



SIAB HOLDINGS BERHAD

Registration No.: 202001043548 (1399869-A)

Interim Financial Report
For The Fourth Quarter Ended
31 December 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022⁽¹⁾

	Notes	3-MONTH ENDED		YEAR-TO-DATE	
		Unaudited	Unaudited	Unaudited	Audited
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	38,566	49,263	147,362	165,983
Cost of sales		(46,049)	(43,484)	(154,716)	(150,612)
Gross (loss)/profit		(7,483)	5,779	(7,354)	15,371
Other income		126	760	552	1,129
Administrative expenses		(2,610)	(2,445)	(9,251)	(7,089)
Fair value loss on investment in quoted shares		(240)	-	(3,600)	-
Other expenses		(117)	(169)	(435)	(411)
(Loss)/Profit from operations		(10,324)	3,925	(20,088)	9,000
Finance income		192	51	495	190
Finance costs		(673)	(375)	(1,971)	(1,125)
(Loss)/Profit before tax ("LBT/PBT")	B12	(10,805)	3,601	(21,564)	8,065
Taxation	B7	1,749	(1,228)	2,476	(2,689)
(Loss)/Profit after tax and other comprehensive income ("LAT/PAT")		(9,056)	2,373	(19,088)	5,376
(Loss)/Profit and other comprehensive income for the financial period attributable to:					
• Owners of the Company		(9,056)	2,373	(19,088)	5,376
• Non-controlling interests		-	-	-	-
		(9,056)	2,373	(19,088)	5,376
(Loss)/Earnings per share attributable to owners of the Company					
• Basic (sen)	B11	⁽²⁾ (1.85)	⁽³⁾ 0.65	⁽²⁾ (3.90)	⁽³⁾ 1.46
• Diluted (sen)	B11	⁽²⁾ (1.85)	⁽³⁾ 0.48	⁽²⁾ (3.90)	⁽³⁾ 1.10

Notes:

- The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 5 January 2022 included in the prospectus of Siab Holdings Berhad ("Siab" or the "Company") dated 28 January 2022 ("Prospectus"), audited financial statements for financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- Basic and diluted loss per share is calculated based on the share capital of 489,634,083 shares in issue as at 31 December 2022. There are no dilutive instruments as at the end of the current quarter.
- Basic and diluted loss per share is calculated based on the share capital of 367,225,083 shares in issue as at 31 December 2021 and enlarged number of shares in issue of 489,634,083 shares, pursuant to the initial public offering ("IPO") completion, respectively.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022⁽¹⁾

	Unaudited As at 31.12.2022 RM'000	Audited As at 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,157	5,918
Right-of-use assets	32	139
Investment properties	5,350	5,460
Other investments	757	863
Deferred tax assets	3,180	-
Total non-current assets	21,476	12,380
Current Assets		
Trade and other receivables	74,488	72,580
Contract assets	43,633	46,578
Current tax assets	750	344
Investment in quoted shares	2,396	-
Cash and cash equivalents	31,441	10,702
Total current assets	152,708	130,204
TOTAL ASSETS	174,184	142,584
EQUITY AND LIABILITIES		
Equity		
Share capital	72,336	36,723
Merger reserve	(35,723)	(35,723)
Retained earnings	18,007	37,095
Total equity attributable to owners of the Group	54,620	38,095
Liabilities		
Non-current liabilities		
Loans and borrowings	20,292	12,244
Deferred tax liabilities	-	484
Total non-current liabilities	20,292	12,728
Current liabilities		
Trade and other payables	72,123	81,747
Contract liabilities	3,242	-
Loans and borrowings	23,907	9,877
Lease liabilities	-	137
Total current liabilities	99,272	91,761
TOTAL LIABILITIES	119,564	104,489
TOTAL EQUITY AND LIABILITIES	174,184	142,584
Number of shares in issue (*000)⁽²⁾	489,634	489,643
NET ASSETS PER SHARE (RM)	0.11	0.08

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 5 January 2022 included in the Prospectus, audited financial statements for financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share as at 31 December 2022 is calculated based on the share capital of 489,634,083 shares in issue as at 31 December 2022. There are no dilutive instruments as at the end of the current quarter. Net assets per share as at 31 December 2021 is calculated based on the enlarged number of shares in issue of 489,634,083 shares, pursuant to the IPO completion.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022⁽¹⁾

