RM135,663 (2021: RM150,477 and 2020: RM160,173) bears interest at BFR minus 1% per annum and is repayable by monthly instalments of RM2,097.93 over 119 months commencing from the day of first drawdown and is secured and supported as follows:
(i) Assignment of Takaful Policy; and
(ii) Joint and severally guaranteed by the directors of the Company.

Term loan 8 of the Group of RM8,870,448 (2021 and 2020: NIL) bears interest at Effective Cost of Funds ("ECOF") plus 1.5% per annum and is repayable by monthly instalments of RM166,670 over 60 months commencing from the day of first drawdown and is secured and supported as follows:
(i) Guaranteed by SJPP under the Danajamin PRIHATIN Guarantee Scheme; and
(ii) Joint and severally guaranteed by the directors of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 9 of the Group of RM485,980 (2021 and 2020: NIL) bears interest at BFR per annum and is repayable by monthly instalments of RM9,632 over 60 months commencing from the day of first drawdown and is secured and supported as follows:
(i) Assignment of Life Takaful Policy; and
(ii) Joint and severally guaranteed by the directors of the Company.

(b) Lease liabilities

Future minimum lease payments under lease liabilities together with the present value of net minimum lease payments are as follows:

	As at 31 December		
	2020	2021	2022
	RM '000	RM '000	RM '000
Minimum lease payment:			
- Not later than one year	6,221	10,727	12,227
- Later than one year and not later than five years	7,600	11,589	5,198
	13,820	22,315	17,425
Less: Future finance charges	(1,065)	(1,553)	(915)
Present value of minimum lease payments	12,755	20,761	16,510
Present value of minimum lease payment payable:			
- Not later than one year	5,568	9,712	12,188
- Later than one year and not later than five years	7,187	11,049	4,322
	12,755	20,761	16,510
Less: Amount due within twelve months	(5,568)	(9,712)	(12,188)
Amount due after twelve months	7,187	11,049	4,322

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. LOANS AND BORROWINGS (CONTINUED)

(c) Bankers' acceptance

Bankers' acceptance bears interest from 3.85% to 5.44% (2021: 3.83% to 3.84% and 2020: 3.85% to 3.94%) and are secured and supported as follows:
(i) Facilities agreement;
(ii) Joint and severally guaranteed by the directors of the Company;
(iii) Legal charge over an office building of the Group; and
(iv) Legal charge over short-term deposits of the Group.

(d) Contract financing

Banker's acceptance bears interest from 6.51% to 7.51% (2021: 6.01% to 7.01% and 2020: 6.01% to 7.60%) and are secured and supported as follows:
(i) Facilities agreement;
(ii) First party charge over fixed deposit, receivables, Designated Collection Accounts, Sinking Fund Accounts;
(iii) Joint and severally guaranteed by the directors of the Company;
(iv) Legal charge over construction project of the Group;
(v) Deed of assignment over contract proceeds between the Borrower and the Bank; and.
(vi) Corporate guarantee from a related party.

(e) Bank overdrafts

Bank overdrafts of the Group bears interest of base lending rate ("BLR") plus 1.00% to 1.50% per annum and is secured and supported as follows:
(i) Facilities agreement;
(ii) First party charge over short-term deposit, receivables, Designated Collection Accounts, Sinking Fund Accounts;
(iii) First party pledge fixed deposit;
(iv) Joint and severally guaranteed by the directors of the Company;
(v) Legal charge over property of the Group;
(vi) Deduction of 2% from sinking fund of each contract proceeds received and placed in first party short-term deposits; and
(vii) Legal charge over an office building of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. TRADE AND OTHER PAYABLES (CONTINUED)

	Note	As at 31 December 2020 RM '000	2021 RM '000	2022 RM '000
Trade				
Trade payables	**(a)**			
- Third parties		42,576	69,805	103,451
- Related parties		1,916	6,614	17,499
Retention sum	**(b)**			
- Third parties		7,243	12,069	22,422
- Related parties		633	116	1,409
		52,368	88,604	144,781
Non-trade				
Other payables		1,508	9,621	13,064
Accruals		6,167	6,149	996
Amount owing to directors	**(c)**	335	978	560
Amount owing to related parties	**(c)**	798	3,302	3,453
		8,808	20,050	18,073
Total trade and other payables		61,176	108,654	162,854

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranges from 30 to 120 days.

(b) Retention sums

Retention sums are payable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability period of the construction contracts is between 24 to 30 months.

(c) Amount owing to directors and related parties

Amount owing to directors and related parties are unsecured, non-trade in nature, repayable on demand and is expected to be settled in cash.

Amount owing to directors and related parties are non-interest bearing, other than the amount owing to a related party of NIL (2021: RM2,000,000 and 2020: NIL) bearing interest rate of NIL (2021: 4% and 2020: NIL).

For explanation on the Group's liquidity risk management processes, refer to Note 21(b)(ii).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. REVENUE

	FYE 31 December		
	2020 RM '000	2021 RM '000	2022 RM '000
Revenue from contract customers:			
Consultancy fees	389	1,122	2,367
Construction services	167,115	224,202	397,337
	167,504	225,324	399,704
Timing of revenue recognition:			
At a point in time	389	1,122	2,367
Over time	167,115	224,202	397,337
	167,504	225,324	399,704

16. OTHER INCOME

	FYE 31 December		
	2020 RM '000	2021 RM '000	2022 RM '000
Rental income	60	86	53
Interest income	228	123	60
Non-contract income	125	66	140
Gain on disposal of property, plant and equipment	7	-	10
Gain on disposal of assets held for sale	-	256	-
Gain on disposal of investment property	-	-	136
Wage subsidy	156	156	13
	576	687	412

17. FINANCE COSTS

	FYE 31 December		
	2020 RM '000	2021 RM '000	2022 RM '000
Interest expense on:			
- Term loans	259	241	335
- Lease liabilities	4	2	80
- Bank overdrafts	-	315	346
	263	558	761

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. PROFIT BEFORE TAX

Other than as disclosed elsewhere in the consolidated financial statements, the following items have been charged in arriving at profit before tax:

		FYE 31 December		
	Note	2020 RM '000	2021 RM '000	2022 RM '000
Auditors' remuneration				
- Current year		64	71	88
Loss on disposal of property, plant and equipment		-	*	-
Depreciation of property, plant and equipment	**5**	7,259	10,430	12,541
Depreciation of investment properties	**6**	62	42	26
Expenses relating to short-term lease		4,869	7,313	7,214
Net realised foreign exchange loss		-	-	*
Employee benefits expense	**19**	15,166	19,271	22,554

* *Less than RM1,000*

19. EMPLOYEE BENEFITS EXPENSE

	FYE 31 December		
	2020 RM '000	2021 RM '000	2022 RM '000
Salaries, wages, allowances and bonuses	14,276	18,046	20,996
Defined contribution plans	824	1,129	1,426
Other staff related benefits	66	96	132
	15,166	19,271	22,554

Included in employee benefits expense are:			
Directors' remuneration			
- Director fee	50	60	25
- Salaries, allowances and bonuses	1,560	1,890	2,943
- Defined contribution plans	187	227	353
- Other staff related benefits	3	3	4
	1,800	2,180	3,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 are as follows:

	FYE 31 December		
	2020	**2021**	**2022**
	RM '000	**RM '000**	**RM '000**
Consolidated statements of comprehensive income			
Current income tax:			
- Current income tax charge	2,750	1,995	983
- Adjustment in respect of prior years	-	-	(2,218)
- Real property gain tax	-	84	93
	2,750	2,079	(1,142)
Deferred tax (Note 12):			
- Origination of temporary diferrence	808	1,193	594
- Adjustment in respect of prior years	284	(117)	498
	1,092	1,076	1,092
Income tax expense/(benefit) recognised in profit or loss	3,842	3,155	(50)

The income tax rate applicable to small and medium scale enterprise ("SME") incorporated in Malaysia with paid-up capital of RM2,500,000 and below is subject to the statutory tax rate of 17% on chargeable income up to RM600,000. For chargeable income in excess of RM600,000, statutory rate of 24% is still applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. INCOME TAX EXPENSE (CONTINUED)

The reconciliations from the tax amount at the statutory income tax rate to the Group's tax expense are as follows:

	FYE 31 December		
	2020 RM '000	2021 RM '000	2022 RM '000
Profit before tax	11,983	10,608	4,322
Tax at Malaysian statutory income tax rate of 24%	2,876	2,546	1,037
SME tax savings	(42)	(64)	(74)
Adjustments:			
Non-deductible expenses	722	706	614
Utilisation of unrecognised deferred tax asset	-	(2)	-
Deferred tax not recognised	2	-	-
Adjustment in respect of current income tax of prior years	-	-	(2,218)
Adjustment in respect deferred tax of prior years	284	(115)	498
Real property gain tax	-	84	93
Income tax expense/ (benefits)	3,842	3,155	(50)

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

	FYE 31 December		
	2020 RM'000	2021 RM'000	2022 RM'000
Temporary differences arising from property, plant and equipment	(67)	-	-
Unabsorbed capital allowance	76	-	-
	9	-	-

The availability of unused tax losses for offsetting against future taxable profits in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of the above items as there is no probable future taxable profits will be available against which the unused tax losses can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. INCOME TAX EXPENSE (CONTINUED)

Unrecognised deferred tax assets (continued)
Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendment to Section 44(5F) of Income Tax Act 1967, the time limit on the carried forward unused tax losses has been extended to maximum 10 consecutive years. This amendment is deemed to have effect for the year of assessment 2019 and subsequent year of assessment.

