
7. BUSINESS OVERVIEW

7.1 INCORPORATION AND HISTORY

Ownership and Group structure

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

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

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

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

In 2012, Tuju Setia Holdings Sdn Bhd acquired the entire equity interest of both Siab (M) and Pembinaan Tuju Setia Sdn Bhd under a shareholders' restructuring exercise. As part of the exercise, Siab Engineering (which was incorporated in 2011) was acquired by Siab (M) and became its wholly-owned subsidiary. The major shareholders of Tuju Setia Holdings Sdn Bhd after the restructuring includes Dato' Wee Beng Aun, Wee Eng Kong and Ng Wai Hoe. Our Managing Director, Ng Wai Hoe, was appointed the director of Tuju Setia Holdings Sdn Bhd and acquired 3% equity interest in the said company on 21 April 2011.

In 2013, our Promoters collectively acquired 65% equity interest in Siab (M) from Tuju Setia Holdings Sdn Bhd whilst the balance 35% were acquired by Dato' Wee Beng Aun and PTS Properties Sdn Bhd (which subsequently exited through the disposal of their stake to Dato Wee Beng Aun in 8 December 2015). Following the acquisition, our Promoters ceased their employment at Pembinaan Tuju Setia Sdn Bhd and assumed their position at Siab (M). Ng Wai Hoe also disposed his entire shareholding in Tuju Setia Holdings Sdn Bhd on 4 September 2014 and resigned as its director on 16 April 2014.

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

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

In 2020, Dato' Wee Beng Aun disposed his entire stake in Siab (M) to our Managing Director and a pre-IPO investor, Dato' Chang Lik Sean. At that time, Dato' Wee Beng Aun was the promoter of Tuju Setia Holdings Sdn Bhd (the holding company of Pembinaan Tuju Setia Sdn Bhd) which undertook a listing exercise on the Main Market of Bursa Securities.

7. BUSINESS OVERVIEW (Cont'd)

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

Business

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

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

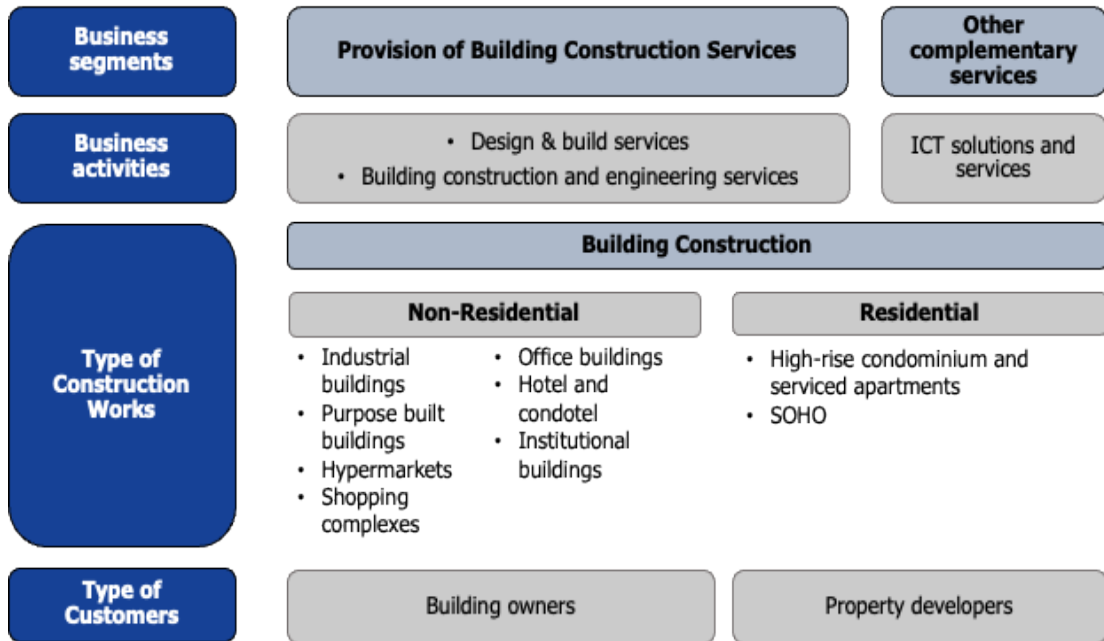
Our business continued to grow between 2017 and 2020 where we secured 7 notable projects, namely Amverton Cove Project, Amverton Greens Project, Chambers Residence Project, F&N Intelligent Industrial Building Project, Gravit8 (Phase 2B) Project, Impressions U-Thant Project and Quayside Mall Project with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

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

7. BUSINESS OVERVIEW (Cont'd)

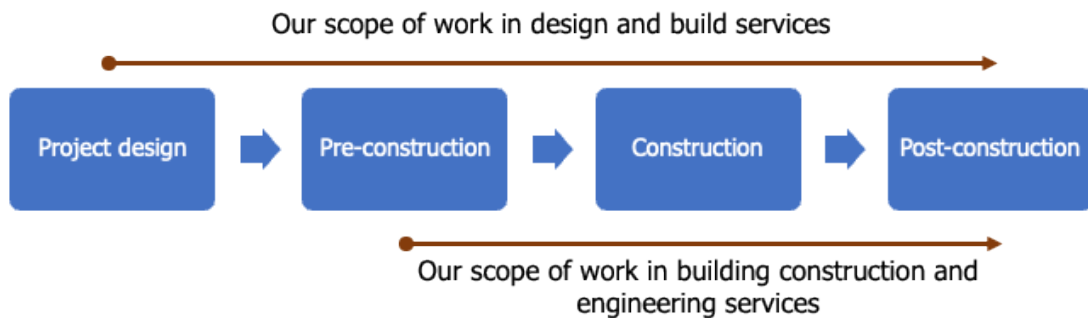
7.2 PRINCIPAL BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

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



(i) Provision of building construction services

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



7. BUSINESS OVERVIEW (Cont'd)

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

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

Quayside Mall Project



The Pines Project



LGB Tower Project



Hospital Bentong Project



7. BUSINESS OVERVIEW (Cont'd)

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

Bennington Residences @ Sky Arena Project



Seri Riana Residence (Phase 2B) Project



(a) Design and build services

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

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

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

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

7. BUSINESS OVERVIEW (Cont'd)

of approximately 18 tonnes per square meter. The pictures below depict the major parts of the warehouse:

Aerial view of the warehouse



Conveyor systems



Vertical lifter and racking system



Conveyor and racking system



(b) Building construction and engineering services

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

7. BUSINESS OVERVIEW (Cont'd)

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

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

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

- Engage, manage and supervise subcontractors to perform respective works

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

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

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

- Perform a final inspection, testing and commissioning

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

7. BUSINESS OVERVIEW (Cont'd)

(ii) Other complementary services

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

Hotel telecommunication system



Server room



Satellite Master Antenna Television system



Fibre-to-the-home system



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

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

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

- Procurement of subcontractors and suppliers

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

- Perform final inspection, testing and commissioning

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

7. BUSINESS OVERVIEW (Cont'd)

7.2.1 Our building construction projects

7.2.1.1 Ongoing projects

Our Group currently undertakes the following building construction projects:

Project name/ Client	Description	Contract value/ balance contract value as at LPD (RM'000)	DLP/ DLP ending date	Commencement date/ Expected completion date	Stage of completion (% as at LPD)
<u>Non-residential</u>					
Hyatt Bukit Jalil Project/ Pioneer Haven Sdn Bhd & Mygres Ceramiche Sdn Bhd	Construction of 1 block of 18-storey hotel with 258 rooms with retails, pool, gym, café and bar in Bukit Jalil, Kuala Lumpur.	85,850/ 83,593	24 months/ July 2024	January 2021/ July 2022	2.63
Columbarium Project/ City Centre Columbarium Sdn Bhd	Construction of 1 block of 15-storey columbarium inclusive of 4-storey carpark in Sungai Besi, Kuala Lumpur.	38,877/ 38,877	18 months/ January 2024	April 2021/ July 2023	0.00
<u>Residential</u>					
Amverton Cove Project/ T.G Development Park 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/ 3,253	24 months/ July 2023	August 2018/ February 2020 ⁽¹⁾	93.51