	<u>Share Capital</u>	<u>Merger Reserve</u>	<u>Distributable Retained Earnings</u>	<u>Total attributable to owners</u>	<u>Total Equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	36,723	(35,723)	37,095	38,095	38,095
Total comprehensive income for the financial period (Unaudited)	-	-	(19,088)	(19,088)	(19,088)
Transaction with owners:					
Issuance of shares pursuant to public issue	36,722	-	-	36,722	36,722
Share issuance expenses	(1,109)	-	-	(1,109)	(1,109)
As at 31 December 2022	72,336	(35,723)	18,007	54,620	54,620

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountants' Report dated 5 January 2022 included in the Prospectus, audited financial statements for financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022⁽¹⁾

	YEAR-TO-DATE	
	Unaudited 31.12.2022 RM'000	Audited 31.12.2021 RM'000
Cash Flows from operating activities		
(Loss)/Profit before tax	(21,564)	8,065
Adjustments for:		
Depreciation of property, plant and equipment	1,543	1,186
Depreciation of right-of-use assets	107	405
Depreciation of investment properties	109	109
Finance income	(495)	(190)
Finance costs	1,971	1,125
Fair value loss on investment in quoted shares	3,600	-
Gain on disposal of property, plant and equipment	-	(506)
Loss on disposal of investment in quoted shares	1	-
Net loss on impairment of financial assets	-	20
Change in fair value of other investments	106	(23)
Operating (loss)/profit before working capital changes	(14,622)	10,191
Change in working capital		
Change in trade and other receivables and prepayments	(7,908)	7,341
Change in trade and other payables	(9,622)	(28,900)
Change in contract assets	2,945	12,936
Change in contract liabilities	3,242	(6,625)
Cash used in operations	(25,965)	(5,057)
Income tax paid	(1,595)	(4,236)
Interest paid	(1,971)	(1,125)
Net cash used in operating activities	(29,531)	(10,418)
Cash Flows from investing activities		
Acquisition of property, plant and equipment	(7,782)	(286)
Net changes in other investment	-	(4)
Interest income received	495	190
Proceeds from disposal of investment in quoted shares	3	-
Proceeds from disposal of property, plant and equipment	-	506
Net cash (used in)/from investing activities	(7,284)	406
Cash Flows from financing activities		
Change in deposits pledged	(3,532)	252
Dividends paid	-	(2,000)
Net drawdown of loans and borrowings	19,914	5,157
Payment of lease liabilities	(137)	(379)
Net proceed from issuance of shares	35,613	-
Net cash from financing activities	51,858	3,030
Net increase/(decrease) in cash and cash equivalents	15,043	(6,982)
Cash and cash equivalents at the beginning of the financial period	(4,759)	2,223
Cash and cash equivalents at the end of the financial period	10,284	(4,759)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022⁽¹⁾ (CONT'D)

	YEAR-TO-DATE	
	Unaudited 31.12.2022 RM'000	Audited 31.12.2021 RM'000
Cash and cash equivalents at the end of the financial period comprises:		
Fixed deposits with licensed banks	21,226	8,074
Cash and bank balances	10,215	2,628
	<u>31,441</u>	<u>10,702</u>
Less: Pledged deposits	(11,606)	(8,074)
	19,835	2,628
Bank overdrafts	(9,551)	(7,387)
Cash and cash equivalents in the consolidated statement of cash flows	<u>10,284</u>	<u>(4,759)</u>

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report dated 5 January 2022 included in the Prospectus, audited financial statements for financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of Siab and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) No. 134: Interim Financial Reporting and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the audited financial statements for financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 31 December 2021.

A3. Auditors’ report on preceding annual financial statements

The audited financial statements of the Group for the financial year ended 31 December 2021 were not subject to any qualification.

A4. Seasonal or cyclical factors

The business operations of the Group were not materially affected by seasonal and cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date.

A6. Material changes in estimates

There were no material changes in the estimates that have a material effect to the Group in the current financial quarter under review.

A7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the current financial quarter under review.

A8. Dividends

There was no dividend declared or paid for the current quarter and financial year-to-date.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A9. Segmental information

No geographical segment information is presented as the Group's revenue and profit or loss are confined within Malaysia. The Group's product and services segment information for the current financial period ended 31 December 2022 is as follows:

Analysis of revenue by business segments

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Construction and civil engineering	37,982	48,579	147,197	164,967
ICT solutions and services	584	684	165	1,016
Total	38,566	49,263	147,362	165,983

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A11. Material events subsequent to the end of the current financial quarter

Save as disclosed in Note B5 and B6, there were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A12. Changes in the composition of the Group

Save as disclosed in A7, there were no material changes in the composition of the Group for the current financial quarter under review.