Any unused tax losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

21. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the consolidated statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM '000	Amortised cost RM '000
At 31 December 2020		
Financial assets		
Trade and other receivables, less prepayments	94,209	94,209
Cash and short-term deposits	12,501	12,501
	106,710	106,710
Financial liabilities		
Loans and borrowings	(51,367)	(51,367)
Trade and other payables	(61,176)	(61,176)
	(112,543)	(112,543)
At 31 December 2021		
Financial assets		
Trade and other receivables, less prepayments	124,636	124,636
Cash and short-term deposits	37,676	37,676
	162,312	162,312
Financial liabilities		
Loans and borrowings	(83,306)	(83,306)
Trade and other payables	(108,654)	(108,654)
	(191,960)	(191,960)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Carrying amount RM '000	Amortised cost RM '000
At 31 December 2022		
Financial assets		
Trade and other receivables, less prepayments	172,163	172,163
Cash and short-term deposits	52,399	52,399
	224,562	224,562
Financial liabilities		
Loans and borrowings	(114,767)	(114,767)
Trade and other payables	(162,854)	(162,854)
	(277,621)	(277,621)

(b) Financial risk management

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

(i) Credit risk (continued)

Trade receivables and contract assets

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

The carrying amounts of trade and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

<u>Credit risk concentration profile</u>

The Group has no significant concentration of credit risk from its receivables.

The Group applies the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix are as follows:

			Trade receivables						
	Contract assets RM'000	Retention sum RM'000	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	> 120 days past due RM'000	Total RM'000
At 31 December 2020									
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	25,705	27,307	27,985	14,358	5,728	7,534	496	2,363	58,464
Impairment losses	-	-	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables (continued)

Credit risk concentration profile (continued)

	Contract assets	Retention sum	Trade receivables						
			Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	91 to 120 days past due	> 120 days past due	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2021									
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	68,590	38,296	39,374	16,529	10,955	3,664	1,135	10,770	82,427
Impairment losses	-	-	-	-	-	-	-	-	-
At 31 December 2022									
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	87,071	47,349	81,587	16,338	10,021	1,160	316	8,167	117,589
Impairment losses	-	-	-	-	-	-	-	-	-

Other receivables and other financial assets

For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the consolidated statements of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

* internal credit rating
* external credit rating (as far as available)
* actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
* actual or expected significant changes in the operating results of the borrower
* significant increases in credit risk on other financial instruments of the same borrower
* significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
* significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 120 days past due in making a contractual payment.

Some intercompany loans between related entities are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.8(a) for the Group's other accounting policies for impairment of financial assets.

As at the end of the reporting date, the Group did not recognise any loss allowance for impairment for other receivables and other financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Financial guarantee contracts

The Group is exposed to credit risk in relation to financial guarantees given to banks in respect of a loan granted to a related party. The Group monitors the result of the related party and their repayment on an on-going basis. The maximum exposure to credit risk amounting to RM15,477,102 (2021 and 2020: RM5,227,102) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 21(b)(ii). At the reporting date, there was no loss allowance for impairment as determined by the Group for the financial guarantee.

The financial guarantee has not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to related party's secured borrowing.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arises principally from trade and other payables and loans and borrowings.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's treasury department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis
The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
	Carrying amount RM '000	On demand or within one year RM '000	Between one and five years RM '000	More than five years RM '000	Total RM '000
At 31 December 2020					
Trade and other payables	61,176	61,176	-	-	61,176
Term loans	7,498	933	3,276	5,359	9,568
Lease liabilities	12,755	6,221	7,600	-	13,821
Bankers' acceptance	2,000	2,000	-	-	2,000
Contract financing	22,889	22,889	-	-	22,889
Bank overdraft	6,225	6,225	-	-	6,225
Financial guarantee contract	-	5,227	-	-	5,227
	112,543	104,671	10,876	5,359	120,906
At 31 December 2021					
Trade and other payables	108,654	108,654	-	-	108,654
Term loans	7,677	933	2,887	5,254	9,074
Lease liabilities	20,761	10,727	11,589	-	22,316
Bankers' acceptance	1,142	1,142	-	-	1,142
Contract financing	46,723	46,723	-	-	46,723
Bank overdraft	7,003	7,003	-	-	7,003
Financial guarantee contract	-	5,227	-	-	5,227
	191,960	180,409	14,476	5,254	200,139
At 31 December 2022					
Trade and other payables	162,854	162,854	-	-	162,854
Term loans	14,780	3,302	10,542	3,860	17,704
Lease liabilities	16,510	12,227	5,198	-	17,425
Bankers' acceptance	4,758	4,758	-	-	4,758
Contract financing	37,324	37,324	-	-	37,324
Bank overdraft	41,395	41,395	-	-	41,395
Financial guarantee contract	-	15,477	-	-	15,477
	277,621	277,337	15,740	3,860	296,937

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their long-term and short-term loans and borrowings with floating interest rates. The Group's policy is to obtain the most favorable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Sensitivity analysis for interest rate risk
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial years.

	Carrying amount RM '000	Change in basis point	Effect on profit for the financial year/equity RM '000
31 December 2020			
Term loans	7,498	+ 50	28
		- 50	(28)
Bankers' acceptance	2,000	+ 50	8
		- 50	(8)
Contract financing	22,889	+ 50	87
		- 50	(87)
Bank overdraft	6,225	+ 50	24
		- 50	(24)
31 December 2021			
Term loans	7,677	+ 50	29
		- 50	(29)
Bankers' acceptance	1,142	+ 50	4
		- 50	(4)
Contract financing	46,723	+ 50	178
		- 50	(178)
Bank overdraft	7,003	+ 50	27
		- 50	(27)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk (continued)

	Carrying amount RM '000	Change in basis point	Effect on profit for the financial year/equity RM '000
31 December 2022			
Term loans	14,780	+ 50	56
		- 50	(56)
Bankers' acceptance	4,758	+ 50	18
		- 50	(18)
Contract financing	37,324	+ 50	142
		- 50	(142)
Bank overdraft	41,395	+ 50	157
		- 50	(157)

(c) Fair value measurement

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

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years.

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

		Fair value of financial instruments not carried at fair value			
	Carrying amount RM '000	Fair value Level 1 RM '000	Fair value Level 2 RM '000	Fair value Level 3 RM '000	Fair value Total RM '000
At 31 December 2020					
Financial liabilities					
Term loans	6,833	-	-	5,728	5,728
At 31 December 2021					
Financial liabilities					
Term loans	7,042	-	-	5,076	5,076

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement

	Carrying amount RM '000	Fair value of financial instruments not carried at fair value — Fair value: Level 1 RM '000	Level 2 RM '000	Level 3 RM '000	Total RM '000
At 31 December 2022					
Financial liabilities					
Term loans	11,985	-	-	10,521	10,521

Level 3 fair value

<u>Fair value of financial instruments not carried at fair value</u>
The fair value of liability component of term loans are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

22. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Entities which directors have substantial financial interest; and.
(ii) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly and indirectly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follow:

	FYE 31 December		
	2020	**2021**	**2022**
	RM'000	**RM'000**	**RM'000**
Sale of goods to			
-Entity in which directors have substantial financial interests	1	-	-
Purchase of material from			
-Entity in which directors have substantial financial interests	5,334	9,844	29,020
Purchase of property, plant and equipment			
-Entity in which directors have substantial financial interests	27	-	-
Interest income received from			
-Entity in which directors have substantial financial interests	19	-	-
Rental income received from			
-Entity in which directors have substantial financial interests	18	18	18
Non-construction services income			
-Entity in which directors have substantial financial interests	347	-	-
Payment on behalf of			
-Entity in which directors have substantial financial interests	412	15	305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. RELATED PARTIES (CONTINUED)

(c) Compensation of key management personnel

	FYE 31 December		
	2020	**2021**	**2022**
	RM '000	**RM '000**	**RM '000**
Directors' fees	50	60	25
Salaries, allowances and bonuses	1,560	1,890	2,943
Defined contribution plans	187	227	353
Other staff related benefits	3	3	4
	1,800	2,180	3,325

23. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies and processes during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

The Group monitors capital using net gearing ratio. The net gearing ratio is calculated as net debts divided by total equity attributable to the owners of the Group. The net gearing ratio as at 31 December 2020, 31 December 2021 and 31 December 2022 are as follows:

		FYE 31 December		
		2020	**2021**	**2022**
	Note	**RM '000**	**RM '000**	**RM '000**
Loans and borrowings/net debts	**13**	51,367	83,306	114,767
Total equity		43,992	51,445	55,817
Gearing ratio (times)		1.17	1.62	2.06

There were no changes in the Group's approach to capital management during the financial years under review.

The Group is not subject to externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS

(a) Coronavirus Disease ("COVID-19") pandemic

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. Many countries including the Malaysian Government imposed the Movement Control Order ("MCO") to curb the spread of the COVID-19 pandemic. The COVID-19 pandemic also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 pandemic since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

The Group has performed assessments on the overall impact of the situation on the Group's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the consolidated financial statements for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

(b) Purchase of agriculture land

On 4 November 2022, the Group has entered into a sale and purchase agreement to acquire an agriculture leasehold vacant land for a total consideration of RM3,330,000. The acquisition has not been completed as at the end of the financial year.

25. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	Product and services
Construction contracts	Management of buildings and construction projects
Consultancy services	Providing construction technology consultancy and solutions

Inter-segment pricing is determined on negotiated basis.

<u>Segment profit</u>
Segment performance is used to measure performance as the Group's Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. SEGMENT INFORMATION (CONTINUED)

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

	Note	Construction contracts RM '000	Consultancy services RM '000	Adjustments and eliminations RM '000	Total RM '000
31 December 2020					
Revenue:					
Revenue from external customers		167,115	389	-	167,504
Inter-segment revenue	**A**	-	240	(240)	-
		167,115	629	(240)	167,504
Segment profit		13,095	110	-	13,205
Other income					576
Unallocated expenses					(1,535)
Finance costs					(263)
Income tax expense					(3,842)
Profit for the financial year					8,141
Results:					
Included in the measure of segments profit are:					
Employee benefits expense					15,166
Depreciation of property, plant and equipment					7,259
Depreciation of investment properties					62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. SEGMENT INFORMATION (CONTINUED)

	Note	Construction contracts RM '000	Consultancy services RM '000	Adjustments and eliminations RM '000	Total RM '000
31 December 2021					
Revenue:					
Revenue from external customers		224,202	1,122	-	225,324
Inter-segment revenue	**A**	-	141	(141)	-
		224,202	1,263	(141)	225,324
Segment profit		11,644	670	-	12,314
Other income					687
Unallocated expenses					(1,835)
Finance costs					(558)
Income tax expense					(3,155)
Profit for the financial year					7,453
Results:					
Included in the measure of segments profit are:					
Employee benefits expense					19,271
Depreciation of property, plant and equipment					10,430
Depreciation of investment properties					42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. SEGMENT INFORMATION (CONTINUED)

	Note	Construction contracts RM '000	Consultancy services RM '000	Adjustments and eliminations RM '000	Total RM '000
31 December 2022					
Revenue:					
Revenue from external customers		397,337	2,367	-	399,704
Inter-segment revenue	**A**	-	221	(221)	-
		397,337	2,588	(221)	399,704
Segment profit		6,999	1,162	-	8,161
Other income					412
Unallocated expenses					(3,490)
Finance costs					(761)
Income tax expense					50
Profit for the financial year					4,372
Results:					
Included in the measure of segments profit are:					
Employee benefits expense					22,554
Depreciation of property, plant and equipment					12,541
Depreciation of investment properties					26

A. Inter-segment revenue

Inter-segment revenue is eliminated on consolidation.

Geographical information
The Group operates solely in Malaysia, hence no geographical segment is presented.

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

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

info@bakertilly.my
www.bakertilly.my

14 November 2023

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

Dear Sirs,

SIAB HOLDINGS BERHAD ("Siab" or the "Company")

REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of Siab and its subsidiaries (the "Group") for which the directors of Siab are solely responsible. The pro forma consolidated statements of financial position consists of the pro forma consolidated statements of financial position as at 31 December 2022 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the directors of Siab have compiled the pro forma consolidated statements of financial position are as described in Note 2 to the pro forma consolidated statements of financial position and in accordance with the ACE Market Listing Requirements and Prospectus Guidelines (Division 5 - Abridged Prospectus) issued by Bursa Securities Malaysia and the Securities Commission Malaysia, respectively ("Applicable Criteria").

The pro forma consolidated statements of financial position of the Group has been compiled by the directors of Siab, for illustrative purposes only, for inclusion in the Circular of Siab ("Circular") in connection with the proposed private placement, proposed rights issue with warrants and the proposed acquisition ("Proposals"), after making certain assumptions and such adjustments to show the effects on the pro forma consolidated financial position of the Group as at 31 December 2022 adjusted for the Proposals and utilisation of proceeds as described in Notes 1.2 and 3.2.2 respectively.

Baker Tilly and its related entities in Malaysia trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

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

The audited consolidated financial statements of the Group for the financial year ended ("FYE") 31 December 2022 were reported by the auditors to its members without any modifications.

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

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

Our Independence and Quality Control

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

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

Reporting Accountants' Responsibilities

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

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

Reporting Accountants' Responsibilities (Continued)

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

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

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

(a) The pro forma consolidated statements of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma consolidated statements of financial position, based on the audited consolidated financial statements of the Group for the FYE 31 December 2022, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited financial statements for the FYE 31 December 2022; and

(b) Each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position of the Group is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

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

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

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

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SIAB HOLDINGS BERHAD
Reporting Accountants' Report on the Compilation of the
Pro Forma Consolidated Statements of Financial Position
as at 31 December 2022 Included in a Circular

Opinion

In our opinion:

(a) the pro forma consolidated statements of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma consolidated statements of financial position, based on the audited financial statements of the Group for the FYE 31 December 2022 and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its financial statements for the FYE 31 December 2022; and

(b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position of the Group is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

Other matter

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

Yours faithfully,

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

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

SIAB HOLDINGS BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. INTRODUCTION

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

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

1.2 Proposals

1.2.1 Proposed Private Placement

The Proposed Private Placement entails the issuance of 100.00 million new ordinary shares in Siab at an issue price to be determined at a later date.

1.2.2 Proposed Rights Issue with Warrants

The Proposed Rights Issue with Warrants entails the issuance of 766.52 million Rights Shares together with 383.26 million Warrants on the basis of 13 Rights Shares for every 10 existing Siab Shares held on the Entitlement Date at RM0.12 per Rights Share together with 1 Warrant for every 2 Rights Shares subscribed based on the enlarged issued share capital of Siab of RM84.34 million comprising 589.63 million Siab Shares after taking into consideration of the following:

(a) existing issued share capital of Siab of RM72.34 million comprising 489.63 million shares; and
(b) the issuance of 100 million Siab Shares at an issue price to be determined at a later date as part of the Proposed Private Placement.

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

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. (Continued)

1.1 (Continued)

1.2 (Continued)

1.2.2 (Continued)

The Rights Shares and Warrants will be provisionally allotted and issued to the Entitled Shareholders. For the avoidance of doubt, the Warrants are attached to the Rights Shares without any cost to the Entitled Shareholders and renouncee(s). The Proposed Rights Issue and Warrants is renounceable in full or in part. The Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. The renounciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renounciation of the Warrants to be issued together with the Rights Shares. If the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the number of Warrants in proportion to their acceptance of their Rights Share entitlements.

Any Rights Shares which are not validly taken up shall be offered to other Entitled Shareholders and/or their renouncee(s) under excess shares applications. It is the intention of the Board of Directors of Siab ("Board") to reduce the incidence of odd lots and to allocate excess Rights Shares in a fair and equitable manner and on a basis to be determined by the Board and announced later by the Company.