7. BUSINESS OVERVIEW (Cont'd)

Project name/ Client	Description	Contract value/ balance contract value as at LPD (RM'000)	DLP/ DLP ending date	Commencement date/ Expected completion date	Stage of completion (% as at LPD)
Gravit8 (Phase 2B) Project/ Vibrantline Sdn Bhd (a subsidiary of Mitrland Group Sdn Bhd)	Construction of 2 blocks of 34-storey serviced apartment building Phase 2B with carpark podium and recreation at level 8, in Kota Bayu Emas, Mukim Klang, Daerah Klang.	118,282/ 13,664	27 months/ September 2023	December 2018/ February 2021 ⁽²⁾	88.45
Impressions U-Thant Project/ YTB Development Sdn Bhd (a subsidiary of Yong Tai Berhad)	Construction of 1 block of 10-storey luxury condominium with 108 apartment units, consist of 2-storey car park, mechanical area, rooftop facility and 2 floors basement in Jalan U-Thant, Kuala Lumpur.	75,511/ 46,898	27 months/ January 2024	May 2018/ October 2021 ⁽³⁾	37.89
Chambers Residence Project/ Matrix Concepts (Central) Sdn Bhd (a subsidiary of Matrix Concepts Holdings Berhad)	Construction of 1 block of 33storey apartment building with 509 serviced apartment units, which includes 8-storey car park and common facilities and amenities in Jalan Ipoh, Kuala Lumpur.	103,450/ 48,955	25 months/ February 2024	April 2019/ January 2022 ⁽⁴⁾	52.68
Cubic Botanical Tower A Project/ Ancubic Construction Sdn Bhd	Construction of 1 block of 33-storey serviced apartment with 509 units in Bangsar South, Kuala Lumpur.	64,800/ 59,477	24 months/ June 2024	February 2021/ June 2022	8.22

7. BUSINESS OVERVIEW (Cont'd)

Project name/ Client	Description	Contract value/ balance contract value as at LPD (RM'000)	DLP/ DLP ending date	Commencement date/ Expected completion date	Stage of completion (% as at LPD)
The Dawn Project/ YTB Impression Sdn Bhd (a subsidiary of Yong Tai Berhad)	Construction of 2 blocks of Condotel Phase 1 with a total of 648 rooms on 5-storey podium with facilities such as Surau, restaurant, playground, gymnasium, swimming pool, management office, refuse room and guardhouse in Kawasan Bandar VI, Melaka.	160,000/ 160,000	24 months/ February 2025	April 2021/ February 2023	0.00

Notes:

- (1) The original contracted completion date of the project was February 2020. As a result of changes in building designs and the temporary suspension of work due to MCO 1.0, we have submitted EOT application to the client for extension of the completion date to July 2021, where it is still being assessed by the client.
- (2) The original contracted completion date of the project was December 2020. As a result of the temporary suspension of work due to MCO 1.0, we have submitted and obtained EOT, where it was extended to February 2021. As at LPD, the construction work for the project has been completed, pending the inspection works and procurement of CPC.
- (3) The original contracted completion date of the project was May 2020. It was subsequently extended to October 2021 after obtaining EOT from the client.
- (4) The original contracted completion date of the project was October 2021. It was subsequently extended to January 2022 after obtaining EOT from the client.

7. BUSINESS OVERVIEW (Cont'd)

7.2.1.2 Completed projects

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

Building construction projects

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

7. BUSINESS OVERVIEW (Cont'd)

Project name/ Client	Description	Contract value (RM'000)	DLP/ DLP ending date	Completion date	Status of retention sum
Tesco Hypermarket Project/ Tesco Stores (Malaysia) Sdn Bhd	Construction of a 2-storey hypermarket, which consists of 1 unit of double storey hypermarket building, 1 unit of electrical room, a sheltered car park and common facilities in Jalan Klang-Banting, Kuala Langat, Selangor.	34,763	18 months/ December 2016	June 2015	Fully released
The Pines Project/ PTS Properties Sdn Bhd	Design and construction of 1 block of 29-storey Condotel in Kawasan Bandar XVIII, Melaka.	78,000	24 months/ June 2017	June 2015	Fully released
PJ City Project/ PJ Corporate Park Sdn Bhd (a subsidiary of Guocoland Malaysia Berhad)	Construction of a commercial building Phase 2, which consist of (Phase 2A: 6-storey office/exhibition space (Block C), 6-storey office/exhibition space (Block D) and 3 floors basement car park); and (Phase 2B: 6-storey office/exhibition space (Block E), 6-storey office/exhibition space (Block F) and 3 floors basement car park) in Petaling Jaya, Selangor.	94,000	24 months/ January 2019	January 2017	Fully released
Quayside Mall Project/ Gamuda Land (Kemuning) Sdn Bhd	Construction of a commercial building, consist of 4-storey commercial complex with shops, supermarket, food court, cinema, 2 units of refuse room, substation, 10-storey office building, 3-storey parking podium and 2 floors basement car park in Mukim Tanjung Dua Belas, Kuala Langat, Selangor.	164,690	30 months/ March 2023	December 2020	Balance of RM4,959,227.62 remaining
F&N Intelligent Industrial Building Project/ F&N Beverages Manufacturing Sdn Bhd	Design and construction of a 45m high warehouse equipped with automated storage and retrieval system, M&E and external works and construction of single storey cooler warehouse in Shah Alam, Selangor.	83,779	27 months/ August 2023	(²)June 2021	Balance of RM3,183,839.00 remaining

7. BUSINESS OVERVIEW (Cont'd)

Project name/ Client	Description	Contract value (RM'000)	DLP/ DLP ending date	Completion date	Status of retention sum
<u>Residential</u>					
Seri Riana Residence (Phase 2B) Project/ Elegan Pesona Sdn Bhd (a subsidiary of IJM Land Berhad)	Construction of 2 blocks of condominium towers with a total of 284 home units and 5-storey basement carpark in Setapak, Kuala Lumpur.	98,200	30 months/ September 2019	March 2017	Fully released
Kanvas SOHO Project/ Suntrack Raven Sdn Bhd	Construction of a mixed development project, which consist of 2 blocks of 30-storey SOHO unit, 1 unit of multipurpose hall, 2-storey of retails space, basic facilities, single-storey car park, 2-level sub-basement and 1 guard house in Cyberjaya, Selangor.	97,981	30 months/ January 2020	July 2017	Fully released
Bennington Residences @ Sky Arena Project/ Bennington Development Sdn Bhd*	Construction of an apartment building with 580 apartment units, which consist of (Phase 1: 1 block of 29-storey apartment building with 284 apartment units (Block A), rooftop facility, 8-storey parking podium, subbasement car park and 1 unit of guard house); and (Phase 2: 1 block of 29-storey apartment building with 284 apartment units (Block B) and rooftop facility) in Setapak, Kuala Lumpur.	184,800	24 months/ July 2021	July 2019	Balance of RM3,271,228.31 remaining
Amverton Greens Project/ Amverton Prop Sdn Bhd (formerly known as AMJ Construction Sdn Bhd)	Construction of 3 blocks of condominium with 280 home units, which consist of 3-storey podium shoplots, 4-storey car park, guard house, substation and common facilities in Shah Alam, Selangor.	88,000	24 months/ December 2022	May 2021	Balance of RM4,440,000.00 remaining

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) Amount due to nominated subcontractors of the project being withheld by the client in relation to defects to be rectified by the nominated subcontractors.
- (2) The project agreement was initially for the scope of construction with completion date on 22 April 2019. It was subsequently changed to design and built via a supplementary agreement. Based on the supplementary agreement, the original contracted completion date of the project was February 2021. As a result of MCO 1.0, the completion date of the project was extended to April 2021.

Civil engineering construction works project

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

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

7.2.1.3 Tendered Projects

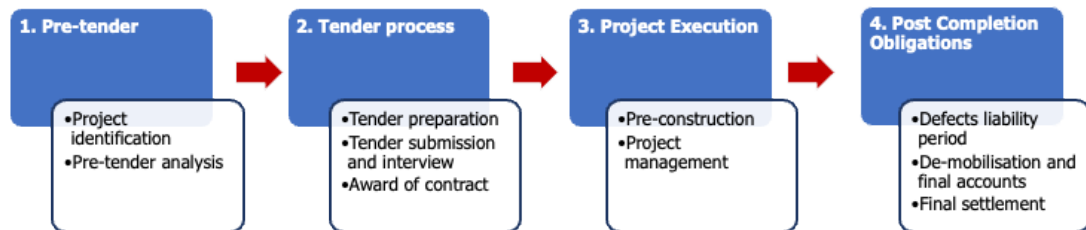
As at the LPD, we have submitted 10 tenders with total tendered sum of RM593.34 million. These tendered projects include building construction and engineering projects, and if awarded to us will further increase our order book.