A13. Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities as at the date of this interim report.

A14. Capital commitments

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
Authorised and contracted for	4,331	-	4,331	-

Save as disclosed above, there are no other material capital commitments incurred or known to be incurred as at the date of this interim report.

A15. Related party transactions

There were no material related party transactions during the current financial quarter under review.

A. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Performance

Results for current financial quarter

The Group recorded a revenue of RM38.57 million for the current financial quarter ended 31 December 2022. The Group's revenue was mainly derived from the construction and civil engineering segment for the current financial quarter ended 31 December 2022, with the Malaysian market as the sole market to the Group's revenue.

The Group registered a LBT and LAT of RM10.81 million and RM9.06 million, respectively, in the current financial quarter under review. As compared to the preceding year's corresponding quarter, the Group had reported PBT of RM3.60 million and PAT of RM2.37 million.

Results for financial year-to-date

For the current financial year to-date, the Group registered a LBT and LAT of RM21.56 million and RM19.09 million, respectively as compared to preceding year where the Group had reported PBT of RM8.07 million and PAT of RM5.38 million respectively.

The loss for the current quarter and current financial year to-date is mainly attributable to lower revenue achieved, lower profitability from on-going projects due to elevated cost of construction materials, higher defect rectification cost incurred, fair value loss on investment in quoted shares and the one-off listing expenses incurred in the first quarter of the financial year.

B2. Comparison with immediate preceding quarter's results

For the current financial quarter, the Group recorded revenue of RM38.57 million as compared to revenue of RM46.43 million in the preceding quarter. In the same current quarter, the Group recorded a LBT and LAT of RM10.81 million and RM9.06 million respectively as compared to LBT and LAT of RM10.14 million and RM8.48 million in the preceding quarter.

The decrease in revenue by RM7.86 million and the further loss of RM9.06 million in the current quarter is mainly due to adjustments on revenue upon the finalisation of accounts for two completed projects and cost incurred for defect rectification of completed projects.

B3. Prospects and outlook

As per the BNM Quarterly Bulletin, all economic sectors registered growth in the fourth quarter of year 2022. The construction sector recorded a growth of 10.1% in fourth quarter as compared to growth by 15.5% in the preceding third quarter of 2022. In the construction sector, the civil engineering and non-residential subsectors were lifted by the continued progress of large infrastructure, commercial and industrial projects.

In the current financial year to-date, the Group has successfully secured a warehouse construction contract with a total contract sum of RM89.57 million and as at 31 December 2022, our order book stands at RM480.73 million. The Group will continue to actively participate in tenders for real estate, infrastructure projects as well as institutional buildings. Management will continue to enhance current cost control strategies and manage operational efficiency.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B5. Status of corporate proposals

Save as disclosed in A11, there were no corporate proposals announced but not completed as at the date of this interim report.

B6. Status update on memorandum of understanding (“MOU”)

On 7 March 2022, the Company’s wholly owned subsidiary, Siab Development Sdn Bhd (“**Siab Development**”), had entered into a MOU with Koperasi Peserta-Peserta Felcra Malaysia Berhad (“**KPFB**”), whereby KPFB shall grant the rights to the Siab Development to undertake the development on the freehold Malay Reserved lands owned by KPFB with an estimated gross development value of RM400.00 million (“**Proposed Joint Development**”).

On 18 May 2022, Siab Development had entered into a Supplemental MOU with KPFB to set out additional scope for discussions and negotiations in relation to the Proposed Joint Development.

As there was no conclusion on the negotiation and no definitive agreement has been entered within 180 days from the date of the Supplemental MOU, the MOU has lapsed and expired on 14 November 2022. The MOU expiry does have any financial impact to the Company and its subsidiaries.

B7. Income tax expenses

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Current tax expense	620	1,216	1,356	2,664
Deferred tax income	(2,369)	12	(3,832)	25
Total tax expense⁽²⁾	(1,749)	1,228	(2,476)	2,689
Effective tax rate (%) ⁽¹⁾	N/A	34.10	N/A	33.34
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

- (1) The Group’s effective tax rate for the current quarter is not applicable due to loss before taxation.
- (2) Income tax expense is recognised based on management’s best estimate.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B8. Utilisation of proceeds from the IPO

The gross proceeds arising from the IPO amounted to RM36.72 million is utilised in the following manner:-