Salient terms of the Warrants

The salient terms of the Warrants are set out below:

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

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SIAB HOLDINGS BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. (Continued)

1.1 (Continued)

1.2 (Continued)

1.2.2 (Continued)

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

Exercise Price	:	The exercise price of the Warrants has been fixed at RM0.20 per Warrant.
Exercise Rights	:	Each Warrant shall entitle Warrant Holders to subscribe for 1 new Siab Share at any time during the Exercise Period and at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.
Expiry Date	:	The close of business at 5.00 p.m. in Malaysia on the day immediately preceding the 5th anniversary of the Issue Date. If such day is not a market day, then it shall be on the immediately preceding market day.
Board lot	:	For the purpose of trading on Bursa Securities, and subject to such conditions which Bursa Securities may impose from time to time, a board lot of Warrants shall be 100 Warrants carrying the right to subscribe for 100 new Siab Shares at any time during the Exercise Period, or such other denomination as determined by Bursa Securities.
Mode of exercise	:	The Warrant Holders are required to lodge an exercise form with the Company' registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the exercise price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Adjustment in the Exercise Price and/or the number of Warrants	:	The Exercise Price and/or the number of Warrants held by each Warrant holder may from time to time be adjusted in the event of any alteration to the share capital of the Company in accordance with the provisions as set out in the Deed Poll. Any adjustments to the exercise price and/or number of Warrants must be done in full compliance with Rule 6.55(3)(b) of the ACE Market Listing Requirements of Bursa Securities ("Listing Requirements").

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. (Continued)

1.1 (Continued)

1.2 (Continued)

1.2.2 (Continued)

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

Status of the new Siab Shares to be issued pursuant to the exercise of the Warrants	:	The new Siab Shares to be issued upon the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Siab shares, save an except that they shall not be entitled to participate in any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new Siab Shares.
Modification of rights of Warrant Holder	:	Subject to the approval of any relevant authority as required under law, any modification, amendment or addition to the Deed Poll must be: - (a) approved by the Warrant Holders sanctioned by special resolution; (b) effected by a supplemental deed poll; (c) executed by the Company and expressed to be supplemental; and (d) comply with the requirements of the Deed Poll. The Company may without the consent of the Warrant Holders but in accordance with the terms of the Deed Poll, effect: - (a) any modification to the Warrant or the Deed Poll which, in the opinion of the Company, is not materially prejudicial to the interest of the Warrant Holders; or (b) any modification to the Warrant or the Deed Poll, which in the opinion of the Company, is to correct a manifest error or to comply with mandatory provisions of Malaysian law, Rules of the Bursa Malaysia Depository Sdn. Bhd., and/or Listing Requirements. Notice of every modification, amendment or addition to the Deed Poll is to be given to the Warrant Holders within twenty-one (21) days from the date of such modification, amendment or addition in accordance with the Deed Poll.

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. (Continued)

1.1 (Continued)

1.2 (Continued)

1.2.2 (Continued)

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

Rights of Warrants Holders	:	The Warrants do not entitle the Warrant Holders to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of further securities in the Company until and unless such Warrant Holders become shareholders of the Company by exercising their Warrant for new Siab Shares.
Rights in the event of winding-up, liquidation or an event of default	:	As long as any of the Exercise Rights remain exercisable, where a resolution has been passed for a members' voluntary winding-up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for reconstruction of the Company or the amalgamation of the Company with one or more companies, then: - (a) if such winding-up, compromise or scheme of arrangement is one in which the Warrant Holders, or some persons designated by them for such purpose by a special resolution shall be a party, the terms of such winding-up, compromise or scheme of arrangement shall be binding on all the Warrant Holders; or (b) in any other case and to the extent permitted by law, every Warrant Holder shall be entitled, upon and subject to the terms and conditions of the Warrants at any time, within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or 6 weeks after (whichever is later) from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/her Warrants together with the duly completed exercise form and payment of the relevant Exercise Price, to elect to be treated as if he/she had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the Exercise Rights represented by such Warrant to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares arising from the exercise of the Warrant, to which he/she would have become entitled to receive out of the assets of the Company which would be available in liquidation, and the liquidator of the Company shall give effect to such election accordingly.

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. (Continued)

1.1 (Continued)

1.2 (Continued)

1.2.2 (Continued)

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

		(b) All Exercise Rights, which have not been exercised within the above 6 weeks of either passing of such resolution for the winding-up or the granting of the court order for the approval of such compromise or arrangement, as the case may be, shall lapse and the Warrant will cease to be valid for any purpose. Subject to the foregoing, if the Company is wound up (other than by way of a members' voluntary winding-up), all Exercise Rights which have not been exercised prior to the date of commencement of the winding-up shall lapse and the Warrants will cease to be valid for any purpose.
Listing status	:	The Warrants will be listed and quoted on the ACE Market of Bursa Securities.
Transferability	:	The Warrants shall be transferable in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd.
Governing law	:	The Warrants and the Deed Poll shall be governed by the applicable laws and regulations of Malaysia.

1.2.3 **Proposed Acquisition**

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

Profit Guarantee

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

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SIAB HOLDINGS BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

2. **BASIS OF PREPARATION OF THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

2.1 The pro forma consolidated statements of financial position have been prepared to illustrate the pro forma consolidated financial position of the Group as at 31 December 2022, adjusted for the Proposals and utilisation of proceeds as described in Notes 1.2 and 3.2.2 respectively.

2.2 The pro forma consolidated statements of financial position have been prepared based on audited consolidated financial statements of the Group for the FYE 31 December 2022.

2.3 The audited consolidated financial statements of the Group for the FYE 31 December 2022 were reported by the auditors to its members without any modifications.

2.4 The pro forma consolidated statements of financial position of the Group have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.

2.5 The pro forma consolidated statements of financial position of the Group have been properly prepared on the basis set out in the accompanying notes to the pro forma consolidated statements of financial position based on the audited consolidated financial statements of the Group for the FYE 31 December 2022, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

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3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP

3.1 The pro forma consolidated statements of financial position of the Group as set out below, for which the directors of Siab are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 31 December 2022, adjusted for the Proposals as described in Note 1.2 and utilisation of proceeds as described in Note 3.2.2 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV	Pro Forma V
	Consolidated Statements of Financial Position as at 31 December 2022	After the Private Placement	After Pro Forma I and the Proposed Rights Issue with Warrants	After Pro Forma II and the Proposed Acquisition	After Pro Forma III and the Utilisation of Proceeds	After Pro Forma IV and assuming Full Exercise of Warrants
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	12,157	12,157	12,157	27,234	27,234	27,234
Right-of-use assets	32	32	32	22,466	22,466	22,466
Investment properties	5,351	5,351	5,351	6,069	6,069	6,069
Other investments	757	757	757	757	757	757
Deferred tax assets	3,633	3,633	3,633	3,633	3,633	3,633
Goodwill	-	-	-	66,449	66,449	66,449
Total non-current assets	**21,930**	**21,930**	**21,930**	**126,608**	**126,608**	**126,608**
Current assets						
Trade and other receivables	81,103	81,103	81,103	266,070	266,070	266,070
Contract assets	41,643	41,643	41,643	128,714	128,714	128,714
Current tax assets	631	631	631	1,019	1,019	1,019
Other investments	2,396	2,396	2,396	2,396	2,396	2,396
Cash and cash equivalents	31,441	43,441	135,424	91,823	87,507	164,159
Total current assets	**157,214**	**169,214**	**261,197**	**490,022**	**485,706**	**562,358**
TOTAL ASSETS	**179,144**	**191,144**	**283,127**	**616,630**	**612,314**	**688,966**

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.1 (Continued)