7. BUSINESS OVERVIEW (Cont'd)

7.3 BUSINESS PROCESSES

7.3.1 Building construction services

The following details our Group's construction process:



(i) Pre-tender

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

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

(ii) Tender Process

Tender preparation

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

Tender submission and interview

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

7. BUSINESS OVERVIEW (Cont'd)

Award of contract

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

(iii) Project execution

Pre-construction

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

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

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

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

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

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

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

7. BUSINESS OVERVIEW (Cont'd)

carried out to procure necessary permits. The project team will take site possession and be mobilised to the site.

Design process

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

Project implementation and management

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

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

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

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

Over the construction period, we submit progress billings for the project according to billing intervals specified in the contract in order to receive progress payment from our client. Our client is entitled to retain 5% to 10% of each progress billing as retention sum up to a maximum of 5% of total contract sum awarded, which serves as a security to our client to guarantee our performance in completing the project and rectifying any defects during the DLP. We also retain 10% of each progress billing paid up, to a maximum of 5% of the total contract sum awarded, to our subcontractors as retention sum for similar purpose.

7. BUSINESS OVERVIEW (Cont'd)

(iv) Post Completion Obligations

Our construction work achieves practical completion when:

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

Defects liability period

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

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

During the DLP, our Group as the main contractor of a project is bound to rectify defects appearing between the date of the issuance of the CPC and the expiry of the DLP. During DLP, any defects identified and reported by the client will be handled as per the external complaints procedure and we will work with the appointed subcontractor to rectify the defects. The Projects Department will investigate the problem and carry out the necessary rectification works.

Demobilisation and final accounts

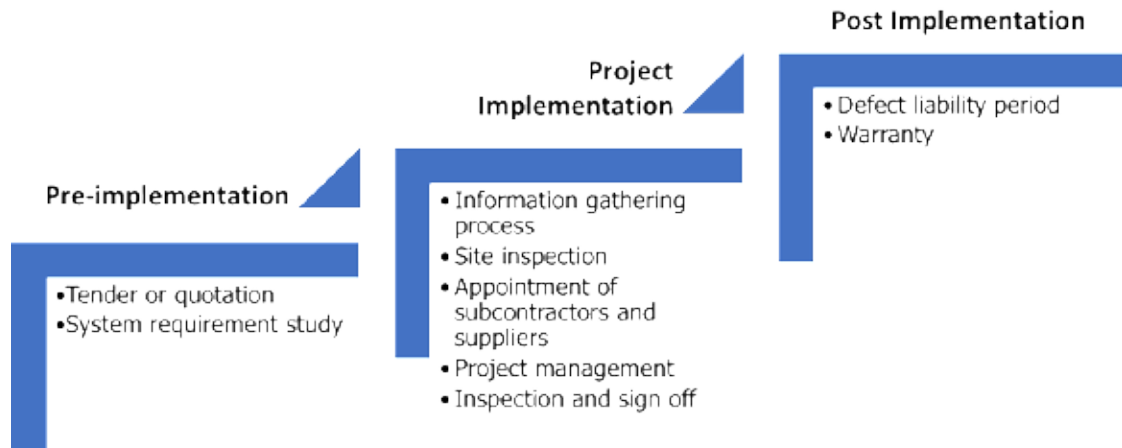
The project team will demobilise from the construction site. The Contracts Department will submit the final accounts to the client. The project team will coordinate with the Logistic and Resource Department on demobilisation of materials and machinery and equipment. The Projects Department will liaise with HR Department to relocate persons to other project sites.

Final settlement

The Projects Department will inform Contracts Department when rectification works are completed. The Contracts Department will notify the client and ensure that rectification works are acceptable to the client. CMGD will be procured from the client at the end of DLP and we will submit application for the remaining retention sum still held by our client.

7. BUSINESS OVERVIEW (Cont'd)

7.3.2 ICT Solutions and Services



(i) Pre-implementation

Projects under the ICT Solution and Services segment are secured via tenders and direct quotations, depending on the nature of the work provided. Our projects which involve direct quotations are limited to hosting services (such as email and website domain hosting) and ICT hardware and software solutions (such as supply and installation of networking equipment, security equipment and tele-systems). For extensive projects which involve design and build proposals, we generally participate in tenders to secure the project. Examples of projects under this category include design work coupled with supply and installation networking equipment such as PABX system, wireless access point system, GSM system, digital signage backbone, fibre-to-the-home system.

Once an ICT and network infrastructure project is identified, we will conduct a system requirement study based on the information provided, which are then used to develop the proposed schematic diagram of the solution, according to the allocated budget and their needs.

We will submit our tenders once the required tender documentation are complete and approved by our management. Once a tender is submitted, we may be required to attend tender interviews where we present our proposals and provide clarifications to our proposal.

(ii) Project Implementation

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

For projects which require design and build proposals, the project implementation begins with information gathering process, where we gather the requirements from various stakeholders of the required system such as the client and the users. Information gathered will be incorporated into the proposed solution.

7. BUSINESS OVERVIEW (Cont'd)

We will then conduct a site inspection to determine the work to be carried out, and also the resources required to carry out the project. This is followed by the procurement of required materials, equipment and services from our approved suppliers and subcontractors. We appoint subcontractors to provide special trade services which include amongst others, cabling works, fusion splice termination according to Internet Service Providers' standards and installation of equipment. Over the course of the project implementation, we manage, monitor and supervise the appointed suppliers and subcontractors to ensure designs are adhered to and monitor the progress of the work. At the end of the implementation phase, the system is tested for user acceptance and upon verification and satisfaction of work performed, client will sign off to mark the completion of the project.

For projects such as hosting services and ICT hardware and software solutions, the project implementation involves registration of domain with internet registrar before creating and configuring the hosting account according to clients' requirement. In terms of ICT hardware and software solutions, we gather information on user requirement before proposing the suitable hardware and/or software to meet the client's requirement. This is followed by installation and configuring the hardware and software to work as intended.

(iii) Post implementation

After the completion of project implementation, we provide a range of support services which include warranty and defect support. Warranties provided for hardware are in accordance with manufacturers' warranties and are claimed from or replaced by the related suppliers. For projects that involve design and build scopes, there will be a DLP period of generally 24 months depending on the terms of the contract, where we will work with the appointed subcontractors to make good defects that were highlighted or discovered during the period.

7.4 PRINCIPAL MARKETS

Our Group's revenue for FYE 2018 to FYE 2020 was generated from our business activities in Malaysia.

7.5 BUSINESS DEVELOPMENT AND MARKETING ACTIVITIES

Our projects come mainly from two sources, namely public tender opportunities published in the newspapers and private tenders posted on our clients' own online portal or invitations to quote from private clients.

For private sector projects, we leverage on our track record and established relationships to secure more building construction projects. Our Executive Directors and project managers are generally responsible for liaising and maintaining our relationship with existing and potential clients and keeping abreast of market development and potential business opportunities. For public sector projects, we would browse through the newspapers to spot relevant and potential tenders that we can participate.

7. BUSINESS OVERVIEW (Cont'd)

7.6 EMPLOYEES

As at the LPD, we have a total workforce of 93 full time employees, of which 21 employees are hired on contractual basis, while the remaining 72 are hired on permanent basis. All our contractual employees are contracted for a 2-year tenure except 1 employee whose contract is for a 1-year tenure. The following depicts the breakdown of our employees in our Group:

Department/Division	Number of employees	
	FYE 2020	As at the LPD
Executive Directors and key senior management team	6	6
Finance, human resources and administration	9	10
Information technology	2	2
Quality assurance and quality control	2	3
Business development	4	3
Procurement	7	9
Project	43	49
Safety, Health & Environment	7	11
Total	80	93

As at the LPD, our workforce consists of only local employees based in Malaysia.

None of our employees belong to any labour union. As at the LPD, there have not been any major industrial disputes pertaining to our employees. Over FYE 2018 to 2020, there has not been any incidence of work stoppage or labour disputes that has materially affected our operations.

7.7 TRAINING AND DEVELOPMENT

We believe that employees at all levels should be equipped with the requisite knowledge and relevant skill sets to enable them to carry out their work and discharge their responsibilities effectively. In line with this, we have provided in-house trainings for our employees that cover major areas which include quality related matters (such as quality awareness) and environmental, safety and health matters (such as site safety and health awareness and good environmental, safety and health practices). New hires are also provided with induction trainings on various topic to familiarise them with our Group's policies and procedures.