Details of utilisation	Proposed utilisation	Deviation⁽¹⁾	Actual utilisation	Balance unutilised	Estimated timeframe for utilisation upon listing
	RM'000	RM'000	RM'000	RM'000	
Purchase of land and construction of storage facility	6,098	-	(606)	5,492	Within 24 months
Purchase of machinery and equipment	13,125	-	(6,570)	6,555	Within 24 months
Purchase of BIM system software	3,066	-	-	3,066	Within 24 months
Upgrade software and systems	810	-	(649)	161	Within 18 months
Office expansion ⁽²⁾	300	(37)	(263)	-	Within 24 months
Working capital	9,300	473	(9,773)	-	Within 12 months
Estimated listing expenses	4,023	(436)	(3,587)	-	Within 3 months
	36,722	-	(21,448)	15,274	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 January 2022.

Notes:

- (1) The actual listing expenses are lower than the estimated amount hence the excess of RM0.44 million was re-allocated for working capital purposes.
- (2) Following the completion of office expansion in December 2022, the actual office expansion expenses are lower than estimated amount hence the excess of RM0.037 million was re-allocated for working capital purposes.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B9. Bank borrowings

The Group's bank borrowings were as follows:

	Unaudited As at 31.12.2022 RM'000	Audited As at 31.12.2021 RM'000
Current:		
Hire purchase liabilities	1,310	748
Term loans	3,282	1,742
Bank overdrafts	9,551	7,387
Revolving credit	5,000	-
Recourse factoring	4,764	-
	<u>23,907</u>	<u>9,877</u>
Non-current:		
Hire purchase liabilities	2,374	11,762
Term loans	17,918	482
	<u>20,292</u>	<u>12,244</u>
Total bank borrowings	44,199	22,121

All the Group's borrowings are secured and denominated in Ringgit Malaysia.

B10. Dividend

There was no dividend declared or paid for the current quarter and financial year-to-date.

B11. (Loss)/Earnings per share

The basic and diluted loss per share for the current financial quarter and financial year-to-date are computed as follows:

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
(Loss)/Profit attributable to ordinary owners of the Company (RM'000)	<u>(9,056)</u>	<u>2,373</u>	<u>(19,088)</u>	<u>5,376</u>
Number of ordinary shares ('000)	<u>489,634</u>	<u>367,225</u>	<u>489,634</u>	<u>367,225</u>
Diluted number of ordinary shares ('000)	<u>489,634</u>	<u>489,634</u>	<u>489,634</u>	<u>489,634</u>
Basic (loss)/earnings per share (sen) ⁽¹⁾	<u>(1.85)</u>	<u>0.65</u>	<u>(3.90)</u>	<u>1.46</u>
Diluted (loss)/earnings per share (sen) ⁽²⁾	<u>(1.85)</u>	<u>0.48</u>	<u>(3.90)</u>	<u>1.10</u>

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B11. (Loss)/Earnings per share (Continued)

Notes:

- (1) Basic earnings per share for the preceding corresponding quarter and preceding year-to-date is calculated based on the share capital of 367,225,083 shares in issue as at 31 December 2021. Basic loss per share for the current quarter and current financial year-to-date is calculated based on the share capital of 489,634,083 shares in issue as at 31 December 2022.
- (2) Diluted (loss)/earnings per share for the preceding corresponding quarter and preceding year-to-date is calculated based on the enlarged share capital of 489,634,083 shares pursuant to the IPO completion. Diluted (loss)/earnings per share for the current quarter and current financial year-to-date is calculated based on the share capital of 489,634,083 in issue as at 31 December 2022. There are no dilutive instruments as at the end of the current quarter.

B12. Disclosure on selected expense/income items as required by the Listing Requirements

(Loss)/Profit before tax is arrived after charging/(crediting):

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	722	357	1,543	1,186
Depreciation of investment properties	27	27	109	109
Depreciation of right-of-use assets	(22)	171	107	405
Fair value loss on investment in quoted shares	240	-	3,600	-
Interest expense	673	375	1,971	1,125
Net loss on impairment of financial assets	-	20	-	20
Interest income	(192)	(51)	(495)	(190)
Rental income	(77)	(77)	(309)	(283)
Loss/(Gain) in fair value change of other investments	106	(23)	106	(23)
Loss on disposal of investment in quoted shares	1	-	1	-
Gain on disposal of property, plant and equipment	-	(506)	-	(506)

Save as disclosed above, the other disclosure items as required under paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

BY ORDER OF THE BOARD

SIAB HOLDINGS BERHAD

27 February 2023