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV	Pro Forma V
	Consolidated Statements of Financial Position as at 31 December 2022 RM'000	After the Private Placement RM'000	After Pro Forma I and the Proposed Rights Issue with Warrants RM'000	After Pro Forma II and the Proposed Acquisition RM'000	After Pro Forma III and the Utilisation of Proceeds RM'000	After Pro Forma IV and assuming Full Exercise of Warrants RM'000
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	72,336	84,336	176,319	202,319	199,160	275,812
Merger reserve	(35,723)	(35,723)	(35,723)	(35,723)	(35,723)	(35,723)
Retained earnings	17,826	17,826	17,826	17,826	16,670	16,670
	54,439	66,439	158,422	184,422	180,106	256,758
Non-controlling interests	-	-	-	266	266	266
TOTAL EQUITY	**54,439**	**66,439**	**158,422**	**184,688**	**180,372**	**257,024**
Non-current liabilities						
Loans and borrowings	20,292	20,292	20,292	32,277	32,277	32,277
Lease liabilities	-	-	-	4,322	4,322	4,322
Deferred tax liabilities	281	281	281	3,168	3,168	3,168
Total non-current liabilities	**20,573**	**20,573**	**20,573**	**39,767**	**39,767**	**39,767**
Current liabilities						
Loans and borrowings	23,907	23,907	23,907	110,179	110,179	110,179
Lease liabilities	-	-	-	12,188	12,188	12,188
Trade and other payables	73,288	73,288	73,288	236,142	236,142	236,142
Contract liabilities	6,872	6,872	6,872	33,569	33,569	33,569
Current tax liabilities	65	65	65	97	97	97
Total current liabilities	**104,132**	**104,132**	**104,132**	**392,175**	**392,175**	**392,175**
TOTAL LIABILITIES	**124,705**	**124,705**	**124,705**	**431,942**	**431,942**	**431,942**
TOTAL EQUITY AND LIABILITIES	**179,144**	**191,144**	**283,127**	**616,630**	**612,314**	**688,966**

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3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.1 (Continued)

		Pro Forma I	Pro Forma II	Pro Forma III	Pro Forma IV	Pro Forma V
	Consolidated Statements of Financial Position as at 31 December 2022	After the Private Placement	After Pro Forma I and the Proposed Rights Issue with Warrants	After Pro Forma II and the Proposed Acquisition	After Pro Forma III and the Utilisation of Proceeds	After Pro Forma IV and assuming Full Exercise of Warrants
Number of ordinary shares assumed to be in issue ('000)	489,634	589,634	1,356,158	1,556,158	1,556,158	1,939,421
Net assets ("NA")^ (RM'000)	54,439	66,439	158,422	184,422	180,106	256,758
NA per ordinary share (RM)	0.11	0.11	0.12	0.12	0.12	0.13

^ attributable to owners of the Company

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3. **PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

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

3.2.1 The pro forma consolidated statements of financial position of the Group, for which the directors of Siab are solely responsible, have been prepared for illustrative purposes only, to show the effects on the consolidated audited statements of financial position of the Group as at 31 December 2022, adjusted for the Proposals as described in Note 1.2 and utilisation of proceeds as described in Note 3.2.2 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

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

	RM'000	%
Cash consideration of the Proposed Acquisition	96,000	92.32%
Working capital	3,667	3.53%
Estimated expenses for Proposals	4,316	4.15%
	103,983	100.00%

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

(a) **Pro Forma I**

Pro Forma I incorporates the effects of the Proposed Private Placement as described in Note 1.2.1 and assuming that the Proposed Private Placement are issued at an indicative issue price of RM0.12 per ordinary share.

The Proposed Private Placement will have the following impact on the pro forma consolidated statements of financial position of the Group as at 31 December 2022:

	Increase	
	Effects on Total Assets RM'000	Effects on Total Equity RM'000
Cash and short-term deposits	12,000	-
Share capital	-	12,000
	12,000	12,000

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.3 (Continued)

(b) **Pro Forma II**

Pro Forma II incorporates the cumulative effects of Pro Forma I and the effects of the Proposed Rights Issue with Warrants as described in Note 1.2.2.

The Proposed Rights Issue with Warrants will have the following impact on the pro forma consolidated statements of financial position of the Group as at 31 December 2022:

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

(c) **Pro Forma III**

Pro Forma III incorporates the cumulative effects of Pro Forma II and the effects of the Proposed Acquisition as described in Note 1.2.3.

3. **PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.2 (Continued)

3.2.3 (Continued)

(c) **Pro Forma III (Continued)**

The Proposed Acquisition will have the following impact on the pro forma consolidated financial statements of the Group as at 31 December 2022:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Equity/ Liabilities RM'000**
Property, plant and equipment	15,077	-
Right-of-use assets	22,434	-
Investment properties	718	-
Goodwill *	66,449	-
Trade and other receivables	184,967	-
Contract assets	87,071	-
Current tax assets	388	-
Cash and short-term deposits	52,399	-
Share capital	-	26,000
Non-controlling interests	-	266
Non-current liabilities		
Loans and borrowings	-	11,985
Lease liabilities	-	4,322
Deferred tax liabilities	-	2,887
Current liabilities		
Loans and borrowings	-	86,272
Lease liabilities	-	12,188
Trade and other payables	-	258,854
Contract liabilities	-	26,697
Current tax liabilities	-	32
	429,503	429,503

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

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.3 (Continued)

(d) **Pro Forma IV**

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

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

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

The estimated expenses for the Proposals of RM3.16 million will be included in the Share Capital Account as this is directly attributable expenses relating to the issuance of Rights Issue and the remaining estimated expenses for the Proposals of RM1.16 million will be included in the Retained Earnings Account.

The utilisation of proceeds will have the following impact on the pro forma consolidated statements of financial position of the Group as at 31 December 2022:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	**Effects on Total Equity/ Liabilities RM'000**
Share capital	3,160	-
Retained earnings	1,157	-
Cash and short-term deposits	-	4,316
	4,316	4,316

3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.3 (Continued)

(e) **Pro Forma V**

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

Assuming full exercise of Warrants will have the following impact on the pro forma consolidated statements of financial position of the Group as at 31 December 2022:

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

3.2.4 Movements in share capital and reserves are as follows:

	Share capital RM'000	**Merger reserve RM'000**	**Retained earnings RM'000**
Consolidated statements of financial position of the Group as at 31 December 2022	72,336	(35,723)	17,826
Arising from the Proposed Private Placement	12,000	-	-
As per Pro Forma I	84,336	(35,723)	17,826
Arising from the Proposed Rights Issue with Warrants	91,983	-	-
As per Pro Forma II	176,319	(35,723)	17,826
Arising from the Proposed Acquisition	26,000	-	-
As per Pro Forma III	202,319	(35,723)	17,826
Arising from the defrayment of estimated expenses for the Proposals	(3,160)	-	(1,157)
As per Pro Forma IV	199,160	(35,723)	16,670
Arising from full exercise of Warrants	76,652	-	-
As per Pro Forma V	275,812	(35,723)	16,670

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3. PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.5 Movements in cash and short-term deposits are as follows:

	RM'000
Consolidated statements of financial position of the Group as at 31 December 2022	31,441
Arising from the Proposed Private Placement	12,000
As per Pro Forma I	43,441
Arising from the Proposed Rights Issue with Warrants	91,983
As per Pro Forma II	135,424
Arising from the Proposed Acquisition	(43,601)
As per Pro Forma III	91,823
Arising from the use of proceeds:	
- Estimated expenses for the Proposals	(4,316)
As per Pro Forma IV	87,507
Arising from full exercise of Warrants	76,652
As per Pro Forma V	164,159

SIAB HOLDINGS BERHAD

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Siab Holdings Berhad in accordance with a resolution dated 14 November 2023.

………………………………………………	………………………………………………
Ng Wai Hoe	**Lim Mei Hwee**
Director	**Director**

BAKER TILLY MONTEIRO HENG PLT
(LLP0019411-LCA)
AF 0117
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1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENTS AND DECLARATIONS

2.1 M & A Securities

M & A Securities, being the Principal Adviser has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

M & A Securities has given its confirmations that no conflict of interest exist or is likely to exist in relation to their roles as the Principal Adviser for the Proposals.

2.2 Eco Asia

Eco Asia, being the Financial Adviser for the Proposals has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

Eco Asia confirms that there is no conflict of interest that exists or is likely to exist in its capacity as Financial Adviser for the Proposals.

2.3 Protégé

Protégé, being the IMR for the Proposals has given and has not subsequently withdrawn its written consent to the inclusion of its name, extracts of the IMR Report and all references thereon in the form and context in which they appear in this Circular.

Protégé confirms that there is no conflict of interest that exists or is likely to exist in its capacity as IMR for the Proposals.

2.4 Baker Tilly Malaysia

Baker Tilly Malaysia, being the Reporting Accountant for the Proposals has given and has not subsequently withdrawn its written consent to the inclusion of its name, pro forma consolidated statements of financial position of Siab, Accountants' Report of Taghill Group and all references thereon in the form and context in which they appear in this Circular.

Baker Tilly Malaysia confirms that there is no conflict of interest that exists or is likely to exist in its capacity as Reporting Accountant for the Proposals.