The table below highlights some of the training programmes attended by our employees from 2018 and up to the LPD:

Year	Training and development programme
2018	<ul style="list-style-type: none"> Understanding the installation of Falsework; Human resource learning conference; QLASSIC awareness training; Internal and external fibre cabling; and Implementation of ISO 14001:2015 and ISO 450001:2018 standards in construction.
2019	<ul style="list-style-type: none"> In-house training on rigging, slinging and signalman competency programme; Intermediate scaffolding competency course;

7. BUSINESS OVERVIEW (Cont'd)

Year	Training and development programme
2020	<ul style="list-style-type: none"> • International Construction Transformation Conference 2019 • Quality, environmental, safety and health awareness training; • Conference on Current Contract Administration Practices in the Malaysian Construction Industry & Potential Solutions; • Basic occupational first aid, cardiopulmonary resuscitation and automated external defibrillator training; and • Management of quality control and quality assurance in the construction industry. <ul style="list-style-type: none"> • Quality, environmental, safety and health awareness training; • Online webinar on "How should contractors in the construction industry manage the problems arising from the COVID-19 MCO?"; • Online webinar on "Introduction to Construction Adjudication in Malaysia"; • Online webinar on "How to deal with the impacts of the MCO on commercial contracts?"; • Online webinar on "Contract Administration issues due to COVID-19 pandemic and the impact of MCO and the resumption of work for construction industry"; • QLASSIC awareness training; and • Purchasing Techniques, Negotiating & Cost Reduction training.
2021	<ul style="list-style-type: none"> • Environmental Scheduled Waste Awareness training; • Online webinar on "Interest Deductibility, Earning Stripping Rules and Cross-Border Transactions"; • General training and knowledge sharing in PAM Sub-Contract 2016; • Good Sold and Delivered training; • AutoCAD 2D and 3D certification course; • Electronic Signatures and Digital Signatures in Malaysia; • Safety, Health and Environment Induction training; • Occupational Health, Safety and Environment in Industrial 4.0 Era; and • Quality Control and Quality Assurance training.

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7. BUSINESS OVERVIEW (Cont'd)**7.8 MAJOR CLIENTS**

Our Group's clients are all based in Malaysia. Our top 5 clients according to their revenue contribution for FYE 2018 to FYE 2020 are as follows:

No.	Clients	Revenue contribution		Main services provided	Length of relationship Years
		RM'000	%		
FYE 2018					
1.	Bennington Development Sdn Bhd	87,326	60.05	Construction works for Bennington Residences @ Sky Arena Project	4
2.	Amverton Prop Sdn Bhd (formerly known as AMJ Construction Sdn Bhd)	18,159	12.49	Construction works for Amverton Greens Project	3
3.	F&N Beverages Manufacturing Sdn Bhd	17,295	11.89	Construction works for F&N Intelligent Industrial Building Project	3
4.	Gamuda Land (Kemuning) Sdn Bhd	7,275	5.00	Construction works for Quayside Mall Project	3
5.	YTB Development Sdn Bhd	6,801	4.68	Construction works for Impressions U-Thant Project	3
		136,856	94.11		
FYE 2019					
1.	Bennington Development Sdn Bhd	67,015	27.59	Construction works for Bennington Residences @ Sky Arena Project	4
2.	Amverton Prop Sdn Bhd (formerly known as AMJ Construction Sdn Bhd)	51,642	21.26	Construction for Amverton Greens Project	3
3.	Gamuda Land (Kemuning) Sdn Bhd	46,576	19.18	Construction works for Quayside Mall Project	3
4.	F&N Beverages Manufacturing Sdn Bhd	27,474	11.31	Construction works for F&N Intelligent Industrial Building Project	3
5.	Vibrantline Sdn Bhd	23,588	9.71	Construction works for Gravit8 (Phase 2B) Project	3
		216,295	89.05		

7. BUSINESS OVERVIEW (Cont'd)

No.	Clients	Revenue contribution		Main services provided	Length of relationship Years
		RM'000	%		
FYE 2020					
1.	Gamuda Land (Kemuning) Sdn Bhd	105,939	38.75	Construction works for Quayside Mall Project	3
2.	Vibrantline Sdn Bhd	61,034	22.33	Construction works for Gravit8 (Phase 2B) Project	3
3.	Matrix Concepts (Central) Sdn Bhd	30,426	11.13	Construction works for Chambers Residence Project	3
4.	F&N Beverages Manufacturing Sdn Bhd	24,797	9.07	Construction works for F&N Intelligent Industrial Building Project	3
5.	T.G. Development Park Sdn Bhd	22,732	8.32	Construction work for Amverton Cove Project	3
		244,928	89.60		

Revenue contribution from our major clients varies from year to year given the nature of our business being conducted on a contract basis. This is mainly due to the difference in the timing and value of project(s) secured from each client as well as timing difference in the issuance of progressive billings for the construction works completed in any one particular financial year. We may not secure similar contracts in terms of size and scope from the same clients every year. Over the past FYE 2018 to FYE 2020, our revenue was contributed mainly by:

- (i) Bennington Development Sdn Bhd, whose revenue contribution was 60.05% in FYE 2018 and 27.59% in FYE 2019. Such revenue contribution was mainly arising from our work undertaken for Bennington Residences @ Sky Arena Project which was subsequently completed in July 2019. The gradual decrease in revenue contribution was in line with our progress of work undertaken for the said projects;
- (ii) Amverton Prop Sdn Bhd (formerly known as AMJ Construction Sdn Bhd), whose revenue contribution was 12.49% in FYE 2018 and 21.26% in FYE 2019. Such revenue contribution was mainly arising from our work undertaken for the Amverton Greens Project which was subsequently completed in May 2021. The gradual decrease in revenue contribution was in line with our progress of work undertaken for the said projects;
- (iii) Gamuda Land (Kemuning) Sdn Bhd, whose revenue contribution was 5.00% in FYE 2018, 19.18% in FYE 2019 and 38.75% in FYE 2020. Such revenue contribution was mainly arising from our work undertaken for Quayside Mall Project which was completed in December 2020. The gradual increase in revenue contribution was in line with our progress of work undertaken for the said projects; and
- (iv) Vibrantline Sdn Bhd, whose revenue contribution was 9.71% in FYE 2019 and 22.33% in FYE 2020. Such revenue contribution was mainly arising from our work undertaken for the Gravit8 (Phase 2B) Project which was completed in June 2021

7. BUSINESS OVERVIEW (Cont'd)

pending for inspection and CPC. The gradual increase in revenue contribution was in line with our progress of work undertaken for the said projects.

Although our top 5 clients for FYE 2020 accounted for 89.60% of our revenue, we are not dependent on our major clients for our business continuity as our contracts with them are secured on a contract-by-contract basis.

Notwithstanding the completion of certain projects undertaken up till the LPD, we have also secured contracts from other clients such as Pioneer Haven Sdn Bhd and Mygres Ceramiche Sdn Bhd, Ancubic Construction Sdn Bhd, YTB Impressions Sdn Bhd and City Centre Columbarium Sdn Bhd collectively account for RM341.95 million of our order book as at LPD. The revenue contribution from these clients will come on-stream from FYE 2021 and for up to 3 years thereafter.

7.9 MAJOR SUPPLIERS AND SUBCONTRACTORS

All our suppliers and subcontractors are based in Malaysia.

7.9.1 Major suppliers

Our Group's top 5 suppliers according to total purchases for FYE 2018 to FYE 2020 are as follows:

No.	Name	Purchase value		Main products sourced	Length of relationship Years
		RM'000	%		
FYE 2018					
1.	Evermix Concrete Sdn Bhd	6,758	21.47	Concrete	7
2.	MFT Resources Sdn Bhd	4,119	13.09	Construction materials	7
3.	PP Chin Hin Sdn Bhd	3,972	12.62	Construction materials	7
4.	Emum Capital Sdn Bhd	2,842	9.03	Construction materials	8
5.	Kean Soon Marketing Sdn Bhd	2,665	8.47	Construction materials	7
		20,356	64.68		
FYE 2019					
1.	Tasek Concrete Sdn Bhd	11,876	34.07	Concrete	10
2.	Gamuda Trading Sdn Bhd	5,494	15.76	Construction materials	2
3.	Syarikat Logam Unitrade Sdn Bhd	5,257	15.08	Construction materials	3
4.	NHJ Marketing Sdn Bhd	4,458	12.79	Construction materials	5
5.	Evermix Concrete Sdn Bhd	3,693	10.59	Concrete	7
		30,778	88.29		

7. BUSINESS OVERVIEW (Cont'd)

No.	Name	Purchase value		Main products sourced	Length of relationship Years
		RM'000	%		
FYE 2020					
1.	Tasek Concrete Sdn Bhd	6,082	20.67	Concrete	10
2.	Syarikat Logam Unitrade Sdn Bhd	5,321	18.08	Construction materials	3
3.	Evermix Concrete Sdn Bhd	3,491	11.86	Concrete	7
4.	MFE Formwork Technology Sdn Bhd	2,381	8.09	System formwork	7
5.	NHJ Marketing Sdn Bhd	2,154	7.32	Construction materials	5
		19,429	66.02		

Our Group has established a long-standing relationship with several of these companies and we believe that the relationships forged will be beneficial to our purchasing and cost efficiency. The suppliers are also selected based on several criteria such as the quality of their products and the reliability of suppliers. We are not dependent on any single major supplier as in the event we are unable to source for our supplies from the above suppliers, we are still able to source the products from other suppliers in the local market.

7.9.2 Major subcontractors

Our Group's top 5 subcontractors according to total subcontractors' costs for FYE 2018 to FYE 2020 are as follows:

No.	Name	Subcontractor cost		Type of services provided	Length of relationship Years
		RM'000	%		
FYE 2018					
1.	Goodwood Builders Sdn Bhd	22,047	25.49	Provision of building works	3
2.	LW Builders & Trading Sdn Bhd	10,366	11.99	Provision of building works	3
3.	WT Aluminium Sdn Bhd	9,325	10.78	Provision of building works	3
4.	Skyplus Electrical & Engineering Sdn Bhd	6,144	7.10	Provision of M&E works	4
5.	Econpile (M) Sdn Bhd	6,045	6.99	Provision of substructure works	3
		53,927	62.35		

7. BUSINESS OVERVIEW (Cont'd)

No.	Name	Subcontractor cost		Type of services provided	Length of relationship
		RM'000	%		
FYE 2019					
1.	Goodwood Builders Sdn Bhd	22,988	14.40	Provision of building works	3
2.	WT Aluminium Sdn Bhd	14,413	9.03	Provision of building works	3
3.	LW Builders & Trading Sdn Bhd	9,377	5.87	Provision of building works	3
4.	RH Lektrik Sdn Bhd	6,305	3.95	Provision of M&E works	2
5.	Bond M&E Sdn Bhd	5,893	3.69	Provision of M&E works	2
		58,976	36.94		
FYE 2020					
1.	RH Lektrik Sdn Bhd	14,725	7.49	Provision of M&E works	2
2.	Bond M&E Sdn Bhd	10,997	5.60	Provision of M&E works	2
3.	LW Builders & Trading Sdn Bhd	9,760	4.97	Provision of building works	3
4.	CAN.I Interior Fit Out Sdn Bhd	8,132	4.14	Provision of building works	1
5.	Matrix Partner Sdn Bhd	7,516	3.82	Provision of structural works	2
		51,130	26.02		

We are not dependent on any single major subcontractor as we work with a large pool of subcontractors in the local market. We do not enter into any long-term agreement with our subcontractors and suppliers, as our subcontractors and supply contracts are usually on contract-to-contract basis which covers the requirements of the relevant contract.

7. BUSINESS OVERVIEW (Cont'd)**7.10 TYPES, SOURCES AND AVAILABILITY OF INPUT**

The main components of our cost of sales are subcontractors' costs, construction materials direct labour costs and preliminaries.

The table below sets out our major cost components for FYE 2018 to FYE 2020:

Cost components	FYE 2018		FYE 2019		FYE 2020	
	RM'000	% ⁽¹⁾	RM'000	% ⁽¹⁾	RM'000	% ⁽¹⁾
Subcontractors' cost	86,486	64.53	159,615	69.67	196,535	77.56
Construction materials	31,477	23.49	34,856	15.21	29,427	11.61
Direct labour cost	3,106	2.32	5,557	2.43	5,400	2.13
Preliminaries ⁽²⁾	12,949	9.66	29,065	12.69	22,037	8.70
	134,018	100.0	229,093	100.0	253,399	100.0
		0		0		0

Notes:

(1) As a percentage of total cost of sales.

(2) Preliminaries comprise of hire of vehicles, rental of machinery and equipment, charges, upkeep expenses, fuel and diesel, utilities, projects levy, insurances, depreciation, plant and equipment and costs related to safety, health and welfare.

As a main contractor, we engage subcontractors to carry out parts of our construction activities, particularly those which require other specialised trade works such as M&E engineering works, piling, piping and plumbing works, tiling and plastering works, external painting works and water proofing works. Our subcontractors and suppliers are selected based on our developed internal policies and procedures.

Our construction materials comprise mainly steel materials such as steel bars and wire mesh, ready-mixed concrete, sanitary wares, tiles, cement, grout and adhesives, timber and plywood, hollow section and galvanised iron pipes, electrical items, bricks, diesel, and quarry products. These construction materials are widely available from local suppliers, including suppliers nominated by our clients. The prices for construction materials such as steel materials, concrete and cement may be subject to price fluctuations as a result of demand and supply conditions. For the purchases of construction materials, we generally take into account our suppliers' lead times to prevent potential major disruptions to our construction progress. We generally purchase construction materials on a project or per purchase order basis.

We have not faced acute shortages or major price differentials for any of our required construction materials as well as major price differentials for our labour wages during FYE 2018 to FYE 2020 which has materially affected our financial performance. In addition, we have not experienced major cost differentials for any of our subcontract agreements during FYE 2018 to FYE 2020 which has materially affected our financial performance.

7. BUSINESS OVERVIEW (Cont'd)

7.11 SEASONALITY

Our Group's operations and sales are not subject to any seasonality factors. However, the demand for properties and construction services in Malaysia may be affected by factors including global and local economic conditions and government policies, which may affect construction activities.

7.12 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Save as disclosed below, our Group has not experienced any interruption in our business and operations which had a significant effect on our operations during the past 12 months preceding the LPD.

7.12.1 Impact of COVID-19 on our Group

Due to the COVID-19 pandemic, the Malaysian Government has imposed MCO 1.0 throughout Malaysia which took effect from 18 March 2020 to 3 May 2020 to contain the rise of COVID-19 cases in the country. MCO 1.0 has halted most of the economic sectors and activities during the period, especially those operating in non-essential services, which include the construction industry. As a result, we temporarily suspended all our operations at project sites with our personnel from head office working remotely from home.

We subsequently received our approvals from the MITI beginning from 20 April 2020 to resume our operations at our head office and our ongoing project sites (up to 50.00% of our workforce), as detailed below:

Projects	Approval date
Impressions U-Thant Project	20 April 2020
Amverton Cove Project	21 April 2020
Amverton Greens Project	22 April 2020
Chambers Residence Project	22 April 2020
Gravit8 (Phase 2B) Project	27 April 2020
Quayside Mall Project	28 April 2020
F&N Intelligent Industrial Building Project	29 April 2020

Prior to the resumption of operations, we were required to perform COVID-19 testing on all our site construction workers (including our subcontractors' site construction workers) to ensure they are not infected with the COVID-19 virus.

As a result of the suspension of work due to MCO 1.0, the initial work plan for our Group's on-going projects has been deferred. We have submitted applications to all of our clients for EOT to complete the projects with no imposition of LAD as of to date.

Most of the costs that we incur for our business operations are variable costs, which consist of mainly subcontractors' costs. As such, we will only be required to incur nominal costs when carrying out construction activities. During the business suspension period, we had incurred approximately RM0.65 million per month for staff cost and wages, upkeep and maintenance, finance costs, and rental expenses.

7. BUSINESS OVERVIEW (Cont'd)

During MCO 1.0, we have tested our employees and subcontractors' workers for COVID-19 virus. We have incurred approximately RM0.37 million on COVID-19 tests for all our subcontractors' workers while our employees and construction workers were mainly covered under the Prihatin Screening Programme implemented by SOCSO.

Towards the end of 2020, the country saw COVID-19 infections increased and subsequently, in January 2021, the Government re-imposed MCO 2.0 on selected states in West Malaysia, which included Melaka, Johor, Penang, Selangor, Sabah and the Federal Territories of Kuala Lumpur, Putrajaya and Labuan. Over the course of MCO 2.0, companies that have previously obtained approval from MITI to operate during MCO 1.0, are allowed to continue their operations while adhering to the standard operating procedures. During MCO 2.0, we incurred approximately RM0.02 million on COVID-19 tests for our employees, construction workers and our subcontractors' workers at our construction sites.