3. MATERIAL CONTRACTS

Save for the SSA, Restated SSA and the followings, the Siab Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately preceding the date of this Circular:

(i) An underwriting agreement dated 22 December 2021 entered into between Siab and M&A Securities for an underwriting of 36,722,700 public issue shares for an underwriting commission of 2.50% of the initial public offering price multiplied by the number of public issue shares being underwritten.

(ii) A memorandum of understanding dated 7 March 2022 ("**MOU**") entered into between Siab Development Sdn Bhd ("**Siab Development**"), a wholly-owned subsidiary of Siab, and Koperasi Peserta-Peserta Felcra Malaysia Berhad ("**KPFB**") with the objective to establish and confirm their understanding and mutual intentions concerning a proposed joint development agreement to be entered between them, whereby KPFB shall grant the rights to Siab Development to undertake development on 3 pieces of freehold Malay Reserved lands owned by KPFB ("**Proposed Joint Development**"). Pursuant to the MOU, Siab Development, KPFB and any other relevant parties to be identified (if applicable) shall enter into a definitive agreement within 180 days following the date of the MOU or such other date as they may mutually agree upon. The parties later enter into a supplemental memorandum of understanding dated 18 May 2022 ("**Supplemental MOU**") which, among others, extended the deadline stipulated in the MOU for another 180 days. As there was no conclusion on the negotiation between the parties and no definitive agreement was entered into by the parties within 180 days from the date of the Supplemental MOU, the MOU lapsed and expired on 14 November 2022.

(iii) A settlement agreement dated 17 June 2022 entered into between Siab (M) Sdn Bhd ("**Siab (M)**", a wholly-owned subsidiary of Siab, and Apnov Construction Sdn Bhd ("**Apnov**") wherein the parties reached a mutual settlement for adjudication claim initiated by Apnov ("**Siab (M) Settlement Agreement**"). Pursuant to the Siab (M) Settlement Agreement, Siab (M) shall settle in favour of both parties a sum of RM30,000.00 as full and final settlement of all disputes and differences between them without admission of any liability ("**Siab (M) Settlement Sum**"). The Siab (M) Settlement Sum shall be inclusive of all monies payable for works done, backcharges, set-off, deduction, liquidated damages and/or retentions sums in relation to 2 project works. As at LPD, the Siab (M) Settlement Sum has been fully paid to Apnov.

(iv) A settlement agreement dated 19 January 2023 ("**Siab Network Settlement Agreement**") entered into between Siab Network Solutions Sdn Bhd ("**Siab Network**"), a wholly-owned subsidiary of Siab, and Kerjaya Prospek (M) Sdn Bhd ("**Kerjaya**") wherein the parties reached a mutual settlement for adjudication claim initiated by Siab Network. Pursuant to the Siab Network Settlement Agreement, Kerjaya shall pay a sum of RM1,370,262.42 by way of instalments to Siab Network up to the quantity surveyor's valuation for interim certificate no. 37 dated 5 October 2022.

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

(a) Kerjaya being the main contractor appointed by YTB Development for a construction works for a hotel in Melaka ("**Project Apple 99**") and Siab (M) being the subcontractor for Kerjaya;

(b) A sum of RM818,681.00 payable by YTB Development to Kerjaya in relation to Project Apple 99 shall be paid by YTB Development directly to Siab (M) as settlement of the Kerjaya Balance Sum and other unbilled work done by Siab Network for Kerjaya; and

(c) YTB Development shall settle the sum of RM818,681.00 due to Siab (M) under Project Apple 99 by way of contra with properties as more particularly described hereunder.

(v) The Proposed Settlement Arrangement accepted by Siab (M) from YTB Development on 19 April 2023 to settle the total outstanding amount of RM3,367,579.76 ("**Outstanding Amount**") comprising of RM2,548,898.76 due from Impressions U-Thant Project and RM818,681.00 due from Project Apple 99, both owing by YTB Development to Siab Group. Pursuant to the Proposed Settlement Arrangement, a sum of RM2,981,200.00 ("**Contra Amount**") from the Outstanding Amount shall be offset with 3 properties comprising of 2 units of condominium known as Impressions U-Thant Project developed jointly by YTB Development and KOF Holdings Sdn Bhd located at Lot 169 and 170, Jalan U-Thant, Taman U Thant, Ampang Hilir, 55000 Kuala Lumpur ("**Impressions Units**") and 1 unit of service apartment known as Amber Cove developed by YTB Impression Sdn Bhd ("**YTB Impression**"), a subsidiary of Yong Tai Berhad, located at Lot 15001, Jalan KSB-Impression 3, Impression City 75200 Malacca ("**Amber Cove Unit**") whereas the balance Outstanding Amount of RM386,379.76 ("**Non-Contra Amount**") shall be settled within the subsequent 3 months together with the preparation of final accounts for Impressions U-Thant Project.

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

On 17 August 2023, two sale and purchase agreements for Siab (M) to acquire the Impressions Units were executed between Siab (M), KOF Holdings Sdn Bhd (being the developer) and Rubber Industry Smallholders Development Authority (being the proprietor) whereupon the Contra Amount was deemed settled. As at LPD, the Non-Contra Amount is pending finalisation of accounts by YTB Development for defect rectification cost. Siab (M) is in the midst of negotiation with YTB Development for such defect rectification cost payable by Siab (M) (if any) to be deducted from the Non-Contra Amount whereby both parties are expecting the settlement terms of the Non-Contra Amount to be finalised by December 2023.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at LPD, to the best knowledge of our Board, neither our Company nor our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board has no knowledge of any proceedings pending or threatened against us and its subsidiaries or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Group.

5. MATERIAL COMMITMENT

As at LPD, there is no material capital commitment, incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group.

6. CONTINGENT LIABILITIES

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

7. HISTORICAL SHARE PRICE

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

	High	Low
	RM	RM
2023		
October	0.1250	0.1050
September	0.1300	0.1150
August	0.1400	0.1150
July	0.1550	0.1300
June	0.1450	0.1250
May	0.1900	0.1250
April	0.1450	0.1200
March	0.1400	0.1200
February	0.1650	0.1300
January	0.1650	0.1350
2022		
December	0.1800	0.1300
November	0.1450	0.1200

(Source: Bloomberg)

The last transacted price of Siab Shares on 17 July 2023, being the market day immediately preceding the date of the First Announcement is RM0.135 per Share. The last transacted price of Siab Shares as at the LPD was RM0.11 per Share.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur during normal business hours (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

(i) our Constitution and Taghill Constitution;

(ii) audited consolidated financial statements of Siab for FYE 2021 to 2022 and the latest unaudited quarterly consolidated financial statements of Siab for financial period ended 30 June 2023;

(iii) audited consolidated financial statements of Taghill Group for FYE 2020 to FYE 2022 and the latest unaudited quarterly consolidated financial statements of Taghill for financial period ended 30 June 2023;

(iv) letters of consent and declarations as referred to in Section 2 of Appendix VI;

(v) IMR Report as prepared by Protégé;

(vi) the draft Deed Poll;

(vii) the SSA and Restated SSA;

(viii) Directors' report on Taghill Group;

(ix) Accountants Report on Taghill Group;

(x) the pro forma consolidated statement of financial position of Siab as at 31 December 2022 together with the auditors' letter;

(xi) material contracts as referred to in Section 3 of Appendix I; and

(xii) Fairness Opinion Letter prepared by Eco Asia.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Siab Holdings Berhad ("**Siab**" or the "**Company**") will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia using the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**TIIH**") via TIIH Online website at https://tiih.online on Friday, 1 December 2023 at 3.30 p.m., for the purpose of considering and, if thought fit, to pass the following resolutions, with or without modifications:

ORDINARY RESOLUTION I

PROPOSED PRIVATE PLACEMENT OF 100,000,000 NEW ORDINARY SHARES IN SIAB ("SHARE(S)" OR "SIAB SHARE(S)") ("PLACEMENT SHARES") REPRESENTING APPROXIMATELY 20.42% OF SIAB'S EXISTING ISSUED SHARES TO INDEPENDENT THIRD PARTY INVESTOR(S) TO BE IDENTIFIED AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT")

"**THAT** subject to the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board of Directors of the Company ("**Board**") to allot and issue 100,000,000 Placement Shares, representing approximately 20.42% of the total issued shares of Siab, to independent third party investor(s) who qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007 to be identified, at an issue price to be determined later and upon such terms and conditions as disclosed in the Circular to shareholders of the Company dated 16 November 2023 ("**Circular**").

THAT pursuant to Section 85(1) of the Companies Act 2016 read together with Rule 7.08 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Clause 12(3) of the Constitution of the Company, the shareholders agree to irrevocably waive their pre-emptive rights to be first offered the new Siab Shares to be allotted and issued by the Company pursuant to the Proposed Private Placement which will rank equally to the existing Siab Shares, with such waiver resulting in a dilution to their shareholding percentage in the Company.

THAT the Placement Shares will, upon allotment and issuance, rank equally and carry the same rights with the current existing Siab Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Placement Shares.

THAT the Placement Shares shall be listed on the ACE Market of Bursa Malaysia Securities Berhad.

THAT the proceeds from the Proposed Private Placement will be utilised for such purposes as set out in Section 2.6 of the Circular, and the Board be and is hereby authorised with full power to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Board deems fit, necessary and/ or expedient or in the best interest of the Company, subject (where required) to the approval of the relevant authorities.

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Private Placement with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Private Placement."

ORDINARY RESOLUTION II

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 766,524,307 NEW SIAB SHARES ("RIGHTS SHARES") TOGETHER WITH 383,262,153 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 13 RIGHTS SHARES FOR EVERY 10 EXISTING SIAB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") TOGETHER WITH 1 WARRANT FOR EVERY 2 RIGHTS SHARES SUBSCRIBED ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

"**THAT** subject to the passing of Ordinary Resolution I and the approvals from all the relevant authorities being obtained where necessary, approval be and is hereby given for Siab to undertake the Proposed Rights Issue with Warrants as follows:

(i) to allot and issue by way of renounceable rights issue of 766,524,307 Rights Shares together with 383,262,153 free Warrants to shareholders of the Company whose names appear in the Record of Depositors as at the close of business on the Entitlement Date ("**Entitled Shareholders**") and/or their renouncee(s), if applicable, on the basis of 13 Rights Share for every 10 existing Siab Shares held on the Entitlement Date together with 1 Warrant for every 2 Rights Shares subscribed by the Entitled Shareholders and/or their renounceees(s) based on the salient terms of the Warrants which are set out in Section 2.2.3 of the Circular and upon the terms and conditions of the deed poll to be executed by Siab ("**Deed Poll**"); and

(ii) to allot and issue 383,262,153 new Siab Shares arising from the exercise of Warrants during the tenure of the Warrants; and

THAT any Rights Shares which are not taken up or validly taken up shall be made available for excess applications to the Entitled Shareholders and/ or their renouncee(s) who have applied for the excess Rights Shares, and are intended to be allocated on a fair and equitable basis.

THAT the Directors be and are hereby authorised to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Directors in their absolute discretion.

THAT the Rights Shares and the new Siab Shares to be issued pursuant to the exercise of Warrants shall, upon allotment and issuance, rank equally in all respects with the then existing Siab Shares, save and except that such Rights Shares and new Siab Shares to be issued pursuant to the exercise of Warrants so allotted and issued shall not be entitled to any dividends, rights, allotments and/or other distributions in respect of which the entitlement date is prior to the date of allotment and issuance of the Rights Shares and new Siab Shares to be issued arising from the exercise of Warrants respectively.

THAT all the Rights Shares and the new Siab Shares to be issued pursuant to the exercise of the Warrants shall be listed on the ACE Market of Bursa Malaysia Securities Berhad.

THAT the proceeds from the Proposed Rights Issue with Warrants and the exercise of the Warrants will be utilised for such purposes as set out in Section 2.6 of the Circular, respectively, and the Directors be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary or expedient, subject to (where applicable) the approval of the relevant authorities.

THAT the Directors be and are hereby authorised to enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they may deem fit and expedient in order to implement, finalise and give effect to the Deed Poll.

THAT the Directors be and are hereby authorised with full power to make any modifications, variations and/or amendments in any manner as may be in the best interest of the Company or as may be required by the relevant authority/authorities to give effect to the Proposed Rights Issue with Warrants, and to take all such steps as they may deem necessary or expedient in the best interest of the Company to implement, finalise and give full effect to the Proposed Rights Issue with Warrants.

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue to be in full force and effect until the Rights Shares and the new Siab Shares arising from the exercise of the Warrants during the tenure of the Warrants to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants".

ORDINARY RESOLUTION III

PROPOSED ACQUISITION OF 2,000,000 ORDINARY SHARES IN TAGHILL PROJECTS SDN BHD ("TAGHILL") ("SALE SHARE(S)" OR "TAGHILL SHARE(S)") FROM CHU YEE HONG, WONG YIH MING AND YAP KEK SIUNG (COLLECTIVELY THE "VENDORS"), REPRESENTING 100.00% OF THE EQUITY INTEREST IN TAGHILL ("SALE SHARES"), FOR A TOTAL PURCHASE CONSIDERATION OF RM122,000,000 ("PURCHASE CONSIDERATION") TO BE SATISFIED VIA A COMBINATION OF RM96,000,000 CASH AND RM26,000,000 THROUGH THE ISSUANCE OF 200,000,000 NEW SIAB SHARES ("CONSIDERATION SHARE(S)") AT AN ISSUE PRICE OF RM0.1300 PER CONSIDERATION SHARE ("PROPOSED ACQUISITION")

"**THAT** subject to the passing of Ordinary Resolution I, Ordinary Resolution II and the approvals of the relevant authorities and/or parties being obtained, approval be and is hereby given for Siab to acquire the Sale Shares, for the Purchase Consideration, subject to and upon such terms and conditions as set out in the conditional amended and restated share sale agreement dated 15 September 2023 entered into between Siab and the Vendors in relation to the Proposed Acquisition.

THAT pursuant to Section 85(1) of the Companies Act 2016 read together with Rule 7.08 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Clause 12(3) of the Constitution of the Company, the shareholders agree to irrevocably waive their pre-emptive rights to be first offered the new Consideration Shares to be allotted and issued by the Company pursuant to the Proposed Acquisition which will rank equally to the existing Siab Shares, with such waiver resulting in a dilution to their shareholding percentage in the Company.

THAT such Consideration Shares shall, upon allotment and issuance, rank *pari passu* in all respect with the existing Siab Shares, save and except that the Consideration Shares shall not entitle their holders to any dividends, rights, allotments and/or other distributions which may be declared, made or paid, of which the entitlement date is prior to the date of allotment of the Consideration Shares.

THAT the Consideration Shares shall be listed on the ACE Market of Bursa Malaysia Securities Berhad.

AND THAT the Board be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Acquisition with full power to assent to any conditions, variations, modifications and/or amendments as may be required or imposed by any relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Acquisition."

BY ORDER OF THE BOARD

LAU YEN HOON (SSM PC No. 202008002143) (MAICSA 7061368)
TAN SIEW HONG (SSM PC No. 201908001915) (MAICSA 7066226)

Company Secretaries

Kuala Lumpur
16 November 2023

Notes:

1. *The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Members will not be allowed to attend the meeting in person at the broadcast venue on the day of the meeting. Members are to attend, participate, speak (in the form of real time submission of typed texts) and vote remotely via the RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at https://tiih.online. Please follow the procedures in the Administrative Guide for the EGM in order to participate remotely via the RPV.*

2. *For the purpose of determining a Member who shall be entitled to participate at the EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 24 November 2023 and only a depositor whose name appears on the Record of Depositors shall be entitled to participate at the meeting or appoint proxy(ies) to participate in his stead.*

3. *A Member of the Company who is entitled to participate at this meeting is entitled to appoint proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote instead of him. A proxy may, but need not, be a member of the Company.*

4. *Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SIDCA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.*

5. *Where a Member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment of two (2) or more proxies shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.*

6. *A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at the EGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at https://tiih.online.* ***Please follow the Procedures for RPV in the Administrative Guide for the EGM.***

7. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.*

8. *The instrument appointing a proxy and power of attorney or other authority, if any, under which it is signed notarially certified copy of that power of attorney, must be deposited with the Company's Share Registrar's Office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic appointment via TIIH Online at https://tiih.online not less than forty eight (48) hours before the time appointed for holding the meeting or any adjourned thereof.* ***Please refer to the Administrative Guide for the EGM for further information on electronic submission.***

9. *For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL/DULY CERTIFIED certificate of appointment of authorised representative with the Share Registrar of the Company.*

10. *All the resolutions set out in this Notice of EGM shall be put to vote by poll.*

Administrative Guide for the Extraordinary General Meeting ("EGM") of SIAB Holdings Berhad ("the Company")

Date	:	**Friday, 1 December 2023**
Time	:	**3.30 p.m.**
Broadcast Venue	:	**Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia**

The following documents of the Company are available on the Company's website at https://siabmy.com/IR-CorpGovernance for your preview : -

1. Notice of EGM ("**Notice**");
2. Proxy Form; and
3. Administrative Guide for the EGM ("**Admin Guide**").

1. MODE OF MEETING

- The Securities Commission Malaysia had on 7 April 2022 issued a revised Guidance and FAQs on the Conduct of General Meetings for Listed Issuers ("**SC Guidance Note**") whereby listed issuers are encouraged to continue leveraging technology in conducting general meetings beyond Movement Control Order.