In May 2021, the Government imposed MCO 3.0, with stricter travelling restrictions and employers are required to implement work from home policies with not more than 30% of management staff in offices. As number of infections continues to increase, the Government announced a FMCO from 1 June 2021, where only selected industries are allowed to continue operating. Construction activities during the period are limited to works such as repair and maintenance as well as construction of public infrastructures such as tunnels, slopes, bridges and viaducts, highways (those which are at least 80% completed), Mass Rapid Transit, Light Rail Transit, The East Coast Rail Link, hospitals, and workers' residence at construction sites. During the FMCO period, we suspended our construction activities in some of our sites, while those sites that are allowed to operate with MITI's approvals are operating at 60% of our workforce capacities. Our office remains close during FMCO with all our staffs working remotely from home.

We have submitted applications to the MITI for approvals to continue our construction activities for those remaining sites of which we have not gotten approval from MITI to resume and we will continue to monitor any new developments and announcements from relevant authorities, as to when we can fully resume operations at all our project sites. Should the current FMCO are extended to around 8 to 10 weeks much like MCO 1.0, we believe such suspension would not have a significant impact on our business operations and financial conditions. However, the final effects of the pandemic and the subsequent control orders are difficult to assess at this juncture and the prolong COVID-19 pandemic may negatively affect the economy and property development activities in the country.

Measures to commence and continue our business operations

As part of the requirements to commence our operations, all our site construction workers (including our subcontractors' site construction workers) have undergone COVID-19 testing to ensure that they are not infected with the virus.

We have also implemented new COVID-19 safety and health instructions and procedures, and social distancing guidelines imposed by the Government, relevant authorities and local councils. These new COVID-19 standard operating procedures include the following:

- (i) requiring all our employees to declare their health conditions and travel history prior to returning to our office and project sites;
- (ii) ensuring all our employees, construction workers and visitors wear face masks at all times, regularly sanitise their hands and practise social distancing;
- (iii) measuring and recording the body temperature of our employees, construction workers and visitors daily;

7. BUSINESS OVERVIEW (Cont'd)

- (iv) regular sanitising of our office, project sites and staff accommodations;
- (v) setting up quarantine zones and isolated quarantine cabins at project sites;
- (vi) requiring all employees and construction workers to visit nearby hospitals for diagnosis and treatment immediately if they have developed any COVID-19 symptoms and have not recovered after being in quarantine for three days; and
- (vii) reminding all employees and construction workers of the importance of health protection, good hygiene practises and social distancing.

The total costs for the implementation of the COVID-19 standard operating procedures above is estimated to be approximately RM0.37 million annually (of which RM0.02 million has been incurred up to LPD) which is not material to our Group.

In the event of an outbreak of COVID-19 at our project sites, our standard operating procedures include the following:

- (i) immediate suspension of all construction activities at the infected project site and notifying the MoH of the outbreak;
- (ii) conduct COVID-19 test for all site construction workers and practise self-quarantine;
- (iii) any infected construction workers will be quarantined based on instructions from the MoH; and
- (iv) the project site including construction machinery and equipment at the site will be disinfected.

7.12.2 Impact of COVID-19 and MCOs on our supply chain

During MCO 1.0, our suppliers and subcontractors' operations were also suspended temporarily. Prior to the resumption of our operations, we worked closely with them to ensure timely delivery of required construction materials and resources, no shortages in the supply of construction materials and the continuation of services by our subcontractors once we resume operations at our project sites. During MCO 2.0 and 3.0, economic sectors are allowed to operate and thus, we did not experience material disruption to our supply chain. However, during the FMCO period which began on 1 June 2021, limited construction activities are allowed to operate with operations being limited to amongst others, repair and maintenance of public infrastructure projects and we have suspended our construction activities in some of our sites until further announcements from relevant authorities, while those sites that are allowed to operate with MITI's approvals are operating at 60% of our workforce capacities.

The impact of FMCO on our supply chain cannot be determined at this juncture and we will continue to monitor, assess and manage such impact.

7. BUSINESS OVERVIEW (Cont'd)**7.12.3 Impact of COVID-19 and MCOs on our projects**

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

Project	Completion date	
	Contracted	Extended
Amverton Cove Project	February 2020	Not applicable ⁽¹⁾
Gravit8 (Phase 2B) Project	December 2020	February 2021 ⁽²⁾
Impressions U-Thant Project	May 2020	October 2021
Chambers Residence Project	October 2021	January 2022
Hyatt Bukit Jalil Project	July 2022	Not applicable
Columbarium Project	July 2023	Not applicable
Cubic Botanical Tower A Project	June 2022	Not applicable
The Dawn Project	February 2023	Not applicable

Notes:

- (1) The original contracted completion date of the project was February 2020. As a result of changes in building designs and the temporary suspension of work due to MCO 1.0, we have submitted EOT application to the client for extension of the completion date to July 2021, where it is still being assessed by the client.
- (2) The original contracted completion date of the project was December 2020. As a result of the temporary suspension of work due to MCO 1.0, we have submitted and obtained EOT, where it was extended to February 2021. As at LPD, the construction work for the project has been completed, pending the inspection works and procurement of CPC.

The extensions of time obtained are based on provision for force majeure events in our contracts with our customers, as a result of various phases of MCOs which caused a temporary stoppage of work as well as the time spent on remobilising construction workers and equipment as well as the time taken to establish the required standard operating procedures at the construction sites.

Despite MCO 2.0 and MCO 3.0 in 2021, we did not experience material delays or disruptions in terms of our construction activities as economic sectors are allowed to operate during that period, albeit with reduced management staff working in our office. However, the FMCO which began on 1 June 2021 may delay some of our ongoing projects. We will continue to monitor the latest developments and announcements from relevant authorities before assessing the required EOT to complete the ongoing projects.

7. BUSINESS OVERVIEW (Cont'd)

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

7.12.4 COVID-19 cases within our Group

Our Group has encountered 2 incidents of the COVID-19 outbreak. The following details the 2 incidents and action plans taken:

- (i) On 4 March 2021, we were informed that 1 of our subcontractors' worker who was working at the Impressions U-Thant Project's site received positive diagnosis for COVID-19. Upon receiving this information, the following steps were taken:
 - (a) The affected subcontractor's worker was instructed to immediately self-quarantine and prohibited to return to the project site until further notice. At the same time, we suspended operations at the project site immediately, and requested the subcontractor and its workers to carry out COVID-19 Antigen Rapid Test on the same day. Results showed that 8 additional workers from the subcontractor also tested positive. One additional case involving another subcontractor for the same project was also reported on the same day. All the 10 positive workers ("**Group A**") were subsequently isolated.
 - (b) On 5 March 2021, we carried out COVID-19 Antigen Rapid Test for all remaining workers at the Impressions U-Thant Project site (involving a total of 146 individuals).
 - (aa) 26 workers ("**Group B**") were tested positive and were further instructed to go through COVID-19 PCR test which result also indicate they are positive for COVID-19. Upon receipt of their results, they were isolated immediately.
 - (bb) On the same day, we conducted contact tracing and identified 11 workers, who earlier tested negative for COVID-19 during the screening conducted. These 11 workers were also separated for isolation.
 - (c) On 6 March 2021, we engaged a service provider to sanitise and carry out disinfection services at the Impressions U-Thant Project's site office, meeting room, client's office, security post, canteen, prayer room and workers' quarters.
 - (d) Between 8 March 2021 and 9 March 2021, the MoH picked up all 36 positive workers (Group A and Group B) to the COVID-19 Quarantine Centre at Malaysia Agro Exposition Park Serdang ("**MAEPS Quarantine Centre**").

Our Safety, Health and Environmental Team informed the Titiwangsa District Health Office of the matter on 8 March 2021, detailing the actions taken to contain the spread. On the same day, officers from the Titiwangsa District Health Office visited our project site. No stop-work order was issued due to the immediate action plan taken and we were allowed to resume operations at the project site beginning 9 March 2021.

- (e) On 11 March 2021, the 11 close contacts were subjected to COVID-19 PCR test. From the tests, 9 workers ("**Group C**") were tested positive for COVID-19 and was subsequently picked up by the MoH and placed at the MAEPS Quarantine Centre.