- In line with the SC Guidance Note, the Company's EGM will be conducted entirely **through live streaming from the Broadcast Venue.**

- The **Broadcast Venue** of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue of the meeting together with the essential individuals as indicated in the SC Guidance Note. Shareholders/proxy(ies) from the public **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the meeting.

2. SHAREHOLDERS' PARTICIPATION AT THE EGM VIA REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES

- Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the EGM using RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**").

- The RPV facilities are available on Tricor's **TIIH Online** website at https://tiih.online.

- We **strongly encourage** you to participate at the EGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the EGM.

- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

3. PROCEDURES TO RPV VIA RPV FACILITIES

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the EGM using the RPV facilities:

Procedure	**Action**
Before the EGM Day	
i. Register as a user with TIIH Online	• Using your computer, access to website at https://tiih.online. Register as a user under the "e-Services" by select **"Create Account by Individual Holder"**. Refer to the tutorial guide posted on the homepage for assistance.

Procedure	Action
Before the EGM Day	
i. Register as a user with TIIH Online	• Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
ii. Submit your request to attend EGM remotely	• Registration is open from Thursday, 16 November 2023 until the day of the EGM on Friday, 1 December 2023. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the EGM to ascertain their eligibility to participate the EGM using the RPV. • Login with your user ID (i.e. e-mail address) and password and select the corporate event: **(Registration) SIAB Holdings Berhad EGM 2023**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • System will send an **e-mail to notify** that your registration for remote participation is received and will be verified. • After verification of your registration against the Record of Depositors as at **24 November 2023**, the system will send you an **e-mail after 29 November 2023 to approve or reject** your registration for remote participation. *(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).*
On the EGM Day	
i. Login to TIIH Online	• Login with your user ID and password for remote participation at the EGM at any time from 2.30 p.m. i.e. one hour before the commencement of meeting at 3.30 p.m. on Friday, 1 December 2023.
ii. Participate through Live Streaming	• Select the corporate event: **(Live Stream Meeting) SIAB Holdings Berhad EGM 2023** to engage in the proceedings of the EGM remotely. • If you have any question for the Chairman/Board, you use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the EGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
iii. Online remote voting	• Voting session commences from 3:30 p.m. on Friday, 1 December 2023 until a time when the Chairman announces the end of the session. • Select the corporate event: **(Remote Voting) SIAB Holdings Berhad EGM 2023** or if you are on the live stream meeting page, you can select **"GO TO REMOTE VOTING PAGE"** button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
iv. End of remote participation	• Upon the announcement by the Chairman on the conclusion of the EGM, the Live Streaming will end.

Note to users of the RPV facilities:

(i) Should your registration for RPV be approved, we will make available to you the right to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.

(ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

(iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169/011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

4. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at **24 November 2023** shall be eligible to participate in the EGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.

- In view that the EGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

- If you wish to participate in the EGM yourself, please do not submit any Form of Proxy for the EGM. You will not be allowed to participate in the EGM together with a proxy appointed by you.

- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the EGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Wednesday, 29 November 2023** at **3.30 p.m.**:

(i) In Hard copy:

a) By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com

(ii) By Electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: **SIAB Holdings Berhad EGM - "Submission of Proxy Form"**. • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the form of proxy for your record.

Procedure	Action
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	▪ Access TIIH Online at https://tiih.online ▪ Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects **“Create Account by Representative of Corporate Holder”.** ▪ Complete the registration form and upload the required documents. ▪ Registration will be verified, and you will be notified by email within one (1) to two (2) working days. ▪ Proceed to activate your account with the temporary password given in the email and re-set your own password. Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.
Proceed with submission of form of proxy	▪ Login to TIIH Online at https://tiih.online ▪ Select the corporate exercise name: “**SIAB Holdings Berhad EGM 2023 : Submission of Proxy Form**”. ▪ Agree to the Terms & Conditions and Declaration. ▪ Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. ▪ Prepare the file for the appointment of proxies by inserting the required data. ▪ Submit the proxy appointment file. ▪ Login to TIIH Online, select corporate exercise name: “**SIAB Holdings Berhad EGM 2023 : Submission of Proxy Form**”. ▪ Proceed to upload the duly completed proxy appointment file. ▪ Select “Submit” to complete your submission. ▪ Print the confirmation report of your submission for your record.

5. VOTING AT MEETING

- The voting at the EGM will be conducted on a poll pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”). The Company has appointed Tricor to conduct the poll voting electronically via the RPV facilities and Scrutineer Solutions Sdn Bhd as Independent Scrutineers to verify the poll results.

- Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the EGM at 3.30 p.m. Kindly refer to “Procedures to Remote Participation and Voting via RPV Facilities” provided above for guidance on how to vote remotely via TIIH Online.

6. RESULTS OF THE VOTING

The resolutions proposed at the EGM and the results of the voting will be announced at the EGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

7. PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

The Board recognises that the EGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the EGM, shareholders may in advance, before the EGM, submit questions to the Board of Directors via Tricor's TIIH Online website at https://tiih.online, by selecting "e-Services" to login, post your questions and submit it electronically no later than Wednesday, 29 November 2023. The Board of Directors will endeavor to address the questions received at the EGM.

8. CIRCULAR TO SHAREHOLDERS

- The Circular to Shareholders of the Company is available on the Company's website at www.siabmy.com and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.

- You may request for a printed copy of the Circular at https://tiih.online by selecting "Request for Annual Report / Circular" under the "Investor Services".

- Kindly consider the environment before you decide to request for the printed copy of the Circular. Environmental concerns such as global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

9. NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gifts or food vouchers for the EGM since the meeting is being conducted on a virtual basis.

10. ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	: +603-2783 9299
Fax Number	: +603-2783 9222
Email	: is.enquiry@my.tricorglobal.com
Contact person	: Muhammad Ashraff
Contact Number	: +603-2783 9276
Email	: muhammad.ashraff@my.tricorglobal.com
Contact person	: Low Cheng Chuan
Contact Number	: +603-2783 9278
Email	: cheng.chuan.low@my.tricorglobal.com

SIAB HOLDINGS BERHAD

PROXY FORM

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

I/We (Full Name in Block Letters & IC No./ Company No.) ....

of (Address)..

being a member of SIAB HOLDINGS BERHAD, hereby appoint (Full Name in Block Letters & IC No.)……………………………………………………

……

of (Address)..

and (Full Name in Block Letters & IC No./ Passport No.)………………………………………………………………………………………………………

of (Address)..

or failing whom, the *CHAIRMAN OF THE MEETING as my / our proxy to vote for me / us on my / our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur Malaysia using the Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at https://tiih.online on Friday, 1 December 2023 at 3.30 p.m or at any adjournment thereof.

**Strike out whichever is not applicable*

Please indicate an "X" in the space provided below on how you wish your votes to be casted. If no specific instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion:

RESOLUTIONS	AGENDA	FOR	AGAINST
Ordinary Resolution I	**Proposed Private Placement**		
Ordinary Resolution II	**Proposed Rights Issue with Warrants**		
Ordinary Resolution III	**Proposed Acquisition**		

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:			
First Proxy	%	**No. of Shares Held**	
Second Proxy	%	**CDS Accounts No.**	
Total	**100%**		

Dated this ……………. day of ……………….., 2023

………………………………………………
Signature of Member(s)/Common Seal

Notes:

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4. *Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SIDCA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.*
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10. *All the resolutions set out in this Notice of Extraordinary General Meeting shall be put to vote by poll.*

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AFFIX
STAMP

SHARE REGISTRAR,
SIAB HOLDINGS BERHAD [Registration No.: 202001043548 (1399869-A)]

Tricor Investor and Issuing House Services Sdn Bhd
[Registration No.:197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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