7. BUSINESS OVERVIEW (Cont'd)

- (f) Between 14 March 2021 and 16 March 2021, all the workers from Group A and Group B were released from the MAEPS Quarantine Centre.
- (g) On 20 March 2021, all the workers from Group C were released from MAEPS Quarantine Centre.
- (ii) On 28 April 2021, we were informed that 1 of our employees, who is based at our head office was tested positive for COVID-19. Upon receiving this information, the following steps were taken:
 - (a) The 1 affected employee was instructed to immediately self-quarantine and was prohibited to return to our head office until further notice.
 - (b) On the same day, we disinfected our head office and carried out COVID-19 Antigen Rapid Test for all employees at our office (a total of 34 employees), all of whom tested negative for COVID-19. Nevertheless, to monitor the situation and in complying with MoH's guidelines, our management implemented a home quarantine order for 5 days from 28 April 2021 to 2 May 2021. We then conducted contact tracing and identified 8 direct close contacts of the 1 affected employees. All 8 of the direct close contact employees were instructed to self-quarantine for 14 days and are only allowed to return to our head office from 11 May 2021 subject to COVID-19 test results.
 - (c) On 29 April 2021, we engaged a service provider to sanitise and carry out disinfection services at our head office.
 - (d) A second COVID-19 PCR test were carried out on all employees at our head office on 2 May 2021, all of which tested negative for COVID-19 and was allowed to resume work beginning 4 May 2021, except the 1 positive employee and 8 direct close contact employees.
 - (e) On 10 May 2021, COVID-19 Antigen Rapid Test were again conducted on our employees at our head office, all of which tested negative for COVID-19. On the same day, the 8 direct close contact employees were also screened for COVID-19 separately, all of which tested negative for COVID-19, and were allowed to return to our head office beginning 11 May 2021.
 - (f) The 1 affected employee subsequently returned to our head office on 24 May 2021 after completing all the necessary protocols and receipt of discharged letter on 8 May 2021.

All COVID-19 tests administered on our employees was covered by our Group, while those administered on our subcontractors' and their workers were covered by the respective subcontractors.

As a result of the COVID-19 incidences, we suspended our operations at the Impressions U-Thant Project site from 5 March 2021 to 8 March 2021. After receiving approval from the Titiwangsa District Health Office during their visit to the Impressions U-Thant Project site on 8 March 2021, we resumed our construction activities for the Impressions U-Thant Project site on 9 March 2021. The closure of the project site from 5 March 2021 to 8 March 2021 and our head office from 28 April 2021 to 3 May 2021 did not result in any material disruption to our business operations.

7. BUSINESS OVERVIEW (Cont'd)

7.12.5 Impact of COVID-19 on our liquidity, financial position and financial performance

We experienced disruptions to our business operations as a result of the imposition of various phases of MCOs since March 2020. During MCO 1.0, the temporary stoppage of work at all our project sites have resulted in delays in our project timeline. However, we did not experience material impact on our financial performance from the delays in our project timeline as demonstrated by our increase in revenue from RM242.89 million in FYE 2019 to RM273.39 million in 2020.

As at the LPD, we have cash and cash equivalent of approximately RM10.75 million, and total banking facilities of RM118.52 million (of which RM37.56 million has been utilised). Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements and will sustain our business after taking into consideration our cash and bank balances that are available to our Group.

Based on the above, we do not expect any material adverse effects to our liquidity, financial position and financial performance from the impact of COVID-19.

7.13 TECHNOLOGY USED OR TO BE USED

The technologies that are relevant to our Group include the following:

Software	Description
AutoCAD	A computer-aided design and drafting software application to create two-dimensional drawings.
Microsoft Project	A project management software which is used to develop project plans, assigning of resources, progress tracking, project budgeting and analysing workloads.
SISBOX	An in-house developed human resource management system which facilitates human resource related functions including leave tracking, training evaluation reporting, and other related human resource matter.
Anydesk	A remote desktop application to allow IT Department to perform remote support for troubleshooting purposes.
Sage Timberline Enterprise	An accounting software with comprehensive suite of accounting, service management, estimating, inventory and reporting applications.

7.14 QUALITY CONTROL AND QUALITY ASSURANCE PROCEDURES

Our Group is committed to delivering quality work that meets the expectations and requirements of our clients while ensuring the safety and health of parties involved and minimise the environmental impact that arises from construction activities. We have implemented projects that comply with the QLASSIC assessment on quality and workmanship. We have also developed quality management system that conforms to the CONQUAS 21 assessment.

7. BUSINESS OVERVIEW (Cont'd)

We have integrated our quality management system, environmental management system and occupational health and safety management system into a single framework which facilitates our processes with unified objectives. Our integrated management system has been assessed and accredited with ISO9001:2015 in 2017, ISO14001:2015 in 2019 and ISO45001:2018 in 2017, by SIRIM QAS International Sdn Bhd under the scope "provision of construction services for building and civil engineering works".

7.14.1 QCLASSIC assessment

QCLASSIC is a system or method developed by CIDB and introduced in 2006, to measure and evaluate the workmanship quality of a building construction work based on Construction Industry Standard. It was established to achieve the following objectives:

- (i) To benchmark the quality of workmanship in construction industry;
- (ii) To establish a standard quality assessment on the quality of workmanship of construction work;
- (iii) To assess the quality of a workmanship of a construction project based on relevant approved standards;
- (iv) To be used as a criterion to evaluate the performance of contractors based on quality of workmanship; and
- (v) To compile data for statistical analyses.

QCLASSIC assessment is performed through a sampling approach which evaluates four main components namely, structural, architectural, mechanical and electrical and external works, with different weightages assigned to each component depending on the type of building being assessed. The scores of each component are then summed up to derive the overall QCLASSIC score for a construction project.

Project	Description
Seri Riana Residence (Phase 2B) Project	The project received a number of awards and score from CIDB as detailed below: <ul style="list-style-type: none"> • Siab (M) received the "High QCLASSIC Achievement Award 2018" from CIDB • Received the "Special Appreciation (Mock Up)" award in 2017 from CIDB • Assessed and received QCLASSIC score of 82% in 2017
Kanvas SOHO Project	<ul style="list-style-type: none"> • Assessed and received QCLASSIC score of 70% in 2017

7.14.2 CONQUAS 21 assessment

CONQUAS 21 is a quality assessment system developed by Building and Construction Authority Singapore and is used to assess three components in a building, namely structural works, architectural works and mechanical and electrical works. The assessment is conducted through site inspections and building is assessed based on workmanship standards. The assessments for structural and mechanical and electrical components are performed throughout the construction process while the architectural component is assessed once the building is completed. The assessment extends to include tests on materials as well as functional performance of selected services and installations. The sum of the 3 components will give the CONQUAS score for the project.

7. BUSINESS OVERVIEW (Cont'd)

Project	Description
Seri Riana Residence (Phase 2B) Project	• Its architectural component was assessed and received a 76.6% score

7.14.3 SHASSIC assessment

SHASSIC is an assessment system developed by CIDB and is performed to benchmark the level of safety and health performance of the construction industry in Malaysia. It covers 3 main components, namely document check, workplace inspection and employees (areas covered include occupational health and safety policy, occupational health and safety organisation, occupational health and safety training and promotion, hazard identification, machinery and equipment management, materials management, emergency preparedness, accident investigation, reporting and records management, and performance monitoring).

We have participated in 1 SHASSIC assessment, namely for our Bennington Residences @ Sky Arena Project which received a SHASSIC score of 78% in 2017.

7.15 RESEARCH AND DEVELOPMENT

We do not engage in any research and development activity.

7.16 COMPETITIVE STRENGTHS

7.16.1 Established track record in building construction segment

Our Group's track record under our Promoters can be traced back to 2013 when they acquired majority equity interest in Siab (M) from Tuju Setia Holdings Sdn Bhd. Following the acquisition, we completed several ongoing projects which included the Menara LGB Project and Hospital Bentong Project. Since then, we have secured and completed various building construction projects of varying sizes, scopes and contract values both in the non-residential and residential building segments. Our subsidiaries, namely Siab (M) and Siab Construction are both registered G7 contractors with CIDB, which allows us to undertake projects of any size and unlimited contract value within Malaysia.

Over the years, we have gained experience and knowledge by undertaking building construction projects for non-residential and residential projects. Experiences gained from construction activities have also enabled us to expand our offering to include design and build service where we are responsible for all facets of the construction project, from building plan designs to the appointment of consultants to project management and commissioning and handover. An example of our design and build project is our F&N Intelligent Industrial Building Project, which includes the design and build of a 45m high warehouse with automated storage and retrieval system and cooler warehouse.

Our track record in participating in various types of building construction projects has enabled us to secure diverse building construction projects and provide us with opportunities to grow and sustain our business moving forward.

7.16.2 Qualified and experienced management and technical team

Our Group is led by our Managing Director, Ng Wai Hoe, who has 24 years of experience covering project and operations management in the construction and related industry. Our Board is also represented by our Executive Directors, Lim Mei Hwee and Tan Sok Moi, both with more than 20 years of experience in the construction and related industries. Lim Mei Hwee is responsible for overseeing daily operations of our Group's construction projects,

7. BUSINESS OVERVIEW (Cont'd)

including budget and cost control, tendering and contract activities, design and implementation of business strategies, plans and procedures for all our construction projects while Tan Sok Moi oversees overall financial management and planning, as well as overall implementation of human resource, finance, purchasing and administration matters of our Group.

They are supported by our key management who are experienced in their respective fields, such as our Chief Financial Officer, Koo Seong Hoe, who has 20 years of experience in various financial roles for property and construction companies in the past. Our construction related activities are supported by our General Manager, Cheah Kok Liang who is responsible for managing our Group's construction projects and Fong Kok Yew, our Commercial Manager who is responsible for pre-tender and post-tender activities. In addition, we possess a large team of 93 employees, of which more than 70% of them holding construction related qualifications.

7.16.3 Commitment to quality construction works, safety and environmental

Our Group is committed to providing our clients with quality services and products while striving to continuously improve in all aspects of our business. We have implemented an integrated management system, which combines our quality management system, environmental management system and occupational health and safety management system into a single framework with unified objectives. It was assessed and accredited with internationally recognised standards namely ISO9001:2015, ISO14001:2015 and ISO45001:2018 by SIRIM QAS International Sdn Bhd under the scope "provision of construction services for building and civil engineering works". In order to maintain consistent quality of our products, we have also adopted the use of an aluminium formwork system in our construction works. It is a form of industrialised building system used for cast in situ construction and enables better control of output, in terms of accuracy, consistency, and finishing quality.

We have also participated in QCLASSIC, CONQUAS 21 and SHASSIC assessments for our projects namely, Bennington Residences @ Sky Arena Project, Kanvas SOHO Project and Seri Riana Residence (Phase 2B) Project, which serve as a testament to our commitment in providing quality construction works as well as the safety and health of our workers. In addition, we also received the High QCLASSIC Achievement Award 2018 by CIDB for our Seri Riana Residence (Phase 2B) Project. Further details of our past assessments are available in Sections 7.14.1, 7.14.2 and 7.14.3 of this Prospectus.

7.16.4 Experience capabilities in carrying out wide variety of building construction projects

Since the incorporation of Siab (M) in 1984, it has been involved in the provision of building construction services. Following the acquisition of Siab (M) by our Promoters in 2013, we have continued focusing on the building construction services and have since then build up a portfolio of diverse building construction projects, which includes:

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

Our track record, experience and expertise in carrying out wide variety of building construction projects allows us to bid for diverse building construction projects which serves as a platform for further growth and facilitate our business sustainability in the construction

7. BUSINESS OVERVIEW (Cont'd)

industry. We have also expanded our scope of work and participated in the design and build projects, such as our F&N Intelligent Industrial Building project.

7.17 BUSINESS STRATEGIES AND PROSPECTS

7.17.1 Purchase of land and construction of storage facilities

As part of our Group's future plans, we intend to purchase a land with an approximate size of 2 acres in a suitable location in Klang Valley. We also intend to construct a storage facility on the land to store our construction materials as well as new and existing construction machinery and equipment that are not use in the construction. We currently store our construction materials, machinery and equipment which are not in use at our rented storage facility located in Puchong, Selangor. We also store certain less bulky construction materials and equipment in our own storage shoplot in Kajang, Selangor.

We believe that the storage facility will provide a location to undertake maintenance works for our existing and new construction machinery and equipment that are not in use. In addition, the purchase of the new land and construction of storage facility will provide additional capacity for our storage, in line with our future plans of investing and purchasing additional construction related machinery and equipment.

The cost of the land to be acquired is estimated to be approximately RM8.71 million while the construction of the storage facility on the land is expected to cost approximately RM3.49 million. We intend to allocate RM[•] million or [•]% from the proceeds of our Listing for this purpose while the balance of RM[•] will be funded via bank borrowings. We expect to complete the acquisition of the land and construction of storage facility within 24 months from the Listing.

7.17.2 Investment to support our expansion plans

- **Expansion into high-rise construction portfolio with higher value and other types of buildings**

We intend to further expand our building construction activities by participating in tenders for higher value high-rise construction projects, including commercial and residential buildings. We believe that our experience and previous track record in these projects serves as a reference to secure future projects. According to the IMR Report, the Government has continued to provide initiatives and measures related to increasing home ownership among its citizens. Some of these initiatives and measures include full stamp duty exemption on instruments of transfer and loan agreement for the first-time home buyers is extended until 31 December 2025. There is also an allocation of RM1.20 billion for the construction of affordable houses under various programmes and introduction of rent-to-own schemes.

As at the LPD, we have 8 ongoing high-rise building projects, and we have tendered for 4 high-rise building projects with total tender sum of approximately RM431.89 million.

Additionally, we intend to further expand our capabilities in the non-residential segment by participating in tenders for industrial buildings like warehouses and factory and purpose-built buildings such as columbarium or community club house and hospitals. According to the IMR Report, the industrial segment is expected to benefit from the recovery of manufacturing activities in Malaysia, with increased activities where both foreign and local firms announcing plans of expanding

7. BUSINESS OVERVIEW (Cont'd)

capacities in Malaysia. As at the LPD, we have 2 ongoing projects to construct a purpose-built building.

Our construction activities are currently supported by our key construction machinery and equipment as well as those which we will rent on a project-to-project basis as and when required. To enhance our capacity and capability to tender for more building construction projects (such as high-rise construction and other building segments) and to cater for future projects, we intend to invest and purchase new construction machinery and equipment.

The new construction machinery and equipment to be purchased include construction related plants (such as concrete placing boom, tower crane and truck-mounted concrete pump), machineries (such as forklift and truck crane) and equipment (such as scaffolding, formwork, safety self-climbing platform and material loading platform). Investments in these construction machinery and equipment will enable our Group to increase our capacity to take on more projects concurrently. It also affords us with the flexibility of using them as and when required without having to incur delays or additional costs to rent from external parties.

We intend to allocate approximately RM[●] million, or [●]% from the proceeds of our Listing for this purpose within 24 months from our Listing. Further details of our utilisation of proceeds are available in Section 4.9 of this Prospectus.

- **Expansion into civil and engineering segments**

In addition, we also intend to expand our presence into the civil engineering segment, focusing on the construction of roads, bridges and highways. We believe the various initiatives announced by the Government augurs well with the outlook in the civil engineering segment. According to the IMR Report, RM15.00 billion has been allocated for transport related projects and several large new projects worth approximately RM3.80 billion will also be implemented under the Budget 2021 such as the construction of the Second Phase of the Klang Third Bridge in Selangor, continuation of the Central Spine Project with the new alignment from Kelantan to Pahang, upgrading of the bridge across Sungai Marang in Terengganu, upgrading the Federal Road connecting Gerik to Kulim and construction of the Cameron Highlands Bypass road in Pahang.

We intend to fund this expansion plan via internally generated funds and the expansion plan will be implemented within 36 months from our Listing.

7.17.3 Expansion of our technical team

We have previously undertaken design and build projects, where we were appointed as a turnkey contractor and were responsible for all facets of the construction project, from building plan designs to the appointment of consultants to project management and commissioning and handover. While we were able to provide design and build services in the past, it was made possible by engaging and working with external consultants to develop the required design-related works.

As part of this plan, we intend to increase our manpower by hiring experienced individuals to strengthen our technical capabilities. It will involve recruiting a team of engineers and other similar positions and skill sets related to building construction and design works. The manpower expansion will be funded via internally generated funds and is expected to be completed within 24 months from our Listing.

7. BUSINESS OVERVIEW (Cont'd)

In addition, we also intend to invest in BIM software to facilitate our future design and technical work. It is a modelling software that can be used to simulate various scenarios and integrate data from various stages of construction, ranging from planning to scheduling, costing, procurement and operational data. The application of BIM system software is expected to contribute to more efficient project management, where the collaboration between various stakeholders in the construction industry value chain facilitates the design and construction process. We intend to allocate RM[•] million or [•]% of our proceeds from our Public Issue for this purpose and will be implemented within 24 months from our Listing.

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